

OPPORTUNITIES IN A CHALLENGING MARKET



CEO Comment: Håkan Buskhe

During the first quarter of 2014 the market situation remained challenging. At the same time we see a growing interest in Saab's offer globally and possibilities for our high-tech and cost-effective solutions. As an example, we have for several years grown within the naval domain and during the first quarter the ambition to expand operations further was announced. After the end of the first quarter, Saab entered into a non-binding Memorandum of Understanding with ThyssenKrupp Industrial Solutions AG concerning the acquisition of ThyssenKrupp Marine Systems AB (former Kockums). An acquisition should meet Sweden's need for an industrial solution concerning design, production and maintenance

of submarines and warships.

The global market's interest in Gripen is growing. The development of the next generation Gripen is on track and Gripen E will be delivered to Sweden starting in 2018. Meanwhile, negotiations with Brazil regarding Gripen are progressing and both parties' ambition is to sign an agreement during 2014.

On May 18th, a referendum in Switzerland will be held concerning the procurement of Gripen E. As part of our efforts to fulfil industrial cooperation commitments in Switzerland, a Memorandum of Understanding was signed with Swiss aircraft manufacturer Pilatus regarding the possible development of trainer aircrafts for the Swedish Air Force.

Order bookings during the first quarter decreased compared to the same period in 2013, which can be accredited to the development orders for the Gripen E received during the first quarter amounting to SEK 13.2 billion. The business area Dynamics continues to show a decreasing order intake due to delays in procurement processes. At the same time, Saab's man-portable weapon system Carl-Gustaf was chosen to be a Program of Record within the US Army light infantry units. This confirms Carl-Gustaf's world-leading position.

Sales amounted to MSEK 5,280, an organic decrease of 9 per cent compared to 2013. Currency effects had a negative impact of one per cent.

The operating income amounted to MSEK 270 (396) and the operating margin was 5.1 per cent (6.8).

The business area Electronic Defence Systems showed a loss for the quarter due to costs taken for efficiency measures and continued investments in the development of radar and sensor technology.

Implementation of the efficiency measures initiated in 2013 progressed according to plan. After the 2013 year-end, the number of FTE's has decreased by approximately 300.

The operational cash flow was negative as a result of high activity levels in larger projects and few milestone payments during the quarter.

Earnings per share after dilution amounted to SEK 1.63 (2.46).

I note that Saab stands strong and continues to develop. The expansion within the naval domain strengthens Saab's position as a comprehensive supplier of defence and security solutions in the global market.

OUTLOOK STATEMENT 2014:

- In 2014, we estimate that sales will be in line with 2013.
- The operating margin in 2014, excluding material non-recurring items, is expected to be somewhat higher than the operating margin in 2013, excluding material non-recurring items.

Excluding material non-recurring items, the operating margin was 6.6 per cent in 2013.

Financial Highlights

MSEK	Jan-Mar 2014	Jan-Mar 2013	Change, %	Jan-Dec 2013
Order bookings	4,078	18,865	-78	49,809
Order backlog	58,608	47,059	25	59,870
Sales	5,280	5,862	-10	23,750
Gross income	1,361	1,612	-16	6,328
Gross margin, %	25.8	27.5		26.6
Operating income before depreciation/amortisation and write-downs (EBITDA)	476	644	-26	2,367
EBITDA margin, %	9.0	11.0		10.0
Operating income (EBIT)	270	396	-32	1,345
Operating margin, %	5.1	6.8		5.7
Net income	176	262	-33	742
Earnings per share before dilution, SEK	1.64	2.54		6.98
Earnings per share after dilution, SEK	1.63	2.46		6.79
Return on equity, % ¹⁾	5.5	13.3		6.3
Free cash flow ²⁾	-316	-325		-1,460
Free cash flow per share after dilution, SEK	-2.95	-2.98		-13.38

1) The return on equity is measured over a rolling 12-month period.

2) As of 1 January 2014, free cash flow is reported for the Group. It was previously named operating cash flow.

Saab's operations are divided into six business areas for control and reporting purposes: Aeronautics, Dynamics, Electronic Defence Systems, Security and Defence Solutions, Support and

Services and the independent business area Combitech.

In addition, Corporate comprises Group staff and departments as well as secondary opera-

tions. It also includes the leasing fleet of Saab 340.

Orders and Sales

Orders

January–March 2014

Orders received during the first quarter 2014 included an order from the Swedish Defence Materiel Administration (FMV) for support and maintenance of Gripen for the Swedish Armed Forces throughout 2014. The order comprises support and maintenance operations and ensures the continued operation of Gripen in Sweden, the Czech Republic, Hungary and Thailand.

The Finnish Defence Forces ordered combat training systems, including support for seven years starting in 2014.

A three-year contract for support and service of weapon simulators was signed with the UK Ministry of Defence. Since 1994, Saab has supplied operational support to the Direct Fire Weapon Effects Simulator (DFWES) system designed to enable live collective Battle Group training in the UK, Canada and on a smaller scale in Germany.

Brazil ordered RBS 70 VSHORAD (Very Short Range Air Defence System) for the Brazilian army. The order comprises deliveries of man-portable launchers, missiles and associated equipment. The systems are for example intended to protect Brazil's strategic infrastructure, and would be employed in protection of major upcoming events, including the 2014 FIFA World Cup and the 2016 Summer Olympics in Rio de Janeiro.

For a detailed list of major orders received during the first quarter of 2014, see note 3, page 23.

In all, 72 per cent (94) of order bookings were attributable to defence-related operations and 70 per cent (21) were attributable to customers outside Sweden.

During the first quarter of 2014, index and price changes had a negative effect on order bookings of MSEK 21 compared to MSEK 9 during the same period in 2013.

Orders received, where the total order value exceeded MSEK 100, represented 36 per

cent (86) of total order bookings. The order backlog at the 2013 year-end amounted to MSEK 58,608, compared to MSEK 59,870 at the beginning of the year.

Order backlog duration

- 2014: SEK 15.4 billion
- 2015: SEK 10.7 billion
- 2016: SEK 7.8 billion
- 2017: SEK 5.1 billion
- After 2017: SEK 19.6 billion

Sales

January–March 2014

During 2014, sales decreased by 10 per cent compared to the first quarter of 2013. Acquisitions had no material impact on sales, while currency effects had a negative impact of 1 per cent.

Sales in markets outside Sweden amounted to MSEK 2,762 (3,271), or 52 per cent (56) of total sales. 79 per cent (81) of sales were related to the defence market.

Order bookings by Market Region

MSEK	Jan–Mar 2014	Jan–Mar 2013	Change, %
Sweden	1,215	14,923	-92
EU excluding Sweden	1,424	877	62
Rest of Europe	119	105	13
Americas	633	1,059	-40
Asia	474	1,689	-72
Africa	130	151	-14
Australia, etc.	83	61	36
Total	4,078	18,865	-78

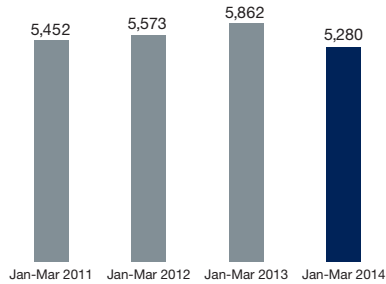
Sales by Market Region

MSEK	Jan–Mar 2014	Jan–Mar 2013	Change, %
Sweden	2,518	2,591	-3
EU excluding Sweden	845	914	-8
Rest of Europe	88	119	-26
Americas	456	715	-36
Asia	1,009	1,022	-1
Africa	170	178	-4
Australia, etc.	194	323	-40
Total	5,280	5,862	-10

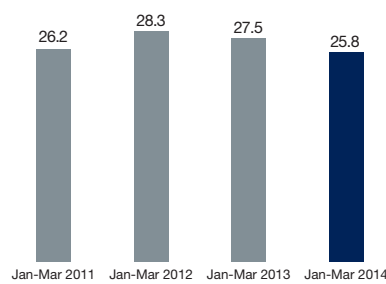
Sales by Market Segment

MSEK	Jan–Mar 2014	Jan–Mar 2013	Change, %
Air	2,522	2,767	-9
Land	1,108	1,515	-27
Naval	629	507	24
Civil Security	483	535	-10
Commercial Aeronautics	380	346	10
Other	158	192	-18
Total	5,280	5,862	-10

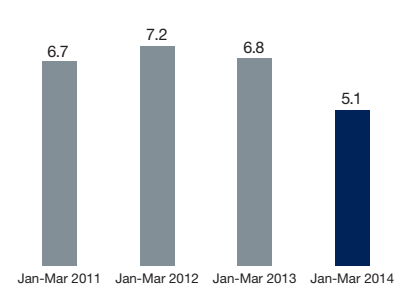
Sales, MSEK



Gross margin, %



Operating margin, %



Income

January–March 2014

The gross margin in the first quarter of 2014 decreased to 25.8 per cent (27.5), compared to the same period 2013, mainly as a result of a different project and product mix.

The implementation of the efficiency measures initiated in 2013 progressed according to plan.

