

Handläggare *Handled by*

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## THE 2001 REPORT

- **Order bookings SEK 15 billion and order backlog SEK 40 billion.**
- **Sales SEK 15,689 m. (17,840), an increase of 5% for comparable units.**
- **Operating income SEK 1,594 m. (1,533).**
- **Earnings per share amounted to SEK 10.59 (9.75).**
- **After-tax return on shareholders' equity 18.3% and pre-tax return on capital employed 15.5%.**
- **Proposed dividend per share: SEK 3.25 (3,00).**
- **Hungary signed lease for 14 Gripen aircraft.**
- **Czech Republic started negotiations on purchase of 24 Gripen aircraft.**
- **Order for new tactical system for NH90 helicopters received in January 2002; order value approximately SEK 2 billion.**

### Statement by the CEO

"As expected, income in 2001 was well in line with the previous year and the strong cash flow improved yet further. Like previous years, the fourth quarter was a strong quarter for our core business. Order bookings in the quarter was also good and the order backlog remains at just over SEK 40 billion, or about two and half years' sales.

For natural reasons, interest was focused on Hungary's decision and the Czech Republic's choice of Gripen for equipping their respective Air Forces. Significant business has also taken place in other areas, such as combat training centers for new NATO customers, countermeasures for the US and the choice of the RBS 15 anti-ship missile in key markets.

Sweden's decision to purchase 18 NH90 medium weight helicopters has provided us with important business potential. The fact that Saab has been given responsibility for development of a totally new tactical system is a testament to the strength of our systems integration and defense electronics capabilities. Development, adaptation and maintenance of the new helicopters mean considerable revenues for Saab.

Streamlining of the Group has continued during the year through extensive divestments and development of the core business. During the fourth quarter, Aerothrust has been divested, which means that we have now found solutions for all the operations that previously made up Celsius Aviation Services.

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We have a clear future orientation in growth sectors such as systems integration, segments of defense electronics and high technology services. We intend to strengthen our orientation and concentration with continued acquisitions and divestments, and to play an active part in the continued restructuring of the global defense and aerospace industry.

For 2002, I anticipate further improvement in operating income and operating margin, excluding capital gains.”

### Major events and structural changes

During the fourth quarter, Aerothrust and the 25 percent holding in the German shipyard Howaldtswerke-Deutsche Werft, HDW, were divested. The effect on earnings of the divestments has been considered in the fair value analysis that was done in connection with the acquisition of Celsius, and will not affect the earnings of the Saab Group.

Saab Marine Electronics was sold earlier this year with a capital gain of SEK 650 million. The divestments of Celsius Amtec, Celsius Aerotech, Aero Systems Engineering, the defense related part of Hawker Pacific, the Kockums engineering workshop and other operations have taken place without any impact on income, and agreement has also been reached on the gradual divestment of Hawker Pacific. Through the venture capital function created during the year, the share in Triangle Equipment A/S, 60 percent in A2 Acoustics and the operation of Sanguistech have been divested during the year. The divestments during the year have had, in total, a positive effect of about SEK 3 billion on net liquidity.

With effect from the beginning of the year, the minority share in Saab Avionics has been acquired for SEK 225 million and with effect from October 1, the minority share in AerotechTelub has been acquired for SEK 1.1 billion.

### 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 decreased to SEK 15,689 m. (17,840), due to divestments of companies and operations mainly within Systems and Electronics and Aviation Services. Sales have increased for almost all today remaining operations and the average organic growth was about 5 percent for comparable units. The year's acquisitions have not affected sales, as they were acquisitions



of outstanding minorities. Seventy percent (62) of sales were related to defense and 40 percent (48) of total sales were export. Sales have increased for all remaining operations in Systems and Electronics compared to the previous year. The increase in Aerospace is related to both military and commercial aircraft. During the year, 18 (17) Gripen aircraft were invoiced, of which seven (five) in the fourth quarter. The delivery of one more Gripen aircraft compared to the previous year was to some extent evened out by lower rate in development orders. The sales increase in Technical Support and Services is mainly attributable to organic growth in the defense-related business and in the field of medical technology within AertotechTelub. The increase in Dynamics depends mainly on increased deliveries of Carl-Gustaf ammunition and disposable anti-armor weapons and the delivery start of Torpedo 62 to Sweden. The sales increase in Space is attributable to higher volumes in the commercial market. The sales decreases in Aviation Services and Other operations respectively, are to all extent related to divestments, while the customer support business and the other remaining operations are on a level with last year.

