INVESTOR AB

SIX MONTH INTERIM REPORT 1994

- **Investors's net worth**, on June 30 amounted to SEK 38,286 m. (Dec. 31, 1993: 37,493 m.), or 192 (206) per share*. On August 24, its net worth amounted to SEK 39,913 m., or SEK 200 per share.

- **The value of Investor's portfolio** of strategic holdings was SEK 27,516 m. (Dec. 31, 1993: SEK 27,964 m.), a decrease of 7% from the beginning of the year. On August 24, its value was SEK 28,997 m., a decrease of 1% from the beginning of the year.

- **The Investor Group's income before tax** amounted to SEK 1,191 m., against SEK 367 m. in the first six months of 1993.

- **The Group's net debt** on June 30 amounted to SEK 6,880 m. (Dec 31, 1993: SEK 4,850 m.). The increase is due, among other things, to higher tied-up working capital within Saab-Scania, as a result of favorable growth in its operations, and to a payment against the sale and leaseback agreement on Grand Hôtel's property.

- **Saab-Scania's order bookings** rose by 40% during the first half-year. **Its sales** during the period amounted to SEK 14,466 (11,914) m., an increase of 21%.

- **Saab-Scania's operating income after depreciation** amounted to SEK 1,429 (39) m. **Income after financial items** amounted to SEK 1,200 (-264) m.

- **Saab-Scania's income during the second half of 1994 is expected to be better than during the first half.**

* Investor's net worth with Saab-Scania at an EBIT value was SEK 55,785 m., or SEK 280 per share.

INVESTOR AB

SIX MONTH INTERIM REPORT 1994

INVESTOR GROUP INCLUDING SAAB-SCANIA

Net worth

Investor's net worth, with Saab-Scania at book value, on June 30 amounted to SEK 38,286 m. (Dec. 31, 1993: SEK 37,493 m.), or SEK 192 (206) per share after full conversion*. On August 24, its net worth amounted to SEK 39,913 m., or SEK 200 per share.

Income

The Group's operating income after depreciation amounted to SEK 2,093 (1,433) m. Income after financial items was SEK 1,424 (367) m. Income before tax, after elimination of the acquisition of Export-Invest, was SEK 1,191 (367) m. The increase in income is due primarily to a very positive trend in income within Saab-Scania. Net income for the first six months of 1994 amounted to SEK 808 (351) m.

Liquidity, equity/assets ratio and net debt

The Group's cash and short-term investments amounted to SEK 5,288 m. (Dec. 31, 1993: SEK 8,292 m.). Current and long-term loan liabilities totaled SEK 15,578 m. (Dec. 31, 1993: SEK 16,450 m.). The equity/assets ratio was 55 (55) percent.

Adjusted for finance company loan liabilities, net debt amounted to SEK 6,880 m. (Dec. 31, 1993: SEK 4,850 m.). The increase in net indebtedness is due, among other things, to higher tied-up working capital within Saab-Scania, as a result of favorable growth in its operations, and to a payment against the sale and leaseback agreement on Grand Hôtel's property.

Export-Invest

On March 14, 1994, the Board of Directors of Investor made a public offer to the shareholders of Export-Invest to tender their shares in exchange for shares in Investor. At the conclusion of the application period, on May 20, 1994, Investor had received 97.6 percent of the shares and 97.8 percent of the voting rights. At Investor's Annual Meeting on May 19, 1994, the Board of Directors' proposal for a new share issue was approved and the Company thereby was able to implement the offer. A compulsory redemption of the outstanding shares in Export-Invest was requested on May 26, 1994, at which time Investor offered the remaining minority shareholders a private cash settlement. Export-Invest was delisted from the Stockholm Stock Exchange on August 4, 1994.

The acquisition of Export-Invest was made through a non-cash issue and is reported in accordance with the purchase accounting method. The value of the net assets has been reported as

* Investor's net worth, with Saab-Scania at an EBIT value was SEK 55,785 m., or SEK 280 per share.

SEK 3,467 m. Due to the weakness of the Stockholm Stock Exchange following the acquisition date, the market value as of June 30 is slightly lower than the reported acquisition value.

Export-Invest's revenues and expenses for the first six months of 1994 have been included under the proper captions in Investor's income statement. Income generated prior to the acquisition date of May 20, 1994, has then been eliminated in its entirety.

