INVESTOR AB

YEAR-END REPORT 1994

- **Investor's net worth** on December 31, 1994 amounted to SEK 43,493 m. (Dec. 31, 1993: SEK 37,493 m.), or SEK 218 (206) per share*. On February 23, its net worth amounted to SEK 44,402 m., or SEK 223 per share.

- **The value of Investor´s core holdings**, adjusted for net changes, was SEK 30,457 (27,964) m., an increase of 4% from year-end 1993. On February 23, its value was SEK 31,336 m., an increase of 3% from the beginning of the year.

- **The Investor Group´s income before tax** amounted to SEK 3,090 (410) m.

- **The Group´s net debt** on December 31 amounted to SEK 3,589 (4,850) m.

- **Saab-Scania´s order bookings** rose by 42% to SEK 34,800 (24,500) m. **Sales** amounted to SEK 31,500 (25,327) m., an increase of 24%.

- **Saab-Scania´s operating income after depreciation** amounted to SEK 3,589 (643) m. **Income after financial items** was SEK 3,463 (-48) m.

- On February 22, the board of directors of Saab-Scania decided to divide the Saab-Scania Group into **two independent companies, Saab AB and Scania AB.**

- Investor's intention is to find a means of **broadening ownership** of both Scania and Saab, provided that market conditions allow, that the timing is right and the price is fair.

- **The proposed dividend** to shareholders is SEK 8.00 (5.25) per share.

* Investor´s net worth using Saab-Scania's EBIT value was SEK 57,261 m., or SEK 287 per share.

INVESTOR AB

YEAR-END REPORT 1994

INVESTOR GROUP INCLUDING SAAB-SCANIA

Net worth

SEK m.	1994 12/31	1993 12/31	1995 2/23
Net worth [1]			
- Total	43,493	37,493	44,402
- SEK/share after full conversion	218	206	223

Investor's net worth, with Saab-Scania at book value, amounted to SEK 43,493 m. on December 31, 1994, an increase of 16 percent from the previous year.

Income

SEK m.	1994 1/1-12/31	1993 1/1-12/31
Operating income after depreciation	4,411	2,451
Income after financial items	3,323	410
Income before tax [2]	3,090	410
Consolidated net income	2,812	474

The Group's consolidated income rose substantially in 1994, attributable primarily to a very strong earnings trend at Scania. Income before tax rose from SEK 410 m. to SEK 3,090 m. During the fourth quarter, income amounted to SEK 806 (194) m.

Liquidity, equity/assets ratio and net debt

SEK m.	1994 12/31	1993 12/31
Current and long-term loan liabilities	13,188	16,450
Cash and short-term investments	6,064	8,292
Net debt [3]	3,589	4,850
Equity/assets ratio	58%	55%

Net debt continued to decline in 1994 as a result of the improved operating income of Saab-Scania and net sale of shares. At year-end, net debt amounted to SEK 3,589 m., a decrease of 26 percent compared with a year earlier.

1) With Saab-Scania at book value. With Saab-Scania at its EBIT value (yield valuation), Investor's total net worth was SEK 57,261 m., or SEK 287 per share.

2) After eliminating Export-Invest's income before the acquisition.

3) Adjusted for finance company loan debt.

INDUSTRIAL INVESTMENTS

SEK m.	1994 12/31	1993 12/31	1995 2/23
Core holdings	30,457	27,964	31,366
Change %	+4	+41	+3
AFGX, change %	+5	+54	+4
OMX, change %	+3	+53	+2
Dividend income	475 [1]	390	
Capital gains	706 [2]	1,408	
Operating income	822 [3]	1,631	

The value of the core holdings - adjusted for net changes - rose by 4 percent during the year to SEK 30,457 m. The Affärsvärlden General Index (AFGX) rose during the same period by 5 percent.

During the year, shares with a value of SEK 2,041 m. were added to the core holdings through the acquisition of Export-Invest and from security trading operations. Following its introduction on the Stockholm Stock Exchange, TV4 is included among the core holdings.

Shares were purchased during the year for SEK 182 m. Among those acquired were shares in Orrefors, in conjunction with the offer to Incentive's shareholders. During the fourth quarter, previously issued options in OM Gruppen were repurchased.

Sales amounted to SEK 986 m. In all, shares were sold for a net of SEK 804 m.

