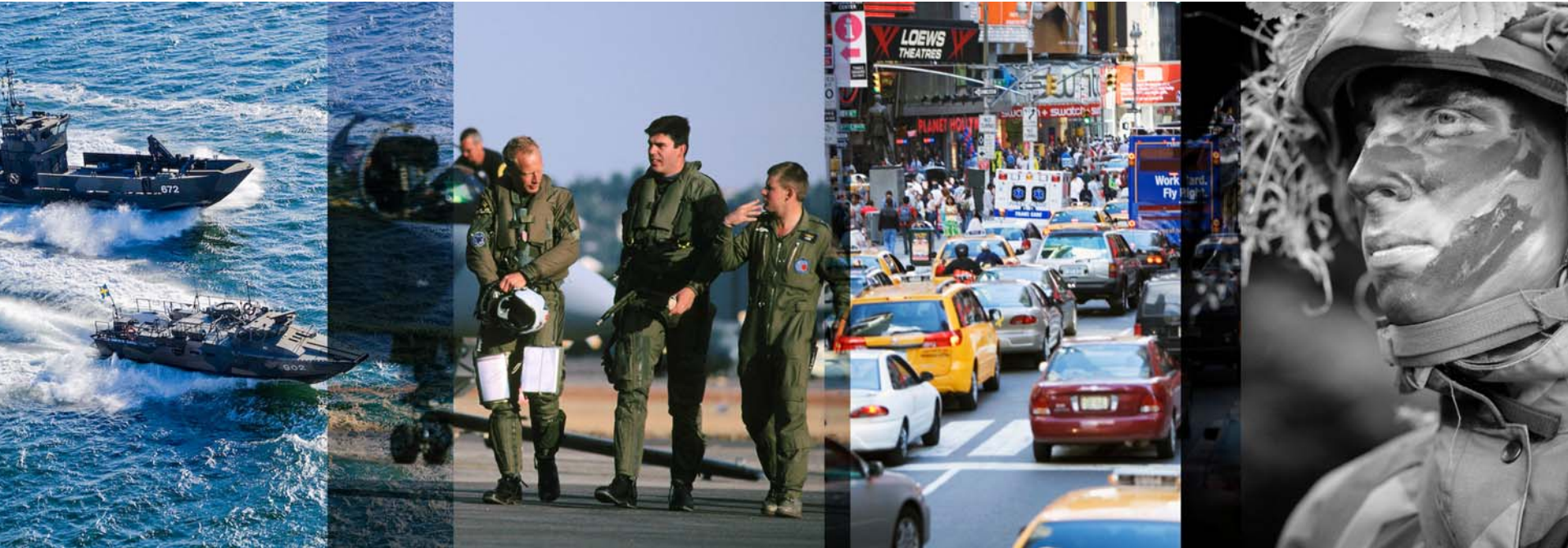


# INTERIM REPORT

## JANUARY - JUNE 2008



**ÅKE SVENSSON, CEO AND LARS GRANLÖF, CFO**

**JULY 18, 2008**

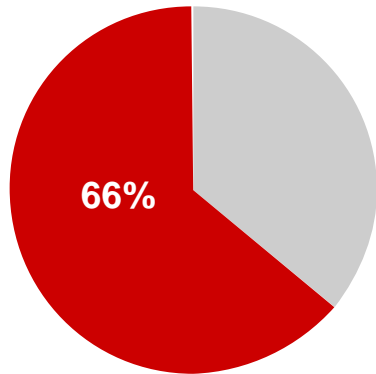
**PRESS CONFERENCE PRESENTATION**

# JANUARY – JUNE IN BRIEF

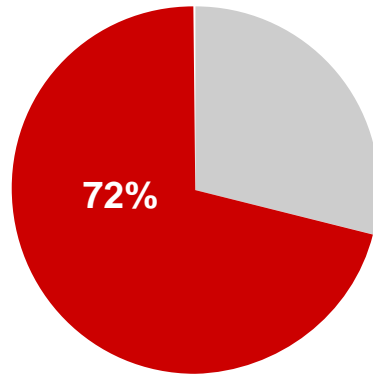
<b>MSEK</b>	<b>2008</b>	<b>2007</b>
Order bookings	12,955	8,345
Order backlog (SEK billion)	48.6	47.8
Sales	11,025	10,852
Operating income	944	1,044
Operating margin, %	8.6	9.6
Net income	569	708
Earnings per share (SEK)	5.25	6.37



