INVESTOR AB

YEAR-END REPORT 1993

- **Investor's net worth** rose during the year to SEK 37,493 (30,122) m., or SEK 206 (166) per share. On March 4, its net worth amounted to SEK 37.515 m., or SEK 206 per share.

- The value of **Investor's portfolio of strategic holdings** at year-end was SEK 27,964 (23,238) m., an increase of 41 percent during the year. (The Affärsvärlden General Index rose by 54 percent during the same period.) On March 4, the value of the portfolio was SEK 27.932 m., +/-0 percent from the beginning of the year. (The Affärsvärlden General Index +8 percent).

- **The Group's net financial debt** amounted to SEK 4,850 (8,701) m. at year-end.

- **The Investor Group's consolidated income after financial items** mounted to SEK 410 (1,482) m. Income for the fourth quarter increased to SEK 194 (-147) m. mainly due to the improvement in Saab-Scania's income.

- **Sales by Saab-Scania's business areas** amounted to SEK 27,656 (26,992) m. during the year.

- **Income after financial items of Saab-Scania's business areas** amounted to SEK 1,659 (2,126) m., of which SEK 729 (573) m. during the fourth quarter.

- Saab-Scania expects an **improvement in income** in 1994.

- **The proposed dividend** to shareholders is SEK 5.25 (5.25) per share.

INVESTOR AB

YEAR-END REPORT 1993

INVESTOR GROUP INCLUDING SAAB-SCANIA

The Investor Group has two business areas: industrial holdings, which comprises its portfolio of strategic holdings and so-called other holdings, and the industrial operations of the subsidiary Saab-Scania Holdings.

Net worth

The Group's net worth consists of shareholders' equity, convertible debenture loans and the surplus value of the strategic portfolio.

Investor's net worth, with Saab-Scania at book value, increased during the year to SEK 37,493 m. (Dec. 31, 1992: SEK 30,122 m.), or SEK 206 (166) per share after full conversion. On March 4, its net worth amounted to SEK 37.515 m., or SEK 206 per share. Saab-Scania is valued at book value, unlike earlier, when its yield value was used.

At SEK 206 per share, net worth consists of SEK 154 for the strategic holdings at current market value, SEK 16 for other holdings, SEK 90 for Saab-Scania's operations at book value, SEK -27 for other assets and liabilities, net, and SEK -27 for net financial debt.

Income

The Group's operating income after depreciation amounted to SEK 2,451 (3,677) m. Income after financial items was SEK 410 (1,482) m. Income for the fourth quarter increased to SEK 194 (-147) m. mainly due to the improvement in Saab-Scania's income. Net income amounted to SEK 474 (1,163) m.

Liquidity, equity/assets ratio and net debt

The Group's cash and short-term investments amounted to SEK 8,292 (10,140) m. Current and long-term loan liabilities totaled SEK 16,450 (22,391) m. The equity/assets ratio was 55 (47) percent.

Adjusted for finance company loan liabilities, net debt amounted to SEK 4,850 (8,701) m. During the year, payment was executed of the previously approved SEK 1,400 m. shareholders' contribution to Saab Automobile.

During the year, net debt decreased by nearly SEK 4 billion as a result of sales from the strategic portfolio and a positive cash flow from Saab-Scania's operations, in combination with a decrease in tied-up working capital in Saab-Scania.

In an effort to achieve an optimal funding structure, a Eurobond was issued on the European bond market in January 1994 in the amount of USD 200 million and with a maturity of five years from the issue date.

Industrial holdings

Strategic shareholdings

The value of the portfolio of strategic holdings on December 31 amounted to SEK 27,964 (23,238) m., Adjusted for net changes, the value of the portfolio increased by 41 percent during the year. The Affärsvärlden General Index rose by 54 percent.

As of March 4, the value of the strategic holdings was SEK 27.932 m. Adjusted for net changes, the portfolio's value was unchanged percentage-wise from the beginning of the year. The Affärsvärlden General Index rose by 8 percent during the same period.

During the year, Investor participated to a limited extent in stock lending in order to increase the yield on the portfolio of strategic shareholdings. The policy is to lend a maximum of 2 percent of the voting rights in any individual stock. Shares on loan can be recalled at Investor's request at any time. Shares are lent only to major players with a strong financial position.