Total depreciation and amortisation amounted to MSEK 210 (257). Depreciation of tangible fixed assets amounted to MSEK 93 (93), while depreciation of the leasing fleet amounted to MSEK 4 (9).

Internally funded expenditures in research and development (R&D) amounted to

MSEK 320 (355), of which a total of MSEK 36 (12) was capitalised. During the first quarter of 2014 capitalisation was at a higher level than during the same period in 2013 as a result of received orders for technology within the radar and sensor technology area. A large proportion of investments were made within this area during the first quarter of 2014.

Amortisation of intangible fixed assets amounted to MSEK 113 (155), of which amortisation of capitalised development expenditures amounted to MSEK 79 (115).

The share of income in associated companies amounted to MSEK -1 (-2).

The operating income amounted to

MSEK 270 (396) with an operating margin of 5.1 per cent (6.8).

During the first quarter of 2014 and in 2013, reversal of risk provisions related to Saab's leasing fleet of turbo prop aircraft (SAL), contributed positively to the operating income. The positive contribution was slightly lower in 2014 than in 2013.

Business area Electronic Defence Systems made a loss for the quarter as costs related to efficiency measures were taken and investments were made in the development of radar and sensor technology.

Financial Net

MSEK	Jan-Mar 2014	Jan-Mar 2013
Financial net related to pensions	-14	-18
Net interest items	-1	17
Currency gains/losses	9	-8
Other net financial items	-29	-33
Total	-35	-42

Financial net related to pensions is based on the current net pension liability.

Net interest items refer to return on liquid assets and short-term investments as well as

interest expenses on short-term and long-term interest-bearing liabilities.

Currency gains/losses reported in financial net are related to hedges of the tender portfolio which are valued at fair value. Currency gains in the first quarter 2014 are mainly attributable to the closing of outstanding hedges as an order has been received.

Other net financial items consist of cost attributable to the programme for sales of accounts receivables, unrealised results from market valuation of short-term investments, project interest and other currency effects, for example changes related to liquid assets in currencies other than SEK.

In 2013, Saab invested MSEK 247 in the Indian company Pipavav Defence and Offshore Engineering Company Limited (PIPAVAV, ISIN: INE542F01012) through a, to Saab, directed new share issue. A combination of negative currency effects and share price development resulted in a value decline totalling MSEK 133 in 2013. During the first quarter of 2014, the decline has continued and an additional write-down of the investment amounting to MSEK 19 has been made.

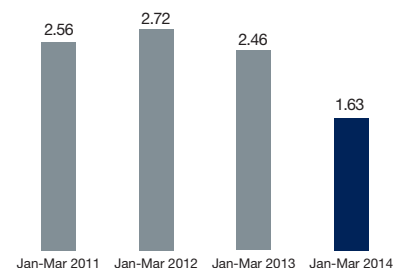
Tax

Current and deferred taxes amounted to MSEK -59 (-92), equivalent to an effective tax rate of 25 per cent (26).

Return on Capital Employed and on Equity

The pre-tax return on capital employed was 8.3 per cent (14.2) and the after-tax return on equity was 5.5 per cent (13.3), both measured over a rolling 12-month period.

Earnings Per Share, SEK



The graph illustrates earnings per share after dilution.

Financial Position and Liquidity

Financial position

At the end of March 2014, the net liquidity amounted to MSEK -34, a decrease of MSEK 847 during 2014 compared to year-end 2013.

Cash flow from operating activities amounted to MSEK -133. Provisions for pensions, excluding special employers' contribution, as of 31 March 2014 amounted to MSEK 1,927 compared to MSEK 1,389 in December 2013 and had a negative impact of MSEK 538 on net liquidity. The increase in provisions was mainly due to the decrease in the discount rate used in the valuation of pension obligations from 4.00 per cent to 3.50 per cent during the year.

For more information about the Group's defined benefit plans, see note 10, page 27.

Net liquidity was negatively impacted by net investments amounting to approximately MSEK 183 during the first quarter of 2014.

Currency exchange rate differences in liquid assets in addition to unrealised results from financial investments had a positive impact of MSEK 7 on net liquidity.

In 2009, Saab changed its view on the application of accounting principles for

development costs. As a result of this more conservative view, development costs are capitalised at a later stage in all projects and all capitalised development costs are amortised over a maximum period of ten years. Capitalised development costs have been reduced from MSEK 3,628 at the end of 2008 to MSEK 1,295 at the end of March 2014.

Inventories increased during the first quarter of 2014 due to higher activity levels in projects where milestone deliveries will be made later this year. Inventories are recognised after deducting utilised advances.

Capital expenditures

Gross capital expenditures in property, plant and equipment, amounted to MSEK 149 (88).

Investments in intangible assets amounted to MSEK 45 (27), of which MSEK 36 (12) related to capitalised product development and MSEK 9 (15) to other intangible assets.

Cash flow

As of 2014, operational cash flow is recognised by business area unlike before when free cash flow was reported by business area and called operating cash flow.

Cash flow from operating activities exclud-

ing taxes and other financial items amounted to MSEK -40 (-17) (see note 8, page 26).

Saab has an established programme to sell accounts receivable to strengthen its financial position and increase financial flexibility. As of 31 March 2014, net receivables of MSEK 630 were sold, compared to MSEK 555 on 31 December 2013. Hence, it had a positive impact on cash flow from operating activities of MSEK 75 in 2014.

The operational cash flow amounted to MSEK -168 (-132). It is defined as cash flow from operating activities, excluding taxes and other financial items, including acquisitions and divestments of intangible assets, tangible assets and lease assets. The somewhat lower level of operational cash flow in the first quarter of 2014 compared to 2013 is mainly attributable to timing differences in milestone payments.

Free cash flow amounted to MSEK -316 (-325).

For more detailed information about the free cash flow, see note 8, pages 25-26.

Financial Position Key Indicators and Liquidity

MSEK	Jan-Mar 2014	Jan-Mar 2013	Change	Jan-Dec 2013
Net liquidity ¹⁾	-34	1,788	-1,822	813
Intangible fixed assets	6,273	6,687	-414	6,340
Goodwill	4,606	4,556	50	4,605
Capitalised development costs	1,295	1,643	-348	1,338
Other intangible fixed assets	372	488	-116	397
Tangible fixed assets, etc. ²⁾	3,674	3,758	-84	3,763
Inventories	5,020	4,490	530	4,563
Accounts receivable	2,377	3,087	-710	3,295
Other receivables	3,701	2,493	1,208	3,727
Accrued revenues ³⁾	3,246	2,075	1,171	3,074
Advance payments from customers	729	830	-101	818
Equity/assets ratio, (%)	44.4	41.5		44.0
Return on equity, (%) ⁴⁾	5.5	13.3		6.3
Equity per share, SEK ⁵⁾	110.47	110.81	-0.34	114.04

1) The Group's net liquidity refers to liquid assets, short-term investments and interest-bearing receivables less interest-bearing liabilities and provisions for pensions excluding provisions for pensions attributable to special employers' contribution. For a detailed break-down of interest-bearing receivables and interest-bearing liabilities, see note 6, page 23.

2) Including tangible fixed assets, lease assets, biological assets and investment properties.

3) Amounts due from customers (long-term customer contracts according to the percentage of completion method).

4) The return on equity is measured over a rolling 12-month period.

5) Number of shares excluding treasury shares; 2014 Mar: 106,494,139; 2013 Mar: 105,934,201; 2013 Dec: 106,414,144.

Comparative numbers for 2013 have been restated according to the changed accounting principles for joint arrangements (IFRS 11).

AERONAUTICS

MSEK	Jan–Mar 2014	Jan–Mar 2013	Change, %	Jan–Dec 2013
Order bookings	631	10,833	-94	29,677
Order backlog	33,167	20,373	63	34,113
Sales	1,577	1,765	-11	6,869
Operating income before depreciation/amortisation and write-downs (EBITDA)	133	153	-13	603
EBITDA margin, %	8.4	8.7		8.8
Operating income (EBIT)	118	116	2	456
Operating margin, %	7.5	6.6		6.6
Operational cash flow	-184	-442		-227
Defence/Civil (% of sales)	83/17	87/13		83/17
No. of FTEs	3,179	3,021	5	3,210

For a description of the business area activities, see note 3.

ORDERS RECEIVED

- Order bookings in the first quarter of 2014 included an order from FMV for services regarding performance-based support and maintenance of Gripen during 2014.
- Order bookings within business unit Aerosruktures increased as Airbus received more orders for A380 and Boeing received orders for the B787, Dreamliner.
- During 2013, several orders were received concerning the Gripen E programme, of which SEK 10.3 billion was attributable to the business area during the first quarter.
- Orders received, where the order sum exceeded MSEK 100, represented 63 per cent (99) of total order bookings.

SALES, INCOME AND MARGIN

- The activity level within Gripen E remained high.
- Sales decreased during the first quarter of 2014 compared to the same period in 2013 as the first quarter of 2013 included invoicing of previously generated costs.
- The operating margin increased during the first quarter of 2014 compared to 2013, mainly due to efficient project execution and decreased amortisations.
- Markets outside Sweden accounted for 24 per cent (23) of sales.

CASH FLOW

- Operational cash flow was negative due to a higher activity level in large projects and few milestone payments during the quarter.