Export-Invest's organization and net assets have, after June 30, 1994, been integrated completely within Investor.

A list of Investor's shareholders and its share structure as of June 30, can be found on page 13.

Industrial holdings

The industrial holdings consist of Investor' s strategic holdings, additional holdings added through the acquisition of Export-Invest, securities trading and so-called other holdings.

The value of the portfolio of strategic holdings on June 30 amounted to SEK 27,516 m. (Dec. 31, 1993: SEK 27,964 m.). Adjusted for net changes, this represents a decrease of 7 percent from the beginning of the year. The Affärsvärlden General Index declined by 2 percent compared with the beginning of the year.

As of August 24, the value of the strategic holdings was SEK 28,997 m., a decrease of 1 percent from the beginning of the year. The Affärsvärlden General Index rose by 2 percent during the same period.

Dividend receipts, including purchase rights, amounted to SEK 470 m. (of which Export-Invest SEK 60 m.). Capital gains amounted to SEK 283 m. (of which Export-Invest SEK 165 m.). Shares were sold during the period for a net of SEK 113 m.

Operating income of the industrial holdings operations amounted to SEK 664 (1,394) m., of which SEK 227 m. through the acquisition of Export-Invest. The lower income figure is attributable primarily to lower capital gains.

On April 15, 1994, TV4 was introduced on the Stockholm Stock Exchange. Investor's ownership interest amounts to 21 percent of the capital and 24 percent of the voting rights. As of June 30, 1994, TV4 is included among Investor's strategic holdings.

In May 1994, Incentive's shareholders were offered the opportunity to acquire Incentive's shareholding in Orrefors. Following the implementation of the offer, Investor's holding in Orrefors amounts to 20.5 percent of the capital and voting rights.

In June 1994, the sale and leaseback agreement entered into with FastighetsRenting in 1987 was dissolved. The agreement covered the Grand Hôtel Stockholm's property and the payment against the agreement amounted to SEK 750 m. The hotel property has been transferred to Grand Hôtel Holdings AB.

In Investor's balance sheet at market value, the strategic holdings and other holdings (added through Export-Invest) are reported at their market value as of June 30. Other assets have been valued at the lower of book value and estimated market value.

Changes in the strategic portfolio, 1/1-6/30 1994	**Number (000s)**	**SEK m.**
Purchases and subscriptions		
Ericsson B	150	53
Orrefors (incl. purchase rights)	741	73
		126
Sales		
SKF A	820	118
Atlas Copco A	618	57
Astra A	200	34
STORA A	80	30
		239
Added through the acquisition of Export-Invest		
Electrolux B	575	239
Incentive A	800	232
STORA A	510	226
S-E-Banken A	4,000	214
SKF B	1,150	171
Astra A	1,068	167
Atlas Copco A	1,629	161
		1,410

Investor's strategic portfolio as of June 30, 1994 *	**Number of shares**	**Market value**	**Share of portfolio**	**Voting rights****	**Share of capital****
Company	**(000s)**	**SEK m.**	**%**	**%**	**%**
Astra	62,381	9,669	35.1	12.2	10.1
Incentive [1]	18,518	4,555	16.6	35.7	27.1
STORA	10,975	4,171	15.2	20.5	17.1
Atlas Copco [2]	26,961	2,427	8.8	21.0	14.7
SKF	16,105	2,159	7.8	30.3	12.2
Ericsson [3]	4,840	1,913	7.0	22.2	2.2
TV4 [5]	4,152	643	2.3	24.5	20.8
SILA	9,187	579	2.1	13.0	13.0
Electrolux	1,511	534	1.9	45.2	2.1
S-E-Banken [4]	11,600	529	1.9	2.2	2.1
OM Gruppen [6]	1,598	270	1.0	20.3	20.3
Orrefors	741	67	0.3	20.5	20.5
Total strategic holdings		27,516	100		

Following the conclusion of the reporting period, shares were sold for SEK 184 m., of which 200,000 Astra series A for SEK 34 m., 907,000 Atlas Copco series A for SEK 82 m. and 161,000 STORA series A for SEK 68 m.

* Including the shares above, added through the acquisition of Export-Invest.

** After full dilution.

Of which on loan:

1) 100,000 2) 106,435 3) 592,600 4) 276,800 5) Of which on loan 50,000 and options issued on 287,000.

6) Of which options are issued on 369,000.