Shares were purchased in the strategic portfolio in Ericsson for SEK 170 m. In addition, Investor took part in Skandinaviska Enskilda Banken's new share issue, increasing its holding by 3,800,000 A shares for SEK 76 m. Sales from the portfolio - primarily in ASEA, STORA and SKF - amounted to SEK 4,178 m. Shares were sold during the year for a net of SEK 3,932 m. Following the sale of the entire holding in ASEA, Investor retains an indirect interest in the company via Incentive. Investor holds 34 percent of the voting rights in Incentive, which has 33 percent of the voting rights in ASEA, which in turn jointly owns ABB.

Capital gains amounted to SEK 1,408 (2,271) m., of which the sale of the ASEA holding accounted for SEK 899 m., and the shares in STORA for SEK 182 m., in Atlas Copco for SEK 126 m., in SKF for SEK 119 m. and in Garphyttan for SEK 73 m.

Changes in the strategic portfolio	Number (000s)	SEK m.
Purchases and subscriptions		
Ericsson B	500	170
S-E-Banken A	3,800	76
Total purchases		246
Sale		
ASEA	6,964	2,890
STORA A	1,518	511
SKF A	3,175	404
Atlas Copco A	640	250
Garphyttan	903	114
Others		9
Total sales		4,178

After the end of the year, an additional 100,000 Ericsson B shares were acquired for SEK 34 m. and 600,000 SKF A shares were sold for proceeds of SEK 88 m.

Investor's strategic portfolio as of December 31, 1993 Company		Number of shares (000s)	Market value SEK m.	Change in share price 1993, %**	Share of portfolio %	Voting rights %*	Share of capital %*
Astra	1)	61,512	11,687	+29	41.8	12.0	10.1
Incentive	2)	17,718	4,624	+47	16.5	34.1	25.9
STORA		10,546	4,166	+40	14.9	19.7	16.4
Atlas Copco	3)	5,190	2,154	+24	7.7	20.2	14.3
SKF		15,775	2,130	+84	7.6	32.0	11.9
Ericsson		4,690	1,888	+83	6.8	22.2	2.1
S-E-Banken	4)	7,600	429	+712	1.5	1.4	1.4
SILA		9,187	322	+/-0	1.2	13.0	13.0
Electrolux		936	300	+19	1.1	45.2	1.3
OM Gruppen	5)	1,598	264	+124	0.9	20.3	20.3
Total strategic holdings			27,964		100		

* After full conversion.

** Most highly traded class of share.

1) Of which 40,000 on loan 2) Of which 132,700 on loan 3) Of which 100,200 on loan

4) Of which 616,500 on loan.

5) Of which options have been issued for 369,000.

Other holdings

An operating loss was reported in the amount of SEK 167 m., against a corresponding loss of SEK 414 m. in 1992. Included in the 1993 figure is a charge for the writedown of consolidated real estate values of SEK 336 (281) m. The writedown refers primarily to real estate in Stockholm-Saltsjön.

The concentration of Other holdings continued. During the year, proceeds of SEK 100 m. were received on the sale of Bohusbanken. Moreover, the entire holding in Arbitech was sold for a total of SEK 96 m. and the holding in Christie's for SEK 247 m.

TV4 is one of the three major television channels in Sweden. It has over a 60 percent share of the Swedish commercial television market. Following substantial start-up costs, revenues for 1993 amounted to SEK 926 m., with income after financial items of SEK 72 m. Revenues for 1994 are estimated at SEK 1,300 m. and income at approximately SEK 175 m. In early March 1994, the company will be introduced on the Stockholm Stock Exchange. Based on the issue price, the market value of TV4 is SEK 2 billion. After the introduction on the stock market, Investor's ownership interest amounts to 21 percent of the capital and 24 percent of the voting rights.

At the beginning of March 1994, the real estate management operations of Stockholm-Saltsjön and FastighetsRenting were merged into a new company, NewSec, which is focusing on active management and new financial products in the real estate market. At the same time, Grand Hôtel Holdings was established to manage the operations of the Grand Hôtel Stockholm and Grand Hôtel Saltsjöbaden.

The industrial operations of Saab-Scania

The Saab-Scania Holdings Group comprises the Parent Company, Saab-Scania Holdings AB, and its wholly owned subsidiary Saab-Scania AB, with Group companies.

