



The 2002 Report

Teleconference
February 14, 2003



SAAB

Highlights 2002

- For defense operations, a year of continued strong order bookings and a number of strategic breakthroughs
 - Orders for several systems to the Swedish NH90 helicopters
 - Breakthrough order for next generation anti-tank system, confirming world-leading position
 - Export orders for the Taurus stand-off missile system and RBS 70 air defense system
 - Order for combat training center to Finland, confirming market-leading position
- Latest version of the Gripen delivered to Sweden, identical to the export version
- European decision to develop the Meteor medium range air-to-air missile
- Acquisitions and divestments in line with strategy
- Strengthened organization

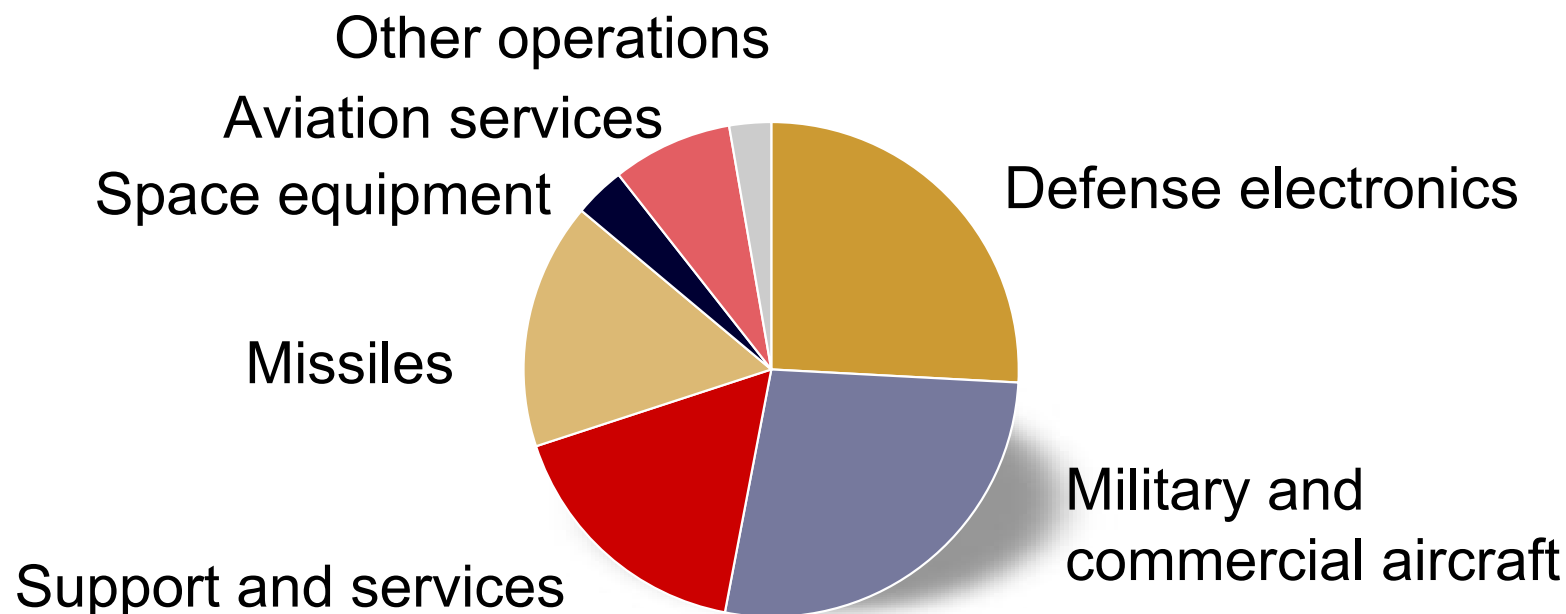


Financial Highlights 2002

- The core business developed well and Saab continued to deliver good financial results
- Order bookings SEK 20 bn and order backlog stands unchanged at about SEK 43 bn
- Sales SEK 16.5 bn, organic growth of 5% – all defense oriented
- Operating income SEK 1,220 m. (944)
- Earnings per share SEK 6.87 and proposed dividend SEK 3.50 (3.25)
- Positive cash flow SEK 92 m. – of which core business SEK 236 m.
- Forecast 2003: Further growth and further improvement in operating income and margin