The operating income of the industrial investments operations amounted to SEK 822 (1,631) m. The lower income figure is due in large part to lower capital gains.

Other

In the spring of 1994, Investor acquired the investment company Export-Invest through a non-cash issue. The value of the net assets reported on the acquisition date was SEK 3,461 m., of which SEK 1,693 m. was shares added to Investor's core holdings. Among the remaining shares Investor received through the acquisition, sales have been made for SEK 566 m., including Export-Invest's holding in ASEA, which was sold for SEK 385 m.

With the acquisition of Export-Invest, Investor expanded its operations with medium-term investments, as a complement to the core holdings. These operations are managed from the head office in Stockholm and from the offices in London and Hong Kong.

During the year, the sale and leaseback agreement on Grand Hôtel Stockholm's property was dissolved for SEK 750 m. The hotel property was transferred to Grand Hôtel Holdings.

During the autumn of 1994, Investor appointed a committee to investigate the decision-making procedures for, and forms of, compensation paid to the members of the Board of Directors. The committee presented its report on January 31, 1995. The Board has decided to carefully consider the committee's recommendations and other viewpoints.

On February 22, 1995, Saab-Scania's board of directors decided that the Saab-Scania Group will be divided into two independent companies, Saab AB and Scania AB. The change will take place in connection with the annual meeting on May 16, 1995. The aim of this separation is to focus operations and strengthen each company's competitiveness.

Investor's intention is to find a means of broadening ownership of both Scania and Saab, provided that market conditions allow, that the timing is right and the price is fair.

[1] Whereof from Export-Invest SEK 66 m.
[2] Whereof from Export-Invest SEK 98 m.
[3] Whereof from Export-Invest SEK 209 m. prior to the acquisition on May 20, 1994.

Changes in the core holdings

	Number (000s)	SEK m.
Added through the acquisition of Export-Invest		
STORA [1]	857	372
Astra [1]	2,002	304
Electrolux	575	239
Incentive	800	232
S-E-Banken	4,000	214
SKF	1,150	171
Atlas Copco	1,629	161
		1,693 [1]
Added from security trading operations		
TV4	4,153	262
S-E-Banken	1,485	67
Ericsson	50	19
		348
Purchases and subscriptions		
Orrefors (incl. purchase rights)	741	73
OM Gruppen (options repurchased)		72
Ericsson	100	34
TV4	88	3
		182
Sales		
STORA	857	366
Astra	2,002	354
Atlas Copco	1,629	148
SKF	820	118
		986

[1] Whereof conversions: STORA A SEK 146 m., Astra B SEK 137 m.

Investor's core holdings as of December 31, 1994

Company	Number of shares (000s)	Book value SEK m.	Market value SEK m.	Change in * share price 1994, %	Share of portfolio %	Voting ** rights %	Share** of capital %
Astra	61,512	2,099	11,808	+1	38.8	11.8	10.0
STORA	10,546 [1]	2,474	4,735	+14	15.6	19.7	16.4
Incentive	18,518 [2]	2,783	4,435	-8	14.6	35.7	27.1
Atlas Copco	25,950 [3]	1,102	2,465	+14	8.1	20.2	14.1
Ericsson	4,840 [4]	575	2,044	+20	6.7	22.2	2.2
SKF	16,105 [5] [9]	1,512	1,980	-9	6.5	30.3	12.2
SILA	9,187 [6]	207	731	+28	2.4	13.0	13.0
TV4	4,241	266	700	-1	2.3	24.2	21.2
Electrolux	1,511 [7] [10]	423	591	+33	1.9	45.2	2.1
S-E-Banken	13,085	475	556	-25	1.8	2.5	2.4
OM Gruppen	1,598 [8]	203	344	+1	1.1	20.3	20.3
Orrefors	741	73	68	-11	0.2	20.5	20.5
Total		**12,192**	**30,457**		**100.0**		

* Most heavily traded class of share. ** After full dilution.

Whereof on loan:

[1] 104.890 [2] 20.000 [3] 147.780 [4] 141.220

[5] 1.150.000 [6] 40.000 [7] 575.000 [8] 5.800

Whereof options: [9] 1.150.000 [10] 575.000

SAAB-SCANIA HOLDINGS GROUP

Sales and income

During the year, Group sales increased by 24 percent to SEK 31,500 (25,327) m. Adjusted for changes in foreign exchanges rates, measured as the difference between average spot rates, sales increased by 22 percent. Sales in foreign markets amounted to SEK 24,600 (19,400) m., or 78 (77) percent of total sales.

