

Q1 Interim Report 2007

Telephone Conference, April 24, 2007



Åke Svensson
President and CEO

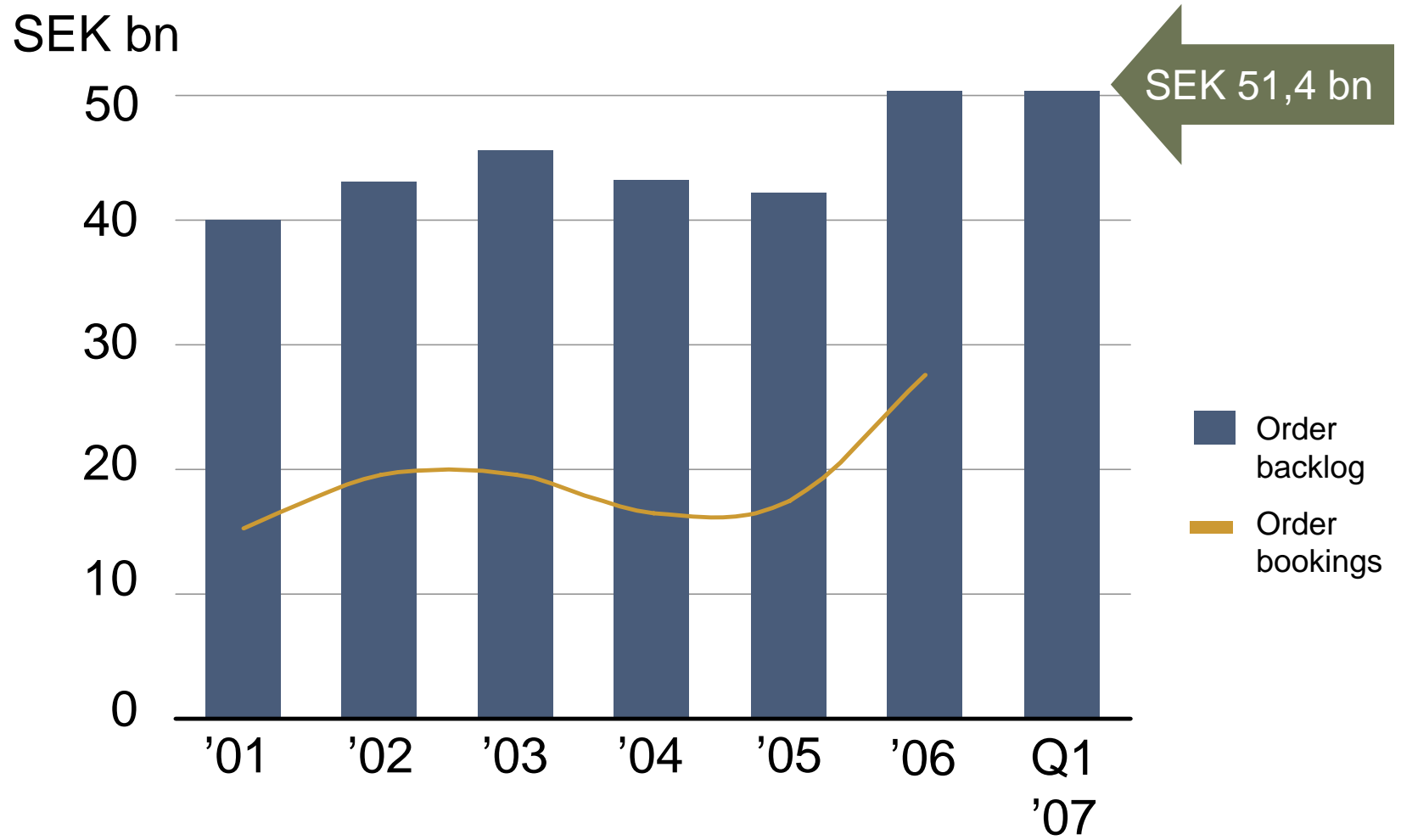
Stable first quarter

- Increased order bookings and sales
- Operating income according to plan
- Continued Swedish commitment to the Gripen system

