

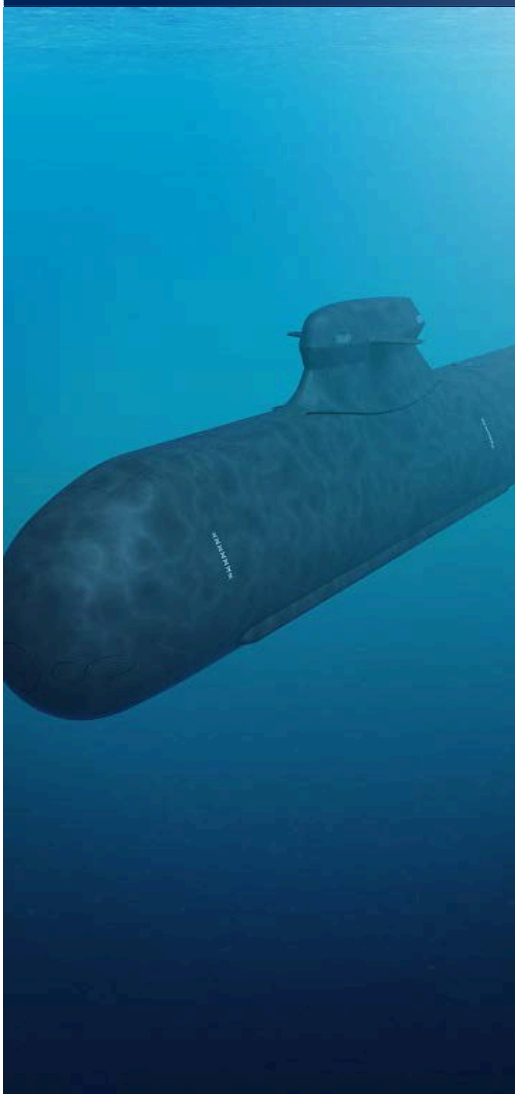
INTERIM REPORT JANUARY-MARCH 2015

Håkan Buskhe
President and CEO

24 April 2015

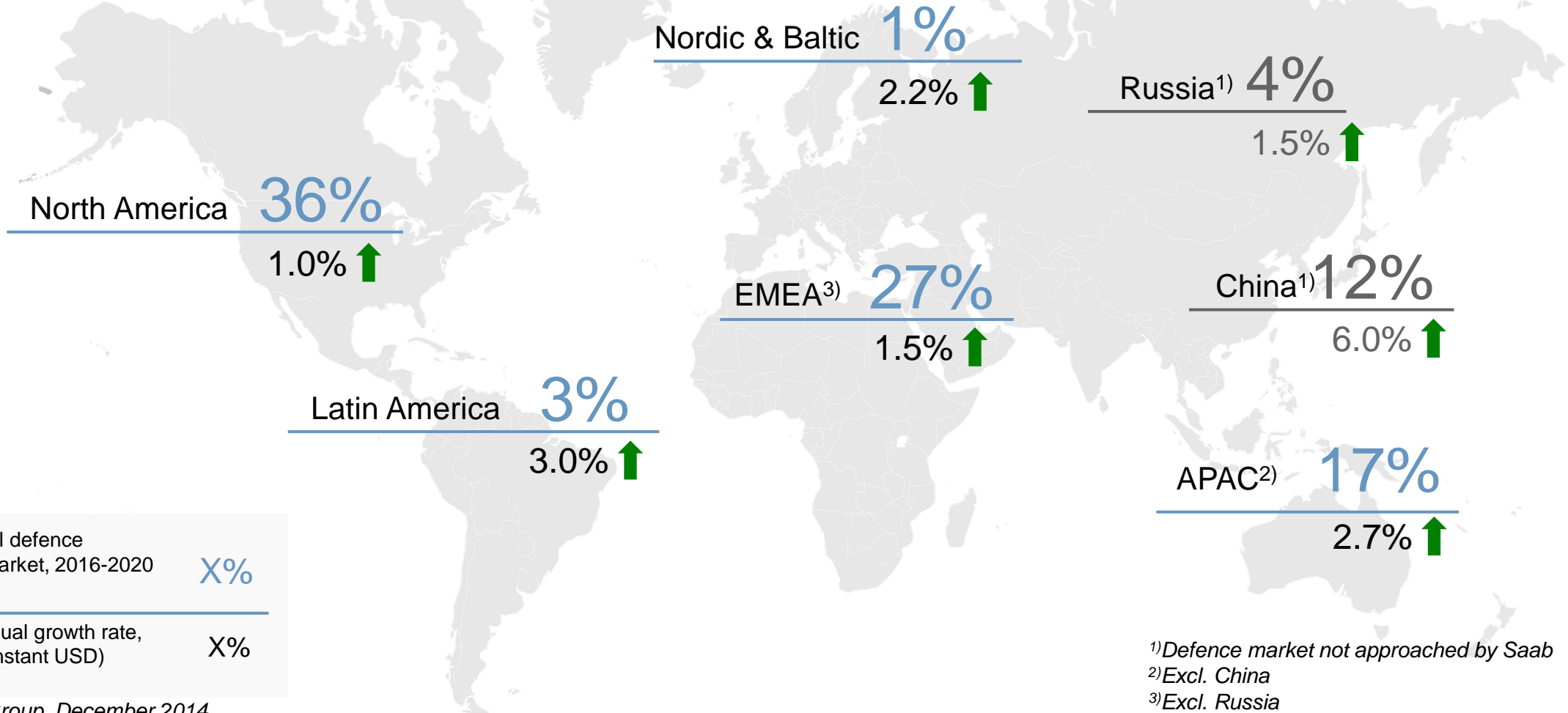


2015 STARTS ACCORDING TO PLAN



- Order bookings on a good level
- Defence market remains challenging
- Swedish Government announced intention to acquire two A26 submarines
- T-X development according to plan
- Successful deployment of Remote Tower at Örnsköldsvik airport in Sweden
- Contract with Brazil on weapon acquisition for Gripen NG