During the year, Group order bookings amounted to SEK 34,800 (24,500) m.

Group operating income after depreciation increased to SEK 3,589 (643) m., equal to a margin of 11.4 (2.5) percent of sales. Depreciation according to plan was SEK 1,638 (1,441) m., corresponding to 5.2 (5.7) percent of sales.

The net financial expense was reduced to SEK -126 m., compared with SEK -691 m. a year earlier, as a result chiefly of the exceptionally high interest rate levels on liquid assets in the Latin American operations during the second half of the year and interest received on the subordinated loan to Saab Automobile.

Income statement, Saab-Scania Holdings *

SEK m.	1994 1/1-12/31	1993 1/1-12/31
Sales	31,500	25,327
Manufacturing, selling and administrative expenses	-26,913	-23,334
Other income and expenses	80	-25
Operating income before depreciation	**4,667**	**1,968**
Depreciation according to plan	-1,638	-1,441
Share in income of associated companies	560	116
Operating income after depreciation	**3,589**	**643**
Net of financial income and expenses	-126	-691
Income after financial items	**3,463**	**-48**

* Note 1, page 5.

Sales

SEK m.	1994 1/1-12/31	1993 1/1-12/31	Change %
Scania			
- Scania products	24,088	17,967	34
- V.A.G products	2,560	2,222	15
	26,648	20,189	32
Saab Aircraft & Defense			
- Saab Defense	3,317	3,334	-1
- Saab Aircraft	1,360	2,005	-32
- Saab Combitech	758	651	16
Less inter-company sales	-583	-852	-32
	4,852	5,138	-6
Group	**31,500**	**25,327**	**24**

Operating income after depreciation by Business Area [1]

SEK m.	1994 1/1-12/31	1993 1/1-12/31
Scania	3,847	833
Saab Aircraft & Defense	-546	-232
Saab-Scania Finance	68	104
Share in income of Saab Automobile	351	-
General Group expenses and adjustments [2]	-131	-62
Group	3,589	643

[1] As of 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.

[2] The change compared with the previous year relates to capital gains during 1993 and higher adjustments during 1994.

Scania

During 1994, the total market for heavy trucks in Europe amounted to 133,300 vehicles according to preliminary figures, compared with 114,100 for 1993, an improvement of 17 percent.

During the year, demand increased heavily in nearly all markets. Due to bottlenecks in production at most manufacturers and subcontractors, true demand is not reflected in the registration figures for 1994.

Scania strengthened its position and increased its market share to 12.8 (11.4) percent. In Great Britain, the total market increased by 30 percent and Scania's market share rose. In Germany, the total market gradually improved, limiting the year's decrease to 10 percent. Scania's market share rose. The total market in France showed an improvement of 25 percent and Scania's market share increased. The total market in the Nordic countries increased by as much as 72 percent. During the period, Scania's market share decreased. In Eastern Europe, demand increased despite difficulties in finding financing.

In Brazil, the total market for heavy trucks was 18,900 units, an increase of 36 percent compared with the previous peak year, 1993. In relation to 1992, the market more than doubled. Scania maintained its position as market leader with a share of 36.2 percent and the delivery of 6,853 units. This is the highest volume ever delivered by Scania in a single market. Brazil thereby strengthens its position as Scania's largest market in the world. The Brazilian bus market increased by 10 percent and Scania's market share decreased slightly.

With the help of duty-free imports, the total market for heavy trucks in Argentina grew by as much as 67 percent. Due to insufficient delivery capacity, Scania's market share decreased slightly. During 1994, Scania delivered a total of 1,612 trucks and 266 buses in the Argentine market, for a record volume of 1,878 vehicles. The bus market showed a yielding trend. Scania's market share increased slightly.

During the year, order bookings for trucks increased heavily in Asia, Africa and Australia. The largest markets in Asia were Taiwan, South Korea, Israel and Indonesia, while the largest single market in Africa was Tunisia.

During the year, 33,500 (25,800) Scania vehicles were sold, an increase of 30 percent. In Western Europe, a total of 18,800 (13,900) vehicles were sold, of which 1,000 (800) were buses. In Latin America, the total number of Scania vehicles sold was 9,800 (8,100), including 1,300 (1,500) buses. In terms of value, sales of Scania products rose by 34

percent to SEK 24,088 (17,967) m. Adjusted for changes in foreign exchange rates, sales increased by 30 percent.