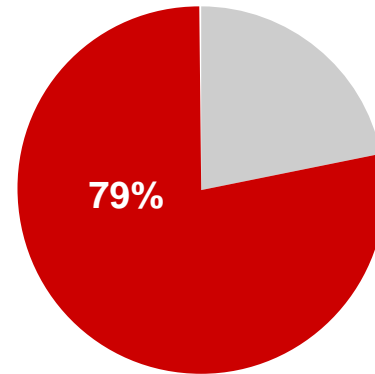
# INTERNATIONAL BUSINESS



Sales



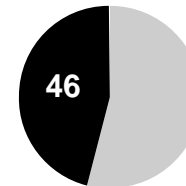
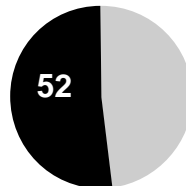
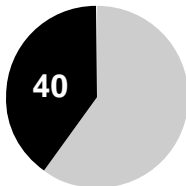
Order bookings



Order backlog

Jan-June 2008

- ▶ International
- ▶ Sweden



Full year 2001

- ▶ International
- ▶ Sweden

# WORLD PREMIERE FOR GRIPEN DEMO

- An important step for Gripen to retain its position at the cutting edge of technology
- A month after Gripen Demo was presented it flew for the first time

April 23



May 27





# ROLL-OUT AND MAIDEN FLIGHT

- The first Saab 2000 Erieye AEW&C aircraft for Pakistan was displayed and flew for the first time - all within a month

March 27



April 29



# MONITORING PRISON

- Saab signed contract for surveillance systems at Swedish Prison and Probation Service institutions



# NEW SUCCESSES FOR GIRAFFE

- Five GIRAFFE to Lockheed Martin UK
- A collaboration agreement with Sensis Corporation in the US





# NEW ORDERS FOR CARL-GUSTAF AND AT4

- The US government once more purchased Carl-Gustaf weapon systems and ammunition
- Saab also signed a contract with the US government for the AT4 anti-armour system





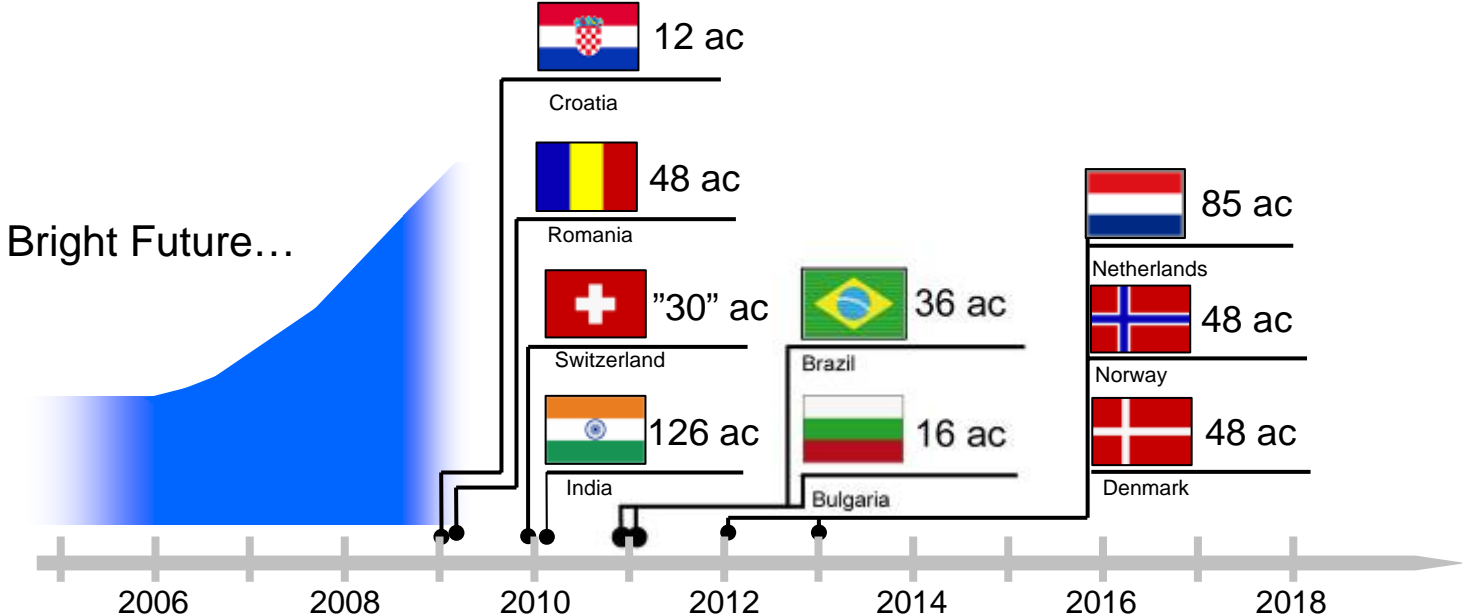
# NEW GRIPEN TENDERS

- Three major Gripen tenders were submitted to Norway, India Switzerland



# A GREAT INTEREST IN GRIPEN

## Captured Business



## Additional Opportunities...



# NEW GRIPEN ORDER FROM SWEDEN

- The Swedish Armed Forces order electronic warfare systems and supplements for the weapons pylons for Gripen





