



SAAB

INTERIM REPORT

JANUARY - MARCH 2011



PRESIDENT AND CEO HÅKAN BUSKHE, CFO LARS GRANLÖF
29 APRIL, 2011
INTERIM REPORT, PRESS AND ANALYST MEETING

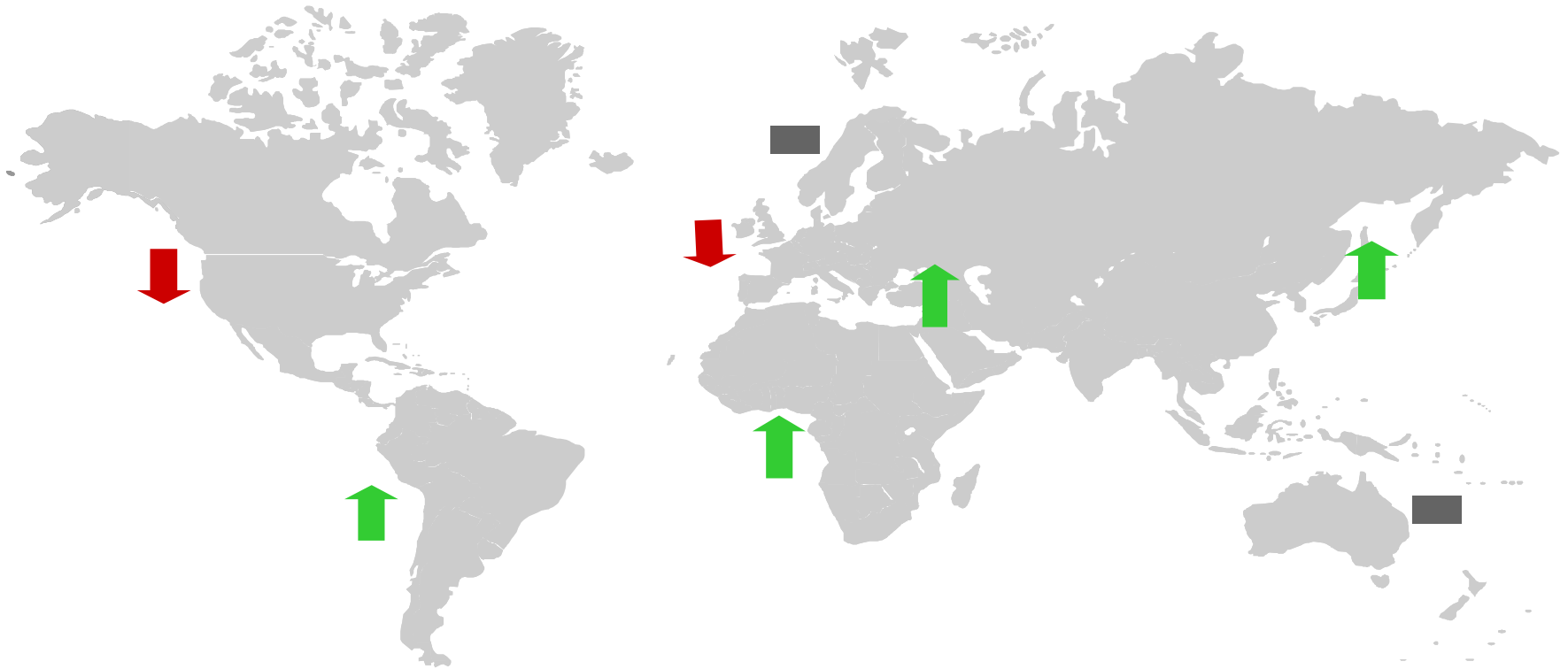
SUMMARY FIRST QUARTER 2011

- ▶ Important orders secured
 - Ammunition to Carl-Gustaf man-portable weapon system, MSEK 1,155
 - Weapon locating system ARTHUR from Republic of Korea, MSEK 450.
- ▶ Sales increased by 1 per cent to MSEK 5,452 (5,384)
- ▶ Operating margin at 6.7 per cent (2.3)
- ▶ Strong operating cash flow at MSEK 559 (-73)

- ▶ Clear commitment to the Gripen-system in Sweden



MARKET DEVELOPMENT



- Increasing defence budgets in emerging markets
- Continued slow customer decision processes
- Civil security market growing, commercial air market recovering