EMPLOYEES

- The number of FTE's decreased in the first quarter of 2014, compared to year-end 2013, as a result of a lower activity level in the Gripen C/D operations.

DYNAMICS

MSEK	Jan–Mar 2014	Jan–Mar 2013	Change, %	Jan–Dec 2013
Order bookings	449	753	-40	3,345
Order backlog	4,278	4,632	-8	4,548
Sales	716	877	-18	3,566
Operating income before depreciation/amortisation and write-downs (EBITDA)	43	95	-55	428
EBITDA margin, %	6.0	10.8		12.0
Operating income (EBIT)	28	84	-67	366
Operating margin, %	3.9	9.6		10.3
Operational cash flow	105	241		461
Defence/Civil (% of sales)	86/14	86/14		88/12
No. of FTEs	1,451	1,546	-6	1,523

For a description of the business area activities, see note 3.

Comparative numbers for 2013 have been restated following organisational and structural changes, see note 14.

ORDERS RECEIVED

- Due to challenging market conditions, order bookings were lower in the first quarter of 2014 compared to the same period in 2013.
- During the quarter, an order for RBS 70 VSHORAD (Very Short Range Air Defence) was received from the Brazilian army.
- Orders received, where the order sum exceeded MSEK 100, represented 0 per cent (59) of total order bookings.

SALES, INCOME AND MARGIN

- Sales decreased in the first quarter of 2014 compared to the same period in 2013 as a result of lower order bookings in 2013.
- The operating margin was lower during the first quarter of 2014 compared to the same period in 2013, as a result of lower activity levels.
- Markets outside Sweden accounted for 81 per cent (85) of sales.

CASH FLOW

- Operational cash flow was at a lower level in the first quarter of 2014 compared to the same period in 2013, due to fewer and lower milestone payments.

EMPLOYEES

- The number of FTE's decreased in the first quarter of 2014, compared to year-end 2013, as a result of the efficiency measures implemented in 2013 which included downsizing, mainly at the production unit in Karlskoga, Sweden.

ELECTRONIC DEFENCE SYSTEMS

MSEK	Jan–Mar 2014	Jan–Mar 2013	Change, %	Jan–Dec 2013
Order bookings	938	3,693	-75	7,587
Order backlog	9,129	8,764	4	9,171
Sales	974	1,151	-15	4,560
Operating income before depreciation/amortisation and write-downs (EBITDA)	68	111	-39	373
EBITDA margin, %	7.0	9.6		8.2
Operating income (EBIT)	-36	-12		-115
Operating margin, %	-3.7	-1.0		-2.5
Operational cash flow	-401	129		116
Defence/Civil (% of sales)	96/4	98/2		97/3
No. of FTEs	2,559	2,546	1	2,588

For a description of the business area activities, see note 3.

Comparative numbers for 2013 have been restated following organisational and structural changes, see note 14.

ORDERS RECEIVED

- Orders received in the first quarter of 2014 included orders for the weapon locating system ARTHUR.
- During 2013, several orders were received concerning the Gripen E programme, of which SEK 3.2 billion was attributable to the business area during the first quarter.
- Orders received, where the order sum exceeded MSEK 100, represented 38 per cent (72) of total order bookings.

SALES, INCOME AND MARGIN

- Sales decreased in the first quarter of 2014 compared to the same period in 2013, mainly due to delays in large projects.
- Markets outside Sweden accounted for 66 per cent (79) of sales.
- The operating loss in the first quarter of 2014 was mainly due to investments in product development and additional costs attributable to efficiency measures.

CASH FLOW

- The operational cash flow was negative due to high activity levels in some projects and because milestone payments were lower during the quarter.

EMPLOYEES

- The number of FTE's decreased somewhat in the first quarter of 2014, compared to year-end 2013, as a result of the ongoing efficiency measures.

SECURITY AND DEFENCE SOLUTIONS

MSEK	Jan–Mar 2014	Jan–Mar 2013	Change, %	Jan–Dec 2013
Order bookings	1,321	925	43	4,736
Order backlog	5,666	5,899	-4	5,571
Sales	1,156	1,097	5	5,095
Operating income before depreciation/amortisation and write-downs (EBITDA)	11	7	57	328
EBITDA margin, %	1.0	0.6		6.4
Operating income (EBIT)	-12	-22		213
Operating margin, %	-1.0	-2.0		4.2
Operational cash flow	-136	-52		122
Defence/Civil (% of sales)	62/38	64/36		67/33
No. of FTEs	2,503	3,011	-17	2,843

For a description of the business area activities, see note 3.

Comparative numbers for 2013 have been restated following organisational and structural changes, see note 14.

ORDERS RECEIVED

- Order bookings increased during the first quarter of 2014 compared to the same period in 2013, partly due to an order from the Finnish Defence Forces for combat training systems, including support for a duration of seven years starting 2014.
- Also, a three-year contract was signed regarding support and service of weapon simulators used by the British army.
- An order was received from FMV to study the prerequisites for a consolidated strategy to support the underwater domain in Sweden.
- During the quarter, an order was received from Aeronautical Radio of Thailand (AEROTHAI) concerning upgrades and expansion of air surveillance systems.

- Orders received, where the order sum exceeded MSEK 100, represented 45 per cent (3) of total order bookings.

SALES, INCOME AND MARGIN

- Sales increased during the first quarter of 2014 compared to the same period in 2013 as a result of a higher activity level mainly within the business unit Critical System and Communication Solutions.
- Markets outside Sweden accounted for 76 per cent (78) of sales.
- Operating income in the first quarter of 2014 was negative mainly due to lower profitability in the traffic management operations which was affected by lower sales because of the challenging market situation.

CASH FLOW

- Operational cash flow was negative due to timing differences between activity and milestone payments.

EMPLOYEES

- The number of FTE's decreased by 265 in the first quarter of 2014, compared to year-end 2013, due to the deconsolidation of Saab Grintek Technologies (Pty) Ltd as of 31 March 2014.

SUPPORT AND SERVICES

MSEK	Jan–Mar 2014	Jan–Mar 2013	Change, %	Jan–Dec 2013
Order bookings	737	2,725	-73	4,602
Order backlog	6,590	7,715	-15	6,683
Sales	839	871	-4	3,772
Operating income before depreciation/amortisation and write-downs (EBITDA)	91	107	-15	517
EBITDA margin, %	10.8	12.3		13.7
Operating income (EBIT)	87	102	-15	498
Operating margin, %	10.4	11.7		13.2
Operational cash flow	404	-13		-149
Defence/Civil (% of sales)	78/22	75/25		79/21
No. of FTEs	1,725	1,846	-7	1,840

For a description of the business area activities, see note 3.

Comparative numbers for 2013 have been restated following organisational and structural changes, see note 14.

ORDERS RECEIVED

- During the first quarter of 2014, an order was received from FMV regarding support and maintenance of Gripen. The order comprises support and maintenance operations and ensures the continued operation of Gripen in Sweden, the Czech Republic, Hungary and Thailand with focus on, for example, delivering technical documents, ground equipment and component maintenance.
- During 2013, an order was received concerning the Gripen E programme, of which SEK 1.3 billion was attributable to the business area during the first quarter.

- Orders received, where the order sum exceeded MSEK 100, represented 15 per cent (85) of total order bookings.

SALES, INCOME AND MARGIN

- Markets outside Sweden accounted for 33 per cent (33) of sales.
- The operating margin showed a slight decrease during the first quarter of 2014 compared to the first quarter of 2013 due to partial deliveries during 2013.

CASH FLOW

- The operational cash flow improved considerably during the first quarter of 2014 compared to the same period 2013, as a result of received milestone payments during the quarter.

EMPLOYEES

- The number of FTE's decreased during the first quarter of 2014, compared to year-end 2013, as a result of the restructurings and individual solutions announced in 2013.

COMBITECH

MSEK	Jan–Mar 2014	Jan–Mar 2013	Change, %	Jan–Dec 2013
Order bookings	418	424	-1	1,740
Order backlog	512	480	7	540
Sales	447	423	6	1,684
Operating income before depreciation/amortisation and write-downs (EBITDA)	27	46	-41	157
EBITDA margin, %	6.0	10.9		9.3
Operating income (EBIT)	25	44	-43	148
Operating margin, %	5.6	10.4		8.8
Operational cash flow	57	78		162
Defence/Civil (% of sales)	60/40	56/44		59/41
No. of FTEs	1,358	1,316	3	1,345

For a description of the business area activities, see note 3.

Comparative numbers for 2013 have been restated following organisational and structural changes, see note 14.

SALES

- Sales increased slightly in the segment defence authorities and private companies within the defence industry during the first quarter of 2014 compared to the same period in 2013.
- Markets outside Sweden accounted for 7 per cent (7) of sales.

INCOME AND MARGIN

- The operating income decreased during the first quarter of 2014 compared to the same period in 2013, mainly due to lower utilisation of consultants.

CASH FLOW

- The operational cash flow was at a lower level in the first quarter of 2014 compared to the same period 2013 as a result of lower operating income.

EMPLOYEES

- The number of FTE's increased slightly during the first quarter of 2014, compared to year-end 2013, as a result of current recruitment efforts.

