INVESTOR AB

YEAR- END REPORT

1998

- In 1998, the total return for Investor's shareholders was –1 percent, compared with a +13 percent average for the Stockholm Stock Exchange as a whole.

- Among Investor's main holdings, shares were acquired for a net amount of SEK 5,016 m. Of this total, SEK 1,785 m. pertains to shares in ABB, SEK 1,566 m. shares in Astra and SEK 992 m. shares in Ericsson.

- A broadening of ownership in Saab AB was carried out during the year. Investor now owns shares corresponding to 20 percent of the capital and 36 percent of the voting rights in the company. Saab AB's shares were listed on the Stockholm Stock Exchange in June 1998.

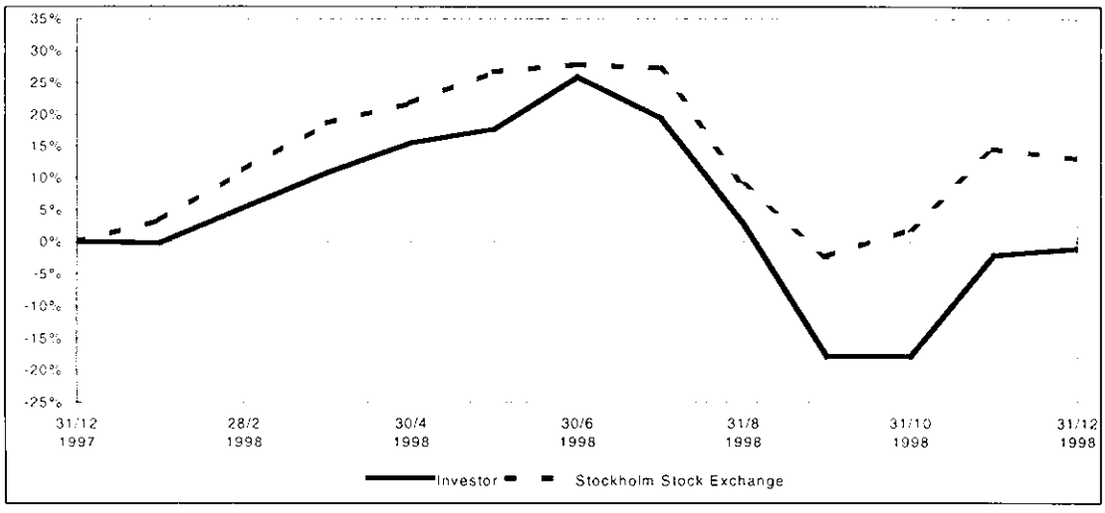
- The Group's net income for 1998 amounted to SEK 3,465 m. and the Group's net debt was SEK 15,966 m. at year-end.

- On December 31, 1998, the value of Investor's main holdings was SEK 88,923 m. The value of the main holdings appreciated by 1 percent in 1998. The corresponding value on February 3 was SEK 93,775 m.

- On December 31, 1998, Investor's net asset value was SEK 93,502 m., or SEK 467 per share. On February 3, net asset value was SEK 99,854 m. or SEK 499 per share.

- The proposed ordinary dividend to shareholders is SEK 11.00 (10.00) per share. A 4:1 split is also proposed.

The year-end report can also be accessed on the Internet at www.investor.se



Source: SIX AB

Investor's total return for the full year 1998 amounted to –1.1 percent, compared with +13.0 percent for the Stockholm Stock Exchange[1]. Investor's net asset value[2] amounted to SEK 93,502 m. on December 31. This corresponds to SEK 467 per share after full conversion. On February 3, net asset value amounted to SEK 99,854 m., corresponding to SEK 499 per share.

Comparative figures for the previous year do not include Saab AB. The Investor Group's income before tax, not taking unrealized value appreciation into account, amounted to SEK 3,711 m. (3,903). Net income amounted to SEK 3,465 m. (3,996).