Scania's income improved to SEK 3,847 (833) m. Operating income from operations in Europe increased to SEK 2,662 (338) m., mainly due to higher volumes and thereby better capacity utilization. The positive impact of the depreciation of the Swedish krona had its full effect on income in 1994. From the standpoint of profitability, both the market mix and the product mix changed positively. Operating income from operations in Latin America also improved substantially, to SEK 1,007 (494) m., due to higher truck volumes and better margins. Scania customer finance activities reported income of SEK 5 (-91) m.

V.A.G's operating income improved to SEK 173 (92) m., due to an increased Swedish passenger car market and higher cost efficiency.

Saab Aircraft & Defense

During the year, order bookings amounted to SEK 3,800 (4,000) m. for Saab Aircraft & Defense, which comprises Saab Defense, Saab Aircraft and Saab Combitech. Sales amounted to SEK 4,852 (5,138) m., a decrease of 6 percent.

Sales of Saab Defense were essentially unchanged at SEK 3,317 (3,334) m. Sales of Saab Training Systems increased substantially thanks to large deliveries of laser simulators to the U.K. Sales of Saab Military Aircraft were practically unchanged. Sales of Saab Missiles and Saab Instruments were lower than the previous year.

Sales of Saab Aircraft decreased by 32 percent to SEK 1,360 (2,005) m., due to considerably fewer deliveries. During the year, 9 (29) Saab 340 and 5 (0) Saab 2000 were sold.

Sales of Saab Combitech increased by 16 percent to SEK 758 (651) m.

Sales

SEK m.	1994 1/1-12/31	1993 1/1-12/31	Change %
Saab Defense			
Saab Military Aircraft	1,869	1,782	5
Saab Service Partner	769	778	-1
Saab Missiles	515	629	-18
Saab Instruments	311	422	-26
Saab Training Systems	491	283	73
- Less inter-company sales	-638	-560	
Total	**3,317**	**3,334**	**-1**
Saab Aircraft	1,360	2,005	-32
Saab Combitech	758	651	16
- Less inter-company sales	-583	-852	
Total	**4,852**	**5,138**	**-6**

Business Area Saab Aircraft & Defense's operating loss after depreciation deteriorated to SEK -546 (-232) m. Saab Defense showed essentially unchanged income. Income of Saab Training Systems improved substantially due to increased deliveries. Saab Military Aircraft reported lower income. Income of Saab Missiles was almost unchanged. Saab Aircraft showed a substantially higher loss, owing to nonrecurring costs of roughly SEK 450 m. related to the delay in the Saab 2000 project and fewer deliveries of the Saab 340, which resulted in low capacity utilization for both programs.

Income of Saab Combitech, for comparable units, improved. Almost all companies within the group showed income improvements. In Combitech Traffic Systems, development costs increased and are, at present, considerably higher than revenues.

Saab Defense

Due to several grounded test flights during the year, the ongoing development work on the JAS 39 Gripen was delayed. Slightly more than 80 percent of the verification tests was completed at year-end.

During the year, three aircraft were delivered to the Defense Materiel Administration (FMV). In February 1995, another two aircraft were delivered.

During the year, final assembly of two test aircraft of the two-seat version JAS 39B was started.

In January 1995, Saab-Scania AB, Saab Military Aircraft and British Aerospace Defence Limited, Military Aircraft Division arrived at an initial agreement regarding the international marketing/sale, export adaptation and manufacture of the JAS 39 Gripen. The agreement has to be confirmed by the boards of directors of Saab-Scania, BAe and IG JAS and by the government.

To strengthen competitiveness in the market, Saab Dynamics AB was formed through merger of the operations of Saab Missiles and Saab Instruments at the end of 1994.

The laser simulator BT 46, the dominant product of Saab Training Systems, during the year developed very positively. Order bookings were dominated by agreements from Sweden, Germany and Asia.

Saab Aircraft

The market for commercial aircraft remained weak during 1994, even though a slight recovery has begun. The low delivery rate together with a certain excess capacity, resulting in deteriorated profitability, caused extensive losses for Saab Aircraft AB.

To reduce losses, Saab Aircraft has gradually, over a period of years, adapted its production, rationalized operations and carried out various cost-cutting programs.