GLOBAL DEFENCE MATERIEL MARKET



Share of global defence procurement market, 2016-2020 (constant USD) **X%**

Compound annual growth rate, 2016-2020 (constant USD) **X%**

Source: IHS Group, December 2014

¹⁾Defence market not approached by Saab
²⁾Excl. China
³⁾Excl. Russia

FINANCIAL KEY DATA

MSEK	Jan-Mar 2015	Jan-Mar 2014	Change	Full year 2014
Order bookings	4,800	4,078	18%	22,602
Order backlog	59,811	58,608	2%	60,128
Sales	5,389	5,280	2%	23,527
Operating income	210	270	-22%	1,659
<i>Operating margin</i>	3.9%	5.1%		7.1%
Net income	90	176	-49%	1,168
Free cash flow	-941	-316		-1,094



BUSINESS AREA DEVELOPMENT



Aeronautics: Develops according to plan

Dynamics: Encouraging market signals

Electronic Defence Systems: Good order intake

Security and Defence Solutions: Improved performance; good development in Saab Kockums and effects from measures to increase efficiency

Support and Services: Smaller orders on track

Industrial Products and Services: Combitech improved results; market in Norway remains challenging

GRIPEN

- Development of Gripen E for Sweden on track
- Order for 36 Gripen NG for Brazil expected to come into effect in Q2
- Great international interest in Gripen
- Large potential for Gripen C/D upgrade business



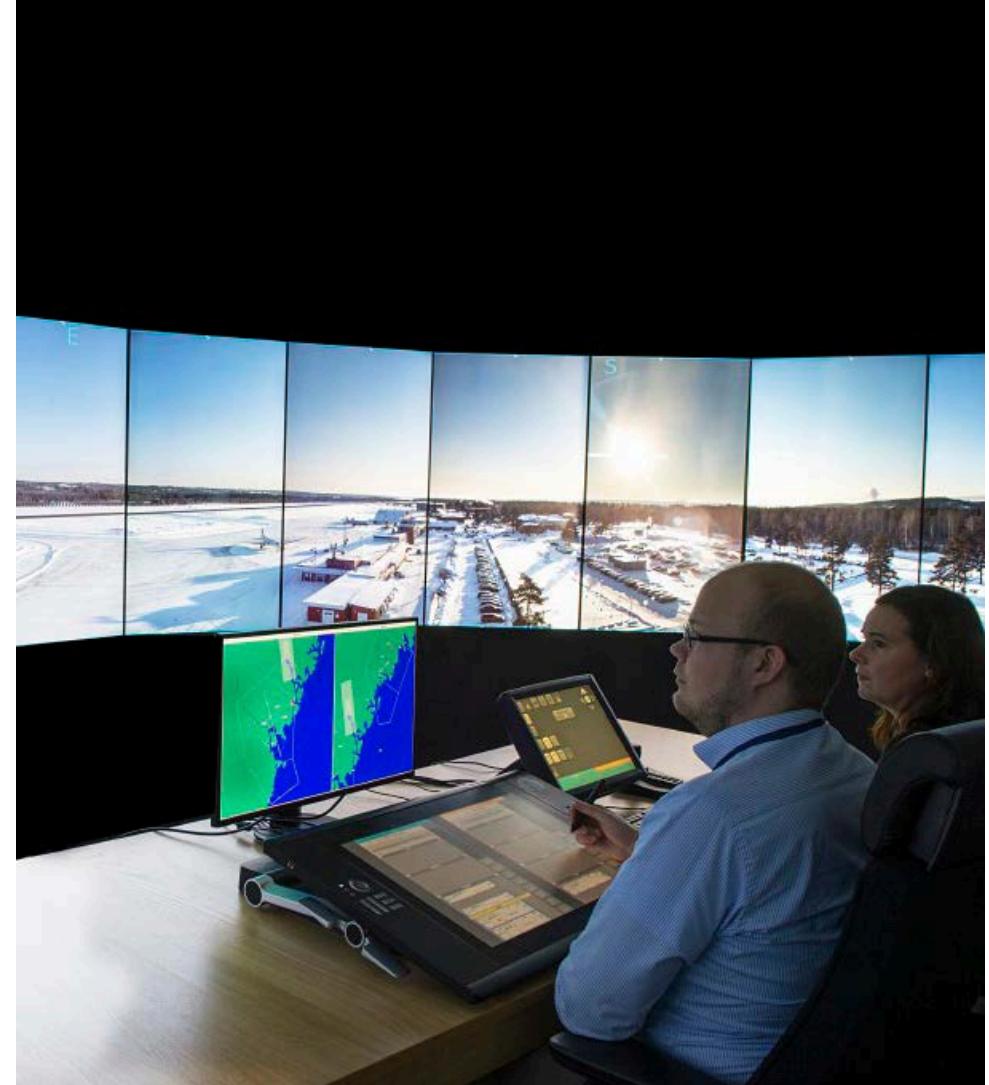
SAAB KOCKUMS

- Swedish Government announced intention to acquire two A26 submarines – negotiations with FMV ongoing
- A26 development as planned
- Integration of Saab Kockums into Saab successful



REMOTE TOWER

- World premier for Remote Tower (RT) at Örnsköldsvik airport
- Traffic management technology drives mindset shift
- RT to be installed on more airports in Sweden
- Successfully tested in different countries and environments



OUTLOOK STATEMENT 2015



- In 2015, we estimate sales to increase more than Saab's long-term goal: annual organic sales growth of 5 per cent.
- The operating margin 2015 excluding material non-recurring items is expected to be in line with the operating margin in 2014. In 2015, increased internally funded research and development efforts within Aeronautics will have a negative impact on the operating margin.