Saab

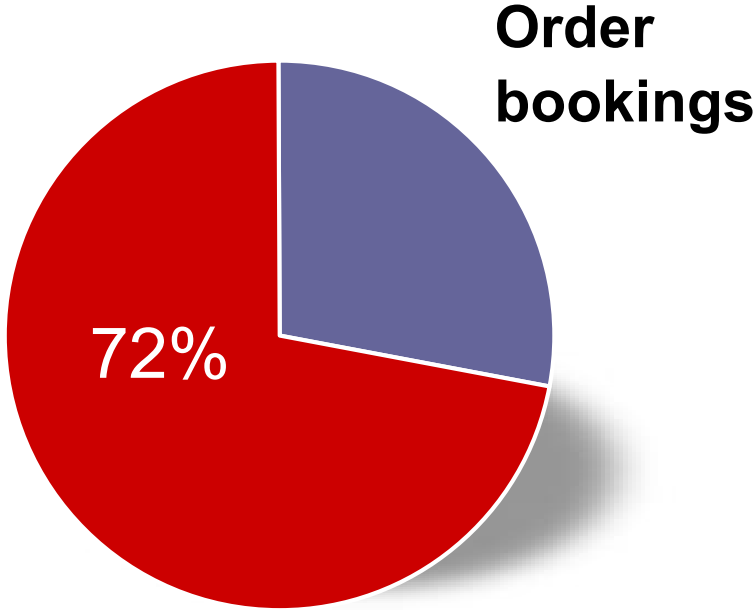
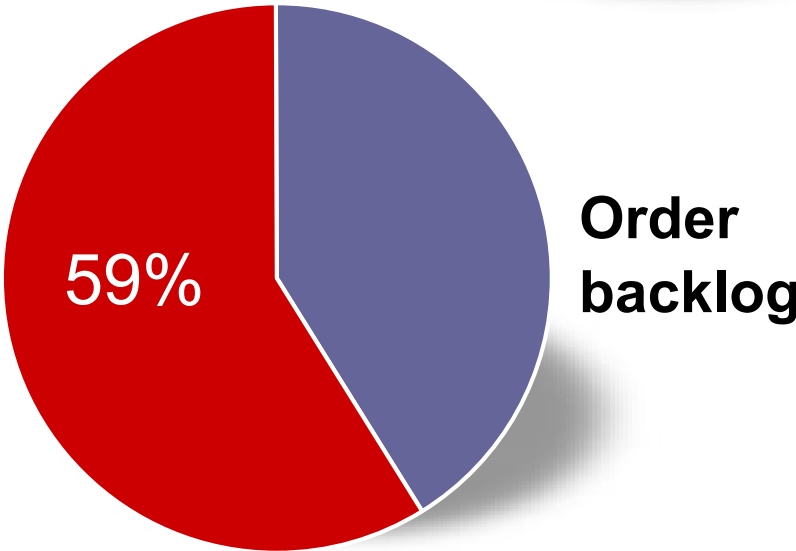
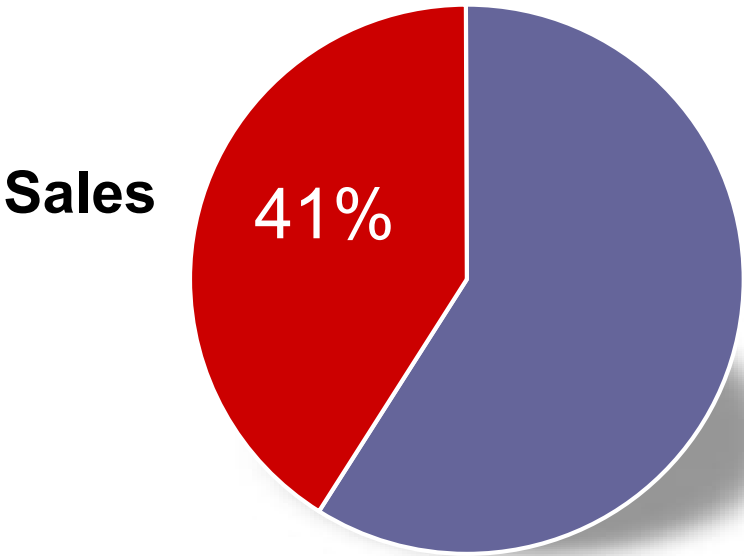


	12 months 2002	12 months 2001
Sales, SEK m.	16,538	15,689
EBIT, SEK m. *	1,220	944
Operating margin, per cent	7.4	6.0
No. of employees, total	14,036	14,028

* Before capital gains of SEK 650 m. in 2001.