Parallel with the work to cut costs and increase sales, Saab-Scania is investigating the possibilities to take part in a structural change of the industry.

On March 31, the new Saab 2000 regional aircraft was certified and during the second half of the year the first five aircraft were delivered to the Swiss airline Crossair.

During the year, tests were made of a new elevator control system, PECS, which will be implemented in all Saab 2000 during 1995. The first delivery with the new elevator control system took place at the end of January 1995.

During 1994, 9 Saab 340 and 5 Saab 2000 were sold. During the year, orders were received for 3 aircraft of each type.

Saab Combitech

Combitech's major point of development has been in traffic systems, specifically regarding future toll systems for multi-lane free traffic flow. Decisions about installations of such systems are expected in several countries within the next few years. A major add-on order was received from the French AREA consortium for the automatic road toll system in the Lyon area. This system is used by 45,000 commuting motorists, among others.

Saab Ericsson Space received an order worth SEK 250 m. for equipment for Europe's new satellite for global observation, Envisat. The order is the largest of its kind to a Swedish

space company. Later during the year, an order was received for equipment for a joint Russian-American satellite.

At the end of 1994, Saab Combitech acquired the software and communication companies Preseco, Telelogic and Nexus. The activities of these companies will be coordinated with Combitech's other operations within the field of information technology.

Saab-Scania Finance

Saab-Scania Finance reported income of SEK 68 (104) m.

Saab Automobile

During 1994, an improvement in demand for new passenger cars was seen in most market areas. The world market amounted to more than 35 million cars, the highest level since 1990. During the year, retail sales of Saab cars amounted to 88,700 (73,600) vehicles, an increase of 21 percent.

In the U.S., Saab's largest single market, sales increased by 15 percent to 21,700 cars.

In the Nordic countries, Saab posted its strongest increase. Particularly successful were sales in Sweden, where 17,800 cars were sold, an increase of 39 percent.

During the year, the number of Saab cars invoiced was 92,000 (75,200), an increase of 22 percent. In terms of value, sales amounted to SEK 19,303 (16,119) m. The increase in sales led to higher capacity utilization, which together with cost-cuts and a favorable exchange situation resulted in a major improvement in operating income, to SEK 1,297 (-685) m. Income after financial income and expenses amounted to SEK 702 (-1,374) m.

Saab-Scania owns 50 percent of Saab Automobile and the holding is accounted for in accordance with the equity accounting method. In 1991 and 1992, Saab-Scania supplied Saab Automobile with a shareholders' contribution. Saab-Scania charged the shareholders' contribution directly to income and reported the value of the equity share as zero. Now that Saab Automobile is showing positive net income, a value in excess of the earlier reported equity share arises. In accordance with the equity accounting method, Saab-Scania's share in Saab Automobile's income, 50 percent or SEK 351 m., has therefore been taken into account in the Group's income for 1994.

Capital expenditures - research and development

The year's capital expenditures for property, plant and equipment, excluding leasing assets, amounted to SEK 2,616 (1,538) m. and related mainly to the Scania operations. Capital expenditures within Sweden amounted to SEK 2,111 (1,094) m. Net investments including leasing assets amounted to SEK 2,950 (2,838) m.

The year's expenditures for research and development amounted to SEK 2,680 (2,626) m.

Personnel

The number of employees in the Group increased by 1,558 to 28,343 (26,785) at year-end. The number of employees at Scania increased by 1,835, of whom 460 are in the acquired company DAB Silkeborg A/S. The number of employees at Saab Aircraft & Defense decreased by 282.

PARENT COMPANY INVESTOR AB

Income after financial items amounted to SEK 4,144 (1,311) m., of which a dividend payment from a subsidiary accounted for SEK 3,111 (-) m. and capital gains SEK 608 (1,408) m. Shares were purchased and subscribed for during the year for SEK 1,065 m., including SEK 886 m. from subsidiaries, and sold for SEK 986 m. Intra-Group capital gains amounted to SEK 2,430 (0) m. Net income amounted to SEK 6,574 (1,234) m.

Cash, short-term investments and current receivables on December 31 amounted to SEK 1,323 (451) m. Current liabilities amounted to SEK 4,208 (1,923) m.

The Company's bond loan, 1984/94 11.6%, fell due for payment on October 18, 1994. On the maturity date, the outstanding nominal amount was SEK 310 m.