ORDERS RECEIVED Q1 2011



AERONAUTICS



DYNAMICS



ELECTRONIC
DEFENCE
SYSTEMS



SECURITY
AND DEFENCE
SOLUTIONS



SUPPORT
AND
SERVICES

Orders received > MSEK 100

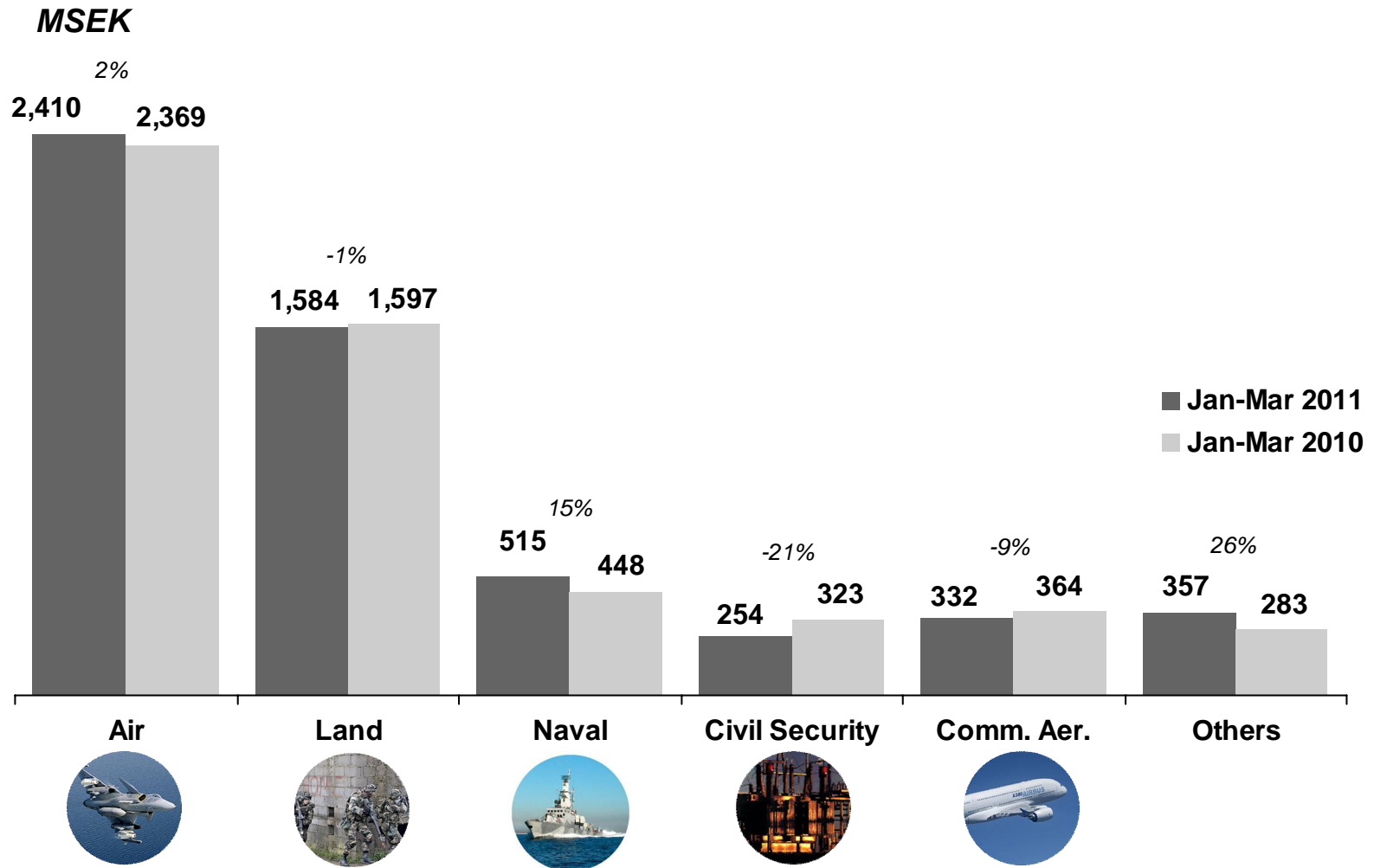
- ▶ Development of existing Gripen-system (SE)
- ▶ Ammunition to the Carl-Gustaf man-portable weapon system
- ▶ Weapon locating system ARTHUR (KR)
- ▶ Enhancement of live training capabilities (UK)
- ▶ Maintenance operations for air ambulance (SE)

Other key orders received < MSEK 100

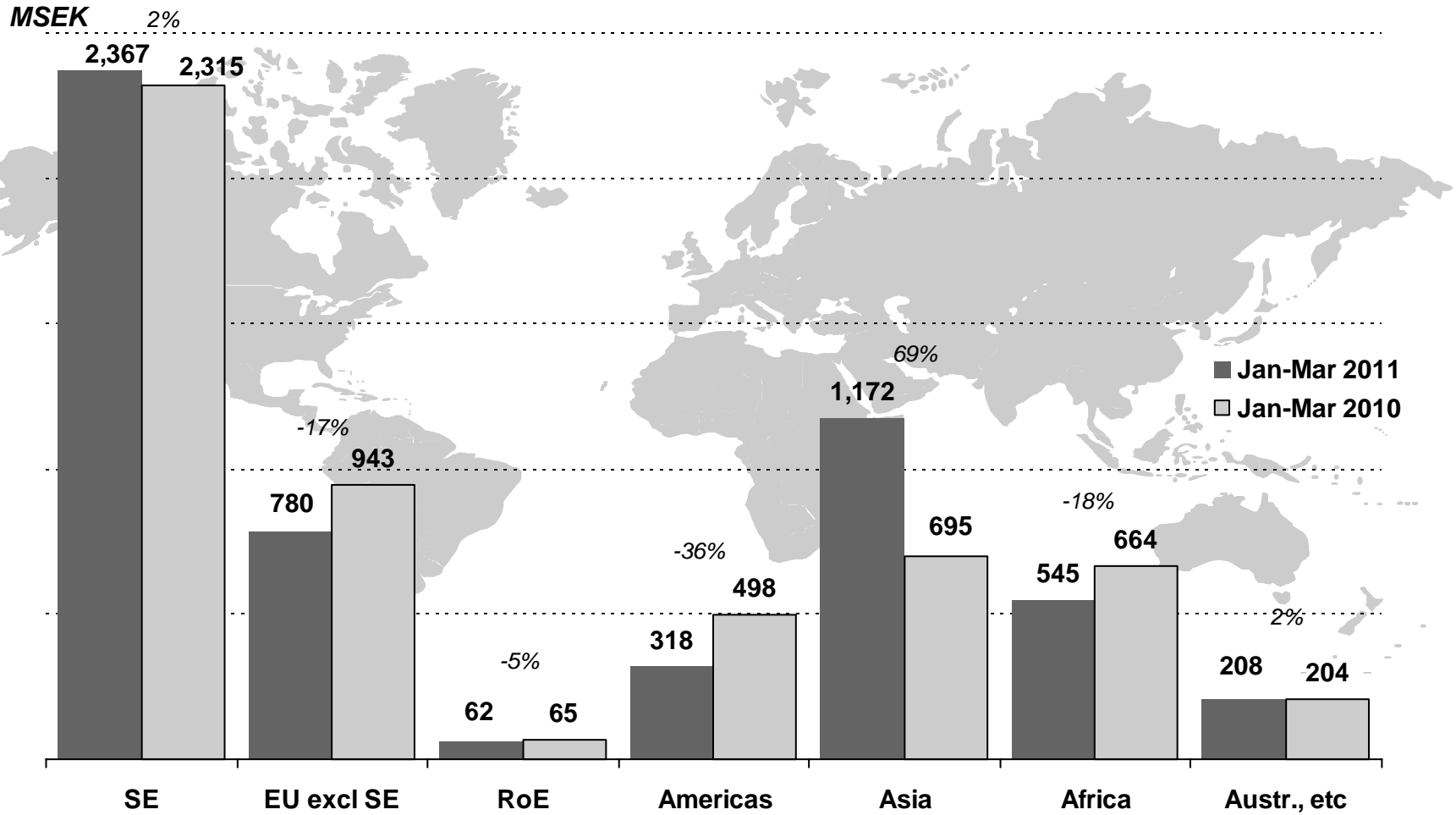
Examples:

- ▶ Remotely Operated Vehicles for customers in the civil market
- ▶ Airborne Electronic Warfare self-protection system suited for threat environments
- ▶ Communication solution Tacticalall to Swedish Prison and Probation Service (SE)
- ▶ Technical documentation to Mitsubishi Aircraft Corp. for new regional aircraft

SALES DEVELOPMENT PER MARKET



SALES DEVELOPMENT PER REGION



STRATEGIC EVENTS



*Saab's
strategic priorities*

- ▶ Acquisition of Czech company E-COM*
- ▶ Divestment of Grintek Ewation to Cassidian*
- ▶ Research and development centre in India
- ▶ Thailand receives first batch of Gripen
- ▶ Award for work on Remote Air Traffic Management (ATM)
- ▶ Unique Wing demonstrator presented (Clean Sky)
- ▶ Delivery for Neuron to Dassault Aviation

*The transactions are expected to close during the second quarter 2011.

NOKIA/OVI LAUNCHES 3D MODELS FROM C3 TECHNOLOGIES*



- ▶ 3D models of some of the world's largest cities launched
- ▶ Based on Saab's experience in image processing for target seekers and navigation systems
- ▶ Service available on Ovi Maps and more than 200,000 downloads during first days



*C3 Technologies is a subsidiary of Saab AB, which in turn licenses the capability to C3 for applications in the civil market.

LEADING HOUSE OF ENGINEERING AND INNOVATION

Research and development:

Main focus areas in first quarter 2011:

- Gripen system, Radar, Unmanned Aerial Vehicles and missile systems
- Further consolidation for efficiency improvements- Centers of excellence



INCREASED PERFORMANCE



PRIORITIES

- ▶ Standardise and harmonise operations
- ▶ Fully integrated product development process
- ▶ Improved contract management skills
- ▶ Increase flexibility in cost structure
- ▶ Ensure stable cash flow

JAN - MARCH 2011

- ▶ New overall governance model and process in place
- ➔ Results from efforts visible through lower level of general and administrative costs

PEOPLE

➤ Objective:

- To be an employer of choice for current and future employees in our home markets

➤ Actions first quarter 2011:

- Common Performance Management process
- People life cycle assessment
- New internal on-line education about Saab



OUTLOOK 2011

The outlook has changed due to announced capital gains.

Outlook 2011:

- In 2011, we estimate that sales will decline slightly compared to 2010.
- The operating margin, excluding material net capital gains, is expected to increase slightly in 2011, compared to the adjusted operating margin 2010 of 6.5 per cent.

Previous outlook:

In 2011, we estimate that sales will decline slightly compared to 2010.

The operating margin is expected to increase slightly in 2011 compared to the adjusted operating margin 2010.





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JANUARY - MARCH 2011 FINANCIALS