# A STRONGER BRAND WITHIN CIVIL SECURITY

- Saab creates a new business unit for the civil security product and service portfolio
- Gunilla Fransson was appointed President and Managing Director for Saab Security



# NEW PARTNERS IN SAAB SOUTH AFRICA

- An agreement on Black Economic Empowerment (BEE) partner was signed for Saab Grintek Technologies
- Imbani Amandaba (Pty) Ltd acquired 25 percent plus one share of Saab Grintek Defence (Pty) Ltd of Saab Grintek Defence





# SAAB DIVESTS SAAB SPACE

- Saab divests Saab Space to Swiss Aerospace and Defence group RUAG





# NEW EXECUTIVE VICE PRESIDENT

- Lena Olving has been appointed new Executive Vice President at Saab, a member of Group Management and head of the System and Products segment from December 1





**SAAB**

# January-June 2008 FINANCIALS

## PRESS CONFERENCE

**NAME** Lars Granlöv

**DATE** July 18, 2008

**TITLE** January-June 2008 Financials

# ORDER BOOKINGS AND ORDER BACKLOG

MSEK	Order bookings	Order bookings	Order backlog
	Jan-June 2008	Jan-June 2007	June 30, 2008
Defence & Security Solutions	4,098	2,933	10,208
Systems & Products	5,043	4,069	18,530
Aeronautics	5,425	2,221	22,767
Corporate/Internal	-1,611	-878	-2,934
<b>Saab Group</b>	<b>12,955</b>	<b>8,345</b>	<b>48,571</b>



# SALES

<b>MSEK</b>	<b>Jan-June 2008</b>	<b>Jan-June 2007</b>	<b>Change</b>
Defence & Security Solutions	4,461	4,317	3%
Systems & Products	3,972	4,302	-8%
Aeronautics	3,652	3,004	22%
Corporate/Internal	-1,060	-771	
<b>Saab Group</b>	<b>11,025</b>	<b>10,852</b>	<b>2%</b>

# OPERATING INCOME, EBIT

MSEK	Jan-June		Jan-June	
	2008	<i>margin</i>	2007	<i>margin</i>
Defence & Security Solutions	380	8.5%	446	10.3%
Systems & Products	366	9.2%	403	9.4%
Aeronautics	45	1.2%	188	6.3%
Corporate	153		7	
<b>Saab Group*</b>	<b>944</b>	<b>8.6%</b>	<b>1,044</b>	<b>9.6%</b>

*Explanatory items	+38		-154	
Saab Group adjusted EBIT	982	8.9%	890	8.2%

The Billion SEK Program positively affected the operating margin by more than 1 percentage point during the first half year.

# INCOME STATEMENT

MSEK	Jan-June 2008	Jan-June 2007
<b>Sales</b>	<b>11,025</b>	<b>10,852</b>
Cost of goods sold	-7,980	-8,038
<b>Gross income</b>	<b>3,045</b>	<b>2,814</b>
<i>Gross margin</i>	27.6%	25.9%
Other operating income	99	218
Marketing expenses	-925	-817
Administrative expenses	-711	-701
Research and development costs	-551	-471
Other operating expenses	-20	-23
Share in income of associated companies	7	24
<b>Operating income</b>	<b>944</b>	<b>1,044</b>
<i>Operating margin</i>	8.6%	9.6%
Result from financial investments	-142	-92
<b>Income before taxes</b>	<b>802</b>	<b>952</b>
Taxes	-233	-244
<b>Net income</b>	<b>569</b>	<b>708</b>
Earnings per share after dilution, SEK	5.25	6.37
Tax rate	29%	26%