**Income and profitability**

Operating income increased by 4 percent to SEK 1,594 m. (1,533). The result includes the capital gain from the divestment of Saab Marine Electronics of SEK 650 m. (638). Operating income before capital gains was thus SEK 944 m. (895), corresponding to an increase of 5 percent and an improvement of the margin to 6.0 percent (5.0). The improvement is mainly due to the continued restructuring and increased volumes in Aerospace and AerotechTelub.

Operating income and margin for the remaining operations in Systems and Electronics have improved during the year and by that, the total margin is on a level with the previous year despite the divestment of Saab Marine Electronics. Operating income for Aerospace and Technical Support and Services were as a result of volume increases compared to previous year higher with maintained margins. As a result of the integration work to realize cost synergies and focus the operation, which started in 2000, Dynamics has increased both operating income and margin. Operating income for Space has been affected by the situation in the telecom market and has during the fourth quarter also deteriorated due to major cost over runs in a few development projects. The cost overruns are mainly related to the development of the computer based sensor system for the Metop meteorological system. Operating margin for Saab Aviation Services and operating income for Corporate/Other operations have improved sharply as a result of the year's restructuring. Fourth quarter income, however, for Aviation Services has been affected by the general situation in the aviation business.

Operating expenses have decreased as a result of continued cost rationalization and divestments. Development costs for the export version of Gripen were on a level with the previous year. Other operating income during both the present and previous years consists mainly of capital gains, trading income in Treasury and currency gains etc. Other operating expenses consist mainly of currency and capital losses. Items affecting comparability the previous year related to reversal of reserves regarding Regional Aircraft, funds received from Alecta (SPP) and provisions for certain development projects. Project interest on non-utilized advance payments, shown in the gross margin, amounted to SEK 168 m. (172).



Net financial income and expenses amounted to SEK -40 m. (-85), of which Saab Aircraft Leasing SEK 80 m. (68). The average return on external investments was 5.32 percent (4.72) and the average liquidity was SEK 3,066 m. (5,400). The increase is attributable to both the higher return and non-recurrent items. The financial net has also been positively affected as a result of that the former long-term net present value calculated receivable on Alecta (SPP) due to changed payment rules and an agreement with the employee organizations has become short-term. Income after financial items amounted to SEK 1,554 m. (1,448). Current and deferred taxes amounted to SEK -379 m. (-333). The tax portion of income after financial items has been affected by the fact that certain capital gains have been assessed as tax-free and that certain capital losses have been assessed as non-deductible and goodwill amortization. The Group's effective tax rate for the year amounted by that to approximately 24 percent compared to normally 29 percent. Minority interest in income has decreased as a result of the acquisitions of the outstanding minorities in Saab Avionics and AerotechTelub during the year.

Net income for the year was SEK 1,127 m. (1.038), corresponding to an income per share of SEK 10.59 (9.75). Income per share before goodwill amortization amounted to SEK 12.11 (11.47). Pre-tax return on capital employed was 15.5 percent (14.6). After-tax return on shareholders' equity was 18.3 percent (20.0).

### **Orders**

Group order bookings amounted to SEK 15,274 m. (28,141), of which the fourth quarter SEK 4,820 m. (5,043). Of the year's order bookings 52 percent were export. Fourth quarter order bookings included the adaptation of the Gripen aircraft which Hungary will lease from the Swedish Government, reconnaissance pods for Sweden's Gripen aircraft, naval fire control system to Finland, countermeasure dispensers to USAF F-15 and order for maintenance equipment for Sweden's fourth Gripen wing. The order backlog at year-end amounted to SEK 40,034 m. (41,091), and includes defense orders worth SEK 38,040 m.