Sales and income

Consolidated Group sales rose by 2 percent during the year to SEK 27,656 (26,992) m. Adjusted for changes in exchange rates, measured as the difference between spot rates, sales declined by 10 percent. Sales in foreign markets amounted to SEK 19,400 (18,600) m., or 70 (69) percent of total sales.

Order bookings during the year amounted to SEK 26,900 (36,000) m. Order bookings for 1992 included the order for subseries 2 of the JAS 39 Gripen in the amount of SEK 11,500 m.

The aggregate income after financial items of the business areas amounted to SEK 1,659 (2,126) m. During the latter half of the year, income, primarily with respect to Scania's operations, was affected positively by significantly better exchange rates compared with the previous year. Of the business areas, Scania Trucks & Buses and Saab Aircraft reported lower income, while income for Saab-Scania Combitech and Saab-Scania Finance was largely unchanged. Net financial expense for the Group increased as a result of lower interest rates on liquid assets and costs incurred in connection with the refinancing of loans.

Sales SEK m.	1993 1/1-12/31	1992 1/1-12/31	Change %
Scania Trucks & Buses			
- Scania products	17,967	16,552	9
- V.A.G products	4,551	4,835	-6
	22,518	21,387	5
Saab Aircraft	3,220	3,917	-18
Saab-Scania Combitech	2,032	1,895	7
Less inter-company sales	-114	-207	—
Group	27,656	26,992	2

Financial summary SEK m.	1993 1/1-12/31	1992 1/1-12/31
Scania Trucks & Buses	1,267	1,631
Saab Aircraft	-245	56
Saab-Scania Combitech	76	54
Saab-Scania Finance	104	105
Operating income after depreciation of the business areas	1,202	1,846
Financial income and expenses of the business areas	457	280
Income after financial items of Saab-Scania's business areas	1,659	2,126
Shared Group income and expenses		
Depreciation of surplus values and goodwill	-320	-320
Shared Group expenses	-62	-252
Financial income and expenses	-1,240	-838
Income after financial items of the Saab-Scania Holdings Group	37	716

Quarterly sales and income summary SEK m.	Jan-Mar 1993	Jan-Mar 1992	Apr-Jun 1993	Apr-Jun 1992	Jul-Sep 1993	Jul-Sep 1992	Oct-Dec 1993	Oct-Dec 1992
Sales	6.231	6.803	6.812	6.898	6.235	6.209	8.378	7.082
Income after financial items of the business areas	266	499	315	673	349	381	729	573
as a percentage of sales	4.3	7.3	4.6	9.8	5.6	6.1	8.7	8.1
Income after financial items of the Saab-Scania Holdings Group	-92	211	-131	386	-79	67	339	102

Scania Trucks & Buses

Demand for heavy trucks in Western Europe declined for the fourth consecutive year. The total market in 1993 decreased by 23 percent to 114,000 (149,000) vehicles. At their peak, in 1989, new vehicle registrations reached 190,000. An improvement was noted in several markets toward the end of the year, however. The market in Great Britain increased by approximately 25 percent. In Central Europe, demand in Germany and the Netherlands remained weak, while an improvement was seen in Austria and Belgium. In Southern Europe, the markets decreased in France, Italy and Spain, although a degree of stabilization is evident in these countries. The Scandinavian markets showed some positive signs toward the end of the year.

The Latin American truck market was very strong, reaching record-high volumes. In Brazil, the market for heavy trucks increased by 65 percent. Demand for buses declined in Latin America compared with the high level of the previous year.

The truck market in Australia strengthened during the year. In the Far East, the rate of growth leveled off in several countries, which resulted in a slight decline in the truck market. The Middle East was characterized by relatively slow growth during the year, with the exception of the markets in the Gulf states.

Scania strengthened its position in Western Europe, increasing its market share to 11.4 (11.0) percent. In all, 13,900 (17,200) Scania vehicles were sold, of which 800 (900) were buses. In Latin America, a total of 8,100 (7,400) vehicles were sold, of which 1,500 (2,700) were buses. Brazil was again Scania's largest market, with its highest sales volume to date. Argentina also noted a record volume. The total number of vehicles sold was 25,800 (28,800), of which 2,700 (4,200) were buses. Sales of Scania products rose in terms of value by 9 percent to SEK 17,967 (16,552) m. Adjusted for changes in exchange rates, sales fell by 10 percent.