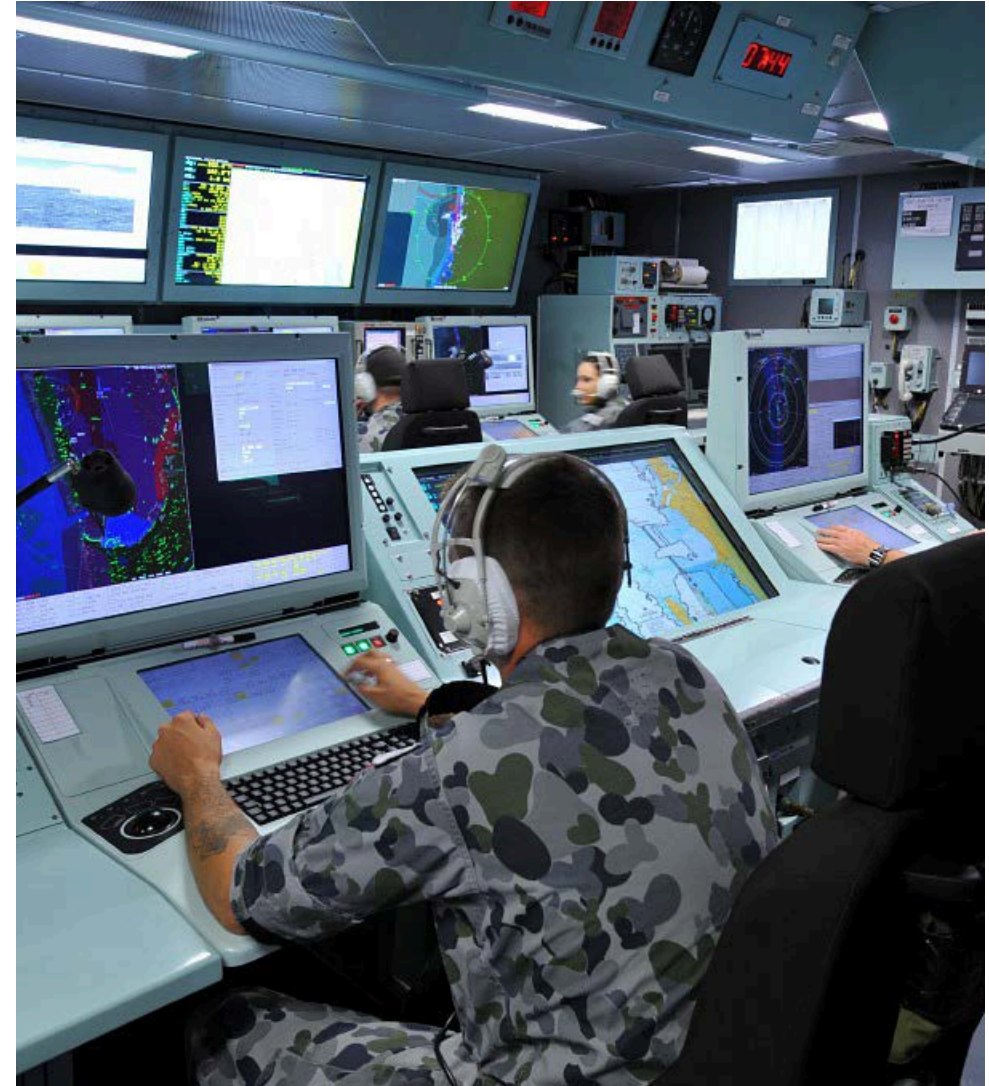
FINANCIALS

MAGNUS ÖRNBERG
EVP and CFO



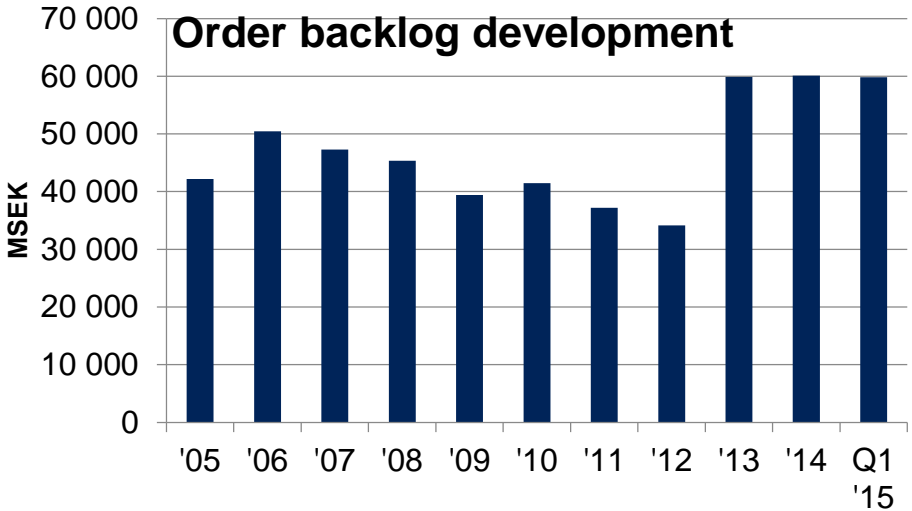
SUMMARY

- Increased market risk due to the political and financial environment
- Strong order bookings in the quarter
- Backlog support growth targets
- Operating margin impacted by high development costs
- Operational cash flow negative in the quarter; lower sale of trade receivables
- Long term financing secured