Foreign markets



■ International
■ Domestic

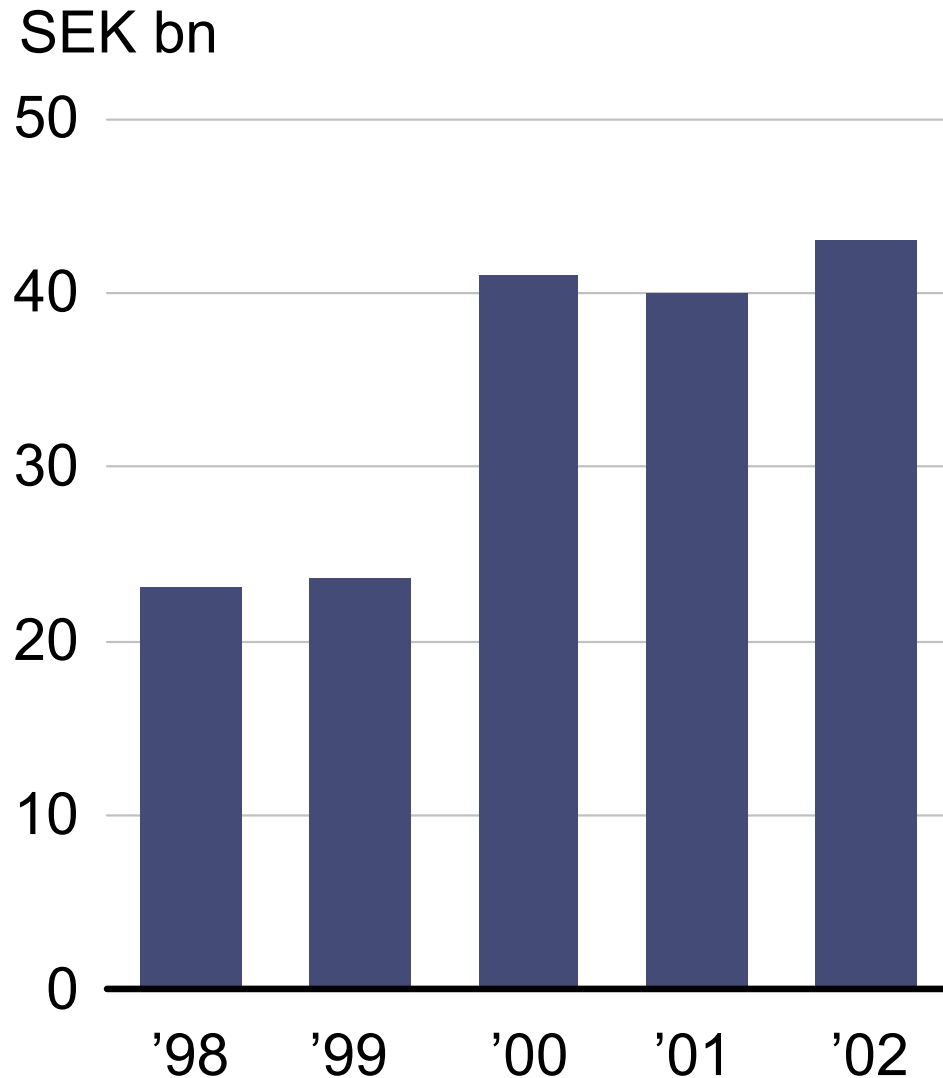


Operating income

SEK millions	2002	<i>margin</i>	2001	<i>margin</i>
Defense	1,105	7.4%	1,008	7.4%
Capitalized R&D	263		0	
	1,368	9.1%	1,008	7.4%
Space & Aviation	76	3.9%	170	7.3%
Corporate/Other op.	-49		-72	
Goodwill amortization	-175		-162	
Total	1,220	7.4%	944	6.0%
Capital gains	-		650	
Saab Group	1,220	7.4%	1,594	10.2%



Substantial order backlog



- Order backlog all-time high, SEK 43 bn
- High-quality and firm orders
- Order backlog includes i.a.:
 - Gripen, Sweden and exports
 - TMS, sonar and EW systems & fuselage for helicopters
 - Command & Control systems
 - Display system (avionics)
 - Combat Training Centers, laser simulators & support/training
 - Electronic warfare
 - Reconnaissance pods
 - Air defense systems
 - Anti-armor systems
 - Torpedo systems
 - Anti-ship missiles

Order bookings and order backlog

SEK millions	Order bookings		Order backlog
	2002	2001	Dec 31, 2002
Systems and Electronics	5,327	4,262	9,703
Aerospace	3,139	4,122	24,675
Technical Support and Services	2,946	3,096	1,006
Dynamics	7,000	2,280	8,300
Space	641	757	736
Aviation Services	1,423	1,454	210
Corporate/ Other operations	369	479	224
Internal	-1,324	-1,176	-1,772
Saab Group	19,521	15,274	43,082

Sales

SEK millions	2002	2001	Change
Systems and Electronics	4,499	3,964	14%
Aerospace	4,782	4,097	17%
Technical Support and Services	2,922	3,144	-7%
Dynamics	2,825	2,493	13%
Space	605	800	-24%
Aviations Services	1,328	1,539	-14%
Corporate/ Other operations	493	615	-20%
Internal	-916	- 963	
Saab Group	16,538	15,689	5%



