

**SAAB**

PRESS INFORMATION

Handläggare *Handled by*

Iréne Svensson

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INTERIM REPORT January – March 2004

- Sales amounted to SEK 3,813 m. (4,033).
- Net income for the period amounted to SEK 205 m. (119).
- Earnings per share amounted to SEK 1.92 (1.12).
- Order bookings in the first quarter totaled SEK 4,223 m. (6,316) and the order backlog thereby amounts to slightly SEK 46 billion.
- Operating income amounted to SEK 305 m. (226) and income after financial items was SEK 303 m. (178).

Statement by the CEO

"Order bookings continue to come primarily from the international market. Bookings were lower than the corresponding period last year, mainly due to unusually high orders in the comparative period and to variations between quarters. The order backlog remains at a high level, SEK 46 billion.

We have won a number of important orders, particularly from customers outside Sweden in areas such as missiles and training systems, thereby consolidating our role as a supplier of advanced systems and niche products to the global market. We have also received a strategically important order from the Swedish Armed Forces for a new generation of underwater systems.

First quarter sales amounted to SEK 3,813 m. and are expected to increase during the remainder of the year relative to 2003.

Our income usually varies over the course of the year, and the first quarter of 2004 has strengthened compared with the same period last year but is still not on target. This year

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we again expect the fourth quarter to be significant in terms of income. In accordance with an earlier forecast, I therefore feel that our objective of a 10 percent operating margin is within reach, though still with the reservation that the costs to reduce development resources to capacity utilization will affect our opportunities to reach the objective. We also expect continued organic growth of about 5 percent in 2004 and are continuing to analyze acquisitions to strengthen our presence in key markets and enter new ones.

In late 2004 the Swedish Parliament will make an important defence decision for the period 2005 – 2007. The decision-making process includes an active dialogue between the armed forces and the defence industry, together with contributions from political experts. Although we cannot yet say with certainty what the short- and long-term consequences will be for Saab, we feel it is necessary to further adapt our resources. During the quarter lay-offs were announced due to declining capacity utilization. In total, 150 employees are affected, three fourths of whom work in development. We will continue to improve operating efficiency in order to remain competitive and profitable.

There are many indications that the defence budget will be reduced, but with the right priorities there are good opportunities for Saab to continue its positive development.”

Major orders

Orders received during the first quarter from military customers amounted to 80 percent and from commercial customers to 20 percent. Order bookings continue to be dominated by customers outside Sweden, who accounted for 61 percent during the period.

A contract was signed with the Finnish Defence Forces on the maintenance and support of the combat training system previously ordered from Saab. Contracts were signed with the German partner on the IRIS-T IR air-to-air missile and with the German Navy on the integration of the anti-ship missile system. Both contracts consolidate Saab's strong international position in the missile area. A strategically important order has been received from the Swedish Defence Materiel Administration, FMV, to develop the next generation of underwater systems, TMS (Torpedo, Mine and Sensor), for the Swedish and Finnish navies. The development work improves Saab's opportunities to participate in international alliances in the underwater area. Also, a lease was signed with FMV on Saab 340 aircraft for personnel transports within Sweden and the rest of Europe.

In the commercial area, several orders have been received for telecommunication satellites, confirming indications that the market for satellite communications is now rebounding. Orders have also been received for equipment for environmental observation satellites.

On April 1 a consortium of Saab, Nokia and Swedia Networks won a tender to build the first stage of the joint radio communication network for Sweden's public safety authorities, including the police, Swedish Rescue Services Agency, customs authorities, coast guard and armed forces. This strategically important order will help to better protect and safeguard Swedish society. Saab thereby consolidates its leading position in systems



integration of commercial and military technology. FMV's procurement is subject to the approval of the county administrative court following an appeal by competing bidders.

Structural changes

During the first quarter of 2004 Saab received approval for its acquisition of 21 percent of the shares in Grintek, a South African company active in telecommunications, defence and command and control systems. In addition, the agreement between Saab, Patria and Group SNPE was signed, after which Saab owns 19.9 percent of the new propellant and explosives company EURENCO, based in Paris.