LARS GRANLÖF, CFO

29 APRIL, 2011

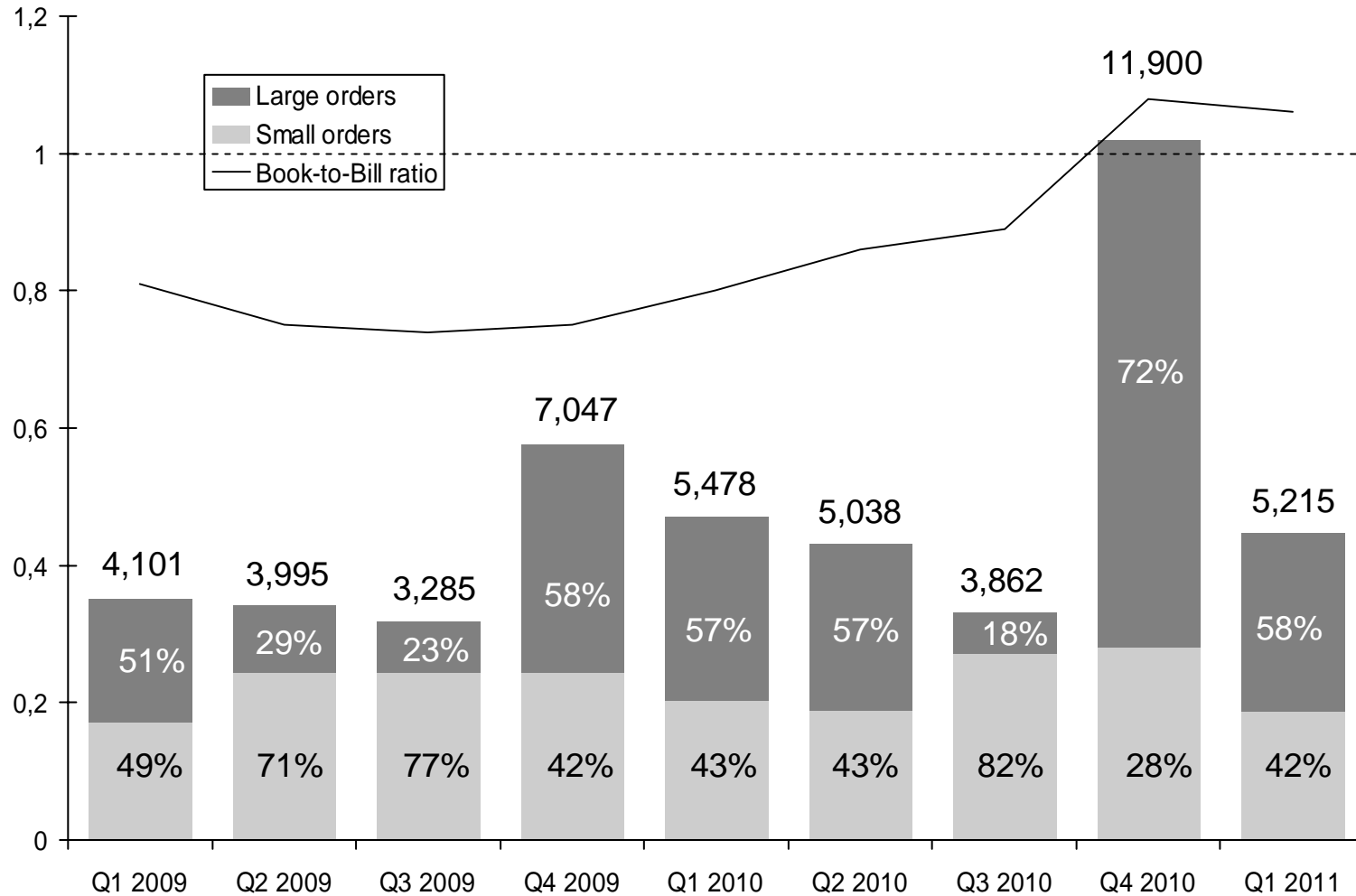
FINANCIALS, JANUARY - MARCH 2011

ORDER BOOKINGS AND ORDER BACKLOG

MSEK	Order bookings Jan-Mar 2011	Order bookings Jan-Mar 2010	Order backlog 31 Mar 2011
Aeronautics	963	2,082	15,090
Dynamics	1,528	634	6,102
Electronic Defence Systems	1,234	1,101	8,382
Security and Defence Solutions	777	920	7,752
Support and Services	923	924	4,738
Corporate/Internal	-210	-183	-1,107
Saab Group	5,215	5,478	40,957

ORDERS RECEIVED

Book-to-bill ratio
(12 months rolling)



ORDER BACKLOG

Order backlog duration (SEK billion):

March 2011

2011: 14.2
 2012: 11.5
 2013: 6.1
 2014: 4.4
 After 2014: 4.8

Total: 41.0

March 2010

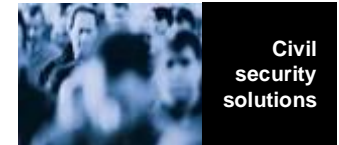
2010: 15.4
 2011: 9.8
 2012: 5.7
 2013: 3.2
 After 2013: 5.5

Total: 39.6

Dec. 2010

2011: 16.8
 2012: 10.4
 2013: 6.3
 2014: 3.7
 After 2014: 4.3

Total: 41.5



SALES

MSEK	Jan-Mar 2011	Jan-Mar 2010	Change
Aeronautics	1,508	1,703	-11%
Dynamics	962	986	-2%
Electronic Defence Systems	1,035	940	10%
Security and Defence Solutions	1,303	1,200	9%
Support and Services	907	743	22%
Corporate/Internal	-263	-188	
Saab Group	5,452	5,384	1%

OPERATING INCOME, EBIT

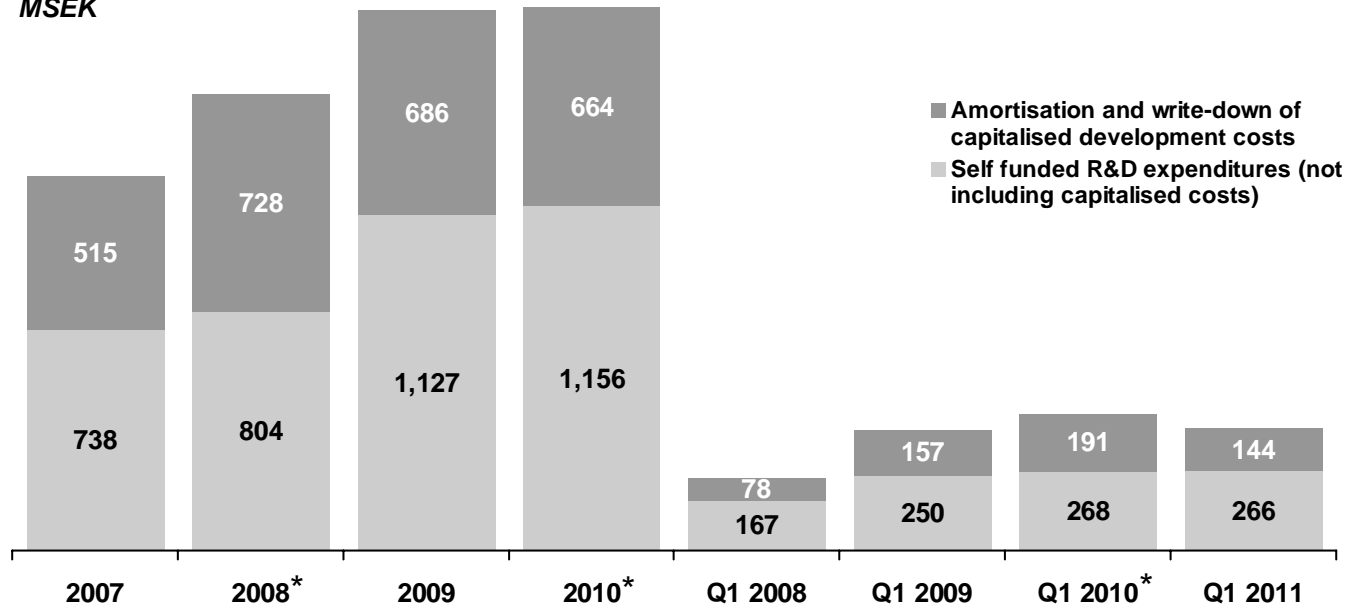
MSEK	Jan-Mar 2011	<i>margin</i>	Jan-Mar 2010	<i>margin</i>
Aeronautics	79	5.2%	53	3.1%
Dynamics	89	9.3%	85	8.6%
Electronic Defence Systems	36	3.5%	37	3.9%
Security and Defence Solutions	71	5.4%	-96	-8.0%
Support and Services	75	8.3%	56	7.5%
Corporate	18		-9	
Saab Group	368	6.7%	126	2.3%