Corporate

Corporate reported operating income of MSEK 60 (84).

During the first quarters of 2014 and 2013 reversal of risk provisions, attributable to the remaining risks related to Saab's lease fleet of turboprop aircraft, contributed positively to the operating income. The positive impact was lower in 2014 than in 2013.

In 1997 Saab discontinued the manufacturing of turboprop aircraft. As of 31 March 2014, Saab has a lease fleet consisting of 23 (60) turboprop Saab 340 and Saab 2000 aircraft. Of the fleet, 17 (42) are financed through US leverage leases. Rents from these leases are insured through The Swedish Export Credits Guarantee Board, EKN. Six (18) aircraft are financed internally and recognised as assets in the balance sheet. Provisions in the balance sheet related to the leasing portfolio are deemed sufficient for the remaining risks. Saab estimates that the leasing portfolio will be phased out by 2015.

Acquisitions and divestments 2014

Saab's Annual General Meeting on 8 April 2014 approved an agreement where Saab has the right to, through Saab South Africa (Pty) Ltd ("Saab SA") divest its 70 per cent stake in the South African subsidiary Saab Grintek Technologies (Pty) Ltd ("SGT") to Imbani Holdings (Pty) Ltd ("Imbani"), a company controlled by Briss Mathabathe. Briss Mathabathe is a member of the Board of Directors of Saab Grintek Defence (Pty) Ltd. Saab AB holds 95 per cent of the shares in Saab SA.

The purchase price for Saab SA's shares in SGT corresponds to an enterprise value of MZAR 108 (approx. MSEK 65) for 100 per cent of the shares. The company's total net asset value amounted to MZAR 73 (approx. MSEK 44) in March 2014. The company's operating income before taxes (EBT) 2012 amounted to MZAR 21 (approx. MSEK 13) and 2013 to MZAR 17 (approx. MSEK 10).

During the first quarter of 2014, Imbani acquired 30 per cent of SGT from Freetel. This transaction meant that Saab and Imbani, through a new shareholders' agreement have a joint controlling influence of SGT and that Saab's shareholding as at closing date 31 March 2014 thereby is consolidated in the balance sheet with a capital share of MZAR 76 approx MSEK 46).

The deconsolidation of the operations resulted in a capital gain before taxes of

MZAR 20 (approx. MSEK 12), which is reported in the business area Security and Defence Solutions.

No other significant acquisitions or divestments were made during the first quarter of 2014.

Personnel and other

Personnel (FTE's)

As of 31 March 2014, the Group had 13,804 employees, compared to 14,140 at the beginning of the year. The number of Full Time Equivalents (FTE's) at the end of the period was 13,561, compared to 14,122 at the beginning of the year. The decrease of FTE's is mainly related to the deconsolidation of the operations in the South African subsidiary Saab Grintek Technologies (Pty) Ltd with 265 FTE's and the result of efficiency measures being initiated in 2013.

Share repurchase

Saab held 2,656,205 treasury shares as of 31 March 2014 compared to 2,736,200 at year-end 2013. The Annual General Meeting on 8 April 2014 authorised the Board of Directors to repurchase up to 10 per cent of the shares of Saab to hedge the share matching plan and performance share plan.

Owners

According to SIS Ägarservice, Saab's largest shareholders as of 31 March 2014 were Investor AB, the Wallenberg foundations, Swedbank Robur Funds, AFA Insurance, Unionen, SEB Funds, SHB Funds, Nordea Funds, Norges Bank Investment Management and DFA funds (USA).

Risks and uncertainties

Saab's operations primarily involve the development, production and supply of technologically advanced hardware and software to customers around the world.

Projects generally entail significant investments, long periods of time and technological development or refinement of the product. In addition to customer and supplier relations, international operations involve joint ventures and collaborations with other industries in addition to the establishment of operations abroad.

Operations entail significant risk-taking in various respects. The key risk areas are political, operational and financial risks.

Various policies and instructions govern the management of significant risks. Saab conducts significant development projects and manages the associated risks.

For a general description of the risk areas, see pages 51-54 of the Annual Report 2013.

Other significant events January–March 2014

- In March, Saab announced the signing of a Memorandum of Understanding (MoU) with the Swiss company Pilatus. It concerns a cooperation to provide a PC-21 training solution for the Swedish Air Force if they decide to replace their SK 60.

For information regarding large orders received between January and March 2014, see page 2 and the comments regarding Business Areas on pages 5 to 7 and also note 3 on page 23.

Significant events after the conclusion of the period

- The Annual General Meeting on 8 April decided on a dividend of SEK 4.50 per share (totalling MSEK 479) to shareholders and that the record date should be Friday, 11 April 2014. Payment of the dividend was made from Euroclear Sweden AB on Wednesday 16 April 2014.
- ThyssenKrupp Industrial Solutions AG, a subsidiary of ThyssenKrupp AG, and Saab AB signed a non-binding Memorandum of Understanding concerning the sale of the Swedish shipyard ThyssenKrupp Marine Systems AB (formerly named Kockums), with operations in Malmö, Karlskrona and Muskö, to Saab AB. Both parties agree that during the negotiations phase, the integrity and the operating ability of ThyssenKrupp Marine Systems AB must be safeguarded. The transaction will be subject to regulatory approval. The negotiations between Saab AB and ThyssenKrupp Marine Systems AB are at an early stage and more information will follow.

Linköping, 25 April 2014

Håkan Buskhe
President and CEO

CONSOLIDATED INCOME STATEMENT

MSEK	Note	Jan–Mar 2014	Jan–Mar 2013	Rolling 12-months	Jan–Dec 2013
Sales	3	5,280	5,862	23,168	23,750
Cost of goods sold		-3,919	-4,250	-17,091	-17,422
Gross income		1,361	1,612	6,077	6,328
Gross margin, %		25.8	27.5	26.2	26.6
Other operating income		45	29	220	204
Marketing expenses		-484	-513	-2,053	-2,082
Administrative expenses		-280	-263	-1,128	-1,111
Research and development costs		-364	-458	-1,668	-1,762
Other operating expenses		-7	-9	-255	-257
Share of income in associated companies		-1	-2	26	25
Operating income (EBIT)¹⁾	3	270	396	1,219	1,345
Operating margin, %		5.1	6.8	5.3	5.7
Share of income in associated companies		-	1	-1	-
Financial income		22	18	66	62
Financial expenses		-57	-61	-424	-428
Net financial items		-35	-42	-359	-366
Income before taxes		235	354	860	979
Taxes		-59	-92	-204	-237
Net income for the period		176	262	656	742
of which Parent Company's shareholders' interest		175	269	647	741
of which non-controlling interest		1	-7	9	1
Earnings per share before dilution, SEK ²⁾		1.64	2.54	6.09	6.98
Earnings per share after dilution, SEK ³⁾		1.63	2.46	5.95	6.79
1) Includes depreciation/amortisation and write-downs of which depreciation of leasing aircraft		-210 -4	-257 -9	-1,000 -20	-1,047 -25
2) Average number of shares before dilution		106,454,142	105,932,515	106,255,514	106,125,107
3) Average number of shares after dilution		107,299,002	109,150,344	108,687,509	109,150,344

2013 has been restated according to the changed accounting principles for joint arrangements (IFRS 11).

As of 2014, the dilution of number of shares is calculated based on the effects of all potential shares (Share Matching Plan and Performance Share Plan) that give rise to a dilution effect. Previously, a simplified method was used where the dilution effect was calculated based on all treasury shares.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MSEK	Jan–Mar 2014	Jan–Mar 2013	Rolling 12-months	Jan–Dec 2013
Net income for the period	176	262	656	742
Other comprehensive income:				
Items that will not be reversed in the income statement:				
Revaluation of net pension obligations	-681	439	135	1,255
Tax attributable to revaluation of net pension obligations	150	-97	-38	-285
Total	-531	342	97	970
Items that may be reversed in the income statement:				
Translation differences	26	-80	-26	-132
Net gain/loss on cash flow hedges	-80	23	-358	-255
Tax attributable to net gain/loss on cash flow hedges	19	-4	82	59
Total	-35	-61	-302	-328
Other comprehensive income/loss for the period	-566	281	-205	642
Net comprehensive income/loss for the period	-390	543	451	1,384
of which Parent Company's shareholders' interest	-387	560	452	1,399
of which non-controlling interest	-3	-17	-1	-15

2013 has been restated according to the changed accounting principles for joint arrangements (IFRS 11).