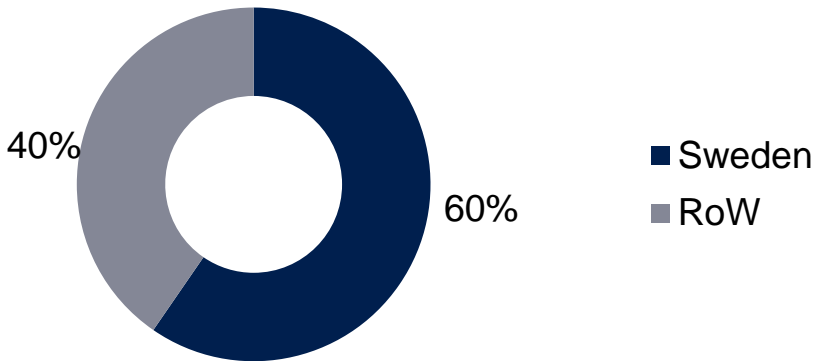


ORDER BACKLOG

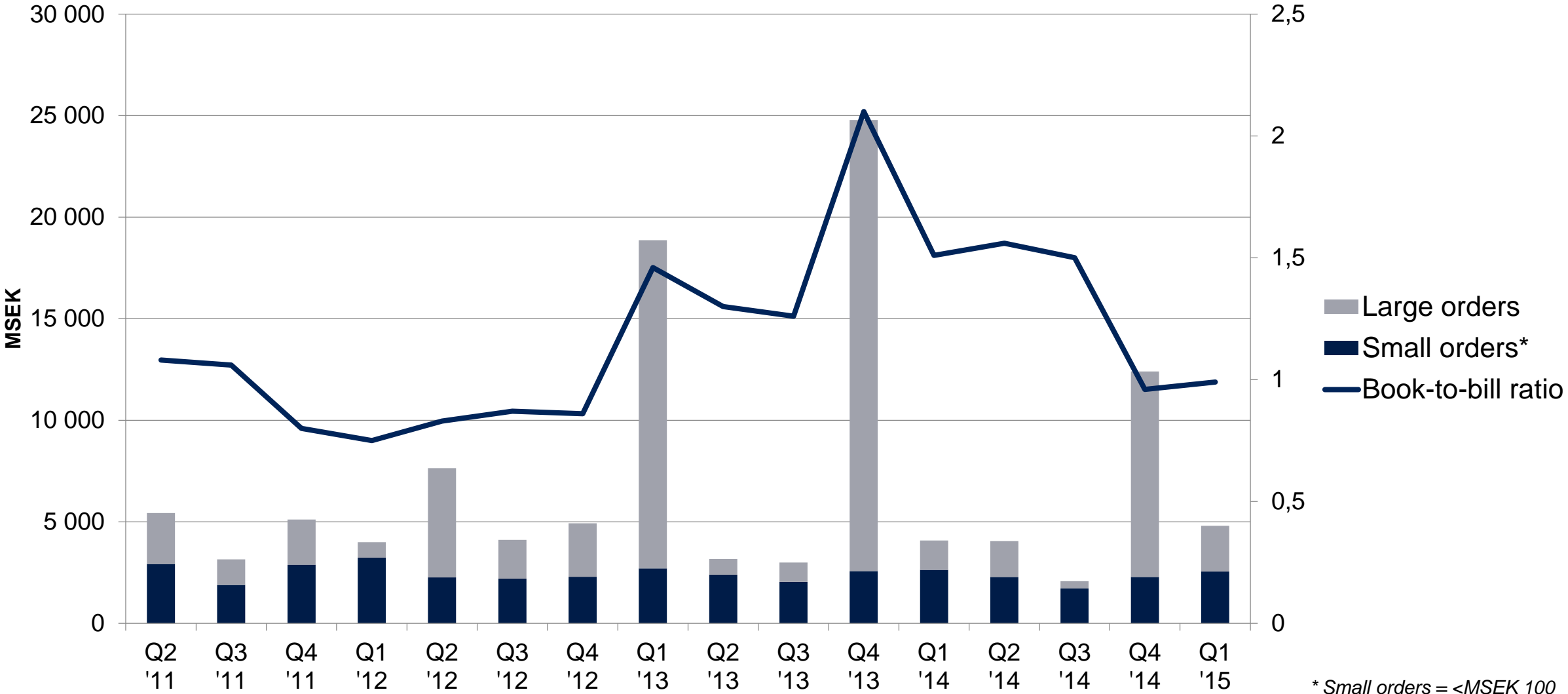
Order backlog duration, SEK bn					
31 Mar 2015		31 Dec 2014		31 Mar 2014	
2015:	15.1	2015:	17.8	2014:	15.4
2016:	11.1	2016:	10.2	2015:	10.7
2017:	6.2	2017:	5.7	2016:	7.8
2018:	4.6	2018:	5.6	2017:	5.1
After 2018:	22.8	After 2018:	20.8	After 2017:	19.6
Total:	59.8	Total:	60.1	Total:	58.6