January – March 2007 in brief

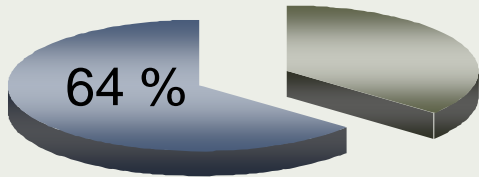
- Sales SEK 4,917 m. (4,311)
- Net income for the period SEK 270 m. (428)
- Earnings per share SEK 2.39 (3.88)
- Operating income SEK 414 m. (549),
Income after financial items SEK 380 m. (533)
- Order bookings SEK 5,391 m. (4,149)
- Order backlog SEK 51,4 billion (41,9)

Order backlog and order bookings

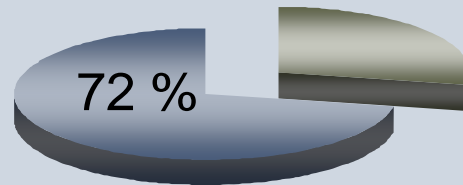


Increasing international sales

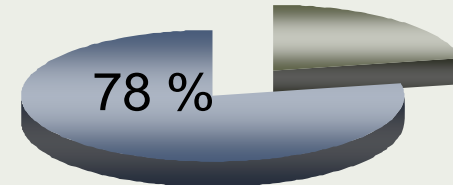
Sales



Order bookings



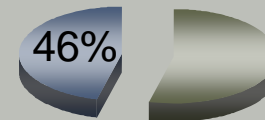
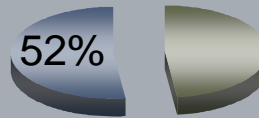
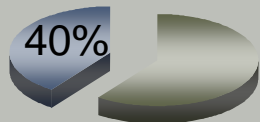
Order backlog