Organization

Effective January 1, 2004 Saab Ericsson Space was transferred to business area Aerospace. Business area Saab Ericsson Space will no longer be reported separately. Comparative figures from previous periods have been restated accordingly.

Operations

Saab is one of the world's leading high-technology companies, with its main activities focused on aerospace and defense. The operations cover clearly defined areas within defense electronics, missile systems & space electronics and military and civil aviation. Saab is also active in high-technology services and maintenance. Saab is organized in some 20 business units, which are reported in five business areas. The business units report directly to Group Management.

Business areas

Saab Systems & Electronics focuses on information, command and control, and simulation systems, as well as avionics, electronic warfare, signature management and commercial electronics.

Saab Aerospace develops and manufactures military aircraft systems, acts as a partner in subsystems to manufacturers of large commercial aircraft, and is a supplier of subsystems to the entire space market.

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, which encompasses Saab's operations in precision engagement, develops and produces missile systems, portable anti-armor systems and underwater systems.



Saab Aviation Systems comprises Saab's leasing and customer support operation in regional aviation.

Sales, income and orders

Sales

Group sales decreased by 5 percent to SEK 3,813 m. (4,033), but are expected to rise by approximately 5 percent on an annual basis. 80 (78) percent of sales was related to defense. Sales to foreign markets accounted for 47 percent (49).

Sales for *Systems & Electronics* were slightly higher than the previous year at SEK 959 m. (925). SaabTech and TransponderTech have raised their sales, while Training Systems and Barracuda posted slightly lower sales compared with the corresponding period of the previous year due to postponements until the latter part of the year.

Aerospace posted slightly lower sales than the previous year, SEK 1,272 m. (1,294). Sales include 3 (5) Gripen aircraft. The production rate is approximately 17 aircraft per year. The delivery rate and delivery terms for batch 3 of Gripen are under investigation with the Swedish Armed Forces and FMV.

Sales for the business units in *Technical Support and Services* decreased marginally compared with the corresponding period of the previous year due to continued weak growth in the market.

Dynamics' sales decreased to SEK 795 m. (882), mainly attributable to a lower volume of development work on the NLAW portable anti-armor system. For the full-year, sales are expected to be in line with the previous year.

Sales for *Aviation Services* remain at a low level as a result of generally lower passenger traffic and lower demand for maintenance services.

Income, margin and profitability

Operating income amounted to SEK 305 m. (226), corresponding to a margin of 8.0 percent (5.6). Operating income in the previous year was affected by structural provisions of SEK 75 m. in underwater operations.

Operating income for *Systems & Electronics* amounted to SEK 33 m. (55), with an operating margin of 3.4 percent (5.9). The decrease in income was due to an unfavorable mix with a high share of projects with low margins and to low volume in Training Systems during the first quarter.

Operating income for *Aerospace* decreased to SEK 138 m. (158) as a result of lower volume and a lower margin in connection with the transition to batch 3 of Gripen. Space, which is now reported in the business area, posted a positive result. The operating margin was 10.8 percent (12.2).

The higher operating income for *Technical Support and Services* – SEK 60 m. (55) – is the result of a higher capacity utilization and cost cuts. The operating margin amounted to 8.3 percent (7.5).

Dynamics' income improvement to SEK 69 m. (39) before structural costs is mainly due to a more favorable product mix and continued efficiency measures. The operating margin was 8.7 percent (4.4). Structural costs in the previous year related to underwater systems and amounted to SEK 75 m. The margin after structural costs was negative last year.

Operating income for *Aviation Services* remains under pressure from low volumes, but favorable transactions involving structural reserves contributed to income of SEK 18 m. (19).

Operating income for Corporate/Other Operations consists of shared Group expenses, trading results, results from operating companies and results in connection with liquidations. Results can therefore vary between periods. The improvement compared with the previous year is attributable to the restructuring of Nexplo, among other things.