Order backlog distribution

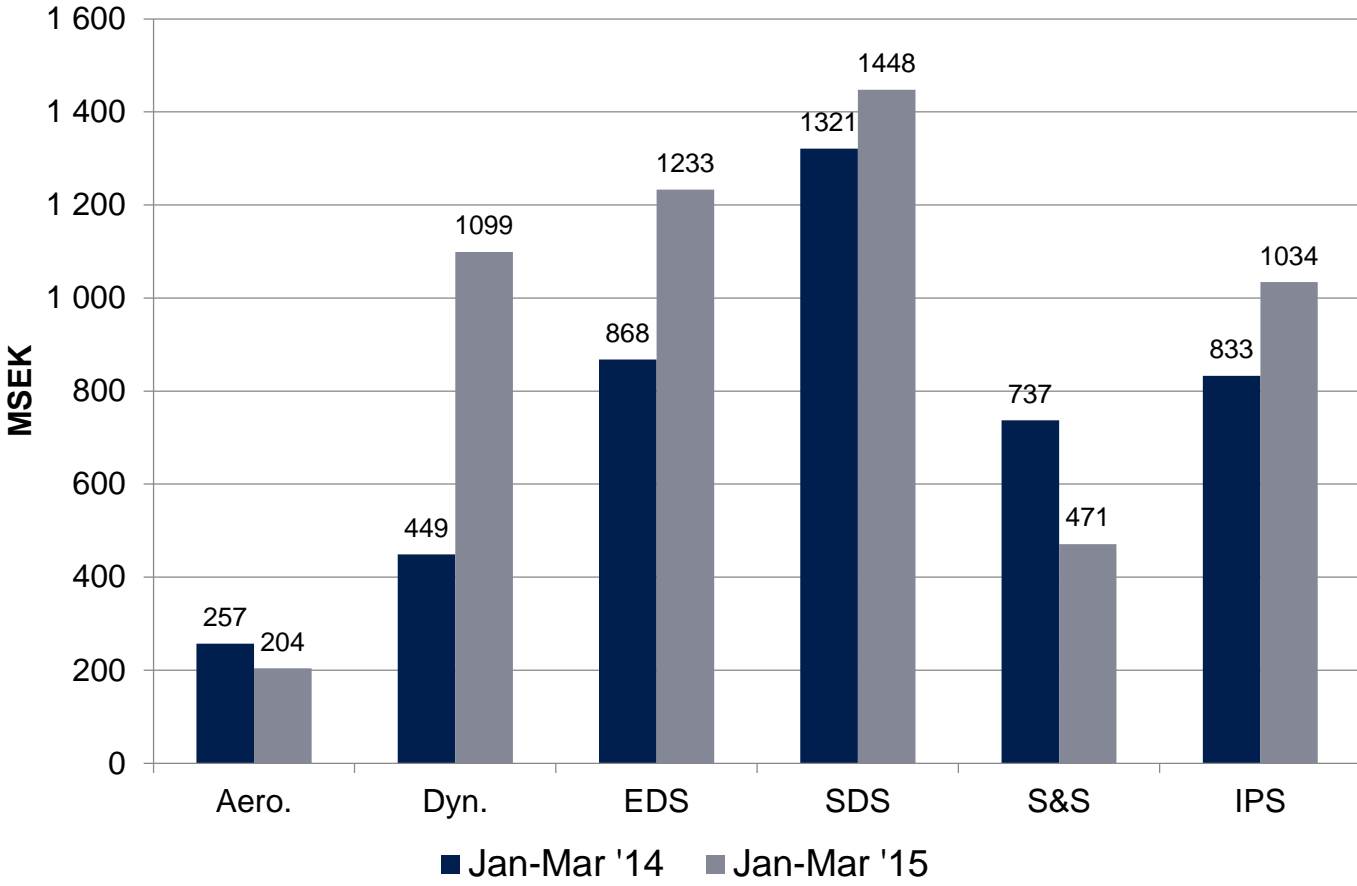


ORDER SIZE DISTRIBUTION

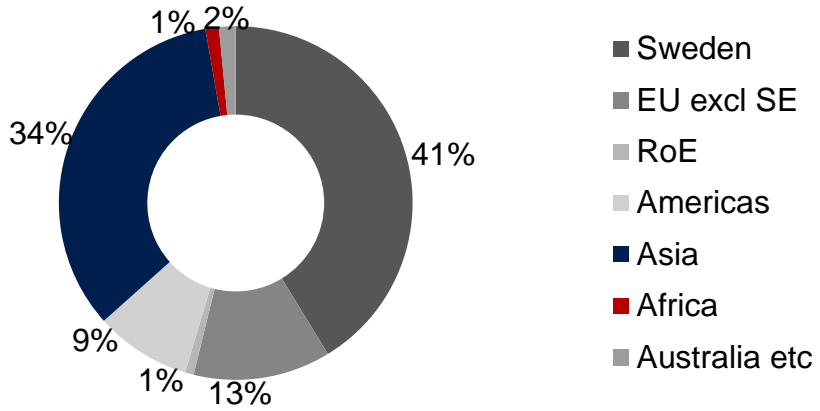


* Small orders = <MSEK 100

ORDER BOOKINGS DISTRIBUTION

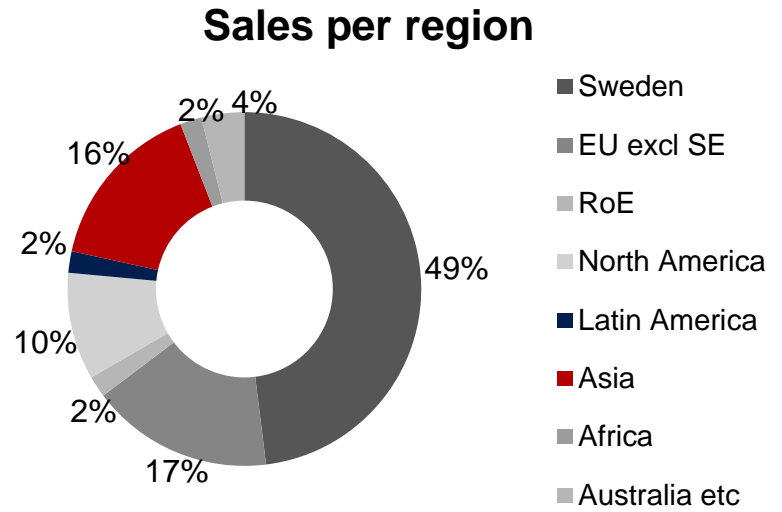