# BALANCE SHEET

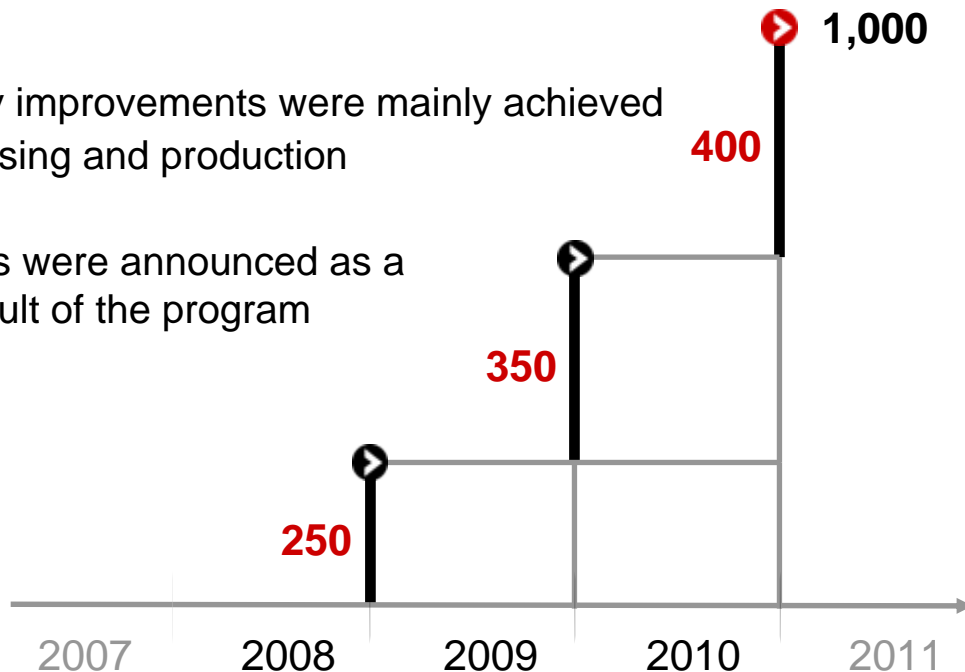
MSEK	June 30 2008	Dec 31 2007	Change 2008	June 30 2007
<b>Assets</b>				
Fixed assets	15,223	15,747	-524	16,590
Current assets	18,164	18,054	110	16,196
<b>Total assets</b>	<b>33,387</b>	<b>33,801</b>	<b>-414</b>	<b>32,786</b>
<b>Shareholders' equity and liabilities</b>				
Shareholders' equity	10,859	11,008	-149	10,124
Long-term liabilities	3,488	3,652	-164	4,391
Short-term liabilities	19,040	19,141	-101	18,271
<b>Total liabilities</b>	<b>22,528</b>	<b>22,793</b>	<b>-265</b>	<b>22,662</b>
<b>Total shareholders' equity &amp; liabilities</b>	<b>33,387</b>	<b>33,801</b>	<b>-414</b>	<b>32,786</b>
<b>Equity/assets ratio</b>	<b>32.5%</b>	<b>32.6%</b>		<b>30.9%</b>
<b>Total net debt (-)</b>	<b>-2,963</b>	<b>-1,627</b>	<b>-1,336</b>	<b>190</b>

# SUMMARISED CASH FLOW January-June

MSEK	Saab	SAL	Divestments/ Investments	Actual 2008	2007
<b>Cash flow from operations</b>	<b>988</b>	<b>96</b>	<b>0</b>	<b>1,084</b>	<b>1,393</b>
Inventories	-429	1	-	-428	-455
Receivables	-110	230	-	120	-642
Advances	-520	-	-	-520	210
Lease obligations	-	-142	-	-142	-193
Liabilities	-431	-161	-	-592	-73
Provisions	-97	-95	-	-192	-210
<b>Change in working capital</b>	<b>-1,587</b>	<b>-167</b>	<b>0</b>	<b>-1,754</b>	<b>-1,363</b>
Intangible assets	-349	-	-	-349	-313
Fixed assets	-117	-	-	-117	-178
Leasing assets	-	85	-	85	307
Acquisitions	-	-	-	-	-138
Divestments	-	-	40	40	308
Acq/sales of financial assets	7	68	-	75	-7
<b>Cash flow from investments</b>	<b>-459</b>	<b>153</b>	<b>40</b>	<b>-266</b>	<b>-21</b>
<b>Operating cash flow</b>	<b>-1,058</b>	<b>82</b>	<b>40</b>	<b>-936</b>	<b>9</b>