Other holdings as of June 30, 1994 added through the acquisition of Export-Invest	Number of shares (000s)	Market value SEK m.
ASEA	700	403
Roche	10	366
Compagnie Immobilière de Belgique (CIB)	304	223
Hasselfors	1,102	136
Securitas	510	120
AGA	1,635	101
Sydkraft	843	73
Other		512
Total other holdings		**1,934**

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, orders and income

During the first six months, Group order bookings increased by 40 percent to SEK 16,044 (11,433) m.

Group income after financial items was SEK 1,200 (-264) m., equal to a margin of 8.3 percent. Group net income amounted to SEK 819 (-271) m.

Income statement, Saab-Scania Holdings SEK m.	1994 1/1-6/30	1993 1/1-6/30	1993 1/1-12/31
Sales	14,466	11,914	25,327
Manufacturing, selling and administrative expenses	-12,365	-11,239	-23,334
Other income and expenses	41	24	-25
Operating income before depreciation	2,142	699	1,968
Depreciation according to plan	-796	-718	-1,441
Share in income of associated companies	83	58	116
Operating income after depreciation	1,429	39	643
Financial income and expenses	-229	-303	-691
Income/loss after financial items	1,200	-264	-48
Tax paid	-45	-113	-211
Change in long-term deferred tax liability	-329	112	337
Minority interest	-7	-6	-10
Net income/loss	819	-271	68

In connection with the company formation of Scania at the beginning of the year, the capital structure of all business areas has been surveyed and adapted to the Group's capital structure. This means that depreciation on surplus values and goodwill is included in the income of the Business Areas as from 1994. The Group's financial income and expenses have also been almost entirely allocated to the Business Areas.

During the first quarter of 1994, a change in ownership of V.A.G Sverige AB has been carried out, which has given the partners, Scania and Volkswagen, equal ownership. Previously, Scania owned two-thirds and Volkswagen one-third of the company. As from 1994, the holding in V.A.G Sverige AB is accounted for as an associated company according to the equity accounting method. The comparative figures for 1993 have been adjusted accordingly.

Sales by Business Area SEK m.	1994 1/1-6/30	1993 1/1-6/30	Change %	1993 1/1-12/31
Scania				
- Scania products	11,021	8,189	35	17,967
- V.A.G products [1]	1,353	1,078	26	2,222
	12,374	9,267	34	20,189
Saab Aircraft & Defense				
- Saab Defense	1,564	1,730	-10	3,334
- Saab Aircraft	486	1,052	-54	2,005
- Saab Combitech	321	297	8	651
- Less inter-company sales	-279	-423		-852
	2,092	2,647	-21	5,138
Group	14,466	11,914	21	25,327

1) Scania dealer channels.

Operating income after depreciation by Business Area SEK m.	1994 1/1-6/30	1993 1/1-6/30 Pro forma	1993 1/1-31/12 Pro forma
Scania	1,651	173	833
Saab Aircraft & Defense	-200	-156	-232
Saab-Scania Finance	34	64	104
General Group expenses	-56	-42	-62
Group	1,429	39	643

Scania

The increase in demand for heavy trucks, which took place in Europe, Latin America, and Southeast Asia during the first quarter, has continued during the second quarter.

During the first six months, the total market in Western Europe increased by approximately 10 percent. Demand is increasing particularly in the Nordic countries, Great Britain, France, Italy and Benelux. In Germany, the decrease has slowed down. Considering that the pace of registrations is expected to increase during the second half of the year, the total market for 1994 is estimated at 130,000 - 135,000 heavy trucks, compared with 114,000 for 1993. Scania's market share in Western Europe has increased from 11.9 percent in June 1993 to 12.5 percent in June this year.

In Latin America, the total market has increased by 25 percent in Brazil and by as much as 80 percent in Argentina. Scania's market share amounts to 39 percent in Brazil and to 21 percent in Argentina. In Southeast Asia, demand has increased in South Korea, Taiwan and Indonesia. Demand has also increased in Australia.

During the first six months, Scania's order bookings in terms of volume increased by approximately 50 percent from 12,300 to 18,600 trucks and buses. Order bookings for V.A.G products increased to 5,200 cars (3,000). In terms of value, the order backlog at the end of the period was SEK 5,500 (3,600) m. Scania increased its sales from SEK 9,300 m. to SEK 12,400 m. During the period, 15,500 trucks and buses were sold, compared with 12,400 vehicles during the same period in 1993, an increase of 26 percent.