INCOME STATEMENT

MSEK	Jan-Mar 2011	Jan-Mar 2010
Sales	5,452	5,384
Cost of goods sold	-4,025	-4,113
Gross income	1,427	1,271
<i>Gross margin</i>	26.2%	23.6%
Other operating income	73	36
Marketing expenses	-398	-385
Administrative expenses	-310	-316
Research and development costs	-406	-459
Other operating expenses	-12	-16
Share of income in associated companies	-6	-5
Operating income	368	126
<i>Operating margin</i>	6.7%	2.3%
Share of income in associated companies	1	-
Result from financial investments	15	-27
Income before taxes	384	99
Taxes	-107	-27
Net income	277	72
Earnings per share after dilution, SEK	2.56	0.63
Tax rate	28%	27%

RESEARCH AND DEVELOPMENT

MSEK



* Amortisation and write-down of capitalised development costs included write-downs of MSEK 250 in 2008 and MSEK 20 in the first quarter of 2010



STATEMENT OF FINANCIAL POSITION

MSEK	31 Mar 2011	31 Dec 2010	Change
Assets			
Fixed assets	12,086	12,464	-378
Current assets	17,099	16,814	285
Total assets	29,185	29,278	-93
Shareholders' equity and liabilities			
Shareholders' equity	11,790	11,444	346
Long-term liabilities	4,195	4,426	-231
Short-term liabilities	13,200	13,408	-208
Total liabilities	17,395	17,834	-439
Total shareholders' equity & liabilities	29,185	29,278	-93
Equity/assets ratio	40.4%	39.1%	
Total net liquidity	3,833	3,291	542

SUMMARISED CASH FLOW

JANUARY-MARCH 2011

MSEK	Saab	SAL/M&A	Actual 2011	Actual 2010
Cash flow from operations	415	45	460	625
Inventories	-295	-	-295	-293
Receivables	450	-80	370	160
Advances	670	-	670	-72
Liabilities	-256	-121	-377	-318
Provisions	-123	-50	-173	-109
Change in working capital	446	-251	195	-632
Intangible assets	-12	-	-12	-27
Tangible assets	-50	-	-50	-49
Lease assets	-	52	52	9
Acquisitions	-	-86	-86	-
Divestments	-	-	-	-
Acq/sales of financial assets	-	-	-	1
Cash flow from investments	-62	-34	-96	-66
Operating cash flow	799	-240	559	-73

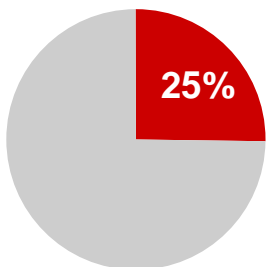


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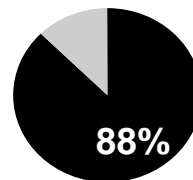
APPENDIX



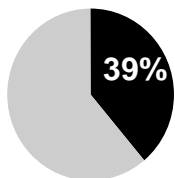
AERONAUTICS – HIGHLIGHTS



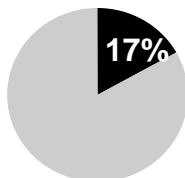
▶ Sales, % of total



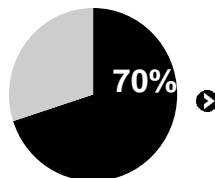
Split
Defence/Civil
% of sales



Sales



Order bookings



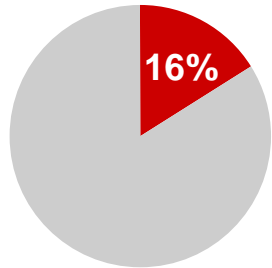
Backlog

◀ Markets outside Sweden

	Jan-Mar 2011	Jan-Mar 2010	%	Jan-Dec 2010
MSEK				
Order bookings	963	2,082	-54	6,901
Split between larger orders > MSEK 100 and smaller orders	70/30	93/7	-	89/11
Order backlog	15,090	15,855	-5	15,636
Sales	1,508	1,703	-11	6,741
Operating income	79	53	49	191
Operating margin, %	5.2	3.1		2.8
Operating cash flow	440	-33	-	30
Number of employees	2,824	2,988	-5	2,874

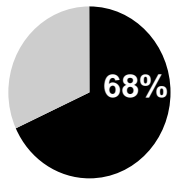
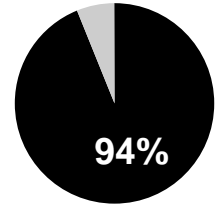


DYNAMICS - HIGHLIGHTS

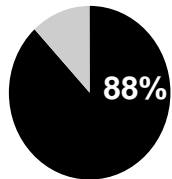


➤ Sales, % of total

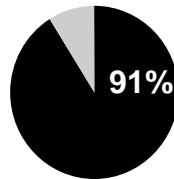
Split
Defence/Civil
% of sales



Sales



Order bookings



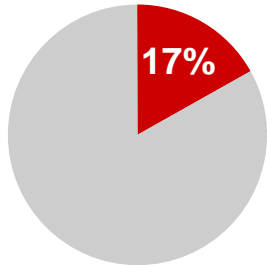
Backlog

➤ Markets outside Sweden

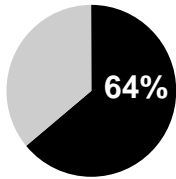
	Jan-Mar 2011	Jan-Mar 2010	%	Jan-Dec 2010
MSEK				
Order bookings	1,528	634	141	3,312
Split between larger orders > MSEK 100 and smaller orders	76/24	57/43	-	61/39
Order backlog	6,102	6,623	-8	5,546
Sales	962	986	-2	4,741
Operating income	89	85	5	322
Operating margin, %	9.3	8.6		6.8
Operating cash flow	340	-11	-	1,044
Number of employees	1,426	1,682	-15	1,483



