

Handläggare *Handled by*

Agneta Kammeby

Datum *Date*

October 16, 2002

Referens *Reference*

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INTERIM REPORT

January – September 2002

- **Order bookings after nine months amounted to SEK 16 billion, of which SEK 3 billion in the third quarter. Order backlog amounted thereby to SEK 44 billion.**
- **Sales SEK 11,708 m. (10,605), an increase of 10%.**
- **Operating income SEK 678 m. (580 m., excluding capital gains) and income after financial items SEK 593 m. Earnings per share SEK 3.85.**
- **Latest version of the Gripen delivered to Sweden.**
- **Export orders for serial production of the Taurus standoff missile and the air defense missile system RBS 70.**

Statement by the CEO

“Order bookings were good also during the third quarter and the order backlog thus stands unchanged at about 44 billion SEK, corresponding to almost three years invoicing. Bookings include orders from Germany for serial production of the Taurus standoff missile developed jointly by Saab and the German LFK, and from Finland for the RBS 70 air defense system. We have also expanded our participation in the Swedish helicopter program through an order for sonar systems for the NH90. Last week, we received a Swedish order for further maintenance equipment for the Gripen.

During the third quarter, we passed an important milestone in the Gripen program with the handing over of the first aircraft of the new C-version to the Defence Materiel Administration. The Swedish C-version is identical to the Gripen aircraft intended for export and includes among others in-flight refueling, full color displays and new pylons. This combination of advanced technology and increased capabilities brings a step change in the operational effectiveness of the aircraft over a wide range of missions.

So far this year, we have seen good growth in the defense-oriented operations. As in previous years, the customary variation in income over the year means that the third quarter is weak as a result of the vacation period. The earlier assessment for the whole year, which indicated continued improvement in operating income and operating margin, excluding capital gains, remains unchanged.”

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Structural changes

As part of the streamlining process of the Group, Aerotech Telub Information & Media AB has been divested during the third quarter to Sörman Information and negotiations are in progress on divesting further operations of a minor nature.

Earlier this year, BAE SYSTEMS' signature management operation in the U.S. and the remaining 35 percent in Combitech Systems were acquired. With effect from January 1 this year, Nyge Aero has been transferred from Saab Technical Support and Services to Saab Aerospace.

Operations

Saab is one of the world's leading high-technology companies, with its main activities focusing on aerospace and defense. The operation covers 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 increased organically by 10 percent to SEK 11,708 m. (10,605). Seventyfive percent of sales were related to defense and 40 percent of total sales were export. Sales during the third quarter increased by 9 percent to SEK 3,424 m. (3,147).

Sales of all operations in Systems & Electronics have increased compared with the same period last year. The increase in Aerospace is mainly attributable to defense and the internal acquisition of Nyge Aero. Sales included 16 (11) Gripen aircraft, of which 4 (3) in the third quarter. The changes compared with the previous year for Technical Support & Services are mainly due to the transfer of Nyge Aero and lower volumes for the aircraft maintenance operation in Saab Aviocomp, while sales for AerotechTelub, however, have increased slightly. Total sales for Dynamics have increased compared to the previous year, which also applies to most of the constituent business units. The decrease in sales for Space is mainly attributable to the situation in the commercial telecom market, as well as to reduced public funding of space research. The decrease in Aviation Services is related to the customer support activities and is a result of the general situation for air travel.

**Income and profitability**

Operating income amounted to SEK 678 m. (1,230), of which SEK 204 m. (171) in the third quarter. The result for the previous year included a capital gain from the divestment of Saab Marine Electronics of SEK 650 m. Operating income before capital gains was thus SEK 678 m. (580), corresponding to a margin of 5.8 percent (5.5). The nine-month income has compared to the previous year been positively affected by SEK 184 m. related to capitalization of development costs and negatively affected by SEK 40 m. related to structural costs in the space operation. Income from the defense business has improved compared to the previous year, but the total income has been affected by the general market situation for the space business and Aviation Services.

Operating income per business area is reported before goodwill amortization, see table on page 7. Operating income for Systems and Electronics has improved mainly as a result of volume increases for Saab Training Systems and Saab Avionics. However, income is lower for Combitech Systems as a result of the general market situation for consultants and for Saab Tech Systems as a result of the project mix. Operating income for Aerospace has improved as a result of volume increases and capitalization of development costs. Operating margin excluding capitalization is on level with previous years. Operating income for Technical Support and Services is on a level with last year with an improved margin mainly due to higher utilization ratio and cost reductions. The improvement in income for Dynamics is mainly due to volume increases and a favorable product mix and certain project finalizations during the quarter. In addition to the provision made in the Space business in the first quarter of SEK 40 m. for structural changes, a provision of SEK 20 m. was made in the third quarter for project overrun. Lower volumes have affected operating income for Aviation Services, but the margin continues to be above 8 percent, the same level as for the whole year 2001. Operating income for Corporate/Other Operations has improved as a result of continued structuring, but temporary group eliminations have affected income negatively during the third quarter.