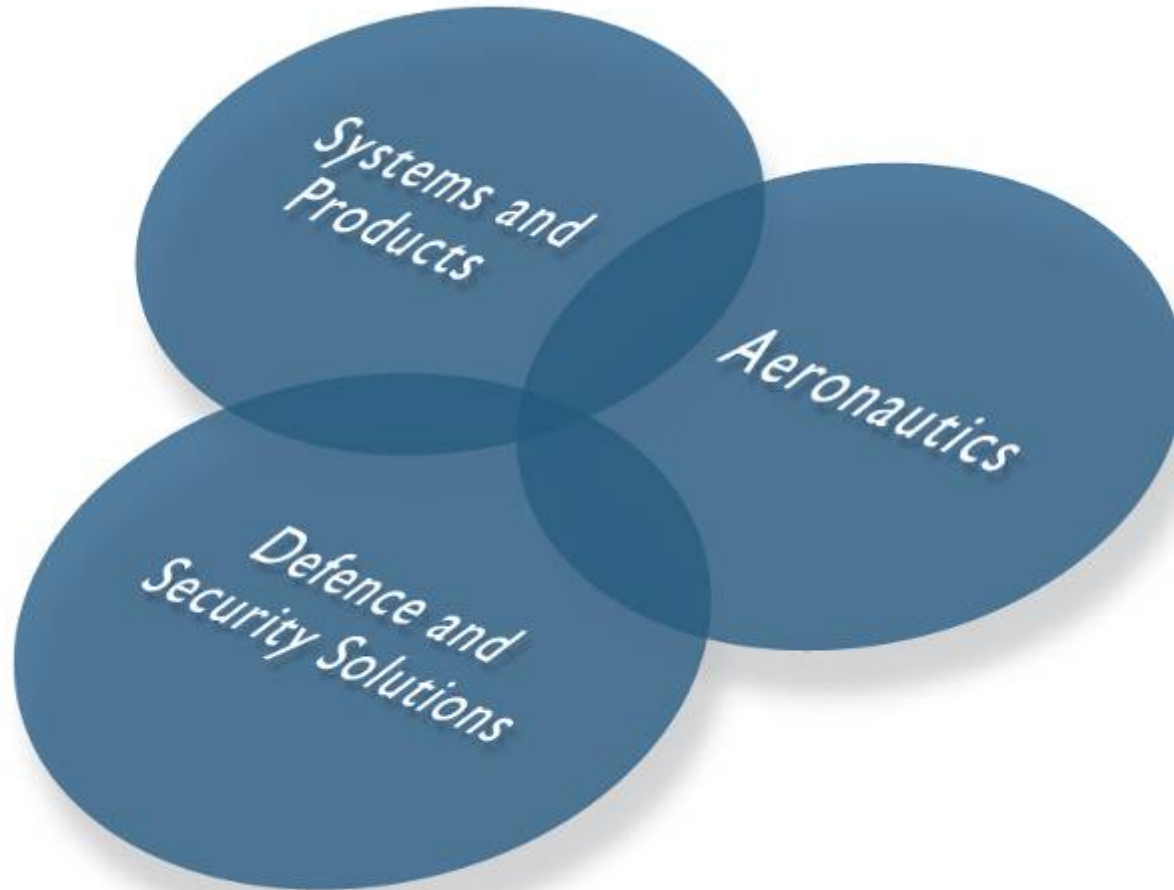
International

Sweden

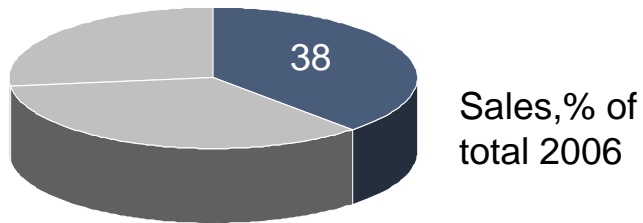
Full year 2001



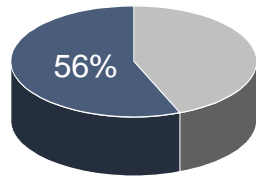
Three strategic business segments



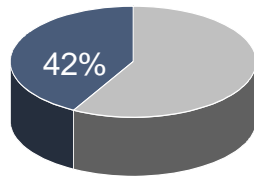
Defence and Security Solutions



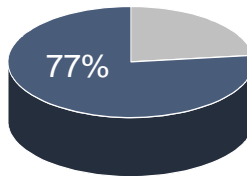
International



Sales



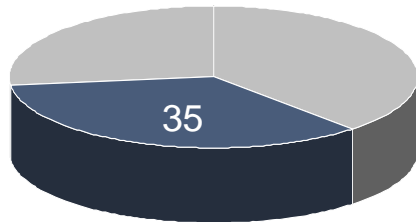
Order bookings



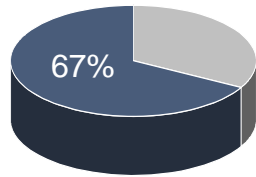
Order backlog

<i>SEK m.</i>	<u>Q1'07</u>	<u>2006</u>
Sales	2,053	8,028
EBIT	230	875
Operating margin, %	11.2	10.9
Order bookings	2,114	16,415
Order backlog	13,707	13,654