Operating income of Scania amounted to SEK 1,651 (173) m. Higher volumes and thereby better capacity utilization, a more profitable product mix, an increased parts volume and a favorable exchange situation contributed to the improvement in income.

Saab Aircraft & Defense

During the first six months, order bookings amounted to SEK 1,900 (1,800) m., for business area Saab Aircraft & Defense, which comprises Saab Defense, Saab Aircraft and Saab Combitech. Sales amounted to SEK 2,100 (2,600) m. and the order backlog to SEK 25,900 (26,700) m. An operating loss was reported in the amount of SEK 200 m., against a year-earlier loss of SEK 156 m. The lower sales and income were mainly related to Saab Aircraft's decreased sales of commercial aircraft. Saab Defense and Saab Combitech show positive income.

Saab Defense

Order bookings of Saab Defense amounted to SEK 1,714 (1,764) m.

Sales by entity SEK m.	**1994** **1/1-6/30**	**1993** **1/1-6/30**	**Change** **%**
Saab Military Aircraft	1,024	1,031	-1
Saab Missiles	206	345	-40
Saab Instruments	163	175	-7
Saab Training Systems	113	82	38
Other	58	97	-
	1,564	1,730	-10

By the beginning of August, 1,350 test flights had been made by the JAS 39 Gripen. All five test aircraft are taking part in the test flights. During the period, three production aircraft have been delivered to the Swedish Defense Material Administration (FMV). Development work on the two-seat version, JAS 39B, is proceeding according to plan. The slightly lower sales for Saab Military Aircraft are due to delays in the JAS 39 Gripen delivery program.

In April, Saab Missiles received an order from FMV for upgrading and service life extension of the RBS15 anti-ship missile. The order is worth about SEK 500 m. In May, Saab Missiles received the first order from FMV for the passive infrared surveillance and acquisition system for automatic detection of airborne targets, IRS 725. The order is worth about SEK 120 m.

Saab Aircraft

The market for commercial aircraft remains week. However, demand for regional aircraft appears to be returning after a break of about three years. In the U.S. and in Europe, regional airline traffic continues to increase. The growth is approximately 10 percent. Regional airline traffic is also increasing in Southeast Asia.

During the first six months, Saab Aircraft's order bookings amounted to SEK 199 (289) m. and sales were SEK 486 (1,052) m. During the period, an order for 1(2) Saab 340B was received from Hazelton in Australia. After the end of the period, an order for a further aircraft has been received from Regional in France. Including the six Saab 340 aircraft delivered so far during 1994, a total of 357 aircraft have been delivered. The first Saab 2000 will be delivered on August 30, to the aircraft's launch customer, the Swiss airline Crossair.

During the year, the production rate for the Saab 340 has been reduced to correspond to the order situation. During 1994, 11 Saab 340 and five Saab 2000 are planned for delivery.

Saab Combitech

Order bookings for Saab Combitech were SEK 436 (397) m. and sales amounted to SEK 321 (297) m. Within the Combitech Group, Saab Ericsson Space and Combitech Electronics had high order bookings. Combitech Traffic Systems received an order from France for the company's automatic road toll system. The order, worth about SEK 20 m., is important since this is a developing market.

Saab Automobile

On August 19, Saab Automobile published a report covering the trend during the first six months. During the period, Saab retail sales amounted to 45,200 cars (35,800), an increase of 26 percent. The number of cars invoiced increased by 17 percent to 43,000 (36,700). Sales amounted to SEK 8,752 (7,754) m. and income after financial items was SEK 140 (-684) m. The improvement in income was mainly due to higher volumes, lower production costs and a favorable exchange situation.

Saab-Scania's share of Saab Automobile's income, 50 percent, has not been included in the Group's income for the first six months. The share in income will be taken into account in the annual financial statements.

Financing and liquidity

The Saab-Scania Holdings Group's net debt, excluding borrowing related to customer finance, amounted to SEK 3,265 m., compared with SEK 2,937 m. at year-end.

Capital expenditures

The Group's capital expenditures in property, plant and equipment, excluding leasing assets, amounted to SEK 1,048 (717) m. During the period, net investments in property, plant and equipment, including leasing assets, amounted to SEK 1,078 m.