Interest-bearing liabilities increased by a total of SEK 3,098 m. during the year and the Group's net debt at year-end 1998 was SEK 15,966 m. compared with net debt of SEK 8,011 m. at December 31, 1997. At year-end 1998, all debts between Investor AB and Saab AB had been replaced by external financing.

INVESTOR'S MAIN HOLDINGS

In 1998, purchases of shares totaled net, SEK 5,016 m.

The largest purchases are broken down as follows: SEK 1,785 m. in ABB, of which SEK 1,239 m. pertains to acquisitions through call options distributed by Gambro; SEK 1,566 m. in Astra; SEK 992 m. in Ericsson; SEK 762 m. net in Electrolux; and SEK 291 m. in Atlas Copco.

Shares in OM Gruppen were sold, providing a capital gain of SEK 577 m. Most of this sale pertains to the shares sold within the framework of the option agreement concluded with Svenska Handelsbanken, FöreningsSparbanken and Merita-Nordbanken in November 1997 as part of the agreement to merge OM Gruppen and the Stockholm Stock Exchange.

As reported earlier, a broadening of ownership was carried out in Saab AB during the year, whereby Investor AB concluded an agreement in April with British Aerospace plc on the sale of shares corresponding to 35.1 percent of the capital and 35.0 percent of the voting rights in the company. In addition, in May, Investor's shareholders were offered the opportunity to acquire, through the exercise of

1) Total return refers to the sum of share price appreciation and dividends
2) Saab Automobile is reported at book value of subordinated loan at year-end.

purchase rights, 44.8 percent of the share capital and 29.0 percent of the voting rights in Saab AB. Saab AB's shares were then listed on the O-list of the Stockholm Stock Exchange in June.

In total, this transaction provided Investor with SEK 3,500 m. in payment from British Aerospace and an amount of SEK 2,137 m. as a result of the offering regarding the sale of shares in Saab AB, directed to Investor's shareholders. The broadening of ownership had a positive impact on shareholders' equity in Investor of SEK 2,873 m., of which SEK 2,115 m. is reported in the income statement as a capital gain attributable to the sale of shares to British Aerospace, and SEK 758 m. in shareholders' equity. The amount reported directly in shareholders' equity corresponds to the difference between the payment received and the book value of the shares in Saab AB that were sold to Investor's shareholders.

During the year, dividends received by Investor from its main holdings increased and amounted to SEK 1,841 m. (1,683). The 1997 figure includes, in addition to cash dividends amounting to SEK 1,637 m., the value of shares in Gränges received by Investor through the holding in Electrolux.

Market value, main holdings

SEK m.	1999 2/3	1998 12/31	1997 12/31
Market value, main holdings	93,775 [1]	88,923[1]	83,971[2]

1) Including 20 percent of the shares in Saab AB at market value.
2) Including 100 percent of the shares in Saab AB at book value.

The value of the main holdings, adjusted for net changes, increased by 1 percent during the year. The OMX Index rose 17 percent during the same period.

Investor main holdings, December 31, 1998

Company	Number of shares (000)	Of which on loan (000)	Market value SEK m.	Share price performance 1998 [1] (%)	Share of portfolio (%)	Share of capital (%)	Share of voting rights (%)
Astra	176 255	209	29 168	+20	33	11	13
Ericsson	64 019	348	12 964	+29	15	3	22
Scania [2]	52 994	348	7 904	-16	9	26	42
ABB	90 275		7 809	-8	9	10	13
Gambro	68 638	166	6 040	-39	7	20	26
Stora Enso [3]	77 893		5 503	-10	6	10	11
Atlas Copco	27 523	1	4 899	-25	5	15	21
S E B	48 486	65	4 146	-15	5	8	9
WM-data	10 061	238	3 481	+141	4	13	6
Electrolux	13 347	59	1 912	+27	2	4	21
Saab AB	21 612		1 837	+1 [4]	2	20	36
SKF	14 955		1 376	-44	1	13	30
SAS Sweden	13 156	1	980	-35	1	19	19
OM Gruppen	8 867	1	904	+6	1	11	11
Total			**88 923**		**100**		

1) Most heavily traded class of share.
2) Market value pertains to the 52,994,181 shares not encumbered by distributed covered warrants.
3) Price trend in 1998 pertains to STORA until December 29, 1998, when Stora Enso was listed.
4) Pertains to price trend since June 18, 1998.