Systems and Products

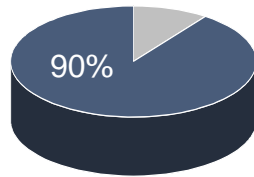


Sales, % of total 2006

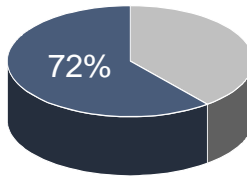


Sales

International



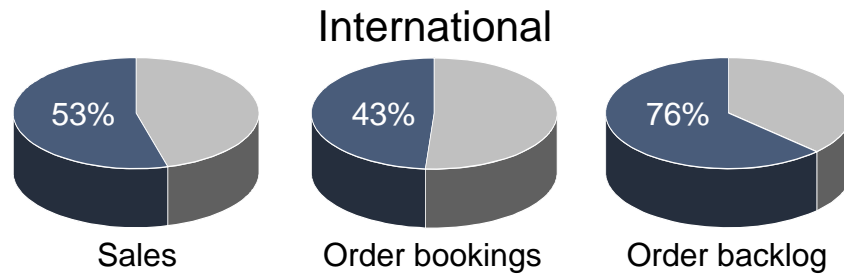
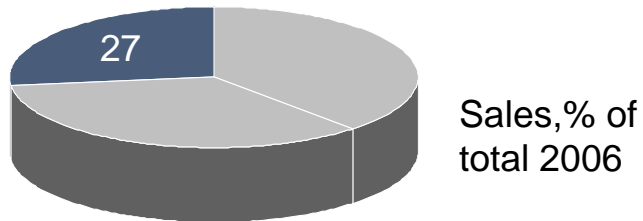
Order bookings



Order backlog

<i>SEK m.</i>	<u>Q1'07</u>	<u>2006</u>
Sales	1,885	8,580
EBIT	158	631
Operating margin, %	8.4	7.4
Order bookings	2,338	7,691
Order backlog	19,300	18,950

Aeronautics



<i>SEK m.</i>	Q1'07	2006
Sales	1,383	6,010
EBIT	67	190
Operating margin, %	4.8	3.2
Order bookings	1,289	4,956
Order backlog	20,372	20,440

Highlights January – March 2007

- Complete RBS 70 system to Finland. Order value SEK 600 m.
- Air defence system to Estonia together with MBDA. Giraffe radars, command and control centers and communication system. Total order value around €60 million.
- Mobile combat training centre to The Royal Netherlands Army. Order value SEK 350 m.
- Nordic battle group generate important orders:
 - Field hospital solution, order value SEK 105 m.
 - Developing a resource management system for forward based units

Highlights January – March 2007

- Technical system support to Sweden: Operation and maintenance of military materiel systems. Order worth up to SEK 230 m.
- Civil aircraft missile protection system (CAMPS). Successfully demonstrated in South Africa
- Extended partnerships with Securitas:
 - Net centric harbour concept for Stockholm
 - Development of systems for efficient management of guard services and improved guard safety

Q1 - financials

Telephone Conference, April 24, 2007



Lars Wahlund
Group Senior Vice President,
Finance

Order bookings and order backlog

	Order bookings 3 months	Order bookings 3 months	Order backlog
SEK millions	2007	2006	March 31, 2007
Defence & Security Solutions	2,114	1,889	13,707
Systems & Products	2,338	1,481	19,300
Aeronautics	1,289	1,146	20,372
Corporate/Internal	-350	-367	-1,940
Saab Group	5,391	4,149	51,439

Sales

SEK millions	3 month 2007	3 month 2006	Change	2006
Defence & Security	2,053	1,738	18.1%	8,028
Systems & Products	1,885	1,482	27.2%	8,580
Aeronautics	1,383	1,591	-13.1%	6,010
Corporate/Internal	-404	-500		-1,555
Saab Group	4,917	4,311	14.1%	21,063

Operating income, EBIT

SEK millions	3 month 2007		3 month 2006	
		<i>margin</i>		<i>margin</i>
Defence & Security	230	11.2%	192	11.0%
Systems & Products	158	8.4%	143	9.6%
Aeronautics	67	4.8%	72	4.5%
Corporate	-41		142	
Saab Group	414	8.4%	549	12.7%

Income statement

SEK millions	3 month 2007	3 month 2006	12 month 2006
Sales	4,917	4,311	21,063
Cost of goods sold	-3,567	-3,197	-15,775
Gross income	1,350	1,114	5,288
<i>Gross margin</i>	27.5%	25.8%	25.1%
Other operating income	40	185	330
Marketing expenses	-383	-335	-1,646
Administrative expenses	-352	-280	-1,279
Research and development costs	-232	-119	-805
Other operating expenses	-9	-21	-165
Share in income of associated companies	-	5	22
Operating income	414	549	1,745
<i>Operating margin</i>	8.4%	12.7%	8.3%
Result from financial investments	-34	-16	-52
Income before taxes	380	533	1,693
Taxes	-110	-105	-346
Net income	270	428	1,347
Earnings per share, SEK	2.39	3.88	11.91