Personnel

Apart from the change in ownership at V.A.G Sverige AB, the number of employees in the Saab-Scania Holdings Group decreased by 940 and amounted on June 30, 1994 to 26,860, compared with 27,800 at the same time last year. Of the decrease, 340 persons were employed at Scania and 600 at Saab Aircraft & Defense.

Forecast

Income during the second half of the year is expected to be better than during the first half.

Parent Company Investor AB

Income after financial items amounted to SEK 424 (1,130) m. Shares were purchased and subscribed for during the period for SEK 123 m. and sold for SEK 239 m.

Cash, short-term investments and current receivables on June 30 amounted to SEK 223 m. (Dec. 31, 1993: SEK 450 m.). Current liabilities amounted to SEK 508 m. (Dec. 31, 1993: SEK 1,923 m.).

The Company's bond loan, 1984/94 11.6%, falls due for payment on October 18, 1994. The outstanding nominal amount as of June 30 is SEK 311 m.

Stockholm, August 25, 1994

Claes Dahlbäck
President

For more information, please contact:
Kerstin Thurdin, Investor (Int) +46-8-614 20 00
Adine Grate Axén, Investor (Int) +46-8-614 20 00
Kai Hammerich, Saab-Scania (Int) +46-8-700 67 77 / +46-13-18 10 70

This interim report has not been reviewed by the Company's auditors.

Investor Group

Income statement

SEK m.	1994 1/1-6/30	1993 1/1-6/30 [1]	1993 1/1-12/31
Industrial holdings			
Dividends received [2]	470	390	390
Capital gains [3]	283	986	1,408
Income, securities trading and other holdings	1,230	831	1,931
Expenses, securities trading and other holdings	-1,196	-696	-1,849
General expenses	-92	-89	-190
Depreciation according to plan	-31	-28	-59
Operating income, industrial holdings [4]	664	1,394	1,631
Industrial operations			
Saab-Scania [1]			
Sales	14,466	11,914	27,656
Manufacturing, selling and administrative expenses	-12,365	-11,239	-24,986
Other income and expenses, net [5]	41	24	-25
Depreciation according to plan	-796	-718	-1,857
Share in income of associated companies	83	58	32
Operating income, industrial operations	1,429	39	820
Operating income after depreciation	2,093	1,433	2,451
Financial expenses, convertible debenture loans			
- interest expenses and capital discount	-312	-310	-627
- currency translation [6]	23	-72	-144
Net of financial income and expense, other	-380	-684	-1,270
Income after financial items	1,424	367	410
Less income, Export-Invest, prior to acquisition	-233	-	-
Income before tax	1,191	367	410
Tax paid	-47	-97	-373
Change in deferred tax	-328	113	493
Minority interest	-8	-32	-56
Consolidated net income	808	351	474

1) During the first quarter of 1994, a change in ownership was implemented at V.A.G Sverige AB giving the two partners, Scania and Volkswagen, equal ownership. Previously, Scania owned two-thirds and Volkswagen one third. The holding in V.A.G Sverige AB is reported as of 1994 as an associated company in accordance with the equity accounting method. Comparable figures for the first half of 1993 have been adjusted accordingly. A corresponding adjustment for the full-year 1993 changes Saab-Scania's operating income as follows (SEK m.):

Sales	25,327
- Manufacturing, selling and administrative expenses	-23,334
Other income and expenses, net	-25
- Depreciation according to plan	-1,441
- Share in income of associated companies	116
Operating income after depreciation, Saab-Scania	643

2) Whereof SEK 60 m., through the acquisition of Export-Invest.
3) Whereof SEK 165 m., through the acquisition of Export-Invest.
4) Of the operating income for the first six months of 1994, SEK 227 m. pertains to the income of Export-Invest prior to its acquisition on May 20, 1994.
5) Pertains to the customer finance and treasury operations of Saab-Scania.
6) Pertains to adjustments in a reserve for the translation to the exchange rates applicable at the end of each period 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 recognized as income.