# Billion SEK Program

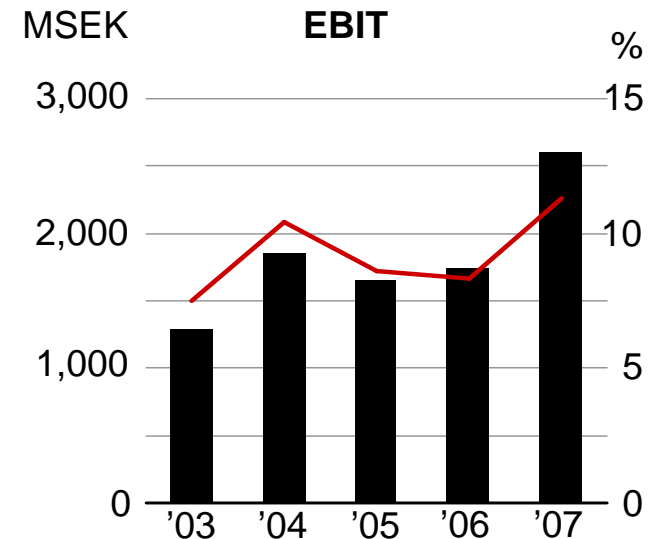
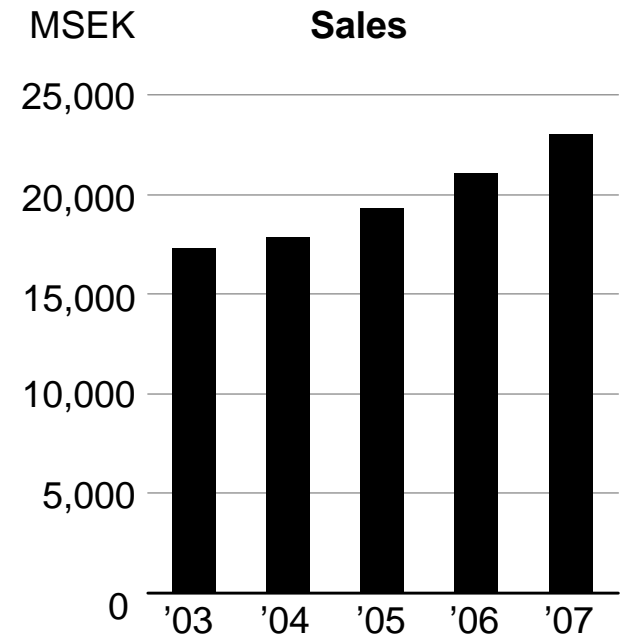
- The Billion SEK program improved the margin by approximately 1 percentage point in the period
- System & Products accounted for a majority of the savings
- Efficiency improvements were mainly achieved in purchasing and production
- No layoffs were announced as a direct result of the program





# OUTLOOK 2008

- ▶ For 2008 we expect development in line with Saab's long-term financial objectives: 5 percent organic sales growth and an operating margin of 10 percent excluding non-recurring items