Proposed dividend

The Board of Directors and the President propose that the shareholders receive a dividend of SEK 8.00 (5.25) per share, or a total of SEK 1,240 (721) m.

Annual Meeting

The Annual Meeting will be held on Tuesday, May 16, 1995 at 6:00 p.m. Investor's audited annual report will be made available at the company's office at Arsenalsgatan 8C in Stockholm.

Financial reports

The three month interim report will be released on May 16.
The six month interim report will be released on August 21.
The nine month interim report will be released on November 17.
The year-end report for 1995 will be released on February 22, 1996.

Stockholm, February 24, 1995

Claes Dahlbäck
President

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This year-end report has not been reviewed by the Company's auditors.

INCOME STATEMENT

SEK m.	1994 1/1-12/31	1993 [1] 1/1-12/31
INDUSTRIAL INVESTMENTS		
Dividend income	475	390
Capital gains	706	1,408
Income, security trading and other holdings	2,441	1,931
Expenses, security trading and other holdings	-2,531	-1,849
General expenses	-201	-190
Depreciation according to plan	-68	-59
Operating income, industrial investments [2]	**822**	**1,631**
INDUSTRIAL OPERATIONS		
Saab-Scania		
Sales	31,500	27,656
Manufacturing, selling and administrative expenses	-26,913	-24,986
Other income and expenses, net [3]	80	-25
Depreciation according to plan	-1,638	-1,857
Share in income of associated companies	560	32
Operating income, industrial operations	**3,589**	**820**
Operating income after depreciation	**4,411**	**2,451**
Financial expenses, convertible debenture loans		
- interest expenses and capital discount	-625	-627
- currency translation [4]	34	-144
Net financial expense, other	-497	-1,270
Net financial expense	-1.088	-2.041
Income after financial items	**3,323**	**410**
Less income, Export-Invest, prior to acquisition	-233	-
Income before tax	**3,090**	**410**
Tax paid	-198	-373
Change in deferred tax	- 65	493
Minority interest	-15	-56
Consolidated net income	**2,812**	**474**

[1] During the first quarter of 1994, a change in ownership of V.A.G Sverige AB was made giving the 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. A corresponding adjustment for the full-year 1993 changes Saab-Scania's operating income as follows (SEK m.):

	1993 1/1-12/31
- 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] Of the operating income for the full year 1994, SEK 209 m. pertains to the income of Export-Invest prior to its acquisition on May 20, 1994.

[3] Pertains to the customer finance and treasury operations of Saab-Scania.

[4] 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.

BALANCE SHEET AT MARKET VALUE *

SEK m.	1994 12/31	1993 12/31
Current assets		
Cash and short-term investments	6,064	8,292
Shares, participations and other securities	1,825	2,099
Current receivables	8,475	6,715
Inventories	7,792	6,674
	24,156	23,780
Fixed assets		
Core holdings [1]	30,457	27,964
Other shares and participations [1]	2,534	573
Long-term receivables	4,192	4,350
Goodwill	3,710	3,896
Machinery, equipment, real estate, etc. [1]	16,125	16,366
	57,018	53,149
Total assets	**81,174**	**76,929**
Current liabilities		
Current loan liabilities	5,501	3,422
Other current liabilities	13,204	12,298
	18,705	15,720
Advance payments from customers	6,447	5,523
	25,152	21,243
Long-term liabilities		
Long-term loan liabilities	7,687	13,028
Provision for pensions	3,129	3,106
Deferred tax liability	1,648	1,800
	12,464	17,934
Convertible debenture loans	6,829	6,816
Minority interest in subsidiaries	65	259
Surplus values arising from market valuation [2]	18,198	17,617
Shareholders' equity		
Capital stock and restricted reserves	13,220	9,869
Unrestricted reserves and net income	5,246	3,191
	18,466	13,060
Total liabilities and shareholders' equity	**81,174**	**76,929**
Equity/assets ratio [3]	**58%**	**55%**
Net financial debt [4]	**3,589**	**4,850**

* Core holdings and other holdings have been reported at their market value as of December 31, 1994. Other assets have been valued at the lower of their book value and estimated market value.

1) The book value of each balance sheet item is as follows: Strategic holdings SEK 12,192 m. and Other shares and participations SEK 2,601 m.

2) Pertains to the net surplus value of the fixed assets.