Investor Group

Balance sheet at market value

SEK m.	1994 6/30	1993 12/31	1993 6/30
Current assets			
Cash and short-term investments	5,288	8,292	10,375
Shares, participations and other securities	1,905	2,099	2,003
Current receivables	7,622	6,715	6,793
Inventories	7,025	6,674	5,773
	21,840	23,780	24,944
Fixed assets			
Strategic holdings [1]	27,516	27,964	21,606
Other shares and participations [1,2]	2,829	573	559
Long-term receivables	4,322	4,350	5,532
Goodwill	3,779	3,896	4,009
Machinery, equipment, real estate, etc. [1]	14,994	16,366	16,156
	53,440	53,149	47,862
Total assets	75,280	76,929	72,806
Current liabilities			
Current loan liabilities	4,305	3,422	5,433
Other current liabilities	11,086	12,298	10,828
Advance payments from customers	5,362	5,523	3,684
	20,753	21,243	19,945
Long-term liabilities			
Long-term loan liabilities	11,273	13,028	16,434
Provision for pensions	2,991	3,106	3,396
Deferred tax liability	1,917	1,800	2,277
	16,181	17,934	22,107
Convertible debenture loans	6,818	6,816	6,715
Minority interest in subsidiaries	60	259	365
Surplus values arising from market valuation [3]	15,008	17,617	10,780
Shareholders' equity			
Capital stock and restricted reserves	13,201	9,869	9,740
Unrestricted reserves and net income	3,259	3,191	3,154
	16,460	13,060	12,894
Total liabilities and shareholders' equity	75,280	76,929	72,806
Equity/assets ratio [4]	55%	55%	48%
Net financial debt [5]	6,880	4,850	8,339

1) The book value of each balance sheet item is as follows: Strategic holdings SEK 12,023 m., Other shares and participations SEK 2,974 m., Machinery, equipment, real estate, etc. SEK 15,334 m.
2) Of the amount as of June 30, 1994, other shares from Export-Invest account for SEK 1,934 m.
3) Pertains to the net surplus value of the fixed assets.
4) Shareholders' equity incl. surplus values and the convertible debenture loans as a ratio of total assets less cash and short-term investments.
5) See page 11.

Investor Group
Net worth

	6/30 1994		12/31 1993		6/30 1993	
	SEK/share[1]	SEK m.	SEK/share[2]	SEK m.	SEK/share[2]	SEK m.
Strategic holdings						
Astra	48	9,669	64	11,687	48	8,796
Incentive	23	4,555	26	4,624	18	3,207
STORA	21	4,171	23	4,166	20	3,722
Atlas Copco	12	2,427	12	2,154	10	1,761
SKF	11	2,159	12	2,130	10	1,791
Ericsson	10	1,913	10	1,888	8	1,462
TV4	3	643	-	-	-	-
Others	10	1,979	7	1,315	4	867
Total strategic holdings	138	27,516	154	27,964	119	21,606
Other holdings from the acquisition of Export-Invest	10	1,934	-	-	-	-
Other listed shares	6	1,072	4	681	4	837
Associated companies	2	418	4	667	4	690
Land and real estate [3]	7	1,486	5	886	7	1,222
Shares with options	2	411	4	708	3	587
Total other holdings	17	3,387	16	2,942	18	3,336
Saab-Scania operations [4]	84	16,792	90	16,302	90	17,075
Other assets and liabilities, net [5]	-22	-4,463	-27	-4,865	-18	-3,289
Net financial debt [6]	-35	-6,880	-27	-4,850	-46	-8,339
Total net worth [4]	192	38,286	206	37,493	140	30,389

1) After full conversion, the number of shares amounts to 199.4 million.
2) After full conversion, the number of shares amounts to 181.9 million.
3) Stockholm-Saltsjön and Näckström, as well as the payment against the sale and leaseback agreement on Grand Hôtel.
4) Saab-Scania's operations are reported in the above table at book value (operational assets excluding cash less liabilities excluding interest bearing liabilities). Yield value is provided as additional information. The 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 decreased from 17.5 on December 31, 1993 to 14.1 as of June 30, 1994. Saab-Scania's 12 month operating income (adjusted for other revenue and the depreciation of surplus values and goodwill) increased from SEK 1,165 m. on December 31, 1993 to SEK 2,432 m., as of June 30, 1994. The yield value of Saab-Scania's operations rose from SEK 20,388 m., at year-end 1993 (17.5 x 1,165) to SEK 34,291 m., (14.1 x 2,432) as of June 30, 1994.