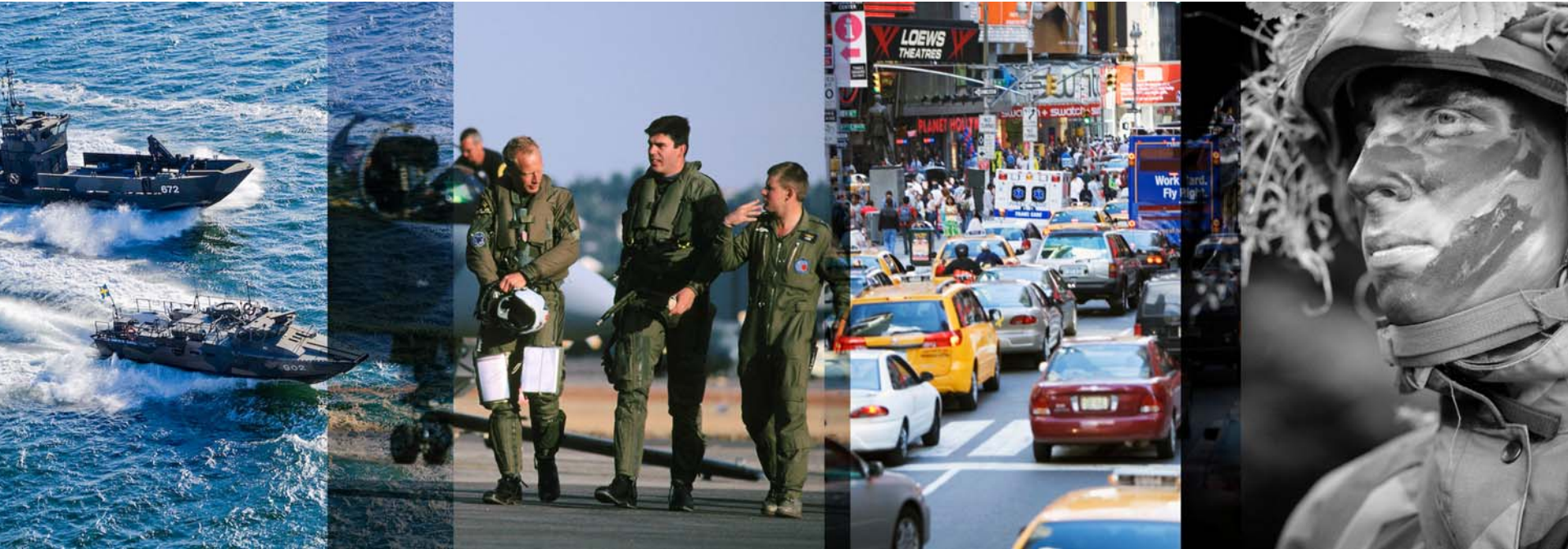
- Operating margin
- Operating income



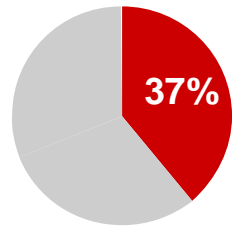
**SAAB**

**SAAB**GROUP.COM

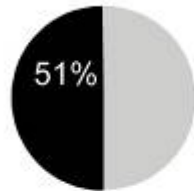
# APPENDIX



# DEFENCE AND SECURITY SOLUTIONS



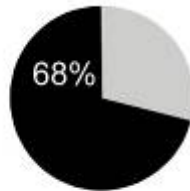
▶ Sales, % of total



Sales



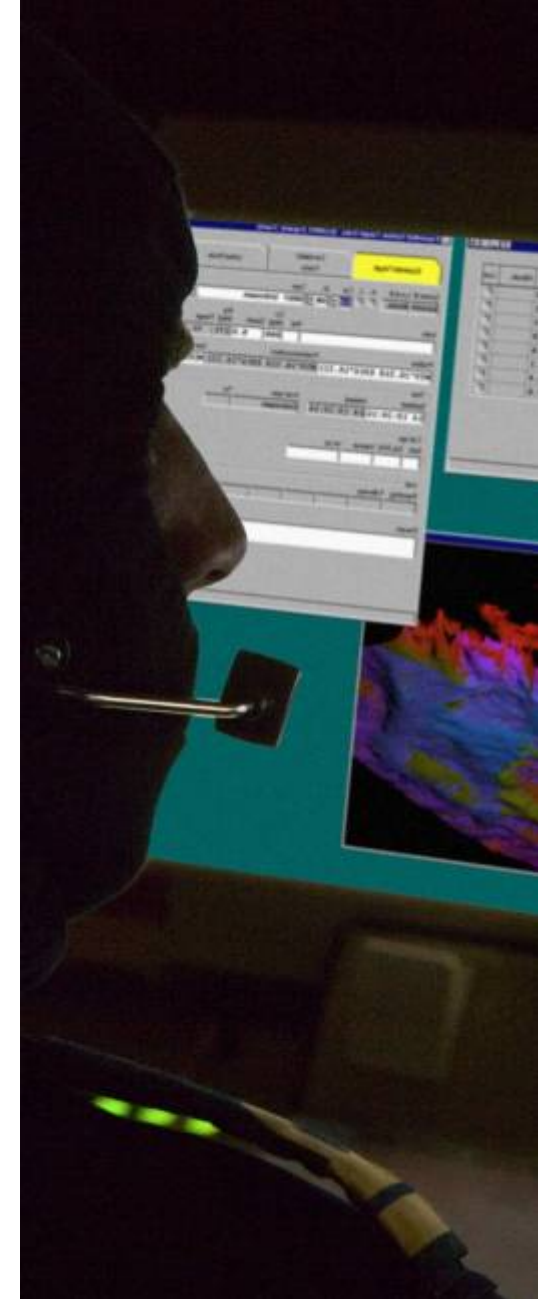
Order bookings



Order backlog

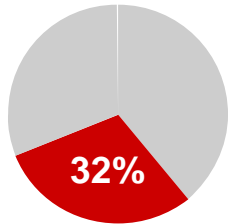
▶ International

	Jan-June 2008	Jan-June 2007
<b>MSEK</b>		
Sales	4,461	4,317
EBIT	380	446
Operating margin, %	8.5	10.3
Order bookings	4,098	2,933
Order backlog	10,208	12,255

