



# Half-year Report January – June 2001

Main operations focusing on  
**aerospace** and **defense**

July 12, 2001



**SAAB**

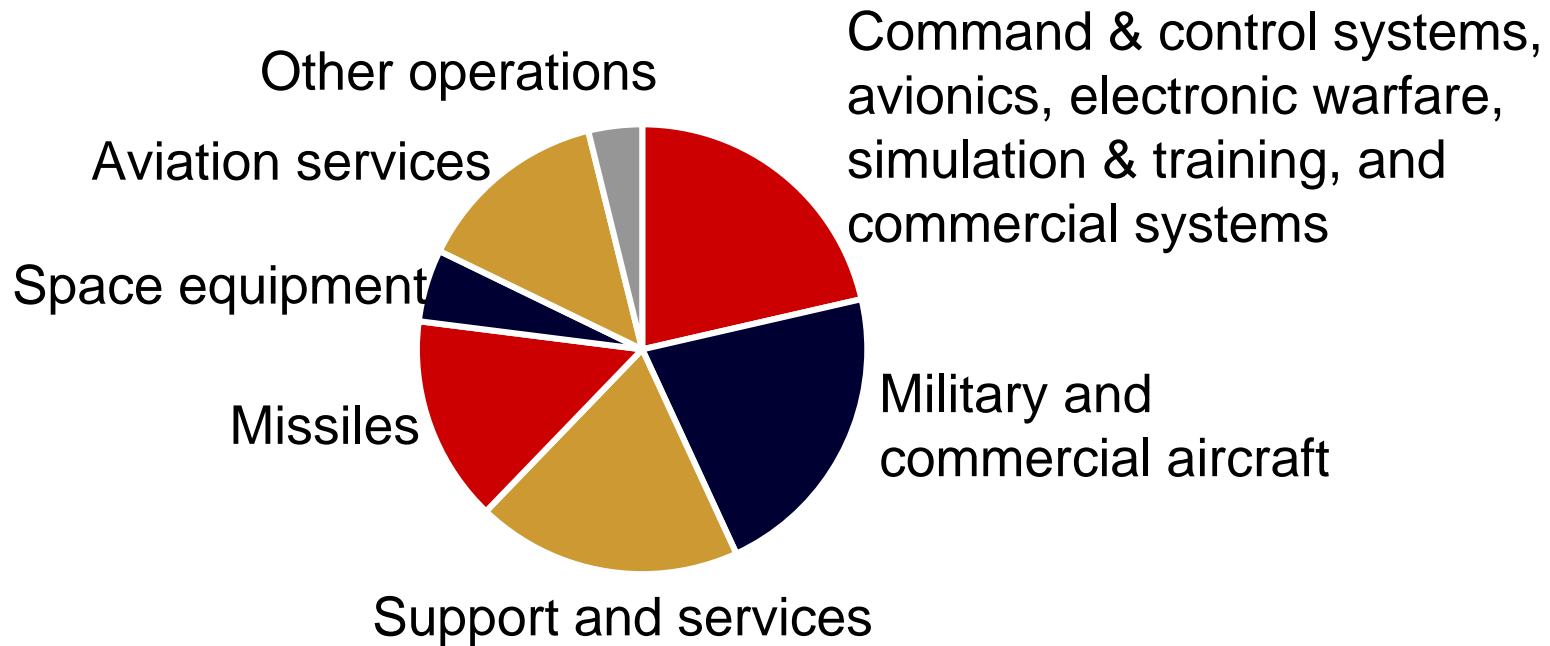
# Financial highlights Jan - June 2001

- Order bookings SEK 8 bn, of which SEK 4 bn in 2<sup>nd</sup> Q, bringing order backlog to over SEK 40 bn
- Sales SEK 7,840 m., an increase of 7% for comparable units
- Operating income SEK 1,059 m., an increase of 35% before capital gains
- Earnings per share SEK 7.47
- Return on capital employed 17.9%
- Return on shareholders' equity 25.4%

*Full year forecast still valid*



# Saab



Command & control systems, avionics, electronic warfare, simulation & training, and commercial systems

Military and commercial aircraft

	6 months 2001	6 months 2000	12 months 2000
Sales, SEK m.	7,840	8,337	17,840
EBIT, SEK m.	1,059	656	1,533
Operating margin, per cent	13.5	7.9	8.6
No. of employees, total	14,552	16,037	15,453

# Order bookings and order backlog

SEK millions	Order bookings 6 months		Order backlog
	2001	2000	June 30, 2001
Systems and Electronics	2,180	2,485	8,765
Aerospace	1,572	10,688	26,872
Technical Support and Services	1,755	1,757	1,338
Dynamics	1,355	909	4,389
Space	420	329	811
Aviation Services	1,148	1,989	523
Corporate/ Other operations	242	485	448
Internal	-752	-753	-2,398
<b>Saab Group</b>	<b>7,920</b>	<b>17,889</b>	<b>40,748</b>

# Sales

SEK millions	6 months 2001	6 months 2000	12 months 2000
Systems and Electronics	1,767	2,080	4,364
Aerospace	1,800	1,871	3,921
Technical Support and Services	1,596	1,359	2,932
Dynamics	1,221	1,018	2,348
Space	425	339	713
Aviations Services	1,171	1,827	3,859
Corporate/ Other operations	313	516	970
Internal	-453	-673	-1,267
<b>Saab Group</b>	<b>7,840</b>	<b>8,337</b>	<b>17,840</b>