NEW INVESTMENTS AND OTHER HOLDINGS

The build up of the new investments unit continued during the year. The organization at the offices in New York, Hong Kong and Amsterdam has focused on new and international investments.

Investor's wholly owned venture capital company Novare Kapital AB expanded during the year and several new investments were made. Investor's partly owned operations EQT, a joint name for the private equity funds EQT Scandinavia I [1)], EQT Scandinavia II and EQT Danmark, also made a number of new investments during the year. Within the framework for the two new funds, EQT Scandinavia II and EQT Danmark, interest was made among both Nordic and international investors, and EQT received a total of approximately SEK 5,7 billion in venture capital for EQT Scandinavia II and DKK 1,0 billion in venture capital for EQT Danmark.

The value of new investments increased by SEK 1,162 m. in 1998. At year-end the market value of Investor's new investments amounted to SEK 5,509 m. The 1998 result includes realized gains and dividends amounting to SEK 709 m. and write-downs of SEK 344 m. The capital gain was mainly attributable to the sale of the entire holding in Tieto. Return for the new investments unit thus exceeded 30 percent during the year.

In addition, among Investor's other holdings, the entire holding in Roche was sold which provided a capital gain of SEK 407 m.

The operations within GHH Grand Hôtel Holdings developed well during the year. Since January 1998, Berns' hotel, conference and restaurant operations have been part of GHH.

1) Formerly Scandinavian Equity Partners.

SAAB AUTOMOBILE AB

Saab Automobile AB, which is owned to 50 percent by Investor and 50 percent by General Motors, reports an income before tax for 1998 of SEK -494 m. (-1,834). Invoicing increased during the year by 27 percent to SEK 28,418 m. (22,390). For the second half of 1998, Saab Automobile reports operating income of SEK 668 m. (–866) and operating income for the full year 1998 amounted to SEK 68 m. (–1,230).

Volume increased by 18 percent during the year to 118,581 (100,300) cars. In several markets, mainly in Western Europe, Saab Automobile set new sales records. Increases of 40 to 60 percent were noted and in individual cases more than 100 percent compared with 1997.

The result for 1998 is in line with the expectations as to the company's development shared by the company's management, Investor and General Motors. In the opinion of the company's management, the favorable earnings in the second half of 1998 indicate that Saab Automobile can be expected to achieve a profit in the full year 1999 as well. Supported by a strong model program, management expects the company to achieve a sales volume of between 130,000 and 140,000 cars in the current year, and then to reach 150,000 cars in the year 2000.

Saab Automobile is treated as a main holding in Investor's accounts.
(Saab Automobile's year-end report for 1998 was published on February 5, 1999, and can be ordered by phone +46 520 841 90 or by fax +46 520 783 90).

PARENT COMPANY INVESTOR AB

In May 1998, Investor's shareholders were offered the opportunity to acquire, through the exercise of purchase rights, 44.8 percent of the share capital and 29.0 percent of the voting rights in Saab AB. This offer was accepted to 99.5 percent, which provided a payment of SEK 2,137 m. Investor subsequently owns shares corresponding to 20.3 percent of the capital and 36.1 percent of the voting rights in Saab AB. As a result of the distribution of purchase rights, unrestricted equity in the parent company was reduced by SEK 1,431 m.

During the year, the subsidiaries Patricia AB and Patricia Holdings AB were merged with the parent company Investor AB.

Income after financial items amounted to SEK 1,236 m. (3,280). Net profit amounted to SEK 3,392 m. (3,404), of which SEK 2,236 m. is a result of the merger. During the year net share purchases were made for SEK 4,681 m.