As a whole, administration and marketing expenses decreased slightly compared with the previous year. The period's internally funded investments in research and development amounted to SEK 156 m. (216), of which SEK 78 m. (119) has been capitalized and SEK 78 m. (97) has been charged to operating income for the year, which includes depreciation. Other operating income during both the present and previous years consists mainly of capital gains, currency gains and income from secondary activities. Other operating expenses consist of currency and capital losses. The previous year also included the provision made for structural costs of SEK 75 m. Project interest on unutilized advance payments reduced the financial net by SEK 16 m. (36) and is reported in gross income.

Net financial income and expenses amounted to SEK -2 m. (-48). The average return on external investments was 6.34 percent (3.79). Compared with the previous year, the financial net has been positively affected by higher returns on financial investments. The Group's income after financial items amounted to SEK 303 m. (178). Current and deferred taxes amounted to SEK -95 m. (-57).

Net income for the period was SEK 205 m. (119), corresponding to earnings per share of SEK 1.92 (1.12).

The pre-tax return on capital employed was 13.8 percent (12.1). The after-tax return on shareholders' equity was 11.6 percent (11.3).

Orders

Group order bookings amounted to SEK 4,223 m. (6,316), of which 61 percent came from customers outside Sweden. Orders during the first quarter are covered in the section "Major orders." The order backlog at the end of the period amounted to SEK 45,751 m., against SEK 45,636 m. at the beginning of the year. Export markets account for 66 (62) percent of the order backlog.

Liquidity, finance and investments

Finance, liquidity and cash flow

Liquid funds including interest-bearing receivables, less liabilities to credit institutions and the convertible debenture loan, decreased by SEK 524 m. to SEK 3,429 m. (3,953) compared with the beginning of the year. The Group's net liquidity after deducting provisions for pensions decreased to SEK 578 m. from SEK 495 m. at the beginning of the year. In March 2004 an agreement was signed with Carnegie's joint pension fund, after which SEK 504 m. was contributed. The fund's assets under management as of March 31, 2004 have been reported net against Provisions for pensions.

The Group's equity/assets ratio was 26.6 percent, compared with 24.7 percent at the beginning of the year. Shareholders' equity amounted to SEK 7,349 m. (7,086), corresponding to SEK 68.99 (66.52) per share.

Cash flow

Operating cash flow was negative during the quarter, amounting to SEK -88 m. (-271), and was distributed between cash flow from operations of SEK 28 m. (-14), acquisitions/divestments SEK -88 m. (0) and the regional aircraft business SEK -28 m. (-131). Cash flow by business area is indicated in the table on page 14.

Capital expenditures

The Group's capital expenditures in property, plant and equipment, excluding leasing assets, amounted to SEK 78 m. (111).

Personnel

At the end of the period the Group had 12,998 employees, against 13,414 at the beginning of the year.

Owners

Saab's principal owners are BAE SYSTEMS, Investor AB, the Wallenberg foundations, Robur funds, AMF Pension, AMF Pensionsfonder, Eikos fund, Nordea funds, SEB funds, SEB-Trygg Insurance, JP Morgan Chase Bank, Skandia and several U.S. and U.K funds.

Accounting principles

This interim report has been prepared in accordance with the Swedish Financial Accounting Standards Council's recommendation "Interim reporting RR20." The same accounting principles have been used as in the most recent annual report, with the exception that as of 2004 the Group reports its pension commitments according to RR29, which means that the future commitment at the time of retirement is reported as the liability. The pension commitment is classified as either defined-benefit or defined-contribution. Saab currently has both defined-benefit plans – primary the ITP plan – and defined-contribution plans. The reporting of defined-benefit plans is affected by a number of actuarial assumptions such as lifespan, employee turnover, discount rate and future wage increases. During the first quarter of 2004 Saab estimated the effect of the change in accounting principles for defined-benefit



plans. The opening balance of "Provisions for pensions" amounts to SEK 3,375 m. when calculated according to RR29, compared with SEK 3,458 m. according to the annual report for 2003. This means that unrestricted equity increases by SEK 83 m. compared with the start of the year.

This interim report has not been subject to review by the company's auditors.