### **Liquidity, finance and investments**

#### **Balance sheet**

Goodwill has net increased through the acquisitions of the outstanding minorities in Saab Avionics and AerotechTelub and the divestment of Amtec. The goodwill amount related to the acquisition of Celsius has finally been confirmed to SEK 700 m. The acquisition of the outstanding minority in AerotechTelub brought additional goodwill of SEK 586 m. From 2002, all goodwill will be allocated to the business areas.

Remaining provision for the phase-out of regional aircraft production amounts to SEK 1,567 m. and relates mainly to estimated costs for the responsibility of airworthiness. The loss risk reserve for the leasing operation amounted to SEK 1,648 m. at year-end. After offset against the lease assets with SEK 1.030 m., the provision shown in the balance sheet amounts to SEK 618 m. Remaining provisions are mainly related to restructuring and project reserves resulting from the acquisition of Celsius.

**Finance and liquidity**

Liquid funds less liabilities to credit institutions have increased by SEK 621 m. to 4,563 m. (3,942). The increase is mainly a net of new advances and payment from divestment of businesses and high utilization of advances within the Gripen program, utilization of structural reserves, payment of dividend and acquisitions of businesses. The Group's net liquidity after deduction for allocations to pensions amounted to SEK 885 m. (415).

Group equity/assets ratio amounted to 22.3 percent (18.2). The interest coverage ratio was 5.50 (5.32). Shareholders' equity amounted to SEK 6,679 m. (5,670), corresponding to SEK 62.74 (53.26) per share.

**Cash flow**

Operating cash flow was positive and amounted to SEK 1,642 m. Group cash flow from operating activities have further improved to SEK 2,652 m. Working capital has despite higher advances increased mainly due to utilization of part of last year's provisions within Dynamics, payments related to the regional aircraft business and decreased lease obligations due to planned changes in the portfolio. In cash flow from investments, the investments in lease assets are a net of decreased lease assets due to the divestment of Amtec and a planned increase of leasing aircraft on balance sheet, regarding aircraft already included in the portfolio.

Operating cash flow of SEK 1,642 m. is distributed between cash flow from the operation of SEK 566 m., from divestments and acquisitions SEK 2,336 m. and from increase according to plan of internal funding in the lease portfolio and phase-out of regional aircraft production of SEK -1,260 m.

**Capital expenditures**

The year's capital expenditures in property, plant and equipment, excluding lease assets, amounted to SEK 532 m. (1,077). Net investments including lease assets and intangible fixed assets amounted to SEK -331 m. (-502), including lease assets of SEK -120 m. (476).

**Research and development**

The year's expenditure on research and development amounted to SEK 3,819 m. (3,808), of which SEK 3,101 m. (2,948) relates to development paid for by customers.

**Personnel**

At the end of 2001, the number of employees in the Group was 14,028, compared with 15,453 at the beginning of the year. The decrease is mainly related to divestment of operations.

**Parent Company****Sales and income**

Sales of the parent company amounted to SEK 4,097 m. (3,921). Operating income amounted to SEK 421 m. (838). Net financial income and expenses amounted to SEK 930 m. (843) and income after financial income and expenses was SEK 1,351 m. (1,681). Of the financial net



SEK 954 m. (743) are group contributions and dividends. After appropriations of SEK -6 m. (-148) and paid and deferred tax of SEK -102 m. (-305), net income for the year amounted to SEK 1,243 m. (1,228).

**Proposed dividend and repurchase of own shares**

The Board of Directors long-term dividend policy is for 20-40 percent of the Group's net income to be distributed. For 2001, the Board of Directors and the President propose to distribute to the shareholders SEK 3.25 (3.00) per share or a total of SEK 346 m. (319), corresponding to 31 percent (31) of the Group's net income. April 11, 2002 has been proposed as the record date and the dividend is expected to be distributed, April 16, 2002.