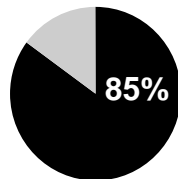
ELECTRONIC DEFENCE SYSTEMS - HIGHLIGHTS



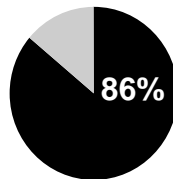
▶ Sales, % of total



Sales



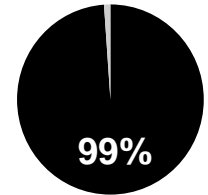
Order bookings



Backlog

▶ Markets outside Sweden

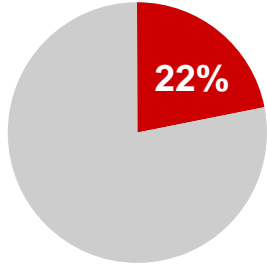
Split
Defence/Civil
% of sales



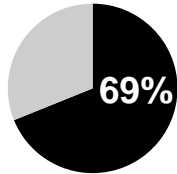
	Jan-Mar	Jan-Mar		Jan-Dec
MSEK	2011	2010	%	2010
Order bookings	1,234	1,101	12	5,494
Split between larger orders > MSEK 100 and smaller orders	68/32	44/56	-	58/42
Order backlog	8,382	7,275	15	8,240
Sales	1,035	940	10	4,354
Operating income	36	37	-3	99
Operating margin, %	3.5	3.9		2.3
Operating cash flow	446	375	19	594
Number of employees	2,438	2,553	-5	2,453



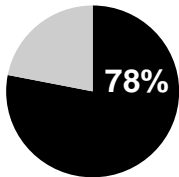
SECURITY AND DEFENCE SOLUTIONS - HIGHLIGHTS



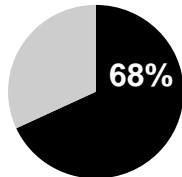
➤ Sales, % of total



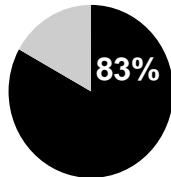
Split Defence / Civil
% of sales



Sales



Order bookings



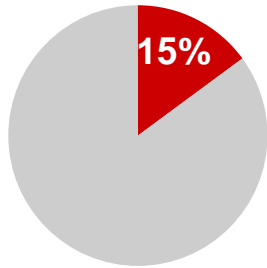
Backlog

➤ Markets outside Sweden

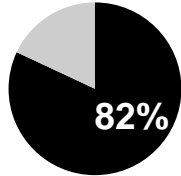
	Jan-Mar 2011	Jan-Mar 2010	%	Jan-Dec 2010
MSEK				
Order bookings	777	920	-16	6,647
Split between larger orders	18/82	19/81	-	40/60
> MSEK 100 and smaller orders				
Order backlog	7,752	7,586	2	8,434
Sales	1,303	1,200	9	6,210
Operating income	71	-96	-	137
Operating margin, %	5.4	-8.0		2.2
Operating cash flow	106	-15	-	1,066
Number of employees	2,505	2,563	-2	2,525