QUARTERLY INCOME STATEMENT

MSEK	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Sales	5,280	7,279	4,723	5,886	5,862	7,306	4,899	6,232
Cost of goods sold	-3,919	-5,426	-3,459	-4,287	-4,250	-5,031	-3,541	-4,236
Gross income	1,361	1,853	1,264	1,599	1,612	2,275	1,358	1,996
Gross margin, %	25.8	25.5	26.8	27.2	27.5	31.1	27.7	32.0
Other operating income	45	83	63	29	29	6	60	231
Marketing expenses	-484	-565	-471	-533	-513	-640	-472	-622
Administrative expenses	-280	-338	-219	-291	-263	-368	-280	-292
Research and development costs	-364	-490	-380	-434	-458	-638	-401	-578
Other operating expenses	-7	-19	9	-238	-9	-7	-3	-6
Share of income in associated companies	-1	10	-	17	-2	27	-	1
Operating income (EBIT)¹⁾	270	534	266	149	396	655	262	730
Operating margin, %	5.1	7.3	5.6	2.5	6.8	9.0	5.3	11.7
Share of income in associated companies	-	-	-1	-	1	-	1	-
Financial income	22	15	16	13	18	31	42	37
Financial expenses	-57	-189	-27	-151	-61	-55	-58	-35
Net financial items	-35	-174	-12	-138	-42	-24	-15	2
Income before taxes	235	360	254	11	354	631	247	732
Taxes	-59	-73	-62	-10	-92	-81	-78	-174
Net income for the period	176	287	192	1	262	550	169	558
of which Parent Company's shareholders' interest	175	281	189	2	269	549	167	572
of which non-controlling interest	1	6	3	-1	-7	1	2	-14
Earnings per share before dilution, SEK ²⁾	1.64	2.64	1.78	0.02	2.54	5.19	1.58	5.42
Earnings per share after dilution, SEK ³⁾	1.63	2.57	1.73	0.02	2.46	5.03	1.53	5.24
1) Includes depreciation/amortisation and write-downs of which depreciation of leasing aircraft	-210 -4	-278 -2	-256 -7	-256 -7	-257 -9	-279 -10	-317 -12	-296 -15
2) Average number of shares before dilution	106,454,142	106,342,403	106,196,870	106,028,640	105,932,515	105,868,651	105,732,553	105,546,890
3) Average number of shares after dilution	107,299,002	109,150,344	109,150,344	109,150,344	109,150,344	109,150,344	109,150,344	109,150,344

2013 has been restated according to the changed accounting principles for joint arrangements (IFRS 11).

2012 has been restated according to the changed accounting principles for pensions (IAS 19).

As of 2014, the dilution of number of shares is calculated based on the effects of all potential shares (Share Matching Plan and Performance Share Plan) that give rise to a dilution effect. Previously, a simplified method was used where the dilution effect was calculated based on all treasury shares.

QUARTERLY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MSEK	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Net income for the period	176	287	192	1	262	550	169	558
Other comprehensive income:								
Items that will not be reversed in the income statement:								
Revaluation of net pension obligations	-681	68	101	647	439	23	-462	-316
Tax attributable to revaluation of net pension obligations	150	-24	-22	-142	-97	-22	121	83
Total	-531	44	79	505	342	1	-341	-233
Items that may be reversed in the income statement:								
Translation differences	26	28	-122	42	-80	-18	-214	99
Net loss on available-for-sale financial assets	-	116	-53	-63	-	-	-	-
Net gain/loss on cash flow hedges	-80	-174	196	-300	23	-118	246	-184
Tax attributable to net gain/loss on cash flow hedges	19	39	-44	68	-4	61	-65	49
Total	-35	9	-23	-253	-61	-75	-33	-36
Other comprehensive income/loss for the period	-566	53	56	252	281	-74	-374	-269
Net comprehensive income for the period	-390	340	248	253	543	476	-205	289
of which Parent Company's shareholders' interest	-387	335	242	262	560	481	-203	305
of which non-controlling interest	-3	5	6	-9	-17	-5	-2	-16

KEY RATIOS BY QUARTER

MSEK	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012
Equity/assets ratio (%)	44.4	44.0	44.6	42.4	41.5	39.0	38.4	37.6
Return on capital employed, % ¹⁾	8.3	9.1	10.2	10.5	14.2	14.6	15.1	22.6
Return on equity, % ¹⁾	5.5	6.3	8.8	8.7	13.3	12.8	12.2	20.7
Equity per share, SEK ²⁾	110.47	114.04	110.94	108.69	110.81	105.43	101.88	103.82
Free cash flow, MSEK	-316	553	-940	-748	-325	264	-856	244
Free cash flow per share after dilution, SEK ³⁾	-2.95	5.07	-8.61	-6.85	-2.98	2.42	-7.84	2.24

1) Measured over a rolling 12-month period

2) Number of shares excluding treasury shares

3) Average number of shares after dilution

106,494,139	106,414,144	106,270,662	106,123,078	105,934,201	105,930,829	105,806,472	105,658,633
107,299,002	109,150,344	109,150,344	109,150,344	109,150,344	109,150,344	109,150,344	109,150,344

2013 has been restated according to the changed accounting principles for joint arrangements (IFRS 11).

2012 has been restated according to the changed accounting principles for pensions (IAS 19).

As of 2014, the dilution of number of shares is calculated based on the effects of all potential shares (Share Matching Plan and Performance Share Plan) that give rise to a dilution effect. Previously, a simplified method was used where the dilution effect was calculated based on all treasury shares.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MSEK	Note	31/3/2014	31/12/2013	31/3/2013
ASSETS				
Fixed assets				
Intangible fixed assets	5	6,273	6,340	6,687
Tangible fixed assets		3,288	3,239	3,142
Lease assets		60	197	277
Biological assets		295	296	306
Investment properties		31	31	33
Shares in associated companies and joint ventures		440	367	762
Financial investments		275	295	195
Long-term receivables	10	122	122	111
Deferred tax assets		263	239	226
Total fixed assets		11,047	11,126	11,739
Current assets				
Inventories		5,020	4,563	4,490
Derivatives		362	396	569
Tax receivables		108	62	35
Accounts receivable		2,377	3,295	3,087
Other receivables		3,701	3,727	2,493
Prepaid expenses and accrued income		1,015	854	1,011
Short-term investments		1,858	2,002	3,219
Liquid assets	8	1,154	1,764	1,887
Total current assets		15,595	16,663	16,791
TOTAL ASSETS		26,642	27,789	28,530

2013 has been restated according to the changed accounting principles for joint arrangements (IFRS 11).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT.)

MSEK	Note	31/3/2014	31/12/2013	31/3/2013
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity				
Parent Company's shareholders' interest		11,764	12,136	11,739
Non-controlling interest		69	91	90
Total shareholders' equity		11,833	12,227	11,829
Long-term liabilities				
Long-term interest-bearing liabilities	6	1,081	1,095	101
Other liabilities		189	179	312
Provisions for pensions	10	2,326	1,680	2,447
Other provisions		910	1,043	1,254
Deferred tax liabilities		374	501	294
Total long-term liabilities		4,880	4,498	4,408
Current liabilities				
Short-term interest-bearing liabilities	6	264	718	1,822
Advance payments from customers		729	818	830
Accounts payable		1,519	1,918	1,569
Derivatives		337	316	329
Tax liabilities		53	61	136
Other liabilities		703	839	723
Accrued expenses and deferred income		5,767	5,735	6,348
Provisions		557	659	536
Total current liabilities		9,929	11,064	12,293
Total liabilities		14,809	15,562	16,701
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		26,642	27,789	28,530

2013 has been restated according to the changed accounting principles for joint arrangements (IFRS 11).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

MSEK	Capital stock	Other capital contributions	Net result of cash flow hedges	Translation reserve	Available-for-sale and revaluation reserve	Retained earnings	Total parent company's shareholders' interest	Non-controlling interest	Total shareholders' equity
Opening balance, 1 January 2013	1,746	543	531	-226	11	8,563	11,168	112	11,280
Net comprehensive income for the period January-March 2013			26	-77		611	560	-17	543
Transactions with shareholders:									
Share matching plan						11	11		11
Acquisition and sale of non-controlling interest								-5	-5
Closing balance, 31 March 2013	1,746	543	557	-303	11	9,185	11,739	90	11,829
Net comprehensive income for the period April-December 2013			-211	-50		1,100	839	2	841
Transactions with shareholders:									
Share matching plan						35	35		35
Dividend						-477	-477	-1	-478
Closing balance, 31 December 2013	1,746	543	346	-353	11	9,843	12,136	91	12,227
Opening balance, 1 January 2014	1,746	543	346	-353	11	9,843	12,136	91	12,227
Net comprehensive income for the period January-March 2014			-57	26		-356	-387	-3	-390
Transactions with shareholders:									
Share matching plan						12	12		12
Acquisition and sale of non-controlling interest						3	3	-19	-16
Closing balance, 31 March 2014	1,746	543	289	-327	11	9,502	11,764	69	11,833

CONSOLIDATED STATEMENT OF CASH FLOWS

MSEK	Note	Jan–Mar 2014	Jan–Mar 2013	Jan–Dec 2013
Operating activities				
Income after financial items		235	354	979
Adjustments for items not affecting cash flow		244	265	1,224
Income tax paid		-98	-173	-368
Cash flow from operating activities before changes in working capital		381	446	1,835
Cash flow from changes in working capital				
Increase(-)/Decrease(+) in inventories		-489	-95	-147
Increase(-)/Decrease(+) in current receivables		761	-88	-1,346
Increase(+)/Decrease(-) in advance payments from customers		-88	285	278
Increase(+)/Decrease(-) in other current liabilities		-555	-750	-1,005
Increase(+)/Decrease(-) in provisions		-143	-10	-277
Cash flow from operating activities		-133	-212	-662
Investing activities				
Investments in intangible fixed assets		-9	-15	-44
Capitalised development costs		-36	-12	-24
Investments in tangible fixed assets		-149	-88	-543
Investments in lease assets		-	-1	-
Sale of tangible fixed assets		4	1	46
Sale of lease assets		62	-	81
Sale of and investments in short-term investments	8	148	722	1,936
Dividend from joint ventures		-	-	430
Sale of and investments in other financial assets		27	29	-238
Investments in operations and associated companies, net effect on liquidity	9	-38	-	-68
Sale of group and associated companies, net effect on liquidity		-18	-	-
Cash flow from investing activities		-9	636	1,576
Financing activities				
Repayments of loans		-469	-143	-1,100
Raising of loans		-	-	845
Dividend paid to Parent Company's shareholders		-	-	-477
Dividend paid to non-controlling interest		-	-	-1
Cash flow from financing activities		-469	-143	-733
Cash flow for the period		-611	281	181
Liquid assets at the beginning of the period		1,764	1,616	1,616
Exchange rate difference in liquid assets		1	-10	-33
Liquid assets at end of period	8	1,154	1,887	1,764

2013 has been restated according to the changed accounting principles for joint arrangements (IFRS 11).