Linköping, April 19, 2004

Åke Svensson
President and Chief Executive Officer

Financial information dates:

Interim Report for January – June 2004 will be published on July 9, 2004

Interim Report for January – September 2004 will be published on October 22, 2004

Year-End Report 2004 will be published on February 17, 2005

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Press conference with CEO Åke Svensson:
Today, Monday, April 19, 1:00 p.m. (CET),
World Trade Center, Stockholm

Telephone interview with CEO Åke Svensson:
Today, Monday, April 19, 2004
Contact Peter Larsson

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International teleconference:

Today, Monday, April 19, 3:00 p.m. (CET)

Contact Marita Sidén for registration and further information

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Income statement

SEK m.	3 mos. 2004	3 mos. 2003	Rolling 12 mos.	12 mos. 2003
Sales	3,813	4,033	17,030	17,250
Cost of goods sold	-2,920	-3,070	-12,847	-12,997
Gross income	893	963	4,183	4,253
<i>Margin</i>	23.4%	23.9%	24.6%	24.7%
Marketing expenses	-314	-305	-1,259	-1,250
Administrative expenses	-218	-256	-945	-983
Research and development costs	-78	-97	-395	-414
Other operating income	23	18	162	157
Other operating expenses	-14	-95	-436	-517
Share in income of associated cos.	13	-2	62	47
Operating income ¹⁾	305	226	1,372	1,293
<i>Margin</i>	8.0%	5.6%	8.1%	7.5%
Result from financial investments	-2	-48	-174	-220
Income after financial items	303	178	1,198	1,073
Taxes	-95	-57	-353	-315
Minority interest	-3	-2	-13	-12
Net income	205	119	832	746
Earnings per share, SEK ²⁾	1.92	1.12	7.81	7.00
after full conversion, SEK ³⁾	1.88	1.09	7.62	6.91
¹⁾ Includes depreciation of	-280	-308	-1,119	-1,147
of which depreciation of lease assets	-122	-155	-495	-528
of which goodwill amortization	-41	-43	-167	-169

²⁾ Average number of shares 2004: 106,522,595 and 2003: 106,513,969

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

⁴⁾ Net income for the period is adjusted for interest on the convertible debenture loan with 2 m. (2)

Sales by business area

SEK m.	3 mos. 2004	3 mos. 2003	Change	Rolling 12 mos.	12 mos. 2003
Saab Systems & Electronics	959	925	3.7%	4,711	4,677
Saab Aerospace	1,272	1,294	-1.7%	5,753	5,775
Saab Tech Support & Services	719	732	-1.8%	3,019	3,032
Saab Bofors Dynamics	795	882	-9.9%	3,026	3,113
Saab Aviation Services	276	267	3.4%	1,104	1,095
Corporate/Other	5	98		314	407
Internal sales	-213	-165		-897	-849
Saab Group	3,813	4,033	-5.5%	17,030	17,250



Operating income by business area

SEK m.	3 mos. 2004	% of sales	3 mos. 2003	% of sales	Rolling 12 mos.	% of sales	12 mos. 2003	% of sales
Saab Systems & Electr	33	3.4%	55	5.9%	305	6.5%	327	7.0%
Saab Aerospace	138	10.8%	158	12.2%	538	9.4%	558	9.7%
Saab Techn Supp & Serv	60	8.3%	55	7.5%	237	7.9%	232	7.7%
Saab Bofors Dynamics	69	8.7%	-36	neg	277	9.2%	172	5.5%
Saab Aviation Services	18	6.5%	19	7.1%	86	7.8%	87	7.9%
Corporate/Other	-13	neg	-25	n/a	-71		-83	neg
Saab Group	305	8.0%	226	5.6%	1.372	8.1%	1,293	7.5%

Quarterly information

SEK m.	January-March		April-June			
	2004	2003	2004	2003		
Sales						
Saab Systems & Electr	959	925		1,264		
Saab Aerospace	1,272	1,294		1,291		
Saab Techn Supp & Serv	719	732		778		
Saab Bofors Dynamics	795	882		723		
Saab Aviation Services	276	267		264		
Corporate/Other	5	98		103		
Internal sales	-213	-165		-183		
	3,813	4,033		4,240		
Operating income						
Saab Systems & Electr	33	3.4%	55	5.9%	-7	neg
Saab Aerospace	138	10.8%	158	12.2%	132	10.2%
Saab Techn Supp & Serv	60	8.3%	55	7.5%	64	8.2%
Saab Bofors Dynamics	69	8.7%	-36	neg	49	6.8%
Saab Aviation Services	18	6.5%	19	7.1%	29	11.0%
Corporate/Other	-13	n/a	-25	n/a	-52	n/a
	305	8.0%	226	5.6%	215	5.1%
Net financial income	-2		-48		-31	
Income after financial net	303		178		184	
Net income for the period	205		119		121	
Earnings per share 1)	1.92		1.12		1.13	