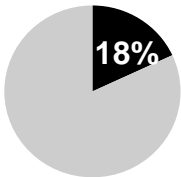
SUPPORT AND SERVICES - HIGHLIGHTS



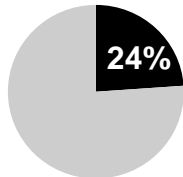
▶ Sales, % of total



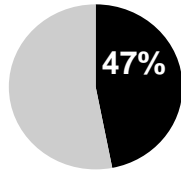
Split Defence / Civil
% of sales



Sales



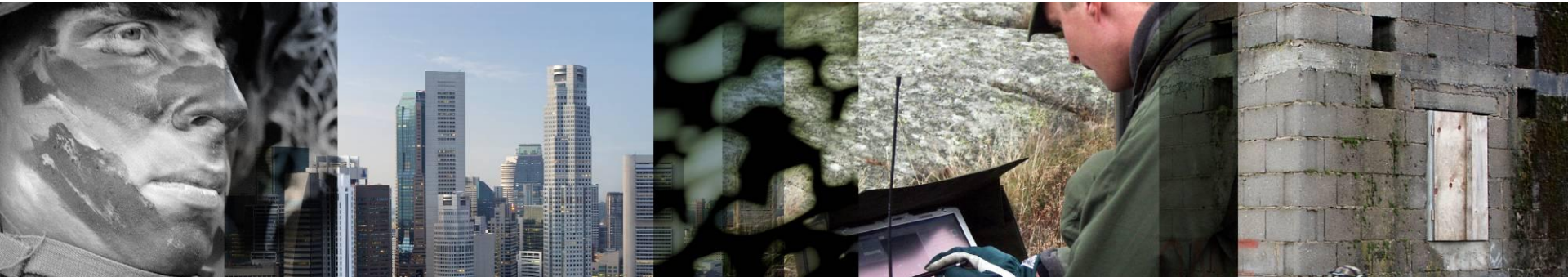
Order bookings



Backlog

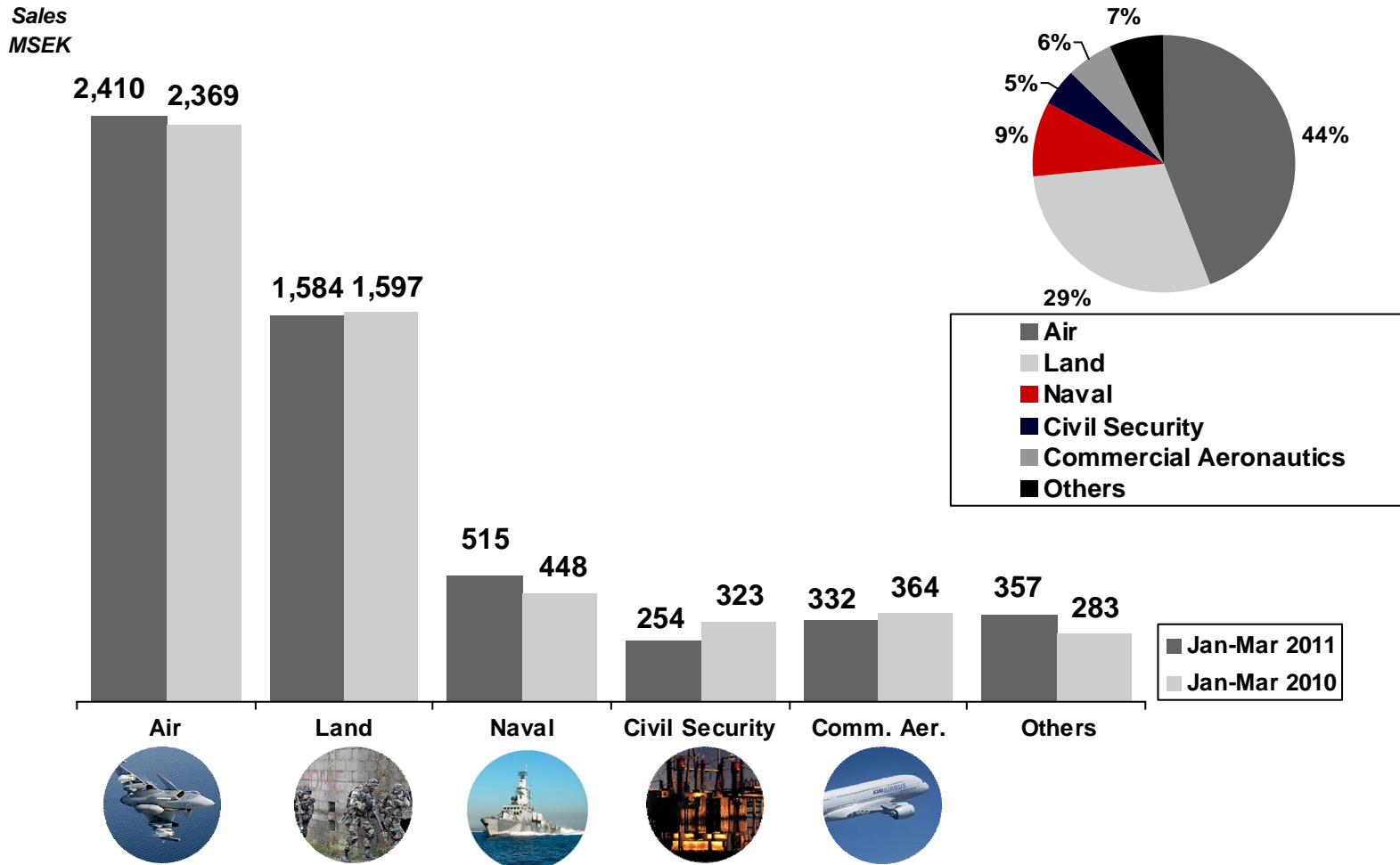
▶ Markets outside Sweden

MSEK	Jan-Mar 2011	Jan-Mar 2010	%	Jan-Dec 2010
Order bookings	923	924	-	4,124
Split between larger orders > MSEK 100 and smaller orders	24/76	17/83	-	32/68
Order backlog	4,738	4,196	13	4,743
Sales	907	743	22	3,403
Operating income	75	56	34	351
Operating margin, %	8.3	7.5		10.3
Operating cash flow	135	250	-46	894
Number of employees	1,741	1,768	-2	1,721



SALES PER MARKET

Sales split per market
January - March 2011



OPERATING INCOME, EBIT/EBITDA

MSEK		Jan-Mar		Jan-Mar	
		2011	Margin	2010	Margin
Aeronautics	EBIT	79	5.2%	53	3.1%
	EBITDA	141	9.4%	114	6.7%
Dynamics	EBIT	89	9.3%	85	8.6%
	EBITDA	126	13.1%	124	12.6%
Electronic Defence Systems	EBIT	36	3.5%	37	3.9%
	EBITDA	166	16.0%	171	18.2%
Security & Defence Solutions	EBIT	71	5.4%	-96	-8.0%
	EBITDA	92	7.1%	-53	-4.4%
Support & Services	EBIT	75	8.3%	56	7.5%
	EBITDA	79	8.7%	60	8.1%
Corporate	EBIT	18		-9	
	EBITDA	32		18	
Saab Group	EBIT	368	6.7%	126	2.3%
	EBITDA	636	11.7%	434	8.1%

COMPREHENSIVE INCOME

MSEK	Jan-Mar 2011	Jan-Mar 2010
Net income for the period	277	72
Other comprehensive income:		
Translation differences for the period	-148	7
Net gain on cash flow hedges	290	201
Share of other comprehensive income in associated companies	-8	-
Tax attributable to other comprehensive income	-76	-53
Other comprehensive income for the period	58	155
Net comprehensive income for the period	335	227

OPERATING CASH FLOW VS STATEMENT OF CASH FLOW

MSEK	Jan-Mar 2011	Jan-Mar 2010
Operating cash flow	559	-73
Cash flow from financing:		
Repayments of loans	-69	-1,290
Dividend paid	-	-
Repurchase of shares	-	-
Cash flow from investments – interest bearing:		
Short-term investments	-1,254	551
Other financial investments	4	74
Statement of Cash flow	-760	-738

STATEMENT OF FINANCIAL POSITION

MSEK	31 Mar 2011	31 Dec 2010	Change
Assets			
Intangible fixed assets	6,225	6,413	-188
Tangible fixed assets	3,000	3,052	-52
Lease assets	1,002	1,154	-152
Biological assets	299	299	-
Investment properties	236	236	-
Shares in associated companies	229	251	-22
Financial investments	245	203	42
Long-term receivables	850	856	-6
Deferred tax assets	-	-	-
Total fixed assets	12,086	12,464	-378
Inventories	4,336	4,100	236
Derivatives	1,155	1,105	50
Tax receivables	17	46	-29
Accounts receivable	2,654	3,052	-398
Prepaid expenses and accrued income	785	680	105
Other receivables	3,502	3,630	-128
Liquid assets and short-term investments	4,553	4,088	465
Total current assets	17,002	16,701	301
Assets held for sale	97	113	-16
Total assets	29,185	29,278	-93