PROPOSED DIVIDEND

The Board of Directors and the President propose that a dividend of SEK 11.00 (10.00 as well as one purchase right for shares in Saab AB), be paid per share, corresponding to a total of SEK 2,100 m. (1,908). The Board of Directors has also decided to propose to the Annual General Meeting that a 4:1 split be carried out whereby each existing share will be divided into four shares of the same class as the existing share.

STRUCTURE OF SHARE CAPITAL AND CONVERTIBLES

On December 31, 1998, Investor's share capital amounted to SEK 4,773 m., represented by 191 million shares. On the same date, the nominal amount of Investor's convertible debenture loans totaled SEK 1,318 m. Of this amount, SEK 1,025 m. pertained to the loan denominated in Swedish kronor and SEK 293 m. to the loan denominated in ECU. On December 31, 1998, Investor's own holding in the loan denominated in Swedish kronor amounted to SEK 899 m. and SEK 293 m. in the loan denominated in ECU. In total, this corresponds to 90 percent of the volume of convertible loans outstanding.

Structure of share capital and convertibles

Before conversion Class of share	Number of shares	Number of voting rights	Percentage of capital	Percentage of voting rights
A 1 vote	77 922 711	77 922 711	40.8	87.3
B 1/10 vote	112 987 591	11 298 759	59.2	12.7
Total	190 910 302	89 221 470	100.0	100.0
Convertible debenture loans [1]				
B 1/10 vote	9 285 450	928 545		
After full conversion				
A 1 vote	77 922 711	77 922 711	38.9	86.4
B 1/10 vote	122 273 041	12 227 304	61.1	13.6
Total	200 195 752	90 150 015	100.0	100.0

[1] The nominal value of the loans is SEK 1,318 m. and they carry 8.00% interest until June 21, 2001. The conversion price is SEK 141.90. Of the convertible debenture loan corresponding to 9,285,450 shares, Investor's own holding corresponds to 8,400,639 shares.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held at 6 p.m. on Wednesday, April 14, 1999, at Kungliga Tennishallen (the Royal Tennis Hall), Lidingövägen 75, Stockholm. Investor's audited Annual Report will be made available at the company's head office at Arsenalsgatan 8c in Stockholm.

ACCOUNTING PRINCIPLES

This year-end report has been prepared in accordance with Investor's former accounting principles. Under Sweden's new Annual Accounts Act, which came into effect in 1997, certain of Investor's main holdings must be reported as associated companies according to the equity method. These revised consolidated accounts will be prepared and included in Investor's annual report for 1998, which will be available at the end of March 1999.

FINANCIAL REPORTS

Annual General Meeting, April 14, 1999.
3-month report, to be published April 14, 1999.
6-month report, to be published July 9, 1999.
9-month report, to be published October 7, 1999.
Year-end Report, to be published January 27, 2000.

Stockholm, February 11, 1999

Claes Dahlbäck
President and Chief Executive Officer

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This year-end report has not been subject to specific review by the Company's auditors

PRESIDENT'S COMMENTS

Strong fluctuations in the world economy

Economic conditions in 1998 were characterized by powerful fluctuations among the major economic regions of the world. The U.S. remained the engine in the global economy with unbroken growth for the eighth consecutive year. The Japanese economy went into recession after several years of falling growth. The major economies of Southeast Asia also found themselves in a deep economic slump, which led to bankruptcies, industry restructuring and high unemployment.

The developing countries suffered from a number of problems. Inadequacies in the Russian economy led to a number of severe crises during the year and the Russian stock market, which had grown strongly in a short time, fell spectacularly. South America's largest economy, Brazil, was also under pressure.

Growth in Europe was subdued. The main reason was probably the fiscal restraint which was needed to achieve coordination of the economies that launched the euro as their common currency on January 1, 1999. Against the background of this and deflationary impulses from the developing countries, interest rates fell.