The number of new cars registered in Sweden decreased by 19 percent to 124,000 (154,000). The V.A.G organization delivered 16,700 (22,500) passenger cars during the year, giving it a market share of 13.5 (14.6) percent. Sales for V.A.G operations amounted to SEK 4,551 (4,835) m.

Total sales for Scania Trucks & Buses amounted to SEK 22,518 (21,387) m., an increase of 5 percent.

Order bookings were received for 25,600 (25,400) vehicles, of which 2,700 (3,600) were buses. In terms of value, order bookings, including those for V.A.G products, rose to SEK 22,900 (19,600) m. The order backlog at year-end was SEK 3,900 (3,200) m.

Scania Trucks & Buses' income after depreciation amounted to SEK 1,267 (1,631) m. Income from European operations fell due to a lower sales volume, which resulted in overcapacity, and pressure to hold down prices. During the latter half of the year, favorable exchange rates gradually had a positive effect on income. Income of the Latin American operations improved thanks to a higher volume, a better product mix and more cost-effective production. Scania's customer finance operations reported a loss as a result of higher credit losses in Spain. Income of the V.A.G operations improved through cost savings in both importer and retail channels.

Saab Aircraft

Despite an increase in traffic volume, airlines held off on orders for new aircraft in 1993. This resulted in lower order bookings for commercial operations, which received orders for 11 (30) Saab 340 aircraft during the year. In terms of value, order bookings amounted to SEK 2,500 (14,700) m. The order backlog at year-end was SEK 24,100 (23,600), of which SEK 16,000 (15,800) m. pertained to the military operations.

The certification of the Saab 2000, which was originally planned to take place during the fourth quarter of 1993, has been postponed until the fourth quarter of 1994. The decision was mainly necessitated by the introduction of a new elevator system.

Measures have been taken within the business area Saab Aircraft to adapt the organization to a lower volume of sales for commercial operations. A project is currently under way to cut throughput times in production in both military and commercial operations. The target of the commercial operations, is to achieve profitability on the sale of approximately 50 aircraft a year.

Sales declined by 18 percent to SEK 3,220 (3,917) m. The decrease was attributable to commercial operations. During the year, 29 (48) Saab 340 aircraft were sold.

The business area Saab Aircraft reported a loss after depreciation of SEK 245 m., against corresponding year-earlier income of SEK 56 m. Saab Military Aircraft noted higher income. Income was charged with SEK 50 (100) m. for extra costs in connection with the JAS 39 Gripen project. Commercial operations reported a significant deficit stemming from lower volume, which resulted in overcapacity. Furthermore, the delay in the Saab 2000 project resulted in extra costs of a non-recurring nature.

Saab-Scania Combitech

Order bookings amounted to SEK 1,850 (2,050) m. The decrease was attributable to defense operations. The order back-log at year-end was SEK 3,400 (3,600) m.

Saab-Scania Combitech improved its income after depreciation to SEK 76 (54) m. The main sectors Defense and Space noted higher income. Development costs in main sector Traffic were higher than in the previous year.

Saab-Scania Finance

Saab-Scania Finance's income was largely unchanged at SEK 104 (105) m.

Saab Automobile

On February 28, Saab Automobile released a report on its development in 1993. Sales amounted to SEK 16,119 (14,691) m., an increase of 10 percent. During the year, 75,200 (86,800) cars were sold. Declines in Saab Automobile's main markets together with a production stoppage during the changeover to the new Saab 900 were the primary reasons for the lower volume.

In September, deliveries began of the new 900 model. Order signings were substantial and interest in the Saab 900 contributed to a rise in sales of the larger model, the Saab 9000, during the year.

The loss after financial items was SEK 1,374 m., compared with a corresponding loss in 1992 of SEK 2,688 m. Favorable exchange rates did not affect income to a significant extent in 1993 due to currency hedging.

Saab Automobile's forecast is that opportunities in 1994 are good for reaching break-even, thanks to broadening of the model range and increasing demand on many markets.

Financing and liquidity

The Saab-Scania Holdings Group's net debt, excluding funding for the customer finance operations, decreased by SEK 394 m. to SEK 2,937 (3,331) m. During the year, payment was executed of the previously approved SEK 1,400 m. shareholders' contribution to Saab Automobile.