Further, the Board of Directors will as the previous year propose the Annual General Meeting an authorization for the Board to decide on repurchase of the company's shares up to 10 percent of the total shares outstanding. The mandate is proposed to be valid until the next Annual General Meeting. The purpose of the empowerment is to provide the Board with increased scope for action in working with the company's capital structure and to enable acquisitions to be made where considered appropriate. Such repurchases may be effected over the stock exchange or through offerings to shareholders. It is also proposed that the Board's mandate includes the possibility to transfer repurchased shares in accordance with current legislation.

**Annual General Meeting**

The Annual General Meeting will be held at Saab, Linköping on Monday, April 8, 2002 at 18.00. Saab's revised annual report will be available at the company's office in Linköping. The printed Annual Report will be distributed upon request to shareholders from March 4, 2002.

**Ownership**

Saab's principal owners are BAE SYSTEMS, Investor AB, the Wallenberg foundations, AMF, Fidelity Funds, Third AP Fund, Eikos Fund, Skandia and SHB Funds.

**Accounting Principles**

The report has been drawn up in accordance with earlier accounting principles. This means that divested companies, such as Saab Marine Electronics, are not included in the Group for any part of 2001. The figures for 2000 have not been adjusted for external acquisitions and divestments made during 2001. However, sales and operating income by business area for the year 2000 have been adjusted for internal reorganizations.

Linköping, February 15, 2002

Bengt Halse  
President and Chief Executive Officer

**Income statement**

<b>SEK m.</b>	<b>2001</b>	<b>2000</b>	<b>4th Q 2001</b>	<b>4th Q 2000</b>
<b>Sales</b>	<b>15,689</b>	<b>17,840</b>	<b>5,084</b>	<b>5,527</b>
Cost of goods sold	-11,697	-13,427	-3,942	-4,123
<b>Gross margin</b>	<b>3,992</b>	<b>4,413</b>	<b>1,142</b>	<b>1,404</b>
<i>Margin</i>	<i>25.4%</i>	<i>24.7%</i>	<i>22.5%</i>	<i>25.4%</i>
Marketing expenses	-1,385	-1,578	-380	-484
Administrative expenses	-1,062	-1,251	-237	-413
Research and development costs	-718	-860	-172	-257
Items affecting comparability	-	285	-	252
Other operating income	827	613	39	159
Other operating expenses	-94	-97	-55	-16
Share in income of assoc. comp.	34	8	27	12
<b>Operating income</b> <sup>1) 2)</sup>	<b>1,594</b>	<b>1,533</b>	<b>364</b>	<b>657</b>
<i>Margin</i>	<i>10.2%</i>	<i>8.6%</i>	<i>7.2%</i>	<i>11.9%</i>
Result from financial investments	-40	-85	-7	-18
<b>Income after financial items</b>	<b>1,554</b>	<b>1,448</b>	<b>357</b>	<b>639</b>
Taxes	-379	-333	-112	-99
Minority interest	-48	-77	-	-14
<b>Net income</b>	<b>1,127</b>	<b>1,038</b>	<b>245</b>	<b>526</b>
Earnings per share, SEK <sup>3)</sup>	10.59	9.75	2.31	4.94
After full conversion, SEK <sup>4)</sup>	10.32	9.50	2.25	4.81
Earnings per share before goodwill, SEK <sup>1)</sup>	12.11	11.47	2.74	5.37
<sup>1)</sup> Includes depreciation of	-1,227	-1,336	-348	-417
of which depr. on leasing assets	-519	-534	-135	-144
<sup>2)</sup> Includes goodwill amortization of	-162	-183	-46	-46

<sup>3)</sup> Number of shares: 106,459,675 as per December 31, 2001 <sup>4)</sup> after full conversion 109,247,175

