INVESTOR AB

PRESS RELEASE

British Aerospace to acquire 35 percent of shares in Saab – Investor to remain leading owner

British Aerospace plc has agreed to acquire 35 percent of the votes and 35 percent of the capital of Saab AB from Investor AB for a total price of SEK 3.5 billion. Closure of the transaction is subject to relevant authorities´ approvals and the completed listing of Saab AB on the Stockholm Stock Exchange. The two companies have cooperated since 1983 and have for the last three years been engaged in a joint venture to market the Gripen combat aircraft internationally. Investor's plans concerning the offering of purchase rights in Saab to Investor shareholders remain. After a listing, which is expected to take place before summer, Investor will remain Saab's leading owner with 36 percent of the votes and 20 percent of the capital.

Anders Scharp, vice Chairman of the Board of Investor and Chairman of the Board of Saab, welcomes British Aerospace's ownership in Saab AB.

–This is a natural step in Investor's strategy to broaden the ownership of Saab AB and strengthen the company's long-term potential, says Mr. Scharp. With one of the leading players in the European aerospace industry among its owners, Saab's opportunities to take part in the forthcoming industry restructuring are further enhanced.

The Board of Investor was authorized by the Annual General Meeting on April 20, 1998, to offer purchase rights representing up to 50 percent of the shares in Saab to Investor's shareholders. Investor's plans concerning the offering of purchase rights, expected to take place before summer, remain. Following the agreement with British Aerospace, the maximum amount of shares that can be offered to Investor's shareholders represents 45 percent of the capital and 29 percent of the votes.

On the Board of Directors in Saab, with nine board members elected by the Annual General Meeting, Investor and British Aerospace will each nominate three board members. Investor and British Aerospace will jointly nominate the Chairman, Vice Chairman and Managing Director.

Saab CEO Bengt Halse also sees British Aerospace as natural owner, considering the many years of close and positive cooperation.

–I expect our cooperation to gradually deepen in more areas than just the export of the Gripen. For a number of years, Saab has been involved in

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several international aerospace and defense programs. With British Aerospace as one of our owners, we will be able to further strengthen our position in this context.

–An extended cooperation with British Aerospace will in the long run prove beneficial for creating jobs in Saab, as well as provide additional opportunities for our employees to further expand their skills.

Bengt Halse stresses further that Saab's important role in providing the Swedish Armed Forces with competitive and cost-efficient military equipment will in the long run also be enhanced by British Aerospace's ownership.

The trade unions at Saab – LO and PTK – comment in a joint statement that they welcome British Aerospace ownership, as it is a first step in taking part in a consolidation of the European defense industry.

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Investor AB
Investor AB is the largest Swedish industrial holding company. It generates value for the shareholders through long-term active ownership, active investment operations and trading. Over the past 25 years the average total annual return to the shareholders has exceeded 20 percent.

Investor AB owns Saab, 50 percent of Saab Automobile and a portfolio of major holdings in a number of Sweden's largest, most internationally active industrial companies. These include Astra, Ericsson, Incentive, Scania, ABB, STORA, Atlas Copco, S-E-Banken, SKF, WM-data, OM Gruppen, SAS and Electrolux. Its largest shareholders are the Wallenberg family foundations and a number of mutual and pension funds.

Investor AB is based in Stockholm, with offices in Hong Kong, London and New York.

Saab AB
The Saab Group comprises Saab, Regional Aircraft and Saab Aircraft Finance Group.

Saab is active in the aircraft, space and defense industry and supplies advanced products and systems based on sophisticated information technology.

Saab consists of five business areas: Military Aerospace, Space, Training Systems, Commercial Aircraft and Combitech.

British Aerospace plc
British Aerospace is Europe's leading aerospace and defense company. The company has two principal activities - defense and commercial aerospace - and employs some 42,000 people around the world serving customers in 72 countries.

The defense business comprises a military aircraft and aerostructures business, a defense prime contracting business, ordnance activities, a defense systems business and a guided weapons business throughout its Matra BAe Dynamics joint venture with Lagardère. The defense business designs, manufactures and supports a broad range of military programmes. Its product range includes Tornado, Hawk, Harrier and Nimrod 2000 aircraft. British Aerospace is participating in the development of the fourth generation Eurofighter 2000 aircraft and has formed a joint venture with Saab to adapt, manufacture, market and support the Gripen fighter aircraft internationally. British Aerospace supports some 3,000 military aircraft in service with 23 airforces.

The commercial aerospace business comprises a 20 percent shareholding in Airbus Industrie GIE, one of the world's two leading suppliers of large commercial aircraft. British Aerospace is the sole supplier of wings for the Airbus range of aircraft and it manufactures the RJ series of regional jet aircraft. The company is also responsible for the secondary marketing, support and financing of a portfolio of regional aircraft.

In 1997, British Aerospace reported profit before tax and exceptional items of £596 million (SEK 7,450 million) on sales of £8,546 million (SEK 106,825 million). At 31 December 1997, British Aerospace's order book stood at £22.1 billion (SEK 290 billion) with net cash on the balance sheet of £761 million (SEK 9,984 million).

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