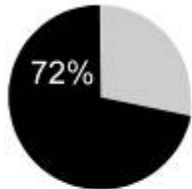




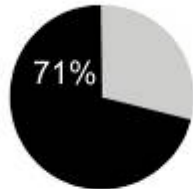
# SYSTEMS AND PRODUCTS



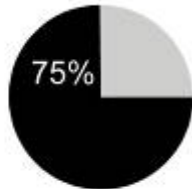
▶ Sales, % of total



Sales



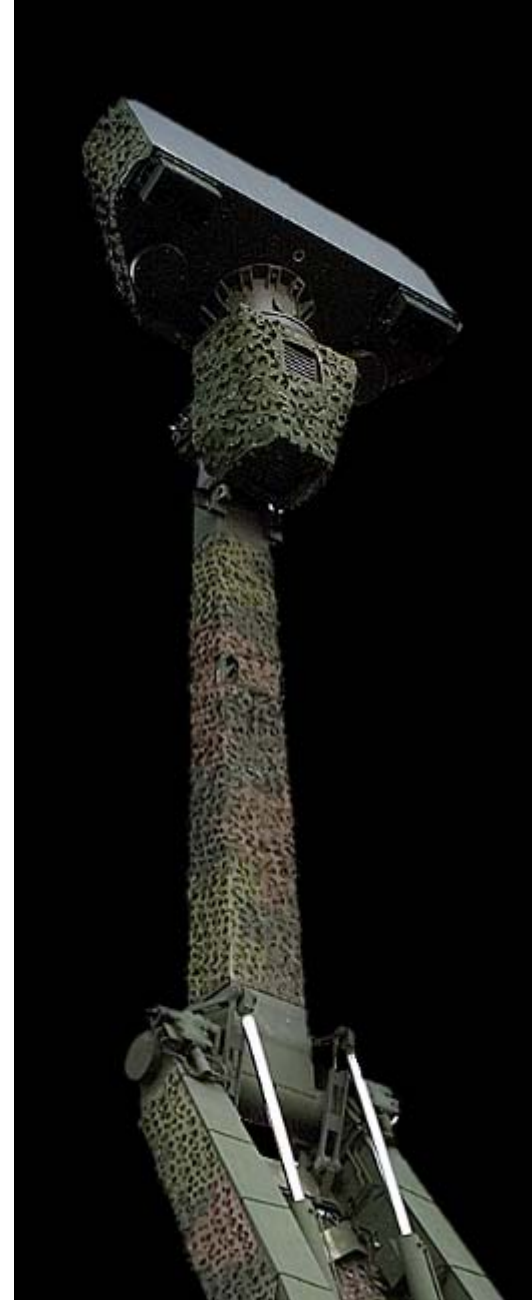
Order bookings



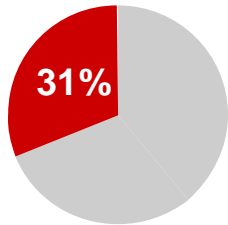
Order backlog

▶ International

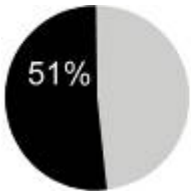
MSEK	Jan-June	
	2008	2007
Sales	3,972	4,302
EBIT	366	403
Operating margin, %	9.2	9.4
Order bookings	5,043	4,069
Order backlog	18,530	18,107



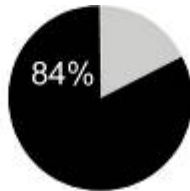
# AERONAUTICS



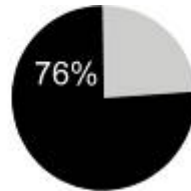
▶ Sales, % of total



Sales



Order bookings



Order backlog

▶ International

MSEK	Jan-June	Jan-June
	2008	2007
Sales	3,652	3,004
EBIT	45	188
Operating margin, %	1.2	6.3
Order bookings	5,425	2,221
Order backlog	22,767	19,507



# ORDER BACKLOG



**NLAW**



**Meteor/  
Iris-T**



**Airborne  
surveillance  
system**



**RBS70**



**Tornado**



**Boeing**



**RBS15**



**ANZAC**



**Airbus**



**AT4/  
Carl-Gustaf**



**Arthur**

# OPERATING INCOME, EBIT/EBITDA

MSEK		Jan-June		Jan-June	
		2008	margin	2007	margin
Defence & Security	EBIT	380	8.5%	446	10.3%
	EBITDA	470	10.5%	544	12.6%
Systems & Products	EBIT	366	9.2%	403	9.4%
	EBITDA	607	15.3%	626	14.6%
Aeronautics	EBIT	45	1.2%	188	6.3%
	EBITDA	148	4.1%	254	8.5%
Corporate	EBIT	153		7	
	EBITDA	196		77	
<b>Saab Group</b>	<b>EBIT</b>	<b>944</b>	<b>8.6%</b>	<b>1,044</b>	<b>9.6%</b>
	<b>EBITDA</b>	<b>1,421</b>	<b>12.9%</b>	<b>1,501</b>	<b>13.8%</b>



# OPERATING CASH FLOW VS STATEMENT OF CASH FLOW

<b>MSEK</b>	<b>Jan-June 2008</b>	<b>Jan-June 2007</b>
<b>Operating cash flow</b>	<b>-936</b>	<b>9</b>
<b>Cash flow from financing:</b>		
Establishment of pension fund	-	-43
Loans raised/amortized	1,576	-18
Dividend	-487	-464
Share repurchase	-	-58
<b>Cash flow from investments – interest bearing:</b>		
Short-term investments	-	-
Financial investments	308	-29
<b>Statement of Cash flow</b>	<b>461</b>	<b>-603</b>