**Sales by business area**

<b>SEK m.</b>	<b>2001</b>	<b>2000</b>	<b>Change</b>	<b>4<sup>th</sup> Q 2001</b>	<b>4<sup>th</sup> Q 2000</b>
Saab Systems & Electronics	3,964	4,364	-9%	1,402	1,369
Saab Aerospace	4,097	3,921	4%	1,476	1,204
Saab Technical Supp & Serv	3,144	2,932	7%	957	966
Saab Bofors Dynamics	2,493	2,348	6%	796	846
Saab Ericsson Space	800	713	12%	190	195
Saab Aviation Services	1,539	3,859	-60%	382	1,023
Corporate/Other	615	970	-37%	203	246
Internal sales	-963	-1,267		-322	-322
<b>Saab Group</b>	<b>15,689</b>	<b>17,840</b>	<b>-12%</b>	<b>5,084</b>	<b>5,527</b>

**Operating income by business area**

<b>SEK m.</b>	<b>2001</b>	<b>% of sales</b>	<b>2000</b>	<b>% of sales</b>
Saab Systems & Electronics	260	6.6%	289	6.6%
Saab Aerospace	351	8.6%	333	8.5%
Saab Technical Support & Services	195	6.2%	182	6.2%
Saab Bofors Dynamics	85	3.4%	46	2.0%
Saab Ericsson Space	29	3.6%	53	7.4%
Saab Aviation Services	137	8.9%	150	3.9%
Corporate/Other	537	N/a	480	N/a
<b>Saab Group</b>	<b>1,594</b>	<b>10.2%</b>	<b>1,533</b>	<b>8.6%</b>

**Operating income by business area, quarterly**

<b>SEK m.</b>	<b>4<sup>th</sup> Q 2001</b>	<b>% of sales</b>	<b>4<sup>th</sup> Q 2000</b>	<b>% of sales</b>	<b>3<sup>rd</sup> Q 2001</b>	<b>% of sales</b>	<b>3<sup>rd</sup> Q 2000</b>	<b>% of sales</b>
Saab Systems & Electr	140	10.0%	131	9.6%	37	4.7%	58	6.3%
Saab Aerospace	119	8.1%	95	7.9%	68	8.3%	64	7.6%
Saab Techn Supp & Serv	65	6.8%	56	5.8%	41	6.9%	39	6.4%
Saab Bofors Dynamics	38	4.8%	45	5.3%	15	3.2%	28	5.8%
Saab Ericsson Space	-14	-7.4%	9	4.6%	9	4.9%	14	7.8%
Saab Aviation Services	8	2.1%	60	5.9%	24	6.5%	34	3.4%
Corporate/Other	8	N/a	261	N/a	-23	N/a	-17	N/a
<b>Saab Group</b>	<b>364</b>	<b>7.2%</b>	<b>657</b>	<b>11.9%</b>	<b>171</b>	<b>5.4%</b>	<b>220</b>	<b>5.5%</b>

**Operating income by business area, quarterly**

<b>SEK m.</b>	<b>2<sup>nd</sup> Q 2001</b>	<b>% of sales</b>	<b>2<sup>nd</sup> Q 2000</b>	<b>% of sales</b>	<b>1<sup>st</sup> Q 2001</b>	<b>% of sales</b>	<b>1<sup>st</sup> Q 2000</b>	<b>% of sales</b>
Saab Systems & Electr	43	4.6%	39	3.8%	40	4.8%	61	5.7%
Saab Aerospace	100	8.8%	74	8.1%	64	9.7%	100	10.4%
Saab Techn Supp & Serv	44	5.4%	41	6.1%	45	5.8%	46	6.7%
Saab Bofors Dynamics	18	2.8%	-4	-0.9%	14	2.4%	-23	-4.0%
Saab Ericsson Space	20	9.0%	14	8.0%	14	6.9%	16	9.8%
Saab Aviation Services	53	13.4%	36	4.2%	52	8.6%	20	2.1%
Corporate/Other	-22	N/a	209	N/a	574	N/a	27	N/a
<b>Saab Group</b>	<b>256</b>	<b>6.0%</b>	<b>409</b>	<b>9.9%</b>	<b>803</b>	<b>22.5%</b>	<b>247</b>	<b>5.9%</b>