5)

Other assets and liabilities, net, SEK m.	1994 6/30	1993 12/31	1993 6/30
Assets, finance companies, excl. cash	4,980	4,950	4,171
Other assets, other holdings	738	820	1,047
Finance company debt, incl. loans	-4,244	4,307	3,659
Other current liabilities	-2,946	-3,222	-2,018
Pension liability	2,991	3,106	2,830
Other assets and liabilities, net	-4,463	4,865	3,289

6)

Net financial debt, SEK m.	1994 6/30	1993 12/31	1993 6/30
Cash and short-term investments	5,288	8,292	10,375
Current and long-term loan liabilities	15,578	16,450	21,867
Less finance company loans	3,410	3,308	3,153
Net financial debt	6,880	-4,850	-8,339

Investor Group
Statement of changes in financial position

SEK m.	1994 1/1-6/30	1993 1/1-12/31	1993 1/1-6/30
Source of funds			
Dividends received	410	390	390
Sales from the strategic portfolio	239	4,178	3,031
Cash flow, other holdings [1]	-1,205	562	-302
Funds generated from industrial holdings	-556	5,130	3,119
Operating income, Saab-Scania	1,365	807	127
Depreciation, Saab-Scania	887	2,037	987
Funds generated from industrial operations	2,252	2,844	1,114
Net of financial income and expense	-673	-1,844	-1,038
Taxes paid	-47	- 355	-113
Total funds provided	976	5,775	3,082
Application of funds			
Dividends paid	-721	- 721	-721
Purchases of shares for the strategic portfolio	-126	- 246	-
Increase/decrease in working capital, Saab-Scania	-2,355	2,713	568
Net capital expenditures for property, plant and equipment, Saab-Scania [2]	-1,078	- 2,819	-1,239
Other long-term receivables and liabilities, etc.	87	521	-126
Deconsolidation V.A.G	1,225	-	-
Payment of shareholders' contribution to Saab Automobile	-	- 1,400	-1,075
Total funds applied	-2,968	-1,952	-2,593
Financial deficit/surplus	-1,992	3,823	489
Acquisition of Export-Invest			
Net assets	-3,467	-	-
Non-cash issue	3,327	-	-
	-140	-	-
Financial deficit/surplus after the acquisition of Export-Invest	-2,132	3,823	489
Financing			
Decrease in liquid assets (+)	3,004	2,118	35
Increase/decrease in short-term loans (+/-)	883	- 3,759	-1,748
Decrease in long-term loans (-)	-1,755	- 2,182	1,224
Total financing	2,132	-3,823	-489

1) Whereof payment against the sale and leaseback agreement on Grand Hôtel SEK 750 m.

2) The statement of changes in financial position for 1993 was affected in part by changes in exchange rates during the period and in part by 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. Exchange rate fluctuations have not had a significant effect on the 1994 statement of changes in financial position.

	1993 1/1-12/31	1993 1/1-6/30
Effect on operating cash flow	50	227
Increase in property, plant and equipment of foreign subsidiaries	-440	-289
Translation difference	25	-
Effect on financial surplus	415	516

Investor's ten largest shareholders June 30, 1994*
Listed by their share of the voting rights

	% of voting rights	% of capital stock
Knut and Alice Wallenberg Foundation	37.1	20.5
Nordbanken's securities funds	9.6	5.9
Sparbankernas' securities funds	4.6	6.0
SPP	3.7	4.3
S-E-Banken's securities funds	3.1	1.8
Trygg-Hansa	1.9	1.4
The National Pension Insurance Fund, Fifth Fund Board	1.6	0.9
Marianne and Marcus Wallenberg Foundation	1.6	1.1
Skandia	1.4	3.3
S.G. Warburg & Company Ltd	1.4	2.8

Total number of shareholders : 46,265

* Holdings registered directly and in the name of nominees. Before conversion of outstanding convertibles.

Investor's share and convertible debenture structure June 30, 1994
after the acquisition of Export-Invest

Number of shares before conversion

Class of share	Number of shares	Number of voting rights	% of capital	% of voting rights
A 1 vote	77,922,711	77,922,711	50.3	91.0
B 1/10 vote	77,011,778	7,701,178	49.7	9.0
Total	154,934,489	85,623,889	100.0	100.0

Convertible debenture loans

B 1/10 vote	44,509,875	4,450,987

Number of shares after full conversion

Class of share	Number of shares	Number of voting rights	% of capital	% of voting rights
A 1 vote	77,922,711	77,922,711	39.1	86.5
B 1/10 vote	121,521,653	12,152,165	60.9	13.5
Total	199,444,364	90,074,876	100.0	100.0