The financial markets developed favorably during the year although there were strong fluctuations in the final months. This turbulence stemmed from the problems mentioned above in the developing countries and the fact that a number of highly leveraged investment funds, which had specialized in these economies, had taken risks that were far too high.

When we try to assess the prospects for economic development and financial investment in future years, it is important to understand the division that has occurred between, on the one hand, the manufacturing industries in the West, which grow slowly and are affected by deflationary pressure from the developing countries and, on the other hand, the service industries. The latter will provide new jobs and economic growth, not only in the U.S. but also in Europe for many years to come. This growth will probably be achieved with continued low inflationary pressure since IT investments designed to raise productivity are a central element for these industries.

In spite of continued deflationary pressure from the developing countries and the weak development in Japan, the strength of the American economy and the potential for efficiency gains in the united Europe will probably remove the risk of an extensive recession in the world economy.

An unusually eventful year for Investor

The announced broadening of ownership in our largest, wholly owned subsidiary, Saab AB, resulted in a listing on the Stockholm Stock Exchange on June 18, 1998. In addition to giving Saab a more distinct exposure in general terms, the listing gave Saab access to the international capital market and therefore greater financial opportunities. Through this sale, we created shareholder value. By reducing the number of wholly owned subsidiaries, Investor achieved a clearer profile as an industrial holding company. Moreover, our offer of purchase rights to our shareholders enabled them to acquire shares in Saab on favorable terms.

In conjunction with the broadening of ownership, British Aerospace plc acquired a significant shareholding in Saab AB from Investor. This combination improves the potential for export orders for the JAS Gripen, which is borne out by the successful launch in South Africa in the fall. Furthermore, it will be easier for Saab to participate in the anticipated restructuring of the European aerospace and defense industry.

The decision on a merger between STORA and the Finnish company ENSO led to the creation of one of the largest manufacturers of paper and packaging board in the world. The merger between these two equal sized and strong parties is expected to provide substantial cost synergies and good opportunities for growth in an industry increasingly exposed to competition.

The proposed merger between Astra and Zeneca is another example of two parties each of which has grown successfully through its own efforts and which together can build a strong base for continued expansion. The sales and marketing organizations and the product portfolios in the two companies complement each other extremely well. Strong market positions will become increasingly decisive for the future competitiveness of pharmaceutical companies. Given the greater clout and leading position worldwide which the merged company will acquire within its therapeutic areas, we believe that a combined AstraZeneca has far greater potential for strong expansion and profitability than the two companies on their own.

In 1998, Gambro saw the completion of one of the greatest transformations seen in Swedish industry for decades. As a result of systematic, effective and intensive work, Incentive was developed from a rather unfocused conglomerate into a focused, medical technology company, Gambro. Today, Gambro's operations are concentrated mainly on products and services within renal care. This is an area with good and stable growth where Gambro has strong market positions.

Investor participated, as did Gambro, in its capacity as a major owner of Electrolux, in changing the differentiated voting rights between the company's class A and B shares. Thus, Electrolux's annual general meeting decided to increase the voting right for the company's B shares from 1/1000 to 1/10 of a vote. In the summer, Investor acquired all class A shares in Electrolux from Gambro in conjunction with the completion of Gambro's refocusing.

Investor also acquired a large block of ABB shares by exercising the purchase rights included in the Gambro holding. In addition to these acquisitions, Investor increased its shareholdings primarily in Astra and Ericsson in the fall.