**Sales and income per quarter**

SEK m.	2001				2000			
	1 <sup>st</sup> Q	2 <sup>nd</sup> Q	3 <sup>rd</sup> Q	4 <sup>th</sup> Q	1 <sup>st</sup> Q	2 <sup>nd</sup> Q	3 <sup>rd</sup> Q	4 <sup>th</sup> Q
Sales	3,362	4,096	3,147	5,084	4,187	4,150	3,976	5,527
Operation	153	256	171	364	192	111	187	405
Margin	4.6%	6.3%	5.4%	7.2%	4.6%	2.7%	4.7%	7.3%
Capital gains etc.	650	-	-	-	55	298	33	252
Operating income	803	256	171	364	247	409	220	657
Operating margin	23.9%	6.0%	5.4%	7.2%	5.9%	9.9%	5.5%	11.9%
Net financial income	-1	-7	-25	-7	8	-35	-40	-18
Income after financial net	802	249	146	357	255	374	180	639
Net income	631	164	87	245	161	254	97	526
Earnings per share, SEK <sup>1)</sup>	5.93	1.54	0.81	2.31	1.51	2.39	0.91	4.94

<sup>1)</sup> Number of shares: 106,459,675 as per December 31, 2001.

**Sales by market**

SEK m.	2001	2000	Change
Sweden	9,376	9,317	1%
Other EU countries	2,773	2,734	1%
Other European countries	597	608	-2%
Total Europe	12,746	12,659	1%
North America	1,250	2,899	-57%
Central and South America	168	464	-64%
Asia	761	764	0%
Australia, etc	750	997	-25%
Other markets	14	57	-75%
<b>Saab Group</b>	<b>15,689</b>	<b>17,840</b>	<b>-12%</b>

**Order bookings and order backlog by business area**

SEK m.	Order bookings				Order backlog	
	2001	2000	4 <sup>th</sup> Q 2001	4 <sup>th</sup> Q 2000	2001	2000
Saab Systems & Electr	4,262	5,523	1,478	2,216	8,591	8,689
Saab Aerospace	4,122	12,171	1,793	575	27,122	27,097
Saab Tech Supp & Serv	3,096	3,103	782	659	1,046	1,268
Saab Bofors Dynamics	2,280	2,853	408	245	4,088	4,219
Saab Ericsson Space	757	765	137	264	772	816
Saab Aviation Services	1,454	4,026	325	1,030	139	540
Corporate/Other	479	773	166	199	398	612
Internal	-1,176	-1,073	-269	-145	-2,122	-2,150
<b>Saab Group</b>	<b>15,274</b>	<b>28,141</b>	<b>4,820</b>	<b>5,043</b>	<b>40,034</b>	<b>41,091</b>