QUARTERLY INFORMATION

MSEK	Q1 2014	Operating margin	Q4 2013	Operating margin	Q3 2013	Operating margin	Q2 2013	Operating margin
Sales								
Aeronautics	1,577		1,996		1,391		1,717	
Dynamics	716		1,183		535		971	
Electronic Defence Systems	974		1,413		950		1,046	
Security and Defence Solutions	1,156		1,650		1,060		1,288	
Support and Services	839		1,168		802		931	
Combitech	447		500		337		424	
Corporate	1		-		-		-	
Internal sales	-430		-631		-352		-491	
Total	5,280		7,279		4,723		5,886	
Operating income								
Aeronautics	118	7.5%	102	5.1%	117	8.4%	121	7.0%
Dynamics	28	3.9%	190	16.1%	-36	-6.7%	128	13.2%
Electronic Defence Systems	-36	-3.7%	-71	-5.0%	25	2.6%	-57	-5.4%
Security and Defence Solutions	-12	-1.0%	124	7.5%	44	4.2%	67	5.2%
Support and Services	87	10.4%	153	13.1%	105	13.1%	138	14.8%
Combitech	25	5.6%	54	10.8%	17	5.0%	33	7.8%
Corporate	60	-	-18	-	-6	-	-281	-
Total	270	5.1%	534	7.3%	266	5.6%	149	2.5%

MSEK	Q1 2013	Operating margin	Q4 2012	Operating margin	Q3 2012	Operating margin	Q2 2012	Operating margin
Sales								
Aeronautics	1,765		1,678		1,275		1,704	
Dynamics	877		1,512		873		1,359	
Electronic Defence Systems	1,151		1,182		805		1,108	
Security and Defence Solutions	1,097		2,019		1,280		1,354	
Support and Services	871		1,091		697		844	
Combitech	423		439		299		361	
Corporate	-		-		-		-	
Internal sales	-322		-615		-330		-498	
Total	5,862		7,306		4,899		6,232	
Operating income								
Aeronautics	116	6.6%	125	7.4%	72	5.6%	84	4.9%
Dynamics	84	9.6%	233	15.4%	105	12.0%	175	12.9%
Electronic Defence Systems	-12	-1.0%	-106	-9.0%	-78	-9.7%	210	19.0%
Security and Defence Solutions	-22	-2.0%	209	10.4%	59	4.6%	89	6.6%
Support and Services	102	11.7%	215	19.7%	34	4.9%	94	11.1%
Combitech	44	10.4%	44	10.0%	18	6.0%	21	5.8%
Corporate	84	-	-65	-	52	-	57	-
Total	396	6.8%	655	9.0%	262	5.3%	730	11.7%

2013 has been restated according to the changed accounting principles for joint arrangements (IFRS 11) and to the structural change described in note 14.

2012 has been restated according to the changed accounting principles for pensions (IAS 19).

MULTI-YEAR OVERVIEW

MSEK	2013	2012	2011	2010	2009
Order bookings	49,809	20,683	18,907	26,278	18,428
Order backlog at 31 December	59,870	34,151	37,172	41,459	39,389
Sales	23,750	24,010	23,498	24,434	24,647
Sales in Sweden, %	41	36	37	38	31
Sales in EU excluding Sweden, %	17	19	19	19	23
Sales in Americas, %	13	12	8	9	8
Sales in the rest of the world, %	30	33	36	34	38
Operating income (EBIT)	1,345	2,050	2,941	975	1,374
Operating margin, %	5.7	8.5	12.5	4.0	5.6
Operating income before depreciation/amortisation and write-downs, excluding leasing aircraft (EBITDA)	2,367	3,186	4,088	2,187	2,598
EBITDA margin, %	10.0	13.3	17.4	9.0	10.5
Income/loss after financial items	979	2,003	2,783	776	976
Net income/loss for the year	742	1,560	2,217	454	699
Total assets	27,789	28,938	31,799	29,278	30,430
Operating cash flow	-1,460	-396	2,477	4,349	1,447
Return on capital employed, %	9.1	14.6	22.2	7.9	10.3
Return on equity, %	6.3	12.8	18.1	4.1	7.0
Equity/assets ratio, %	44.0	39.0	41.1	39.1	35.1
Earnings per share before dilution, SEK ²⁾⁴⁾	6.98	15.00	21.19	4.12	6.45
Earnings per share after dilution, SEK ³⁾⁴⁾	6.79	14.52	20.38	3.97	6.28
Dividend per share, SEK	4.50	4.50	4.50	3.50	2.25
Equity per share, SEK ¹⁾	114.04	105.43	122.94	107.66	99.91
Number of employees at year-end	14,140	13,968	13,068	12,536	13,159

1) Number of shares excluding treasury shares as of 31 December 2013: 106,414,144; 2012: 105,930,829; 2011: 105,331,958; 2010: 104,717,729; 2009: 105,511,124.

2) Average number of shares 2013: 106,125,107; 2012: 105,632,911; 2011: 104,982,315; 2010: 105,217,786; 2009: 106,335,553.

3) Average number of shares 2013/2012/2011/2010/2009: 109,150,344.

4) Net income for the year less non-controlling interest divided by the average number of shares.

KEY RATIOS AND TARGETS

	Long-term target	Jan–Mar 2014	Jan–Mar 2013	Jan–Dec 2013
Organic sales growth, %	5	-9	5	-2
Operating margin, %	10	5.1	6.8	5.7
Equity/assets ratio, %	30	44.4	41.5	44.0

2013 has been restated according to the changed accounting principles for joint arrangements (IFRS 11).

2012 has been restated according to the changed accounting principles for pensions (IAS 19).

Financials for 2011 and earlier periods are not restated.

PARENT COMPANY INCOME STATEMENT

MSEK	Jan–Mar 2014	Jan–Mar 2013	Jan–Dec 2013
Sales	3,765	4,165	16,521
Cost of goods sold	-2,990	-3,148	-12,556
Gross income	775	1,017	3,965
Gross margin, %	20.6	24.4	24.0
Operating income and expenses	-754	-786	-3,303
Operating income (EBIT)	21	231	662
Operating margin, %	0.6	5.5	4.0
Financial income and expenses	10	3	707
Income after financial items	31	234	1,369
Appropriations	-	-	-284
Income before taxes	31	234	1,085
Taxes	-25	-70	-200
Net income for the period	6	164	885

PARENT COMPANY

Sales and income

The Parent Company includes units within the business areas Aero-nautics, Electronic Defence Systems, Security and Defence Solutions and Support and Services. Group staff and Group support are included as well. The business areas Dynamics and Combitech are subsidiaries to Saab AB and are not a part of the Parent Company.

The Parent Company's sales in the first quarter 2014 amounted to MSEK 3,765 (4,165). Operating income was MSEK 21 (231).

Net financial income and expenses was MSEK 10 (3). After appropriations of MSEK 0 (0) and taxes of MSEK -25 (-70), net income for the period amounted to MSEK 6 (164).

Liquidity, finance, capital expenditures and number of employees

The Parent Company's net debt amounted to MSEK 1,348 at 31 March 2014 compared to MSEK 430 at 31 March 2013.

Gross capital expenditures in property, plant and equipment amounted to MSEK 118 (58). Investments in intangible assets amounted to MSEK 9 (15). At the end of the period, the Parent Company had 8,683 employees, compared to 8,781 at the beginning of the year.

A major part of the Group's operations are included in the Parent Company. Separate notes to the Parent Company's financial statements and a separate description of risks and uncertainties for the Parent Company have therefore not been included in this interim report.