The Group's equity/assets ratio - shareholders' equity as a ratio of total assets after deduction of cash and marketable securities - was 23 (24) percent. Excluding funding for customer finance operations, the equity/assets ratio was 26 (27) percent.

Capital expenditures - research and development

During the year, capital expenditures for property, plant and equipment, excluding leasing assets, amounted to SEK 1,579 (1,938) m., of which SEK 1,135 (1,230) m. in Sweden. Net capital expenditures, including leasing assets, amounted to SEK 2,838 (3,154) m.

Expenditures for research and development during the year amounted to SEK 2,626 (2,777) m., corresponding to 9.5 (10.3) percent of sales.

Personnel

The number of employees in the Saab-Scania Holdings Group decreased by 2,458 to 26,945 (29,403) at year-end. Of the decrease, 1,850 were from Scania Trucks & Buses, 400 from Saab Aircraft and 200 from Saab-Scania Combitech.

Changes in the organization

As of 1994, Saab-Scania's defense operations have been merged within Saab Defense, which thereby comprises Saab Military Aircraft and three companies that were previously part of the Combitech group: Saab Missiles, Saab Instruments and Saab Training Systems. Total sales of Saab Defense amount to approximately SEK 3,100 m., with around 4,500 employees.
With the establishment of Saab Defense, the operations of the Saab Combitech group have been focused on commercial, high technology products and services. It is Saab-Scania's aim to further develop this business in cooperation with external partners.

Along with Saab Aircraft AB (commercial aircraft), the business area Saab Aircraft & Defense comprises Saab Defense and Saab Combitech.

In addition, the business area Scania Trucks & Buses with subsidiaries and associated companies has been converted into an independent subsidiary. Scania AB, the new company name, becomes a wholly owned subsidiary of Saab-Scania AB. The current general manager of the operations, Leif Östling, will become president of Scania AB.

Saab-Scania AB and Volkswagen AG have decided to implement a change in the ownership of V.A.G Sverige AB such that both parties Scania and Volkswagen have an equal ownership interest. Previously, Saab-Scania AB owned two-thirds and Volkswagen AG one-third. As of 1994, the holding in V.A.G Sverige AB will be reported as an associated company in accordance with the equity accounting method.

Forecast

Saab-Scania expects to maintain or strengthen its market positions. During 1994, there will be an improvement in income as a result of the cost-cutting programs that have been carried out, together with an upswing in the business cycle and positive exchange rate effects.

Parent Company Investor AB

On March 26, 1993, Förvaltnings AB Providentia was merged with the Parent Company, Investor AB. The comparison figures below for 1992 refer to the Parent Company including Förvaltnings AB Providentia.

Income after financial items amounted to SEK 1,311 (2,025) m., of which capital gains accounted for SEK 1,408 (2,271) m. Net income was SEK 1,234 (2,050) m. Shares were purchased during the year for SEK 246 m. and sold for SEK 4,178 m.

Proposed dividend

The Board of Directors and President propose that the shareholders receive a dividend of SEK 5.25 (5.25) per share, or a total of SEK 721 (721) m.

Annual Meeting

The Annual Meeting will be held at 6:00 p.m. on Thursday, May 19, 1994. Investor's audited annual report will be made available at the company's office at Arsenalsgatan 8C in Stockholm.

Stockholm, March 7, 1994

Claes Dahlbäck
President

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Investor Group
Income statement

SEK m.	1993 1/1-12/31	1992 1/1-12/31
Industrial holdings		
Strategic holdings		
Dividends received	390	546
Capital gains, net	1,408	2,271
	1,798	2,817
Other holdings		
Income	1,931	4,872
Expenses	-1,849	-5,045
General expenses	-190	-189
Depreciation according to plan	-59	-52
	-167	-414
Industrial operations		
Saab-Scania [1]		
Sales	27,656	26,992
Manufacturing, selling and administrative expenses	-24,986	-24,140
Other income and expenses, net [2]	-25	86
Depreciation according to plan [3]	-1,857	-1,705
Share in income of associated companies	32	41
	820	1,274
Operating income after depreciation	2,451	3,677
Financial expenses, convertible debenture loans		
- interest expenses and capital discount	-627	-610
- currency translation [4]	-144	-210
Net financial expense, other	-1,270	-1,375
Income after financial items	410	1,482
Extraordinary income and expenses		
Shareholders' contribution to Saab Automobile	-	-1,400
Income before tax	410	82
Tax paid	-373	-122
Change in deferred tax	493	1,213
Minority interest	-56	-10
Consolidated net income	474	1,163
1) Operating income after depreciation of the business areas	1,202	1,846
Depreciation of surplus values and goodwill	320	320
Shared Group expenses	62	252
Operating income after depreciation, Saab-Scania Holdings	820	1,274