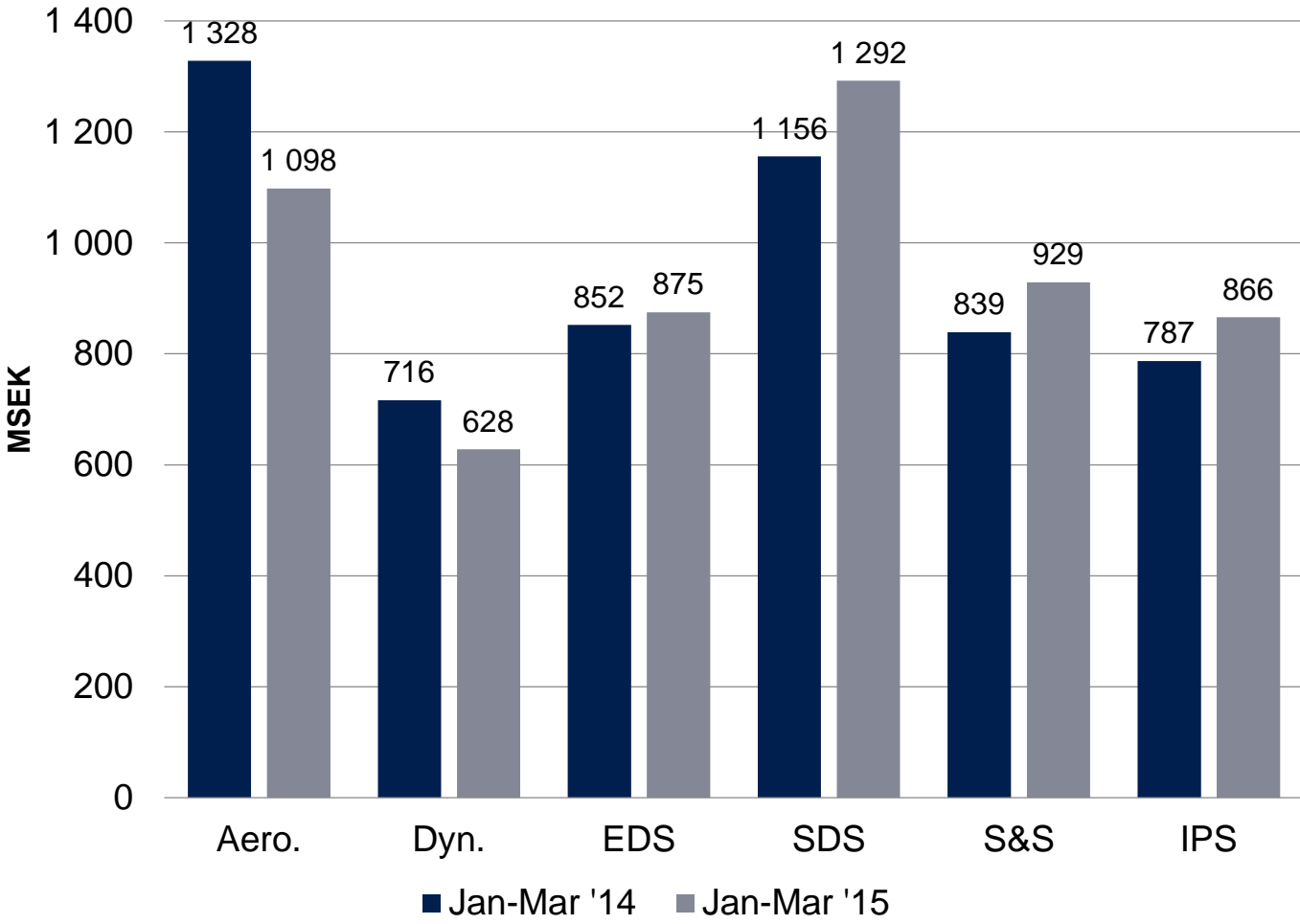


Order bookings per region



Increase in order bookings in Q1 mainly due to self-protection system for Indian armed forces and orders for weapon systems