Administration and marketing expenses are somewhat lower than previous year. Of the period's research and development costs, a total of SEK 184 m. (0) has been capitalized in accordance with new accounting principles and SEK 309 m. (546) has been charged to income. If these rules had been applied in 2001, SEK 140 m. would have been capitalized in the balance sheet for the first nine months of that year. Other operating income during both the present and previous years consist mainly of trading income in Treasury and currency gains etc. The previous year also included a capital gain of SEK 650 m. Other operating expenses consist mainly of currency and capital losses. The present year also include the provision made for structural changes in Space of SEK 40 m. Project interest on non-utilized advance payments, which has decreased financial net and is reported as gross margin, amounted to SEK 133 m. (85).

Net financial income and expenses amounted to SEK -85 m. (-33). The average return on external investments was 4.37 percent (4.63). The decrease in financial net compared to the previous year is mainly attributable to increased interest level on the pension debt. The positive financial net in the third quarter is mainly due to revaluation of the bond portfolio due to decreasing market interests during the quarter and termination of currency forward contracts. Income after financial items amounted to SEK 593 m. (1,197).



Current and deferred taxes amounted to SEK -193 m. (-267). Minority interest in income is positive as a result of the negative income in Saab Ericsson Space and as a result of the acquisition of the outstanding minority in Combitech Systems.

Net income for the period was SEK 410 m. compared with SEK 882 m. for the same period previous year including the capital gain from the divestment of Saab Marine Electronics. This corresponds to an income per share of SEK 3.86 (8.28). Pre-tax return on capital employed was 10,0 percent (18.1). After-tax return on shareholders' equity was 10,0 percent (24.2).

Orders

Group order bookings amounted to SEK 15,714 m. (10,483), of which SEK 3,258 m. (2,939) in the third quarter. Of order bookings, 75 percent came from customers outside Sweden. Order bookings during the third quarter included serial production for Germany of the Taurus standoff missile, the air defense system, RBS 70, for Finland, sonar systems for the Swedish helicopter program, further development of command and control systems for air and army forces, separate orders and spare parts for Gripen, data handling systems and anti-armor weapons and ammunition for the Carl-Gustaf system. The order backlog at the end of the period amounted to SEK 43,786 m. compared to SEK 40,034 m. at the beginning of the year.

Liquidity, finance and investments**Finance and liquidity**

Liquid funds less liabilities to credit institutions compared to the beginning of the year have decreased by SEK 1,460 m. to 3,103 m. (4,563). The decrease is mainly related to utilization of advances within the Gripen program, payment of dividend and the amortization of the pension liability. The Group's net debt after deduction for allocations to pensions amounted to SEK 357 m., compared with a net liquidity of SEK 885 m. at the beginning of the year.

Group equity/assets ratio amounted to 23.0 percent (21.3), compared to SEK 22.3 percent at the beginning of the year. Shareholders' equity amounted to SEK 6,578 m. (6,495), corresponding to SEK 61.79 (61.01) per share, compared with SEK 62.74 at the beginning of the year.

Cash flow

Operating cash flow was negative during the first nine months by SEK -702 m. Working capital has increased mainly due to VAT payments, increase in inventory related to among others the A380 project and payments related to utilization of previously made provisions. Operating cash flow of SEK -702 m. is distributed between cash flow from the operations of SEK -634 m., acquisitions SEK -77 m. and from the regional aircraft leasing business SEK 9 m.

Capital expenditures

The period's capital expenditures in property, plant and equipment, excluding lease assets, amounted to SEK 425 m. (335).

**Personnel**

At the end of the period, the number of employees in the Group was 14,109, compared with 14,028 at the beginning of the year.

Ownership

Saab's principal owners are BAE SYSTEMS, Investor AB, the Wallenberg foundations, AMF, Robur funds, Eikos fund, GMO International Funds, The AP funds, Skandia, Pictet & Cie, Fidelity funds, SHB funds 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. In all other respects, the report has been drawn up in accordance with earlier applied accounting 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.

Linköping, October 16, 2002

Bengt Halse
President and Chief Executive Officer

This Interim Report has not been subject to review by the Company's auditors.

Dates for financial information:

The 2002 Report will be published on February 14, 2003.