**Six-year overview**

SEK m., unless otherwise stated	2001	2000	Pro forma 1999	1999	1998	1997
Order bookings	15,274	28,141	15,267	6,849	5,797	16,612
Order backlog at year-end	40,034	41,091	29,891	23,637	23,132	27,122
Sales	15,689	17,840	18,018	9,053	8,248	8,674
Foreign market sales, %	40	48	48	38	41	51
Operating income	1,594	1,533	1,125	1,104	875	-5,316
Operating margin, %	10.2	8.6	6.2	12.2	10.6	neg
Operating margin before depreciation, %	14.7	13.5	10.7	17.1	14.7	neg
Income after financial items	1,554	1,448	1,116	1,377	1,218	-4,845
Net income	1,127	1,038	735	939	912	-3,790
Total assets	29,901	31,119	36,641	28,079	29,680	30,320
of which Saab Aircraft Leasing	5,445	6,456	8,877	8,877	9,119	9,604
of which advance payments, net	4,194	3,619	4,631	4,055	4,881	5,078
Operating cash flow	1,642	-1,908	N/a	-2,368	-1,105	-2,229
Capital employed, average	12,253	12,183	N/a	6,866	6,352	6,440
Pre-tax return on capital employed, %	15.5	14.6	N/a	21.3	21.4	neg
After-tax return on shareholders' equity, %	18.3	20.0	N/a	21.5	25.6	neg
Profit margin, %	12.1	10.0	N/a	16.1	16.6	neg
Capital turnover rate	1.28	1.46	N/a	1.32	1.29	1.13
Equity/assets ratio, %	22.3	18.2	12.8	16.8	13.6	10.2
Interest coverage ratio	5.50	5.32	N/a	16.8	9.20	neg
Earnings per share, SEK 1)	10.59	9.75	6.90	8.82	8.55	N/a
Earnings per share after full conversion, SEK 2)	10.32	9.50	6.73	8.60	8.35	N/a
Dividend, SEK 3)	3.25	3.00	N/a	2.50	2.00	N/a
Shareholders' equity per share, SEK 1)	62.74	53.26	44.15	44.23	37.90	N/a
Capital expenditures	532	1,077	652	447	521	396
Expenditures for research and development	3,819	3,808	4,462	3,081	2,128	1,792
Number of employees at year-end	14,028	15,453	16,665	8,031	7,891	7,716

1) Number of shares as per December 31 1998 – 2001: 106,459,675

2) Number of shares after full conversion 1998-2001: 109,247,175

3) 2001 proposed dividend.

**Key ratios**

	2001	2000	Long-term goal
Operating margin before depreciation	14.7%	13.5%	15%
Operating margin after depreciation	10.2%	8.6%	10%
Dividend, share of profit	31%	31%	20-40%
Pre-tax return on capital employed	15.5%	14.6%	-
After-tax return on shareholders' equity	18.3%	20.0%	15%
Equity/assets ratio	22.3%	18.2%	30%

**Balance sheet**

<b>SEK m.</b>	<b>Dec.31, 2001</b>	<b>Dec.31, 2000</b>
<b>Assets</b>		
Goodwill and other intangible assets	1,978	1,619
Property, plant and equipment, etc.	4,369	4,712
Lease assets	6,103	6,502
Long-term interest bearing receivables	1,296	1,345
Shares, etc.	466	950
Deferred tax receivables	1,521	1,440
Inventories, etc.	3,729	3,684
Short-term interest bearing receivables	332	606
Other receivables	5,401	6,079
Cash and marketable securities	4,706	4,182
<b>Total assets</b>	<b>29,901</b>	<b>31,119</b>
<b>Shareholders' equity and liabilities</b>		
Shareholders' equity	6,679	5,670
Minority interest in subsidiaries	168	821
Provision for pensions	3,678	3,527
Other provisions	2,983	3,821
Liabilities to credit institutions	1,539	1,963
Convertible debenture loan	232	228
Lease obligations	3,121	3,916
Advance payments from customers, net	4,194	3,619
Other liabilities	7,307	7,554
<b>Total shareholders' equity and liabilities</b>	<b>29,901</b>	<b>31,119</b>

**Shareholders' equity**

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

<b>SEK m.</b>	<b>Total</b>
At the beginning of the year	5,670
Net income	1,127
Dividend	-319
Translation differences etc.	201
<b>Total at year-end</b>	<b>6,679</b>

**Subdivided summary of balance sheet, December 31, 2001**

SEK m.	Saab	Saab Aircraft Leasing	Elimi- nations	Saab Group
<b>Assets</b>				
Goodwill and other intangible assets	1,978			1,978
Property, plant and equipment, etc,	4,366	3		4,369
Lease assets		6,103		6,103
Long-term interest bearing receivables	1,296			1,296
Shares, etc,	1,966		-1,500	466
Deferred tax receivables	1,757		-236	1,521
Inventories, etc,	3,729			3,729
Short-term interest bearing receivables	332			332
Other receivables	4,326	1,075		5,401
Cash and marketable securities	4,706			4,706
<b>Total assets</b>	<b>24,456</b>	<b>7,181</b>	<b>-1,736</b>	<b>29,901</b>
<b>Shareholders' equity and liabilities</b>				
Shareholders' equity	6,351	1,828	-1,500	6,679
Minority interest in subsidiaries	175	-7		168
Provision for pensions	3,678			3,678
Other provisions	2,365	854	-236	2,983
Liabilities to credit institutions	1,312	227		1,539
Convertible debenture loan	232			232
Lease obligations		3,121		3,121
Advance payments from customers, net	4,194			4,194
Other liabilities	6,149	1,158		7,307
<b>Total shareholders' equity and liabilities</b>	<b>24,456</b>	<b>7,181</b>	<b>-1,736</b>	<b>29,901</b>