2) Pertains to the customer finance and treasury operations of Saab Scania.

3) Includes depreciation of the surplus values of real estate and goodwill.

4) Pertains to the translation to the exchange rates applicable on December 31, 1993 and December 31, 1992, respectively, for the portion of the convertible debenture loan in foreign currency, ECU 183 million. As share conversions are made, this reserve will be dissolved and reported as income.

Investor Group
Balance sheet

SEK m.	Book value 1993 12/31	Book value 1992 12/31	Market value 1993 12/31	Market value 1992 12/31
Current assets				
Cash and short-term investments	8,292	10,410	8,292	10,410
Shares, participations and other securities	1,945	2,128	1,945	2,128
Current receivables	6,715	7,019	6,715	7,019
Inventories	6,674	5,509	6,674	5,509
	23,626	25,066	23,626	25,066
Fixed assets				
Strategic holdings	10,347	12,871	27,964	23,238
Other shares and participations	573	547	573	547
Long-term receivables	4,504	5,215	4,504	5,215
Goodwill	3,896	4,108	3,896	4,108
Machinery, equipment, real estate, etc.	16,366	15,808	16,366	15,808
	35,686	38,549	53,303	48,916
Total assets	59,312	63,615	76,929	73,982
Current liabilities				
Current loan liabilities	3,422	7,181	3,422	7,181
Other current liabilities	12,298	11,767	12,298	11,767
Advance payments from customers	5,523	3,694	5,523	3,694
	21,243	22,642	21,243	22,642
Long-term liabilities				
Long-term loan liabilities	13,028	15,210	13,028	15,210
Provision for pensions	3,106	3,304	3,106	3,304
Deferred tax liability	1,800	2,386	1,800	2,386
	17,934	20,900	17,934	20,900
Convertible debenture loans	6,816	6,619	6,816	6,619
Minority interest in subsidiaries	259	318	259	318
Surplus values arising from market valuation [1]			17,617	10,367
Shareholders' equity				
Capital stock and restricted reserves	9,869	9,740	9,869	9,740
Unrestricted reserves and net income	3,191	3,396	3,191	3,396
	13,060	13,136	13,060	13,136
Total liabilities and shareholders' equity	59,312	63,615	76,929	73,982
Equity/assets ratio [2]			55%	47%
Net financial debt [3]			4,850	8,701

1) Pertains to the surplus value of the strategic holdings.
2) Shareholders' equity incl. surplus values and the convertible debenture loans as a ratio of total assets less cash and short term investments.
3) See page 12.

Investor Group
Net worth[1]

	12/31/1993		12/31/1992	
	SEK/share[2]	SEK m.	SEK/share[2]	SEK m.
Strategic holdings				
Astra	64	11,687	50	9,042
Incentive	26	4,624	17	3,136
STORA	23	4,166	19	3,402
Atlas Copco	12	2,154	11	1,947
SKF	12	2,130	8	1,478
Ericsson	10	1,888	4	809
S-E-Banken	2	429	0	42
Others	5	886	4	633
ASEA, Garphyttan	-	-	15	2,749
Total strategic holdings	154	27,964	128	23,238
Other holdings				
Listed shares	4	681	5	918
Associated companies	4	667	4	707
Land and real estate [3]	5	886	7	1,222
Shares with options	4	708	3	615
Total other holdings	16	2,942	19	3,462
Saab-Scania operations [1]	90	16,302	96	17,512
Other assets and liabilities, net [4]	-27	-4,865	-29	-5,389
Net financial debt [5]	-27	-4,850	-48	-8,701
Total net worth [1]	206	37,493	166	30,122

1) Saab-Scania's operations are reported in the above table at book value (operational assets excluding cash less liabilitie sexcluding interest-bearing liabilities), unlike earlier, when its yield value was used. For the sake of comparison, the figures as of December 31, 1992 have been adjusted. Yield value will still be provided for information purposes, however.