# BALANCE SHEET

MSEK	June 30 2008	Dec, 31 2007	Change
<b>Assets</b>			
Intangible fixed assets	8,090	7,940	150
Tangible fixed assets	3,527	3,619	-92
Lease assets	1,574	1,822	-248
Biological assets	241	241	-
Investment properties	72	72	-
Shares in associated companies	284	318	-34
Financial investments	168	233	-65
Long-term receivables	749	960	-211
Deferred tax receivables	518	542	-24
<b>Total fixed assets</b>	<b>15,223</b>	<b>15,747</b>	<b>-524</b>
Inventories	5,608	5,383	225
Derivatives	784	479	305
Tax receivables	139	122	17
Accounts receivables	3,002	3,724	-722
Prepaid expenses and accrued income	824	556	268
Other receivables	5,899	5,862	37
Liquid assets	1,311	858	453
<b>Total current assets</b>	<b>17,567</b>	<b>16,984</b>	<b>583</b>
Assets held for sale	597	1,070	-473
<b>Total assets</b>	<b>33,387</b>	<b>33,801</b>	<b>-414</b>

# BALANCE SHEET

MSEK	June 30 2008	Dec. 31 2007	Change
<b>Shareholders' equity and liabilities</b>			
Parent Company's shareholders' interest	10,830	10,981	-151
Minority interest	29	27	2
<b>Total shareholders' equity</b>	<b>10,859</b>	<b>11,008</b>	<b>-149</b>
Long-term interest-bearing liabilities	21	25	-4
Other liabilities	251	284	-33
Provision for pensions	26	101	-75
Other provisions	1,937	1,979	-42
Deferred tax liabilities	1,253	1,263	-10
<b>Total long-term liabilities</b>	<b>3,488</b>	<b>3,652</b>	<b>-164</b>
Short-term interest-bearing liabilities	5,202	3,635	1,567
Advance payments from customers	2,009	2,558	-549
Accounts payable	1,208	1,229	-21
Lease obligations	72	204	-132
Derivatives	598	414	184
Tax liabilities	345	368	-23
Other liabilities	825	806	19
Accrued expenses and deferred income	7,978	8,788	-810
Provisions	561	752	-191
<b>Total current liabilities</b>	<b>18,798</b>	<b>18,754</b>	<b>44</b>
Liabilities related to fixed assets held for sale	242	387	-145
<b>Total shareholders' equity and liabilities</b>	<b>33,387</b>	<b>33,801</b>	<b>-414</b>
Equity/assets ratio,%	32.5	32.6	

# BALANCE SHEET, JUNE 30, 2008

## SUBDIVIDED

MSEK	Saab	Saab Aircraft Leasing	Elimi- nations	Saab Group
Intangible assets	8,090	-	-	8,090
Tangible assets	3,840	-	-	3,840
Lease assets	-	1,574	-	1,574
Long-term interest-bearing receivables	354	-	-	354
Shares, etc	1,916	2	-1,500	418
Deferred tax assets	365	153	-	518
Inventories	5,598	10	-	5,608
Short-term interest-bearing receivables	621	1,053	-1,053	621
Other receivables	10,859	194	-	11,053
Cash and marketable securities	1,283	28	-	1,311
<b>Total assets</b>	<b>32,926</b>	<b>3,014</b>	<b>-2,553</b>	<b>33,387</b>
Shareholders' equity	10,565	1,794	-1,500	10,859
Provision for pensions	26	-	-	26
Other provisions	1,774	724	-	2,498
Deferred tax liabilities	1,253	-	-	1,253
Interest-bearing liabilities	6,276	-	-1,053	5,223
Lease obligations	-	72	-	72
Advance payments from customers	2,009	-	-	2,009
Other liabilities	11,023	424	-	11,447
<b>Total shareholders' equity &amp; liabilities</b>	<b>32,926</b>	<b>3,014</b>	<b>-2,553</b>	<b>33,387</b>



# NET LIQUIDITY / NET DEBT

MSEK	June 30 2008	Year-End 2007
<b>Liabilities</b>		
Long-term interest-bearing liabilities	-21	-25
Short-term interest-bearing liabilities	-5,202	-3,635
Provisions for pensions	-26	-101
<b>Total interest-bearing liabilities</b>	<b>-5,249</b>	<b>-3,761</b>
<b>Assets</b>		
Short-term investments	-	-
Liquid assets	1,311	858
Interest-bearing receivables	975	1,276
<b>Total liquid investments</b>	<b>2,286</b>	<b>2,134</b>
<b>Total net liquidity/debt (-)</b>	<b>-2,963</b>	<b>-1,627</b>

# LIQUIDITY

<b>MSEK</b>	<b>June 30 2008</b>
<b>Liquid investments at the beginning of the year</b>	<b>858</b>
Operating cash flow from operations	-976
Acquisition and divestments of companies	40
Financial investments	308
Loans raised/amortized	1,576
Share repurchase	-
Dividend to shareholders	-487
Other changes, translation differences etc	-8
<b>Liquid investments June 30</b>	<b>1,311</b>



**SAAB**

**SAAB**GROUP.COM