STATEMENT OF FINANCIAL POSITION

MSEK	31 Mar 2011	31 Dec 2010	Change
Shareholders' equity and liabilities			
Parent Company's shareholders' interest	11,643	11,274	369
Non-controlling interest	147	170	-23
Total shareholders' equity	11,790	11,444	346
Long-term interest-bearing liabilities	1,128	1,117	11
Other liabilities	230	294	-64
Provision for pensions	5	5	-
Other provisions	1,978	2,207	-229
Deferred tax liabilities	854	803	51
Total long-term liabilities	4,195	4,426	-231
Short-term interest-bearing liabilities	490	589	-99
Advance payments from customers	1,294	643	651
Accounts payable	1,515	1,799	-284
Derivatives	583	750	-167
Tax liabilities	305	265	40
Other liabilities	753	819	-66
Accrued expenses and deferred income	7,529	7,751	-222
Provisions	731	792	-61
Total current liabilities	13,200	13,408	-208
Liabilities related to assets held for sale	-	-	-
Total shareholders' equity and liabilities	29,185	29,278	-93
Equity/assets ratio,%	40.4	39.1	

STATEMENT OF FINANCIAL POSITION, March 31, 2011 SUBDIVIDED

MSEK	Saab	Saab Aircraft Leasing	Elimi- nations	Saab Group
Intangible assets	6,225	-	-	6,225
Tangible assets	3,535	-	-	3,535
Lease assets	2	1,000	-	1,002
Long-term interest-bearing receivables	314	-	-	314
Shares, etc	1,829	1	-1,500	330
Other long-term receivables	663	17	-	680
Deferred tax assets	152	239	-391	-
Inventories	4,321	15	-	4,336
Short-term interest-bearing receivables	589	1,421	-1,421	589
Other current assets	6,263	106	-	6,369
Derivatives	1,155	-	-	1,155
Liquid assets and short-term investments	4,543	10	-	4,553
Assets held for sale	97	-	-	97
Total assets	29,688	2,809	-3,312	29,185
Shareholders' equity	11,831	1,459	-1,500	11,790
Provision for pensions	5	-	-	5
Other provisions	1,979	730	-	2,709
Deferred tax liabilities	1,245	-	-391	854
Interest-bearing liabilities	3,039	-	-1,421	1,618
Advance payments from customers	1,294	-	-	1,294
Derivatives	583	-	-	583
Other liabilities	9,712	620	-	10,332
Total shareholders' equity & liabilities	29,688	2,809	-3,312	29,185

CHANGES IN SHAREHOLDERS EQUITY

	Capital stock	Other capital contr.	Net res. on cash f. hedges	Translation reserve	Revaluation reserve	Retained earnings	Total excl. non-controlling intr.
Opening balance, 1 January, 2011	1,746	543	648	-12	51	8,298	11,274
Net comprehensive income for the period			216	-137		279	358
<i>Transactions with shareholders:</i>							
Dividend							-
Repurchase of shares							-
Share matching plan						11	11
Closing balance, 31 March, 2011	1,746	543	864	-149	51	8,588	11,643

NET LIQUIDITY / NET DEBT

MSEK	31 Mar 2011	31 Dec 2010
Assets		
Short-term investments	2,798	1,544
Liquid assets	1,755	2,544
Interest-bearing receivables	903	914
Total liquid investments	5,456	5,002
Liabilities		
Long-term interest-bearing liabilities	-1,128	-1,117
Short-term interest-bearing liabilities	-490	-589
Provisions for pensions	-5	-5
Total interest-bearing liabilities	-1,623	-1,711
Total net liquidity	3,833	3,291

LIQUIDITY

MSEK	2011
Liquid assets at the beginning of the year	2,544
Operating cash flow	559
Short-term investments	-1,254
Repayments of loans	-69
Repurchase of shares	-
Dividend to shareholders	-
Other changes, translation differences etc	-25
Liquid assets March 31	1,755

NUMBER OF EMPLOYEES

Number	Mar 31 2011	Dec 31 2010	Change
Aeronautics	2,824	2,874	-50
Dynamics	1,426	1,483	-57
Electronic Defence Systems	2,438	2,453	-15
Security & Defence Solutions	2,505	2,525	-20
Support & Services	1,741	1,721	20
Corporate	1,480	1,480	-
Saab Group	12,414	12,536	-122

Quarterly information 2011 and 2010

	Jan-Mar		Oct-Dec		July-Sept		April-June	
Sales	2011		2010		2010		2010	
Aeronautics	1,508		2,062		1,278		1,698	
Dynamics	962		1,565		1,023		1,167	
Electronic Defence Systems	1,035		1,350		905		1,159	
Security and Defence Solutions	1,303		2,201		1,382		1,427	
Support and Services	907		1,070		756		834	
Corporate	243		313		224		233	
Internal sales	-506		-508		-564		-525	
Total	5,452		8,053		5,004		5,993	
Operating income								
Aeronautics	79	5.2%	63	3.1%	57	4.5%	18	1.1%
Dynamics	89	9.3%	32	2.0%	31	3.0%	174	14.9%
Electronic Defence Systems	36	3.5%	-58	-4.3%	6	0.7%	114	9.8%
Security and Defence Solutions	71	5.4%	209	9.5%	130	9.4%	-106	-7.4%
Support and Services	75	8.3%	107	10.0%	69	9.1%	119	14.3%
Corporate	18		-102		29		-43	
Total	368	6.7%	251	3.1%	322	6.4%	276	4.6%

Quarterly information 2011 and 2010

	Jan-Mar		Oct-Dec		July-Sept		Apr-June	
Sales	2010		2009		2009		2009	
Aeronautics	1,703		2,133		1,482		2,113	
Dynamics	986		1,481		944		1,150	
Electronic Defence Systems	940		1,403		1,180		1,099	
Security and Defence Solutions	1,200		2,240		1,161		1,339	
Support and Services	743		1,032		752		966	
Corporate	219		249		223		304	
Internal sales	-407		-770		-558		-688	
Total	5,384		7,768		5,184		6,283	
Operating income								
Aeronautics	53	3.1%	73	3.4%	-26	-1.8%	-44	-2.1%
Dynamics	85	8.6%	17	1.1%	83	8.8%	94	8.2%
Electronic Defence Systems	37	3.9%	-69	-4.9%	18	1.5%	48	4.4%
Security and Defence Solutions	-96	-8.0%	121	5.4%	52	4.5%	94	7.0%
Support and Services	56	7.5%	148	14.3%	47	6.3%	112	11.6%
Corporate	-9		213		75		168	
Total	126	2.3%	503	6.5%	249	4.8%	472	7.5%



SAAB