# Operating income

SEK millions	6 months 2001	% of sales	6 months 2000	% of sales	12 months 2000	% of sales
Systems and Electronics	83	4.7%	100	4.8%	289	6.6%
Aerospace	164	9.1%	174	9.3%	333	8.5%
Technical Support and Services	89	5.6%	87	6.4%	182	6.2%
Dynamics	32	2.6%	-27	-2.7%	46	2.0%
Space	34	8.0%	30	8.8%	53	7.4%
Aviations services	105	9.0%	56	3.1%	150	3.9%
Corporate/ Other operations	552		236		480	
<b>Saab Group</b>	<b>1,059</b>	<b>13.5%</b>	<b>656</b>	<b>7.9%</b>	<b>1,533</b>	<b>8.6%</b>

# Business operating income

SEK millions	6 months		6 months		12 months	
	2001	Margin	2000	Margin	2000	Margin
Systems and Electronics	120	6.8%	145	7.0%	380	8.7%
Aerospace	164	9.1%	174	9.3%	333	8.5%
Technical Support and Services	109	6.8%	106	7.8%	220	7.5%
Dynamics	32	2.6%	-26	-2.6%	48	2.0%
Space	34	8.0%	30	8.8%	53	7.4%
Aviation Services	107	9.1%	62	3.4%	161	4.2%
Corporate/Other op.	-77		-97		-117	
<b>Total before goodwill</b>	<b>489</b>	<b>6.2%</b>	<b>394</b>	<b>4.7%</b>	<b>1,078</b>	<b>6.0%</b>
Capital gains	650		353		638	
Goodwill amortization	-80		-91		-183	
<b>Saab Group</b>	<b>1,059</b>	<b>13.5%</b>	<b>656</b>	<b>7.9 %</b>	<b>1,533</b>	<b>8.6%</b>



# Income statement

SEK millions	6 months 2001	6 months 2000	12 months 2000
<b>Sales</b>	<b>7,840</b>	<b>8,337</b>	<b>17,840</b>
Cost of goods sold	-5,856	-6,284	-13,427
<b>Gross margin</b>	<b>1,984</b>	<b>2,053</b>	<b>4,413</b>
<i>Gross margin</i>	25.3%	24.6%	24.7%
Marketing expenses	-706	-757	-1,578
Administrative expenses	-564	-658	-1,251
Research and development costs	-369	-433	-860
Items affecting comparability	0	0	285
Other operating income	749	505	613
Other operating expenses	-33	-45	-97
Share in income of associated companies	-2	-9	8
<b>Operating income</b>	<b>1,059</b>	<b>656</b>	<b>1,533</b>
<i>Operating margin</i>	13.5%	7.9%	8.6%
Result from financial investments	-8	-27	-85
<b>Income after financial items</b>	<b>1,051</b>	<b>629</b>	<b>1,448</b>
Taxes	-215	-183	-333
Minority interest	-41	-31	-77
<b>Net income</b>	<b>795</b>	<b>415</b>	<b>1,038</b>
Earnings per share, SEK	7.47	3.90	9.75



# Balance sheet

SEK millions	June 30, 2001	June 30, 2000	Dec 31, 2000
<b>Assets</b>			
Goodwill and other intangible assets	1,532	1,816	1,619
Property, plant and equipment, etc.	4,511	4,282	4,712
Lease assets	5,711	8,345	6,502
Long-term interest bearing receivables	1,566	1,048	1,345
Shares, etc	1,012	971	950
Deferred tax receivables	1,326	949	1,440
Inventories, etc.	3,978	4,115	3,684
Short-term interest bearing receivables	224	178	606
Other receivables	6,348	6,615	6,079
Cash and marketable securities	4,717	6,318	4,182
<b>Total assets</b>	<b>30,925</b>	<b>34,637</b>	<b>31,119</b>
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity	6,295	4,849	5,670
Minority interest in subsidiaries	695	773	821
Provision for pensions	3,595	3,454	3,527
Other provisions	3,555	5,995	3,821
Liabilities to credit institutions	2,460	2,071	1,963
Convertible debenture loan	230	227	228
Lease obligations	3,311	4,411	3,916
Advance payments from customers, net	3,100	3,930	3,619
Other liabilities	7,684	8,927	7,554
<b>Total shareholders' equity and liabilities</b>	<b>30,925</b>	<b>34,637</b>	<b>31,119</b>
Equity/assets ratio, %	20.4	14.0	18.2



# Cash flow

SEK millions	6 months 2001	6 months 2000	12 months 2000
<b>Cash flow from operating activities</b>			
Income after financial items excl share in income of associated companies	1,053	638	1,440
Depreciation and write-down charged to income	592	581	1,336
Items affecting comparability	0	0	-246
Tax	-77	-173	-648
<b>Cash flow from operating activities before changes in working capital</b>	<b>1,568</b>	<b>1,046</b>	<b>1,882</b>
<b>Working capital</b>			
Inventories etc.	-294	-161	270
Receivables	-256	-141	320
Advance payments from customers	-519	-701	-1,012
Other liabilities	130	312	-612
Lease obligations	-605	-180	-717
Provisions	-266	-601	-1,537
<b>Change in working capital</b>	<b>-1,810</b>	<b>-1,472</b>	<b>-3,288</b>
<b>Cash flow from operating activities</b>	<b>-242</b>	<b>-426</b>	<b>-1,406</b>
Investments in intangible fixed assets	7	-78	-59
Investments in shares etc.	-68	37	43
Investments in tangible fixed assets	-60	-149	-911
Investments in lease assets	540	332	476
Change in long-term receivables	-13	-18	-51
<b>Cash flow from investments</b>	<b>406</b>	<b>124</b>	<b>-502</b>
<b>Operating cash flow</b>	<b>164</b>	<b>-302</b>	<b>-1,908</b>