**Quarterly information, cont.**

SEK m.	July-September		October-December		
	2004	2003	2004	2003	
Sales					
Saab Systems & Electr		968		1,520	
Saab Aerospace		1,136		2,054	
Saab Techn Supp & Serv		618		904	
Saab Bofors Dynamics		574		934	
Saab Aviation Services		275		289	
Corporate/Other		105		101	
Internal sales		-227		-274	
		3,449		5,528	
Operating income					
Saab Systems & Electr		58	6.0%	221	14.5%
Saab Aerospace		55	4.8%	213	10.4%
Saab Techn Supp & Serv		45	7.3%	68	7.5%
Saab Bofors Dynamics		37	6.4%	122	13.1%
Saab Aviation Services		24	8.7%	15	5.2%
Corporate/Other		-35	n/a	29	n/a
		184	5.3%	668	12.1%
Net financial income		-39		-102	
Income after financial net		145		566	
Net income for the period		87		419	
Earnings per share 1)		0,82		3,93	

¹⁾ Average number of shares 2004: 106,522,595 and 2003: 106,513,969

Total depreciation/amortization by business area

SEK m.	3 mos.	3 mos.	12 mos.
	2004	2003	2003
Saab Systems & Electronics	50	47	194
Saab Aerospace	51	44	180
Saab Technical Support & Services	31	30	120
Saab Bofors Dynamics	21	21	85
Saab Aviation Services – lease assets	122	155	528
Saab Aviation Services - other	3	3	13
Corporate/Other	2	8	27
Saab Group	280	308	1.147

Of which goodwill amortization by business area

SEK m.	3 mos.	3 mos.	12 mos.
	2004	2003	2003
Saab Systems & Electronics	21	22	85
Saab Aerospace	2	2	9
Saab Technical Support & Services	11	11	43
Saab Bofors Dynamics	7	7	29
Saab Aviation Services	-	-	1
Corporate/Other	-	1	2
Saab Group	41	43	169

**Sales by geographic market**

SEK m.	3 mos. 2004	% of sales	3 mos. 2004	% of sales	12 mos. 2004	% of sales
Sweden	2,038	53%	2,042	51%	9,348	54%
Rest of EU	762	20%	1,000	24%	3,921	23%
Rest of Europe	296	8%	152	4%	794	5%
Total, Europe	3,096	81%	3,194	79%	14,063	82%
North America	248	6%	240	6%	1,013	6%
Latin America	32	1%	75	2%	175	1%
Asia	216	6%	234	6%	948	5%
Australia, etc.	219	6%	288	7%	1,039	6%
Africa	2	-	2	-	12	-
Saab Group	3,813	100%	4,033	100%	17,250	100%

Balance sheet

SEK m.	March 31 2004	Jan. 1 2004	Dec. 31 2003	March 31 2003
Assets				
Goodwill and other intangible assets	2,534	2,497	2,497	2,370
Property, plant and equipment, etc.	4,047	4,230	4,230	4,305
Lease assets	4,965	5,038	5,038	5,521
Long-term interest-bearing receivables	805	765	765	1,006
Shares, etc.	639	415	415	401
Deferred tax receivables	941	981	981	1,212
Inventories, etc.	4,356	4,133	4,133	3,773
Short-term interest-bearing receivables	98	39	39	51
Other receivables	5,569	6,363	6,363	5,539
Cash and marketable securities	3,624	4,243	4,243	3,961
Total assets	27,578	28,704	28,704	28,139
Shareholders' equity and liabilities				
Shareholders' equity	7,349	7,086	7,003	6,921
Minority interest in subsidiaries	92	147	147	113
Provision for pensions	2,901	3,375	3,458	3,441
Other provisions	2,145	2,234	2,234	2,588
Liabilities to credit institutions	866	862	862	1,281
Convertible debenture loan	232	232	232	230
Lease obligations	2,538	2,597	2,597	2,843
Advance payments from customers, net	3,593	3,990	3,990	3,317
Other liabilities	7,862	8,181	8,181	7,405
Total shareholders' equity and liabilities	27,578	28,704	28,704	28,139