For further information, please contact:

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Press conference with CEO Bengt Halse:

Today Wednesday October 16, 16.00, World Trade Center, Stockholm

Telephone interview with CEO Bengt Halse:

Today Wednesday October 16. Contact Marita Sidén

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International teleconference:

Today Wednesday October 16, 17.15 (CET).

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Contact Marita Sidén for registration and further information.



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



Income statement

SEK m.	Oct 2001					
	9 mos. 2002	9 mos. 2001	3 rd Q 2002	3 rd Q 2001	to 12 mos. Sep 2002	2001
Sales	11,708	10,605	3,424	3,147	16,792	15,689
Cost of goods sold	-8,974	-7,790	-2,578	-2,260	-12,881	-11,697
Gross margin	2,734	2,815	846	887	3,911	3,992
<i>Margin</i>	23.4%	26.5%	24.7%	28.2%	23.3%	25.4%
Marketing expenses	-990	-1,003	-314	-329	-1,372	-1,385
Administrative expenses	-776	-792	-241	-252	-1,046	-1,062
Research and development costs	-309	-546	-93	-177	-481	-718
Other operating income	110	788	19	39	149	827
Other operating expenses	-101	-39	-23	-6	-156	-94
Share in income of assoc. comp.	10	7	10	9	37	34
Operating income ¹⁾	678	1,230	204	171	1,042	1,594
<i>Margin</i>	5.8%	11.6%	6.0%	5.4%	6.2%	10.2%
Result from financial investments	-85	-33	15	-25	-92	-40
Income after financial items	593	1,197	219	146	950	1,554
Taxes	-193	-267	-71	-52	-305	-379
Minority interest	10	-48	-1	-7	10	-48
Net income	410	882	147	87	655	1,127
Earnings per share, SEK ³⁾	3.85	8.28	1.38	0.81	6.16	10.59
after full conversion, SEK ⁴⁾	3.75	8.07	1.34	0.79	6.00	10.32

¹⁾ Includes depreciation of
of which depr. on leasing assets -894 -879 -298 -287 -1,242 -1,227
of which goodwill amortization of -400 -384 -132 -133 -535 -519
-130 -116 -43 -36 -176 -162

³⁾ Number of shares: 106,459,675 as per Sep 30, 2002 ⁴⁾ after full conversion 109,247,175

Sales by business area

SEK m.	Oct 2001						
	9 mos. 2002	9 mos. 2001	Change	3 rd Q 2002	3 rd Q 2001	to 12 mos. Sep 2002	2001
Saab Systems & Electr	3,017	2,562	18%	879	795	4,419	3,964
Saab Aerospace	3,565	2,621	36%	977	821	5,041	4,097
Saab Techn Supp & Serv	2,016	2,187	-8%	550	591	2,973	3,144
Saab Bofors Dynamics	1,938	1,697	14%	581	476	2,734	2,493
Saab Ericsson Space	407	610	-33%	107	185	597	800
Saab Aviation Services	1,019	1,157	-12%	321	368	1,401	1,539
Corporate/Other	356	412	-14%	93	99	559	615
Internal sales	-610	-641		-84	-188	-932	-963
Saab Group	11,708	10,605	10%	3,424	3,147	16,792	15,689



Operating income by business area

SEK m.	9 mos. 2002	% of sales	9 mos. 2001	% of sales	Oct 2001 to Sep 2002	% of sales	12 mos. 2001	% of sales
Saab Systems & Electr	197	6.5%	172	6.7%	355	8.0%	330	8.3%
Saab Aerospace	424	11.9%	232	8.9%	543	10.8%	351	8.6%
Saab Techn Supp & Serv	166	8.2%	159	7.3%	248	8.3%	241	7.7%
Saab Bofors Dynamics	83	4.3%	47	2.8%	121	4.4%	85	3.4%
Saab Ericsson Space	-59	neg	44	7.2%	-73	neg	30	3.8%
Saab Aviation Services	84	8.2%	132	11.4%	92	6.6%	140	9.1%
Corporate/Other	-87	N/a	-90	N/a	-68	N/a	-71	N/a
	808	6.9%	696	6.6%	1,218	7.3%	1,106	7.0%
Goodwill amortization	-130		-116		-176		-162	
Capital gains	-		650		-		650	
Saab Group	678	5.8%	1,230	11.6%	1,042	6.2%	1,594	10.2%

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⁾ Number of shares:

106,459,675



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Quarterly information, cont.