PARENT COMPANY BALANCE SHEET

MSEK	Note	31/3/2014	31/12/2013	31/3/2013
ASSETS				
Fixed assets				
Intangible fixed assets		1,317	1,392	1,593
Tangible fixed assets		2,339	2,279	2,127
Financial fixed assets		7,658	7,695	8,002
Total fixed assets		11,314	11,366	11,722
Current assets				
Inventories, etc.		3,992	3,653	3,394
Current receivables		6,427	6,738	5,565
Short-term investments		1,843	1,990	3,204
Liquid assets		555	1,268	1,333
Total current assets		12,817	13,649	13,496
TOTAL ASSETS		24,131	25,015	25,218
SHAREHOLDERS' EQUITY AND LIABILITIES				
Equity				
Restricted equity		2,989	2,989	2,996
Unrestricted equity		5,009	4,992	4,703
Total shareholders' equity		7,998	7,981	7,699
Provisions and liabilities				
Untaxed reserves		1,560	1,560	1,276
Provisions		1,087	1,051	1,150
Liabilities	6	13,486	14,423	15,093
Total provisions and liabilities		16,133	17,034	17,519
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		24,131	25,015	25,218

NOTES

TO THE FINANCIAL STATEMENTS

NOTE 1 Corporate Information

Saab AB (publ), corporate identity no. 556036-0793, with registered office in Linköping, Sweden. The address of the company's head office is Gustavslundsvägen 42, Bromma, with the mailing address Box 12062, SE-102 22 Stockholm, Sweden, and the telephone number +46-8-463 00 00. Saab has been listed on NASDAQ OMX Stockholm since 1998 and on the large cap list from October 2006. The company's operations, including subsidiaries and associated companies, are described in the annual report 2013.

NOTE 2 Accounting Principles

The consolidated accounts for the first quarter 2014 are prepared according to IAS 34 Interim Financial Reporting and the Annual Accounts Act. The Parent Company's accounts have been prepared according to the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2, Reporting by Legal Entities. The Group's accounting principles are described on pages 70-77 of the annual report 2013.

The Group and the Parent Company apply the same accounting principles and methods of computation as described in the annual report 2013 except for joint venture accounting (see note 13 for further information).

The interim report is abbreviated and does not contain all the information and disclosures available in the annual report and as such should be read together with the annual report 2013.

NOTE 3 Segment Reporting

Saab is a leading high-technology company, with its main operations in defence, aviation and civil security. Operations are primarily focused on well-defined areas in defence electronics and missile systems as well as military and commercial aviation. Saab is also active in technical services and maintenance. Saab has a strong position in Sweden and the main part of sales is generated in Europe. In addition Saab has a local presence in South Africa, Australia, the US and other selected countries globally. Saab's operating and management structure is divided into six business areas which also represent operating segments; Aeronautics, Dynamics, Electronic Defence Systems, Security and Defence Solutions, Support and Services, and the independent business area Combitech. Comparative numbers for 2013 have been adjusted due to a new structure, see note 14 for more information.

Aeronautics

Aeronautics engages in advanced development of military and civil aviation technology. The product portfolio includes the Gripen fighter and Unmanned Aerial Systems (UAS). Aeronautics also manufactures aircraft components for Saab's own aircraft as well as for passenger aircraft produced by others.

Dynamics

Dynamics offers a highly competitive product range comprising ground combat weapons, missile systems, torpedoes, unmanned underwater vehicles and signature management systems for armed forces as well as niche products for the civil and the defence market, such as unmanned underwater vehicles for the off-shore industry.

Electronic Defence Systems

These operations are based on Saab's close interaction with customers requiring efficient solutions for surveillance and for threat detection, location and protection. This has created a unique competence in the area of radar and electronic warfare, and a product portfolio covering airborne, land-based and naval radar, electronic support measures and self-protection systems. For increased flight mission efficiency and flight safety we supply avionics for both civil and military customers.

Security and Defence Solutions

The operations comprise products and solutions in the area of command, control, airborne early warning, training and simulation, air traffic management, maritime security, security and surveillance and secure robust communication.

Support and Services

Support and Services offers reliable, cost-efficient service and support for all of Saab's markets. This primarily includes integrated support solutions, technical maintenance and logistics, and products, solutions and services for military and civil missions in locations with limited infrastructure.

Combitech

Combitech, an independent company in the Saab Group, is one of Sweden's largest technology consulting firms. Combitech combines technological excellence with deep industry knowledge, comprehensive understanding and a particular focus on environment and security.

NOTE 3 Continued
SALES AND ORDER INFORMATION
Sales by business area

MSEK	Jan–Mar 2014	Jan–Mar 2013	Change %	Rolling 12-months	Jan–Dec 2013
Aeronautics	1,577	1,765	-11	6,681	6,869
of which external sales	1,538	1,723	-11	6,518	6,703
of which internal sales	39	42	-7	163	166
Dynamics	716	877	-18	3,405	3,566
of which external sales	672	855	-21	3,245	3,428
of which internal sales	44	22	100	160	138
Electronic Defence Systems	974	1,151	-15	4,383	4,560
of which external sales	873	1,057	-17	3,866	4,050
of which internal sales	101	94	7	517	510
Security and Defence Solutions	1,156	1,097	5	5,154	5,095
of which external sales	1,121	1,082	4	5,030	4,991
of which internal sales	35	15	133	124	104
Support and Services	839	871	-4	3,740	3,772
of which external sales	797	832	-4	3,536	3,571
of which internal sales	42	39	8	204	201
Combitech	447	423	6	1,708	1,684
of which external sales	267	256	4	936	925
of which internal sales	180	167	8	772	759
Corporate/eliminations	-429	-322		-1,903	-1,796
of which external sales	12	57		37	82
of which internal sales	-441	-379		-1,940	-1,878
Total	5,280	5,862	-10	23,168	23,750

Sales by geographical market

MSEK	Jan–Mar 2014	% of sales	Jan–Mar 2013	% of sales	Jan–Dec 2013	% of sales
Sweden	2,518	48	2,591	44	9,814	41
Rest of EU	845	16	914	16	3,933	17
Rest of Europe	88	2	119	2	621	3
Total Europe	3,451	66	3,624	62	14,368	60
North America	331	6	690	12	2,611	11
Latin America	125	2	25	-	376	2
Asia	1,009	19	1,022	17	4,311	18
Africa	170	3	178	3	930	4
Australia, etc.	194	4	323	6	1,154	5
Total	5,280	100	5,862	100	23,750	100

Information on large customers

In the first quarter 2014, Saab had one customer that accounted for 10 per cent or more of the Group's sales: the Swedish Defence Materiel Administration (FMV). FMV is a customer of all business areas, and total sales amounted to MSEK 1,929 (2,070).

Seasonal variation

A major part of our business is related to large projects where the revenue is recognised by using the percentage of completion method. The costs incurred in these projects are normally lower during the third quarter compared with the other quarters. The fourth quarter is also usually affected by a higher number of deliveries, mainly within Dynamics.

Order bookings by business area

MSEK	Jan–Mar 2014	Jan–Mar 2013	Change %	Jan–Dec 2013
Aeronautics	631	10,833	-94	29,677
Dynamics	449	753	-40	3,345
Electronic Defence Systems	938	3,693	-75	7,587
Security and Defence Solutions	1,321	925	43	4,736
Support and Services	737	2,725	-73	4,602
Combitech	418	424	-1	1,740
Internal	-416	-488		-1,878
Total	4,078	18,865	-78	49,809

Order backlog by business area

MSEK	31/3/2014	31/12/2013	31/3/2013
Aeronautics	33,167	34,113	20,373
Dynamics	4,278	4,548	4,632
Electronic Defence Systems	9,129	9,171	8,764
Security and Defence Solutions	5,666	5,571	5,899
Support and Services	6,590	6,683	7,715
Combitech	512	540	480
Internal	-734	-756	-804
Total	58,608	59,870	47,059

OPERATING INCOME
Operating income by business area

MSEK	Jan–Mar 2014	% of sales	Jan–Mar 2013	% of sales	Rolling 12-months	Jan–Dec 2013
Aeronautics	118	7.5	116	6.6	458	456
Dynamics	28	3.9	84	9.6	310	366
Electronic Defence Systems	-36	-3.7	-12	-1.0	-139	-115
Security and Defence Solutions	-12	-1.0	-22	-2.0	223	213
Support and Services	87	10.4	102	11.7	483	498
Combitech	25	5.6	44	10.4	129	148
The business areas' total operating income	210	4.0	312	5.4	1,464	1,566
Corporate	60		84		-245	-221
Total operating income	270	5.1	396	6.8	1,219	1,345

Depreciation/amortisation and write-downs by business area

MSEK	Jan–Mar 2014	Jan–Mar 2013	Change %	Rolling 12-months	Jan–Dec 2013
Aeronautics	15	37	-59	125	147
Dynamics	15	11	36	66	62
Electronic Defence Systems	104	123	-15	469	488
Security and Defence Solutions	23	29	-21	109	115
Support and Services	4	5	-20	18	19
Combitech	2	2	-	9	9
Corporate – lease aircraft	4	9	-56	20	25
Corporate – other	43	41	5	184	182
Total	210	257	-18	1,000	1,047

NOTE 3 Continued**LARGE ORDERS RECEIVED JAN–MAR 2014**

Large orders received (approx. values MSEK)	Country	Order value
Training systems	Finland	360
Support and service of weapon simulators	UK	220
Support and maintenance of Gripen	Sweden	174