3) Shareholders' equity incl. surplus values and the convertible debenture loans as a ratio of total assets less cash and short-term investments.

4) See page 12.

NET WORTH

	12/31 1994		12/31 1993	
	SEK/share *	SEK m.	SEK/share *	SEK m.
Astra	59	11,808	64	11,687
STORA	24	4,735	23	4,166
Incentive	22	4,435	25	4,624
Atlas Copco	13	2,465	12	2,154
Ericsson	10	2,044	10	1,888
SKF	10	1,980	12	2,130
SILA	4	731	2	322
Other core holdings	11	2,259	7	1,251
Short- and medium-term investments	15	3,028	9	1,797
Total	**168**	**33,485**	**164**	**30,019**
Saab-Scania operations [1]	88	17,534	90	16,302
Saab-Scania's finance companies - net assets [2]	4	830	4	643
Hotel operations [3]	4	867	1	112
Land and real estate [4]	4	800	4	800
Other assets, net	2	270	3	490
Total other holdings, etc.	10	1,937	8	1,402
Other liabilities [5]	-34	-6,704	-33	-6,023
Net financial debt [6]	-18	-3,589	-27	-4,850
Total net worth	**218**	**43,493**	**206**	**37,493**

* After full conversion, the number of shares amounts to 199.4 million as of Dec. 31, 1994 and to 181.9 million as of Dec. 31, 1993.

1) 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, which is provided as additional information, 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 Dec.31, 1993 to 9.0 as of Dec. 31, 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 Dec. 31, 1993 to SEK 3,478 m. as of Dec. 31, 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 31,302 m. (9.0 x 3,478) as of Dec. 31, 1994.

2) Saab-Scania's finance companies - net assets, SEK m.

	1994 12/31	1993 12/31
Assets, excl. cash	5,511	4,950
Debt, incl. loans	-4,681	-4,307
Total net assets, finance companies	830	643

3) Including hotel properties.

4) Stockholm-Saltsjön and Näckström.

5)

Other liabilities, SEK m.	1994 12/31	1993 12/31
Surplus, unutilized portion	-2,764	-2,247
Accrued interest, etc.	-811	-670
Pension liability	-3,129	-3,106
Total other liabilities	**-6,704**	**-6,023**

6)

Net financial debt, SEK m.	1994 12/31	1993 12/31
Cash and short-term investments	6,064	8,292
Short- and long-term loans	-13,188	-16,450
Less finance company loans	3,535	3,308
Total net financial debt	**-3,589**	**-4,850**

STATEMENT OF CHANGES IN FINANCIAL POSITION

SEK m.	1994 1/1-12/31	1993 1/1-12/31
Source of funds		
Dividend income	415	390
Sales from the core holdings	986	4,178
Cash flow, other holdings [1]	-538	562
Funds generated from industrial investments	**863**	**5,130**
Operating income, Saab-Scania	3,048	807
Depreciation, Saab-Scania	1,846	2,037
Funds generated from industrial operations	**4,894**	**2,844**
Net of financial income and expense	-1,075	-1,844
Taxes paid	-81	-355
Total funds provided	**4,601**	**5,775**
Application of funds		
Dividends paid	-721	-721
Purchases of shares for the core holdings	-182	-246
Increase/decrease in working capital, Saab-Scania	-890	2,713
Net capital expenditures for property, plant and equipment, Saab-Scania [2]	-2,950	-2,819
Other long-term receivables and liabilities, etc.	85	521
Deconsolidation V.A.G	1,225	-
Payment of shareholders´ contribution to Saab Automobile	-	-1,400
Total funds applied	**-3,433**	**-1,952**
Financial surplus	**1,168**	**3,823**
Acquisition of Export-Invest		
Net assets	-3,461	-
Non-cash issue	3,327	-
	-134	-
Financial surplus after the acquisition of Export-Invest	**1,034**	**3,823**
Financing		
Decrease in liquid assets (+)	2,228	2,118
Increase/decrease in short-terms loans (+/-)	2,079	-3,759
Decrease in long-term loans (-)	-5,341	-2,182
Total financing	**-1,034**	**-3,823**

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.

	1994 1/1-12/31	1993 1/1-12/31
Effect on operating cash flow	-464	50
Decrease/increase in property, plant and equipment of foreign subsidiaries	278	-440
Translation difference	-80	-25
Effect on financial surplus	-266	-415