Balance sheet

SEK millions	March, 31 2007	Dec. 31 2006	Change
Assets			
Intangible fixed assets	7,853	7,821	32
Tangible fixed assets	4,287	4,295	-8
Lease assets	2,208	2,417	-209
Biological assets	230	230	0
Investment properties	66	66	0
Shares in associated companies	253	270	-17
Financial investments	130	122	8
Long-term receivables	987	991	-4
Deferred tax receivables	385	362	23
Total fixed assets	16,399	16,574	-175
Inventories	5,406	4,957	449
Derivatives	277	538	-261
Tax receivables	136	146	-10
Accounts receivables	3,082	3,324	-242
Prepaid expenses and accrued income	816	652	164
Other receivables	5,001	5,053	-52
Short-term investments	0	0	0
Liquid assets	1,557	1,393	164
Total current assets	16,275	16,063	212
Assets held for sale	124	134	-10
Total assets	32,798	32,771	27

Balance sheet

SEK millions	March, 31 2007	Dec. 31 2006	Change
Shareholders' equity and liabilities			
Parent Company's shareholders' interest	10,035	9,802	233
Minority interest	231	223	8
Total shareholders' equity	10,266	10,025	241
Long-term interest-bearing liabilities	591	590	1
Lease obligations	206	245	-39
Other liabilities	341	342	-1
Provision for pensions	405	412	-7
Other provisions	1,936	1,961	-25
Deferred tax liabilities	830	789	41
Total long-term liabilities	4,309	4,339	-30
Short-term interest-bearing liabilities	1,061	1,064	-3
Advance payments from customers	4,292	3,642	650
Accounts payable	984	1,422	-438
Lease obligations	110	212	-102
Derivatives	254	172	82
Tax liabilities	455	298	157
Other liabilities	825	1,115	-290
Accrued expenses and deferred income	9,221	9,371	-150
Provisions	1,021	1,109	-88
Total current liabilities	18,223	18,405	-182
Liabilities related to fixed assets held for sale	-	2	-2
Total shareholders' equity and liabilities	32,798	32,771	27
Equity/assets ratio, %	31.3	30.6	

Summarised Cash flow January - March 2007

SEK millions	Actual	Saab	SAL	Divestments/ Investments
Cash flow from operations	632	578	54	0
Inventories	-440	-456	16	-
Advances	654	654	-	-
Liabilities	-485	-200	-285	-
Lease obligations	-145	-	-145	-
Provisions	-125	-60	-65	-
Receivables	153	70	83	-
Change in working capital	-388	8	-396	0
Intangible assets	-141	-141	-	-
Fixed assets	-95	-95	-	-
Leasing assets	224	-	224	-
Acquisitions	39	-	-	39
Divestments	55	55	-	-
Acq/sales of financial assets	-10	-10	-	-
Cash flow from investments	72	-191	224	39
Operating cash flow	316	395	-118	39

Liquidity

SEK millions	March,31 2007
Liquid investments at the beginning of the period	1,393
Operating cash flow from operations	277
Acquisition and divestments of companies	39
Pension fund	-
Amoritization of loans	-11
Dividend to shareholders	-
Other changes, translation differencies etc	-141
Liquid investments at the end of the period	1,557

Net liquidity / Net debt

SEK millions	March 31 2007	Dec 31 2006
Assets		
Short-term investments	0	0
Liquid assets	1,557	1,393
Total liquid investments	1,557	1,393
Liabilities		
Liabilities to credit institutions	-581	-579
Other interest-bearing liabilities	-1,071	-1,075
Total interest-bearing liabilities	-1,652	-1,654
Net debt/net liquidity	-95	-261
Plus: interest-bearing receivables	1,418	1,278
Less: provisions for pensions	-405	-412
Total net liquidity	918	605