Shareholders' equity

The Group's shareholders' equity changed as follows during the year:

SEK m.	Total
Balance at beginning of year	7,086
Net income for the period	205
Translation difference, etc.	58
Balance at end of period	7,349

Personnel by business area

Number	March 31, 2004	Dec. 31, 2003	Change	March 31, 2003
Saab Systems & Electronics	2,682	2,651	31	2,775
Saab Aerospace	4,619	4,697	-78	4,992
Saab Technical Supp & Serv	2,984	3,003	-19	3,019
Saab Bofors Dynamics	1,734	1,718	16	1,719
Saab Aviation Services	790	799	-9	782
Corporate/Other operations	189	546	-357	520
Saab Group	12,998	13,414	-416	13,807

Subdivided balance sheet, March 31, 2004

SEK m.	Saab	Saab Aircraft Leasing	Eliminations	Saab Group
Assets				
Goodwill and other intangible assets	2,534			2,534
Property, plant and equipment, etc.	4,045	2		4,047
Lease assets		4,965		4,965
Long-term interest-bearing receivables	805			805
Shares, etc.	2,139		-1,500	639
Deferred taxes	1,232		-291	941
Inventories, etc.	4,351	5		4,356
Short-term interest-bearing receivables	98			98
Other receivables	4,698	871		5,569
Cash and marketable securities	3,409	215		3,624
Total assets	23,311	6,058	-1,791	27,578
Shareholders' equity and liabilities				
Shareholders' equity	7,106	1,743	-1,500	7,349
Shareholders' equity	90	2		92
Minority interest in subsidiaries	2,901			2,901
Provision for pensions	1,861	575	-291	2,145
Other provisions	866			866
Liabilities to credit institutions	232			232
Convertible debenture loan		2,538		2,538
Lease obligations	3,593			3,593
Advance payments from customers, net	6,662	1,200		7,862
Other liabilities	23,311	6,058	-1,791	27,578

**Capital employed by business area**

SEK m.	March 31, 2004	Dec. 31, 2003	March 31, 2003
Saab Systems & Electr	3,275	3,501	3,118
Saab Aerospace	3,237	3,514	2,466
Saab Tech Supp & Serv	1,452	1,628	1,374
Saab Bofors Dynamics	1,247	1,614	1,172
Saab Aviation Services	2,954	3,106	3,597
Corporate/Other	-725	-1,661	260
Saab Group	11,440	11,702	11,987

Order bookings and order backlog by business area

SEK m.	Order bookings		Order backlog	
	3 mos. 2004	3 mos. 2003	March 31, 2004	Dec. 31, 2003
Saab Systems & Electr	781	881	9,108	9,249
Saab Aerospace	1,580	3,033	27,433	27,388
Saab Tech Supp & Serv	988	927	1,223	868
Saab Bofors Dynamics	747	1,134	9,747	9,793
Saab Aviation Services	297	505	375	340
Corporate/Other	5	77	55	255
Internal	-175	-241	-2,190	-2,257
Saab Group	4,223	6,316	45,751	45,636

Condensed statement of cash flows

SEK m.	3 mos. 2004	3 mos. 2003	12 mos. 2003
Cash flow from operating activities			
Income after financial items	303	178	1,073
Adjustments for items not affecting cash flow	261	310	1,170
Tax paid	-16	-5	-57
Cash flow from operating activities before changes in working capital	548	483	2,186
Working capital			
Inventories etc.	-342	-28	-378
Receivables	710	-118	-855
Advance payments from customers, net	-393	-458	215
Other liabilities	-248	153	875
Lease obligations	-59	-83	-329
Provisions	-76	-12	-366
Change in working capital	-408	-546	-838
Cash flow from operating activities	140	-63	1,348
Investments in intangible fixed assets	-87	-119	-397
Investments in tangible fixed assets	-78	-111	-472
Investments in lease assets	-2	-4	-37
Divestment of subsidiaries	9	-	
Investments in/Sales of long-term securities	-97	2	30