	July - September				October - December	
SEK m.	2002		2001		2002	2001
Sales						
Saab Systems & Electr	879		795			1,402
Saab Aerospace	977		821			1,476
Saab Techn Supp & Serv	550		591			957
Saab Bofors Dynamics	581		476			796
Saab Ericsson Space	107		185			190
Saab Aviation Services	321		368			382
Corporate/Other	93		92			203
Internal sales	-84		-181			-322
	3,424		3,147			5,084
Operating income						
Saab Systems & Electr	44	5.0%	52	6.6%		158 11.3%
Saab Aerospace	113	11.6%	68	8.3%		119 8.1%
Saab Techn Supp & Serv	53	9.6%	50	8.5%		82 8.6%
Saab Bofors Dynamics	56	9.6%	15	3.2%		38 4.8%
Saab Ericsson Space	-19	neg	10	5.4%		-14 -7.4%
Saab Aviation Services	23	7.2%	25	6.8%		8 2.1%
Corporate/Other	-23	N/a	-13	n/a		19 n/a
	247	7.2%	207	6.6%		410 8.1%
Goodwill amortization	-43		-36			-46
Capital gains	-		-			-
	204	6.0%	171	5.4%		364 7.2%
Net financial income	15		-25			-7
Income after financial net	219		146			357
Net income	147		87			245
Earnings per share ¹⁾	1.38		0.81			2.31

¹⁾ Number of shares:

106,459,675

Goodwill amortization by business area

SEK m.	9 mos.	9 mos.	3 rd Q	3 rd Q	12 mos.
	2002	2001	2002	2001	2001
Saab Systems & Electronics	71	52	24	14	70
Saab Aerospace	7	-	2	-	-
Saab Technical Support & Services	27	29	9	9	46
Saab Bofors Dynamics	22	-	7	-	-
Saab Ericsson Space	1	1	1	1	1
Saab Aviation Services	-	3	-	1	3
Corporate/Other	2	31	-	11	42
Saab Group	130	116	43	36	162

Balance sheet

SEK m.	Sep 30, 2002	Dec. 31, 2001	Sep 30, 2001
Assets			
Goodwill and other intangible assets	2,141	1,978	1,495
Property, plant and equipment, etc.	4,271	4,369	4,457
Lease assets	5,807	6,103	5,888
Long-term interest bearing receivables	1,166	1,296	1,338
Shares, etc.	502	466	1,126
Deferred tax receivables	1,352	1,521	1,256
Inventories, etc.	4,083	3,729	4,277
Short-term interest bearing receivables	0	332	181
Other receivables	5,588	5,401	5,793
Cash and marketable securities	3,711	4,706	4,737
Total assets	28,621	29,901	30,548
Shareholders' equity and liabilities			
Shareholders' equity	6,578	6,679	6,495
Minority interest in subsidiaries	120	168	688
Provision for pensions	3,460	3,678	3,613
Other provisions	2,639	2,983	3,490
Liabilities to credit institutions	1,545	1,539	1,611
Convertible debenture loan	229	232	230
Lease obligations	3,130	3,121	3,543
Advance payments from customers, net	4,033	4,194	4,340
Other liabilities	6,887	7,307	6,538
Total shareholders' equity and liabilities	28,621	29,901	30,548

Shareholders' equity

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

SEK m.	Total
At the beginning of the year	6,679
Net income for the period	410
Dividend	-346
Translation differences etc.	-165
Total at the end of the period	6,578

Personnel by business area

Number	Sep 30, 2002	Dec 31, 2001	Change	Sep 30, 2001
Saab Systems & Electronics	3,003	2 744	259	2,734
Saab Aerospace	4,389	4 121	268	4,083
Saab Technical Supp & Serv	2,775	3 061	-286	3,081
Saab Bofors Dynamics	1,913	1 903	10	1,930
Saab Ericsson Space	638	678	-40	663
Saab Aviation Services	804	842	-38	1,054
Corporate/Other operations	587	679	-92	736
Saab Group	14,109	14 028	81	14,281

**Subdivided summary of balance sheet, September 30, 2002**

SEK m.	Saab	Saab Aircraft Leasing	Elimi- nations	Saab Group
Assets				
Goodwill and other intangible assets	2,141			2,141
Property, plant and equipment, etc.	4,268	3		4,271
Lease assets		5,807		5,807
Long-term interest bearing receivables	1,166			1,166
Shares, etc.	2,002		-1,500	502
Deferred tax receivables	1,463		-111	1,352
Inventories, etc.	4,083			4,083
Short-term interest bearing receivables				0
Other receivables	4,598	990		5,588
Cash and marketable securities	3,711			3,711
Total assets	23,432	6,800	-1,611	28,621
Shareholders' equity and liabilities				
Shareholders' equity	6,084	1,994	-1,500	6,578
Minority interest in subsidiaries	114	6		120
Provision for pensions	3,460			3,460
Other provisions	2,140	610	-111	2,639
Liabilities to credit institutions	1,533	12		1,545
Convertible debenture loan	229			229
Lease obligations		3,130		3,130
Advance payments from customers, net	4,033			4,033
Other liabilities	5,839	1,048		6,887
Total shareholders' equity and liabilities	23,432	6,800	-1,611	28,621