SALES

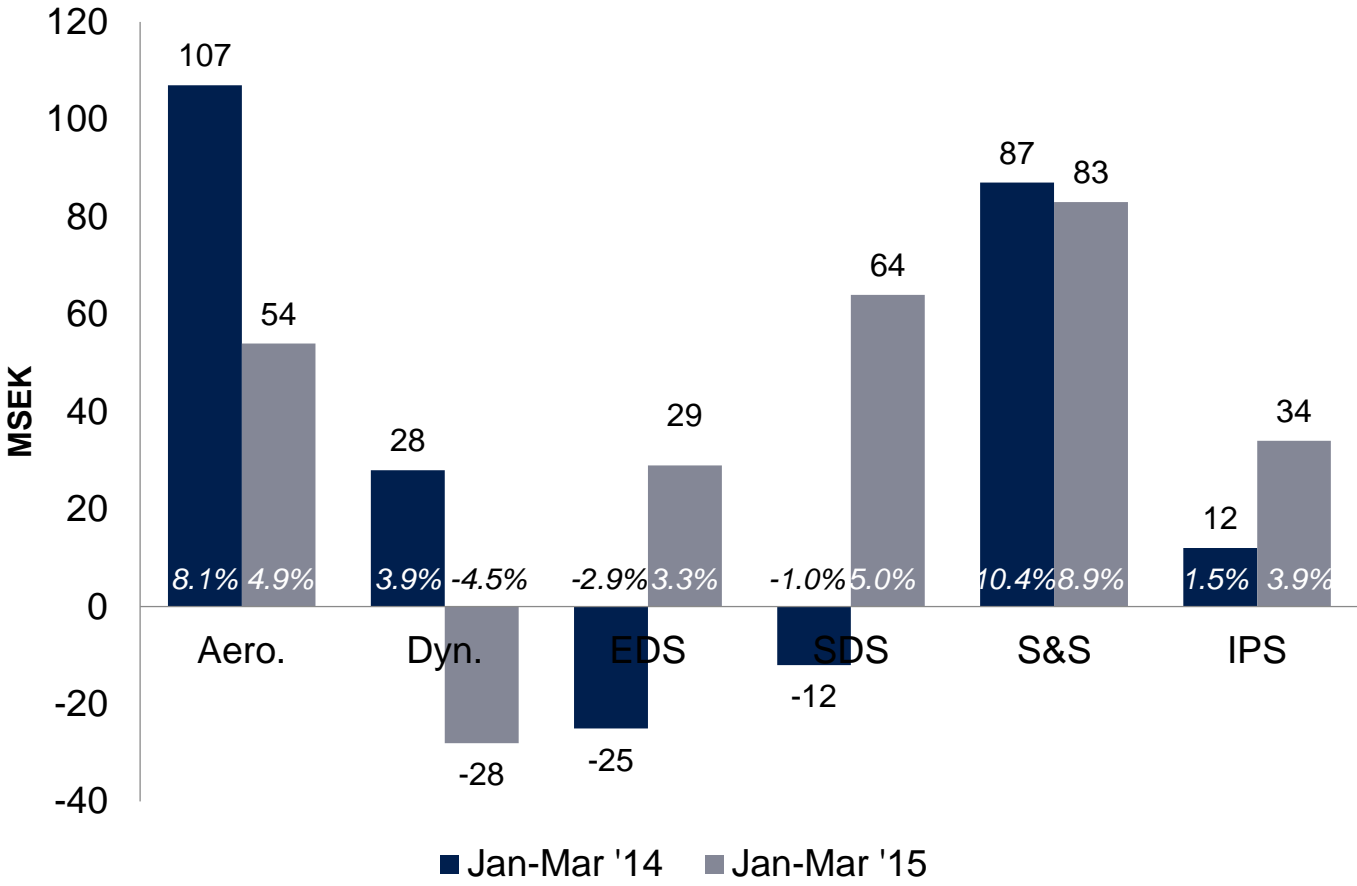


Aeronautics decrease due to transition from development to production

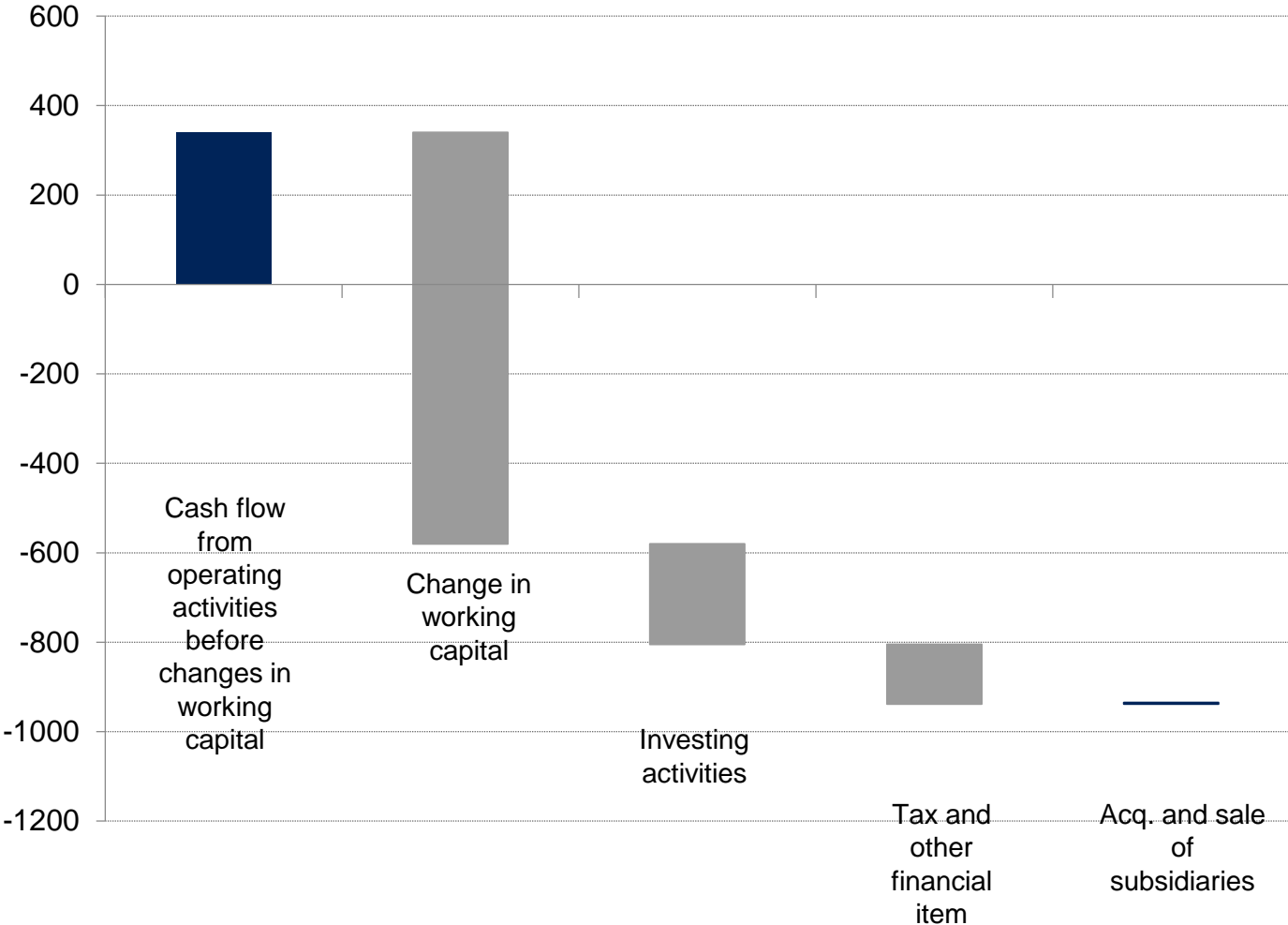
Increase in SDS mainly related to underwater business