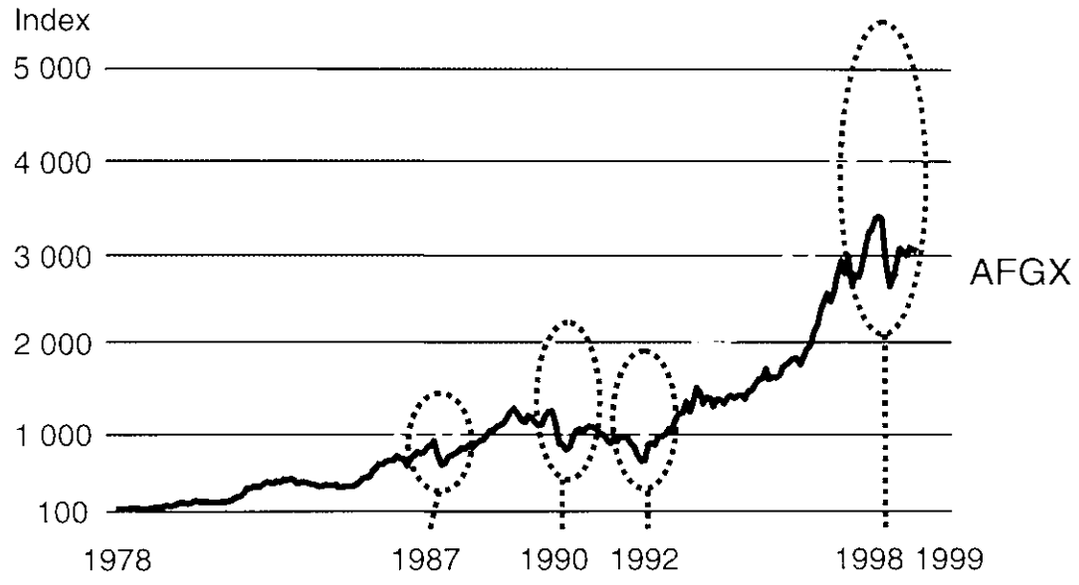
The shareholding we had in Svenska Dagbladet for many years was sold to the Norwegian media group Schibsted. This provided a long-term and stable solution which will allow the newspaper to continue as an editorially independent Swedish daily.

Our activities in the area of new investments included the launch during the year of two new private equity funds, EQT Scandinavia II and EQT Danmark, in which Investor participates both as a general partner and as a significant investor. The background to this investment, which will probably be followed by the establishment of additional funds, is the favorable development of EQT Scandinavia I, which was launched a couple of years ago.

In spite of all activities during the past year, Investor shares failed to develop as we had hoped. One reason for this is that our portfolio of main holdings developed less favorably than the market as a whole, which was connected to some extent with our underweighted growth stocks.

Furthermore, the discount to net asset value rose during the year from 13 percent to 23 percent at year-end. In view of our efforts to create shareholder value, this was naturally a disappointment. At the same time, we have been able to see for many years that the discount to net asset value tends to rise when the stock market is uneasy or bearish and to fall in a bull market. The adjacent diagram shows accordingly that Investor's shares fluctuate more strongly than the market as a whole.

Therefore, I am not worried about our development viewed in a more long-term perspective.



Investing in competent employees

Investor's task and responsibility as an active owner demands highly competent and motivated employees. Accordingly, we devote a lot of time and resources to recruiting, developing and retaining our staff. It is therefore gratifying that several surveys among students rank Investor as one of the most attractive employers.

Just as it is important to recruit, it is equally important to be able to keep our employees and today, when it is normal for both parents in a family to work, the workload for many people easily becomes inhuman. In common with many other companies, we have therefore decided to offer our employees an opportunity to lighten the load of practical duties in the home by engaging a domestic services and cleaning company.

In this context, I would like to mention that we have a very even balance between the sexes in managerial positions at Investor and we are endeavoring to make this a lasting trend.

Additionally, a new salary system for executive management comes into effect in 1999. In future, basic salary will consist of two components: a cash salary and an employee stock option program, designed in accordance with the parliamentary resolution which came into force in July 1998. For many employees, the basic salary will be complemented with a bonus program according to strict criteria.

Outlook for 1999

The dramatic turbulence in the world stock markets in the fall was one sign of a growing nervousness among investors worldwide.

Why dramatic price falls usually occur in the fall is in itself a matter for speculation, but this is a fact that is probably common knowledge to every experienced stock market analyst.