Yield value is calculated with the help of an EBIT multiple (operating income after depreciation but before depreciation of surplus values and goodwill) corresponding to the average for the Swedish engineering industry, adjusted for extreme values.

The EBIT multiple rose from 13.2 on December 31, 1992 to 17.5 as of December 31, 1993. Saab-Scania's 12-month operating income (adjusted for other revenue and the depreciation of surplus values and goodwill) decreased from SEK 1,508 m. on December 31, 1992 to SEK 1,165 m. as of December 31, 1993. The yield value of Saab-Scania's operations rose from SEK 19,906 m. at year end 1992 (13.2 x 1,508) to SEK 20,388 m. (17.5 x 1,165) as of December 31, 1993.

2) After full conversion, the number of shares amounts to 181.9 million.

3) Pertains to Stockholm-Saltsjön and Näckström.

4)

Other assets and liabilities, net, SEK m.	1993 12/31	1992 12/31
Assets, finance companies, excl. cash	4,950	4,344
Other assets, other holdings	820	1,158
Finance company debt, incl. loans	4,307	3,851
Other current liabilities	3,222	3,736
Pension liability	3,106	3,304
Other assets and liabilities, net	4,865	5,389

5)

Net financial debt, SEK m.	1993 12/31	1992 12/31
Cash and short term investments	8,292	10,410
Current and long term loan liabilities	16,450	22,391
Less finance company loans	3,308	3,280
Net financial debt	4,850	8,701

Investor Group
Statement of changes in financial position

SEK m.	1993 1/1-12/31	1992 1/1-12/31
Source of funds		
Dividends received	390	546
Sales from the strategic portfolio	4,178	5,289
Cash flow, other holdings	562	483
Funds generated from industrial holdings	5,130	6,318
Operating income, Saab-Scania [1]	807	1,248
Depreciation, Saab-Scania	2,037	1,812
Funds generated from industrial operations	2,844	3,060
Net financial expense [1]	-1,844	-1,932
Taxes paid	- 355	-120
Total funds provided	5,775	7,326
Application of funds		
Dividends paid	- 721	-718
Purchases of shares for the strategic portfolio	- 246	-482
Decrease in working capital, Saab-Scania [2]	2,713	1,127
Net capital expenditures for property, plant and equipment, Saab-Scania [2]	- 2,819	-2,987
Other long-term receivables and liabilities, etc.	521	332
Payment of shareholders' contribution to Saab Automobile	- 1,400	-
Total funds applied	-1,952	-2,728
Financial surplus	3,823	4,598
Financing		
Decrease in liquid assets (+)	2,118	3,795
Decrease in short-term loans (-)	- 3,759	-971
Decrease in long-term loans (-)	- 2,182	-7,422
Total financing	-3,823	-4,598

1) Operating income adjusted for the portion of the income of associated companies which has not affected cash flow. Cash net of financial income and expenses adjusted for non cash items (the depreciation of capital discount and provisions for currency translation of a convertible debenture loan).

2) The statement of changes in financial position has been affected by changes in exchange rates during the period partly in the form of exchange rate differences in the translation to Swedish kronor of the balance sheets of foreign subsidiaries and partly in the form of exchange rate differences on forward contracts used as currency hedging on the net assets of foreign subsidiaries. These effects as they pertain to Saab-Scania are summarized in the table below.

	1993	1992
Funds generated internally	135	
Increase in working capital of foreign subsidiaries	195	460
Exchange rate differences on forward contracts used as currency hedging on the net assets of foreign subsidiaries		
Change in unrealized exchange rate differences	575	760
Realized exchange rate differences	465	
Effect on operating cash flow	50	300
Increase in property, plant and equipment and capital expenditures of foreign subsidiaries	440	585
Translation difference	25	80
Effect on financial surplus	415	205
Increase in liquid asasets from translation of foreign subsidiaries (-)	330	400
Decrease in liquid assets from dissolved foreign contracts (+)	465	
increase in loans of foreign subsidiaries (+)	280	605
Effect on financing	415	205