**Personnel by business area**

Number	2001	2000	Change
Saab Systems & Electronics	2,744	3,023	-279
Saab Aerospace	4,121	4,146	-25
Saab Technical Supp & Serv	3,061	3,147	-86
Saab Bofors Dynamics	1,903	1,884	19
Saab Ericsson Space	678	663	15
Saab Aviation Services	842	1,631	-789
Corporate/Other operations	679	959	-280
<b>Saab Group</b>	<b>14,028</b>	<b>15,453</b>	<b>-1,425</b>

**Summary of cash flow statement**

<b>SEK m.</b>	<b>2001</b>	<b>2000<sup>1)</sup></b>
<b>Cash flow from operating activities</b>		
Income after financial items excl, share in income of associated companies	1,520	1,440
Depreciation and write-down charged to income	1,227	1,336
Items affecting comparability		-246
Taxes	-95	-648
<b>Cash flow from operating activities before changes in working capital</b>	<b>2,652</b>	<b>1,882</b>
<b>Working capital</b>		
Inventories etc.	-45	270
Receivables	671	320
Advance payments from customers, net	575	-1,012
Other liabilities	-247	-612
Lease obligations	-795	-717
Provisions	-838	-1,537
<b>Change in working capital</b>	<b>-679</b>	<b>-3,288</b>
<b>Cash flow from operating activities</b>	<b>1,973</b>	<b>-1,406</b>
Investments in intangible fixed assets	-568	-59
Investments in shares etc.	506	43
Investments in tangible fixed assets	-156	-911
Investments in lease assets	-120	476
Change in long-term receivables	7	-51
<b>Cash flow from investments</b>	<b>-331</b>	<b>-502</b>
<b>Operating cash flow</b>	<b>1,642</b>	<b>-1,908</b>

<sup>1)</sup> Change compared to pro forma balance sheet as per December 31, 1999.

**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 and electronics.

**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, and supplies both military and commercial customers.



**Saab Bofors Dynamics**, gathers Saab's operations in precision engagement, develops and produces missile systems, portable anti-armor systems and underwater systems. Today, the business area is a complete missile systems house.

**Saab Ericsson Space** develops and produces computers, antennas, microwave electronics and mechanical systems for the space industry.

**Saab Aviation Services** is a new business area started in 2001. Its core consists of Saab's leasing and customer support operation in regional aviation. The commercial risk in the leasing portfolio was eliminated last year through an insurance solution.

***Dates for financial information:***

*Interim Report for January – March 2002 will be published on April 24, 2002.*

*Interim Report for January – June 2002 will be published on July 11, 2002.*

*Interim Report for January – September 2002 will be published on October 16, 2002.*

***For further information, please contact:***

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***Press conference with CEO Bengt Halse in Stockholm***

*Today, Friday February 15, 15.00. World Trade Center, Stockholm*

***Telephone interview with CEO Bengt Halse:***

*Today, Friday February 15, approx. 16.00-16.30*

*tel. +46 13 18 71 75*

*Contact Anders Stålhammar, Press Officer*

*tel. +46 70 889 7096*

***International teleconference:***

*Today, Friday February 15, 16.30. Contact Marita Sidén  
for registration and further information.*

*tel. +46 13 18 71 49*

***The 2001 report can also be accessed on the Internet at [www.saab.se](http://www.saab.se)***