Sales of intangible and tangible fixed assets	27	24	73
Cash flow from investing activities	-228	-208	-803
Operating cash flow	-88	-271	545

Cash flow by business area

SEK m.	3 mos. 2004	3 mos. 2003	12 mos. 2003
Saab Systems & Electronics	-12	233	223
Saab Aerospace	-106	-600	117
Saab Technical Support & Services	56	107	198
Saab Bofors Dynamics	158	279	196
Saab Aviation Services	-91	-268	-18
Corporate/Other	-93	-22	-171
Saab Group	-88	-271	545

Key ratios

SEK m.	3 mos. 2004	3 mos. 2003	12 mos. 2003
Operating margin before depreciation	12.1%	9.4%	11.1%
Operating margin before goodwill amortization	9.1%	6.7%	8.5%
Operating margin after depreciation	8.0%	5.6%	7.5%
Earnings per share, SEK ¹⁾	1.92	1.12	7.00
Earnings per share after full conversion, SEK ¹⁾	1.88	1.09	6.91
Earnings per share before goodwill amortization, SEK	2.31	1.52	8.59
Return on capital employed before tax	13.8%	12.1%	12.7%
Return on equity after tax	11.6%	11.3%	10.8%
Equity/assets ratio, %	26.6%	24.6%	24.4%
Equity per share, SEK ¹⁾	68.99	64.98	65.75

1) Average number of shares Jan – March 2004: 106,522,595 and Jan – March 2003: 106,510,374,
Average number of shares 2003: 106,513,969. After full conversion 109,247,175

**Five-year overview**

SEK m., unless otherwise stated	2003	2002	2001	2000	Pro forma	
					1999	1999
Order bookings	19,606	19,521	15,274	28,141	15,267	6,849
Order backlog at year-end	45,636	43,082	40,034	41,091	29,891	23,637
Sales	17,250	16,538	15,689	17,840	18,018	9,053
Foreign market sales, %	46	41	40	48	48	38
Operating income	1,293	1,220	1,594	1,533	1,125	1,104
Operating margin, %	7.5	7.4	10.2	8.6	6.2	12.2
Operating margin before deprec., %	11.1	11.2	14.4	13.5	10.7	17.1
Operating income excl. capital gains	1,293	1,220	944	895	870	849
Operating margin excl. capital gains, %	7.5	7.4	6.0	5.0	4.8	9.4
Income after financial items	1,073	993	1,554	1,448	1,116	1,377
Net income for the year	746	732	1,127	1,038	735	939
Total assets	28,704	28,109	29,901	31,119	36,641	28,079
Operating cash flow	545	-92	1,642	-1,908	n/a	-2,368
Return on capital employed, %	12.7	11.6	15.5	14.6	n/a	21.3
Return on equity, %	10.8	10.8	18.3	20.0	n/a	21.5
Equity/assets ratio, %	24.4	24.3	22.3	18.2	12.8	16.8
Earnings per share, SEK ²⁾	7.00	6.87	10.59	9.75	6.90	8.82
after full conversion, SEK ³⁾	6.91	6.78	10.40	9.58	6.81	8.68
before goodwill amortization, SEK ²⁾	8.59	8.52	12.11	11.47	8.62	9.36
Dividend per share, SEK	3.50	3.50	3.25	3.00	n/a	2.50
Equity per share, SEK ¹⁾	65.75	64.17	62.74	53.26	44.15	44.23
Number of employees at year-end	13,414	14,036	14,028	15,453	16,665	8,031

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

¹⁾ Number of shares as of December 31, 2003: 106,517,563 2002: 106,510,374 and 1998-2001: 106,459,675

²⁾ Average number of shares 2003 106,513,969 2002: 106,487,407 and 1998-2001: 106,459,675

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