S&S good pace in small and mid-sized projects

OPERATING INCOME



CASH FLOW



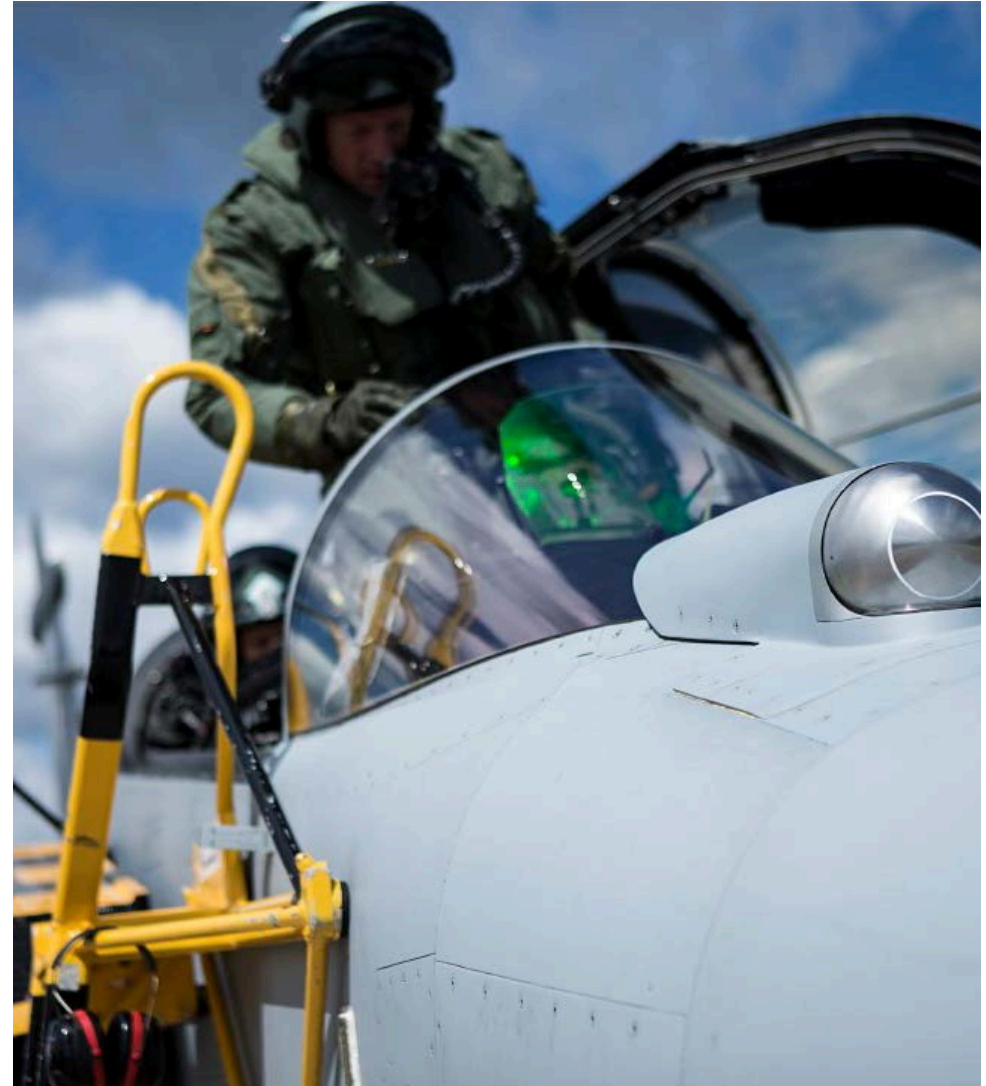
Jan-Mar 2015	MSEK
Cash flow from operating activities before changes in working capital	340
Change in working capital	-920
Investing activities	-225
Operational cash flow	-805
Tax and other financial items	-133
Acquisitions and sale of subsidiaries	-3
Free cash flow	-941

FINANCIAL POSITION

	Development Q1 2015, MSEK
Net debt, 31 December 2014	-2,113
Cash flow from operating activities	-713
Change in net pension obligation	-427
Net investments	-228
Financial lease	-470
Currency impact and unrealised results from financial investments	32
Net debt, 31 March 2015	-3,919
Net pension obligation, 31 March 2015	2,955
Total interest-bearing assets, 31 March 2015	-236
Liquidity	-1,200
Equity/assets ratio, 31 March 2015	37.0%

FOCUS GOING FORWARD

- Performance management
- Cash flow improvement
- Execute on order backlog
- Continuous efficiency improvement





THANK YOU

www.saabgroup.com