Looking at stock market prospects for 1999, markets will probably be stimulated by continued liquidity inflows, both in Sweden and elsewhere. Since low interest rates

can be expected, equities will offer a more attractive alternative than bonds or short-term investments.

The large volume of cross-border structural deals in recent years can be expected to continue in many sectors and to provide the market with additional stimulation. The extent to which this will be sufficient to boost share prices on a broad front is hard to determine since economic prospects remain uncertain throughout the world. For growth companies, mainly in IT and telecom, it would seem however that the sky's the limit at the moment.

But, enough about future visions. After twenty-one extremely eventful years as president I am now hoping instead to have a little time to look back and to reflect over a long and incredibly fascinating period of my life.

I am delighted that the Board has appointed Marcus Wallenberg to be my successor. Marcus, whom I have known for more than 20 years and who has been my closest colleague in recent years, has first-rate qualities with which to lead Investor into the 21st century. He is an unusually modern person with an inquiring mind and the same burning interest in young people and new ideas as his legendary grandfather.

Claes Dahlbäck

INVESTOR GROUP

	12/31 1998		12/31 1997	
	SEK/share	SEK m.	SEK/share	SEK m.
Astra	146	29 168	115	22 920
Ericsson	65	12 964	45	9 048
Scania	39	7 904	47	9 418
ABB	39	7 809	29	5 839
Gambro	30	6 040	48	9 665
Stora Enso	27	5 503	26	5 273
Atlas Copco	24	4 899	31	6 150
S E B	21	4 146	24	4 871
WM-data	17	3 481	7	1 444
Electrolux	10	1 912	5	975
Saab AB [1]	9	1 837	16	3 091
SKF	7	1 376	12	2 378
SAS Sweden	5	980	8	1 513
OM Gruppen	5	904	7	1 386
New investments	28	5 509	22	4 010
Other holdings [2]	27	5 466	22	4 750
Total	**499**	**99 898**	**464**	**92 731**
Saab Automobile 50% [3]	15	2 890	15	2 890
GHH Grand Hôtel Holdings	6	1 180	4	850
Land and real estate	1	300	2	480
Other assets and liabilities	-1	-184	1	260
Total investments	**520**	**104 084**	**486**	**97 211**
Net debt/net cash	-80	-15 966	6	1 093
Debt ABB purchase [4]	-	-	-32	-6 368
Scania shares restricted by warrants [5]	27	5 384	28	5 577
Loan Saab AB [6]			-46	-9 104
Total net asset value	**467**	**93 502**	**442**	**88 409**

1) As of December 31, 1998, Investor's 20.3% holding in Saab AB has been valued at market value. The previous year pertains to 100% of Saab AB at a value corresponding to book value of the sharesholders' equity in the company.

2) Including Investor's holding of its own convertibles, market value SEK 3,006 m. (nom. value SEK 1,192 m.) as of December 31, 1998.

3) Subordinated loan.

4) Debt according to agreement with Incentive (since July 1, 1998, Gambro), repaid in January 1998.

5) As of December 31, 1998, 38,051,364 shares are valued at market value less market value of distributed covered warrants.

6) Loan from Saab AB, repaid in 1998.

INVESTOR GROUP

SEK m.	1998 1/1-12/31	1997 1/1-12/31
Net revenue		
Dividend income, main holdings	1 841	1 683
Sale of other securities, etc.	20 396	11 625
Cost of sold other securities, administrative expenses, etc.	-20 330	-11 863
Other operating revenues		
Capital gain, Saab AB 35.1% [2]	2 115	
Capital gains, main holdings	628	3 197
Operating income	**4 650**	**4 642**
Net financial income/expenses	-939	-739
Income after financial items	**3 711**	**3 903**
Tax	-246	93
Income for the year	**3 465**	**3 996**