Operating income

SEK millions	2002	margin	2001	margin
Systems and Electronics	406	9.0%	331	8.4%
Aerospace	588	12.3%	351	8.6%
Technical Supp & Serv	243	8.3%	241	7.7%
Dynamics	131	4.6%	85	3.4%
Space	-61	-10.1%	30	3.8%
Aviation Services	137	10.3%	140	9.1%
Corporate/Other op.	-49	n/a	-72	n/a
Subtotal	1,395	8.4%	1,106	7.0%
Goodwill amortization	-175		-162	
Capital gains etc	-		650	
Saab Group	1,220	7.4%	1,594	10.2%

Income statement

SEK millions	2002	2001
Sales	16,538	15,689
Cost of goods sold	-12,496	-11,697
Gross margin	4,042	3,992
<i>Gross margin</i>	24.4%	25.4%
Marketing expenses	-1,325	-1,385
Administrative expenses	-1,043	-1,062
Research and development costs	-457	-718
Other operating income	282	827
Other operating expenses	-274	-94
Share in income of associated companies	-5	34
Operating income	1,220	1,594
<i>Operating margin</i>	7.4%	10.2%
Result from financial investments	-227	-40
Income after financial items	993	1,554
Taxes	-273	-379
Minority interest	12	-48
Net income	732	1,127
Earnings per share, SEK	6.87	10.59

Balance sheet

SEK millions	Dec.31, 2002	Dec. 31, 2001	Change
Assets			
Goodwill and other intangible assets	2,297	1,978	319
Property, plant and equipment, etc.	4,325	4,369	-44
Lease assets	5,672	6,103	-431
Long-term interest bearing receivables	1,053	1,296	-243
Shares, etc	413	466	-53
Deferred tax receivables	1,279	1,521	-242
Inventories, etc.	3,745	3,729	16
Short-term interest bearing receivables	55	332	-277
Other receivables	5,413	5,401	12
Cash and marketable securities	3,857	4,706	-849
Total assets	28,109	29,901	-1,792
Shareholders' equity and liabilities			
Shareholders' equity	6,833	6,679	154
Minority interest in subsidiaries	110	168	-58
Provision for pensions	3,411	3,678	-267
Other provisions	2,600	2,983	-383
Liabilities to credit institutions	972	1,539	-567
Convertible debenture loan	230	232	-2
Lease obligations	2,926	3,121	-195
Advance payments from customers, net	3,775	4,194	-419
Other liabilities	7,252	7,307	-55
Total shareholders' equity and liabilities	28,109	29,901	-1,792
Equity/assets ratio,%	24.3	22.3	



Balance sheet, Dec 31, 2002, subdivided

SEK millions	Saab	Saab Aircraft Leasing	Elimi- nations	Saab Group
Goodwill and other intangible assets	2,297			2,297
Property, plant and equipment	4,323	2		4,325
Lease assets		5,672		5,672
Long-term interest bearing receivables	1,053			1,053
Shares, etc	1,913		-1,500	413
Deferred tax receivables	1,632		-353	1,279
Inventories, etc.	3,745			3,745
Short-term interest bearing receivables	55			55
Other receivables	4,452	961		5,413
Cash and marketable securities	3,857			3,857
Total assets	23,327	6,635	-1,853	28,109
Shareholders' equity	6,569	1,764	-1,500	6,833
Minority interest in subsidiaries	117	-7		110
Provision for pensions	3,411			3,411
Other provisions	2,088	865	-353	2,600
Liabilities to credit institutions	1,003	-31		972
Convertible debenture loan	230			230
Lease obligations		2,926		2,926
Advance payments from customers, net	3,775			3,775
Other liabilities	6,134	1,118		7,252
Total shareholders' equity & liabilities	23,327	6,635	-1,853	28,109



Cash flow

SEK millions	2002	2001
Cash flow from operating activities		
Income after financial items excl share in income of associated companies	998	1,520
Depreciation and write-down charged to income	1,176	1,227
Tax	-18	-95
Cash flow from operating activities before changes in working capital	2,156	2,652
Working capital		
Inventories etc.	-16	-45
Receivables	6	671
Advance payments from customers	-419	575
Other liabilities	-55	-247
Lease obligations	-195	-795
Provisions	-383	-838
Change in working capital	-1,062	-679
Cash flow from operating activities	1,094	1,973
Investments in intangible fixed assets	-508	-568
Investments in shares etc.	36	506
Investments in tangible fixed assets	-415	-156
Investments in lease assets	-97	-120
Change in long-term receivables	-18	7
Cash flow from investments	-1,002	-331
Operating cash flow	92	1,642

Cash flow

SEK millions	2002
Operations	236
Acquisitions	-80
Saab Aircraft Leasing and regional aircraft	-64
Total	92



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