Order bookings and order backlog by business area

SEK m.	Order bookings			Order backlog		
	9 mos. 2002	9 mos. 2001	3rd Q 2002	3rd Q 2001	Sep 30, 2002	Dec 31, 2001
Saab Systems & Electr	3,917	2,784	1,182	604	9,664	8,591
Saab Aerospace	2,469	2,329	271	757	25,222	27,122
Saab Tech Supp & Serv	2,290	2,314	476	559	1,252	1,046
Saab Bofors Dynamics	6,188	1,872	997	517	8,336	4,088
Saab Ericsson Space	362	620	116	200	352	772
Saab Aviation Services	1,013	1,158	308	386	110	139
Corporate/Other	250	313	61	69	292	398
Internal	-775	-907	-153	-153	-1,442	-2,122
Saab Group	15,714	10,483	3,258	2,939	43,786	40,034



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Summary of cash flow statement

SEK m.	9 mos. 2002	9 mos. 2001	12 mos. 2001
Cash flow from operating activities			
Income after financial items excl, Share in income of associated companies	583	1,190	1,520
Depreciation and write-down charged to income	894	879	1,227
Taxes	-33	-118	-95
Cash flow from operating activities before changes in working capital	1,444	1,951	2,652
Working capital			
Inventories etc.	-354	-593	-45
Receivables	-179	285	671
Advance payments from customers, net	-161	721	575
Other liabilities	-420	-1,016	-247
Lease obligations	9	-373	-795
Provisions	-344	-331	-838
Change in working capital	-1,449	-1,307	-679
Cash flow from operating activities	-5	644	1,973
Investments in intangible fixed assets	-297	8	-568
Investments in shares etc.	-26	-174	506
Investments in tangible fixed assets	-262	-124	-156
Investments in lease assets	-104	230	-120
Change in long-term receivables	-8	1	7
Cash flow from investments	-697	-59	-331
Operating cash flow	-702	585	1,642

Key ratios

	9 mos. 2002	9 mos. 2001	12 mos. 2001
Operating margin before goodwill amortization and capital gains	6.9%	6.6%	7.0%
Operating margin before depreciation	10.0%	16.3%	14.7%
Operating margin after depreciation	5.8%	11.6%	10.2%
Earnings per share, SEK ¹⁾	3.85	8.28	10.59
after full conversion, SEK ¹⁾	3.75	8.07	10.32
Earnings per share before goodwill, SEK ¹⁾	5.07	9.37	12.11
Pre-tax return on capital employed	10.0%	18.1%	15.5%
After-tax return on shareholders' equity	10.0%	24.2%	18.3%
Equity/assets ratio	23.0%	21.3%	22.3%
Shareholders' equity per share, SEK ¹⁾	61.79	61.01	62.74

1) Number of shares: 106,459,675 and after full conversion: 109,247,175

Four-year overview

SEK m., unless otherwise stated	2001	2000	Proforma		
			1999	1999	1998
Order bookings	15,274	28,141	15,267	6,849	5,797
Order backlog at year-end	40,034	41,091	29,891	23,637	23,132
Sales	15,689	17,840	18,018	9,053	8,248
Foreign market sales, %	40	48	48	38	41
Operating income	1,594	1,533	1,125	1,104	875
Operating margin, %	10.2	8.6	6.2	12.2	10.6
Income after financial items	1,554	1,448	1,116	1,377	1,218
Net income for the year	1,127	1,038	735	939	912
Total assets	29,901	31,119	36,641	28,079	29,680
Operating cash flow	1,642	-1,908	N/a	-2,368	-1,105
Return on capital employed, %	15.5	14.6	N/a	21.3	21.4
Return on shareholders' equity, %	18.3	20.0	N/a	21.5	25.6
Equity/assets ratio, %	22.3	18.2	12.8	16.8	13.6
Earnings per share, SEK	10.59	9.75	6.90	8.82	8.55
Dividend per share, SEK	3.25	3.00	N/a	2.50	2.00
Shareholders' equity per share, SEK	62.74	53.26	44.15	44.23	37.90
Number of employees at year-end	14,028	15,453	16,665	8,031	7,891

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.