Specification of operating income:		
Dividend income, main holdings	1 841	1 683
New investments and other holdings	801	370
GHH Grand Hôtel Holdings	78	74
Others	-26	-74
Administrative expenses	-787	-608
Capital gains, main holdings		
Saab AB 35.1% [2]	2 115	
Others	628	3 197
	4 650	**4 642**

1) Saab is not included in the comparative figures for 1997

2) Net after total sales costs of SEK 300 m. related to the broadening of ownership in Saab AB

3) SEK 145 m. of the increase pertains to a nonrecurring cost in connection with the changeover from previous defined-benefit pension plans to defined-contribution plans for senior executives. SEK 39 m. pertains to the president, Claes Dahlbäck, renegotiations of previously concluded pension agreements. The renegotiations will result in a reduction of pension costs for senior executives in future years.

INVESTOR GROUP

SEK m.	1998 12/31	1997 12/31 [1]
Assets		
Equipment and real estate, etc.	1 684	1 599
Shares and participations [1]	105 745	98 342
Receivables	3 821	3 599
Cash and short-term investments	138	4 983
Total assets	**111 388**	**108 523**
Shareholders' equity and liabilities		
Shareholders' equity [2]	29 269	26 878
Surplus values arising from market valuation	62 844	60 171
Convertible debenture loans	1 389	1 360
Provision for pensions	325	313
Loan Saab AB [3]	-	9 104
Other loan liabilities	15 779	3 577
Other liabilities	1 782	7 120
Total shareholders' equity and liabilities	**111 388**	**108 523**
Equity/assets ratio [4]	**84%**	**81%**
Net debt		
Cash and short-term investments	138	4 983
Loan Saab AB [3]	-	-9 104
Other loan liabilities	-15 779	-3 577
Provision for pensions	-325	-313
Total net debt	**-15 966**	**-8 011**

1) Saab AB is not consolidated in the comparative figures for 1997. The value of Saab AB is included in Shares and participations with SEK 3,091 m. corresponding to 100% of sharesholders' equity as of December 31, 1997.

2) Shareholders' equity changed during the year:

Opening balance		26 878
Dividend to shareholders		-1 907
Effect on shareholders' equity of distribution of Saab AB purchase rights to Investor's shareholders		758
Capital gain Saab AB from the sale of 35.1% to British Aerospace, net after total sales costs	2 115	
Other income for the year	1 350	3 465
Other changes		75
Balance at close of year		29 269

3) Loan from Saab AB, repaid in 1998.

4) Shareholders' equity including convertible debenture loans in relation to total assets.

INVESTOR GROUP

STATEMENT OF CASH FLOWS

SEK m.	1998 1/1-12/31	1997 1/1-12/31
Cash flow from continuing operations		
Dividend income	1 841	1 637
Operating income before depreciation GHH and other operations and administrative expenses	-673	-507
Net financial income/expenses	-904	-728
Tax paid	-114	123
	150	525
Change in working capital	145	-588
Investments, main holdings, etc.		
Sales, Saab AB 35.1%	3 500	
Sales, main holdings	570	4 141
Payment purchase rights Saab AB	2 137	
Purchases, main holdings	-5 582	-5 225
Payment ABB shares [1]	-6 368	
Other investments, net		
Other holdings	-329	-304
Other fixed assets, tangible and intangible	-147	-12
Dividends to shareholders	-1 907	-1 908
Contribution Saab AB	-	-1 393
Other items		
Changes in long-term receivables/liabilities, etc.	-123	-520
Financial deficit	**-7 954**	**-5 284**
Effect on financing		
Decrease/Increase in liquid assets (+/-)	4 844	2 736
Decrease/Increase in loans from Saab AB (-/+)	-9 104	1 225
Increase/Decrease in other loans (+/-)	12 202	1 385
Increase/Decrease in provision for pensions (+/-)	12	-62
Total effect on financing	**7 954**	**5 284**

1) Debt according to agreement with Incentive (since July 1, 1998, Gambro), repaid in January 1998.