Balance sheet, March 31, 2007, subdivided

SEK millions	Saab	Saab Aircraft Leasing	Eliminations	Saab Group
Intangible assets	7,853			7,853
Tangible assets	4,583			4,583
Lease assets		2,208		2,208
Long-term interest-bearing receivables	494			494
Shares, etc	1,855		-1,500	355
Deferred tax assets	329	56		385
Inventories	5,401	5		5,406
Short-term interest-bearing receivables	924			924
Other receivables	8,367	666		9,033
Cash and marketable securities	1,511	46		1,557
Total assets	31,317	2,981	-1,500	32,798
Shareholders' equity	10,245	1,521	-1,500	10,266
Provision for pensions	405			405
Other provisions	2,349	608		2,957
Deferred tax liabilities	830			830
Interest-bearing liabilities	1,652			1,652
Lease obligations		316		316
Advance payments from customers	4,292			4,292
Other liabilities	11,544	536		12,080
Total shareholders' equity & liabilities	31,317	2,981	-1,500	32,798

Operating cash flow vs Statement of Cash flow

SEK millions	3 months 2007	3 months 2006
Operating cash flow	316	28
Cash flow from financing:		
Pensions amortized and paid	-	-2,511
Loans raised/amortized	-11	21
Dividend	-	-
Cash flow from investments –		
Interest bearing:		
Short-term investments	-	1,859
Financial investments	-139	3
Statement of Cash flow	166	-600

Outlook 2007

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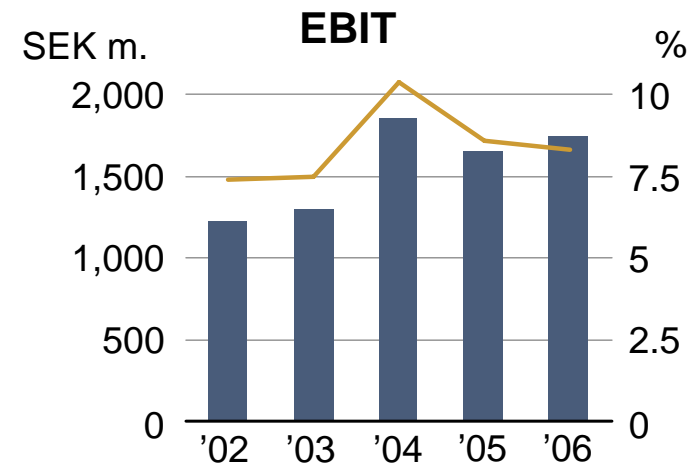
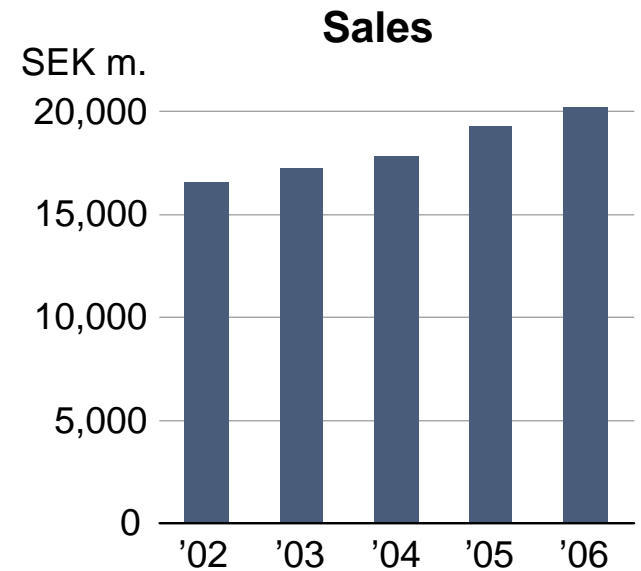
Åke Svensson
President and CEO



Forecast 2007

- Long-term financial objectives remain unchanged: 5 percent organic growth, operating margin 10 percent
- For 2007 we expect growth in line with 2006 and an operating margin including structural costs slightly improved

- Operating margin
- Operating income



Conclusions

Stable first quarter:

- Increased order bookings and sales
- Operating income according to plan
- Continued Swedish commitment to the Gripen system

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