OPERATIONAL CASH FLOW AND CAPITAL EMPLOYED**Operational cash flow by business area**

MSEK	Jan–Mar 2014	Jan–Mar 2013	Rolling 12-months	Jan–Dec 2013
Aeronautics	-184	-442	31	-227
Dynamics	105	241	325	461
Electronic Defence Systems	-401	129	-414	116
Security and Defence Solutions	-136	-52	38	122
Support and Services	404	-13	268	-149
Combitech	57	78	141	162
Corporate	-13	-73	-1,064	-1,124
Total	-168	-132	-675	-639

Capital employed by business area

MSEK	31/3/2014	31/12/2013	31/3/2013
Aeronautics	2,189	2,447	2,291
Dynamics	1,902	2,007	1,992
Electronic Defence Systems	4,265	4,294	4,408
Security and Defence Solutions	3,223	3,994	3,910
Support and Services	1,637	2,479	1,989
Combitech	450	505	415
Corporate	1,476	-261	819
Total	15,142	15,465	15,824

PERSONNEL**Full Time Equivalents (FTEs) by business area**

Number at end of period	31/3/2014	31/3/2013	31/12/2013
Aeronautics	3,179	3,210	3,021
Dynamics	1,451	1,523	1,546
Electronic Defence Systems	2,559	2,588	2,546
Security and Defence Solutions	2,503	2,843	3,011
Support and Services	1,725	1,840	1,846
Combitech	1,358	1,345	1,316
Corporate	786	773	720
Total	13,561	14,122	14,006

NOTE 4 Dividend to Parent Company's Shareholders

At the Annual General Meeting 2014 on 8 April, it was decided that the Parent Company's shareholders should receive a dividend of SEK 4.50 per share, totalling MSEK 479, in the second quarter 2014.

NOTE 5 Intangible Fixed Assets

MSEK	31/3/2014	31/12/2013	31/3/2013
Goodwill	4,606	4,605	4,556
Capitalised development costs	1,295	1,338	1,643
Other intangible assets	372	397	488
Total	6,273	6,340	6,687

NOTE 6 Net Liquidity

MSEK	31/3/2014	31/12/2013	31/3/2013
Assets			
Liquid assets	1,154	1,764	1,887
Short-term investments	1,858	2,002	3,219
Total liquid investments	3,012	3,766	5,106
Short-term interest-bearing receivables	11	34	22
Liquid assets attributable to joint ventures	-	-	430
Long-term interest-bearing receivables	76	75	82
Long-term receivables attributable to pensions	36	36	-
Long-term interest-bearing financial investments	140	141	143
Total interest-bearing assets	3,275	4,052	5,783
Liabilities			
Liabilities to credit institutions	1,000	1,001	1,107
Liabilities to associates and joint ventures	236	244	684
Other interest-bearing liabilities	109	569	132
Provisions for pensions ¹⁾	1,964	1,425	2,072
Total interest-bearing liabilities	3,309	3,239	3,995
NET LIQUIDITY	-34	813	1,788

1) Excluding provisions for pensions attributable to special employers' contribution.

Committed credit lines

MSEK	Facilities	Drawings	Available
Revolving credit facility (Maturity 2016)	4,000	-	4,000
Overdraft facility (Maturity 2014)	87	-	87
Total	4,087	-	4,087

Parent Company

MSEK	31/3/2014	31/12/2013	31/3/2013
Long-term liabilities to credit institutions	1,000	1,000	-
Short-term liabilities to credit institutions	-	-	1,007
Total	1,000	1,000	1,007

In December 2009 Saab established a Medium Term Note programme (MTN) of SEK 3 billion in order to enable the issuance of long-term loans on the capital market. Under the terms of this programme Saab has issued bonds and Floating Rate Notes of MSEK 1,000.

NOTE 7 Financial Instruments
Classification and categorisation of financial assets and liabilities*

	Fair value through profit and loss for trading	Fair value through other comprehensive income as available for sale	Designated as at fair value through profit and loss	Held-to-maturity investments	Loans receivable and accounts receivable	Financial liabilities	Derivatives identified as cash flow hedges	Derivatives identified as fair value hedges	Total financial assets and liabilities	Measured at fair value
31/3/2014										
Financial assets										
Financial investments	-	94	41	140	-	-	-	-	275	274
Long-term receivables	-	-	-	-	122	-	-	-	122	122
Derivatives										
Forward exchange contracts	13	-	-	-	-	-	334	4	351	351
Currency options	8	-	-	-	-	-	-	-	8	8
Interest rate swaps	-	-	-	-	-	-	-	-	-	-
Electricity derivatives	3	-	-	-	-	-	-	-	3	3
Total derivatives	24	-	-	-	-	-	334	4	362	362
Accounts receivable and other receivables	-	-	-	-	6,548	-	-	-	6,548	6,548
Short-term investments	-	-	1,858	-	-	-	-	-	1,858	1,858
Liquid assets	-	-	-	-	1,154	-	-	-	1,154	1,154
Total financial assets	24	94	1,899	140	7,824	-	334	4	10,319	10,318
Financial liabilities										
Interest-bearing liabilities	-	-	-	-	-	1,345	-	-	1,345	1,366
Derivatives										
Forward exchange contracts	20	-	-	-	-	-	272	-	292	292
Currency options	14	-	-	-	-	-	-	-	14	14
Interest rate swaps	5	-	-	-	-	-	9	-	14	14
Electricity derivatives	3	-	-	-	-	-	14	-	17	17
Total derivatives	42	-	-	-	-	-	295	-	337	337
Other liabilities	-	-	-	-	-	7,034	-	-	7,034	7,034
Total financial liabilities	42	-	-	-	-	8,379	295	-	8,716	8,737

* Derivatives with positive values are recognised as assets and derivatives with negative values are recognised as liabilities. Derivatives with a legal right of offset amount to MSEK 146.

NOTE 7 Continued**Valuation methods for financial assets and liabilities**

The fair value of listed financial assets is determined using market prices. Saab also applies various valuation methods to determine the fair value of financial assets that are traded on an inactive market or are unlisted holdings. These valuation methods are based on the valuation of similar instruments, discounted cash flows or customary valuation methods such as Black-Scholes.

The following instruments were valued at fair value according to listed (unadjusted) prices on an active market on the closing date (Level 1):

- Bonds and interest-bearing securities
- Electricity derivatives
- Shares and participations

The following instruments were valued at fair value according to accepted valuation models based on observable market data (Level 2):

- **Forward exchange contracts:** Future payment flows in each currency are discounted by current market rates to the valuation day and valued to SEK at period-end exchange rates.
- **Options:** The Black-Scholes option pricing model is used in the market valuation of all options.
- **Interest rate swaps:** Future variable interest rates are calculated with the help of current forward rates. These implicit interest payments are discounted to the valuation date using current market rates. The market value of interest rate swaps is obtained by contrasting the discounted variable interest payments with the discounted present value of fixed interest payments.

Unlisted shares and participations: Valued according to accepted principles; e.g. for venture capital firms (Level 3).

There has been no change between levels in 2014.

As of 31 March 2014, the Group had the following financial assets and liabilities at fair value:

Assets at fair value

MSEK	31/3/2014	Level 1	Level 2	Level 3
Bonds and interest-bearing securities	1,858	1,858	-	-
Forward exchange contracts	351	-	351	-
Currency options	8	-	8	-
Interest rate swaps	-	-	-	-
Electricity derivatives	3	3	-	-
Shares and participations	135	94	-	41
Total	2,355	1,955	359	41

Liabilities at fair value

MSEK	31/3/2014	Level 1	Level 2	Level 3
Forward exchange contracts	292	-	292	-
Currency options	14	-	14	-
Interest rate swaps	14	-	14	-
Electricity derivatives	17	17	-	-
Total	337	17	320	-

NOTE 8 Supplemental Information on Statement of Cash Flows**Liquid assets**

MSEK	31/3/2014	31/12/2013	31/3/2013
The following components are included in liquid assets:			
Cash and bank balances	756	651	569
Bank deposits	398	1,113	1,245
Funds in escrow account	-	-	72
Deposits on behalf of customers	-	-	1
Total according to balance sheet	1,154	1,764	1,887
Total according to statement of cash flows	1,154	1,764	1,887

Free cash flow vs. statement of cash flows

MSEK	Jan–Mar 2014	Jan–Mar 2013	Jan–Dec 2013
Free cash flow	-316	-325	-1,460
Investing activities – interest-bearing:			
Short-term investments	148	722	1,936
Other financial investments and receivables	26	27	8
Dividend from joint ventures	-	-	430
Financing activities:			
Repayments of loans	-469	-143	-1,100
Raising of loans	-	-	845
Dividend paid to the Parent Company's shareholders	-	-	-477
Dividend paid to non-controlling interest	-	-	-1
Cash flow for the period	-611	281	181

NOTE 8 Continued**Specification of free cash flow**

MSEK	Saab excl.acquisitions/ divestments	Acquisitions and divestments	Total Group Jan–Mar 2014	Total Group Jan–Mar 2013
Cash flow from operating activities before changes in working capital ¹⁾	474	-	474	622
CASH FLOW FROM CHANGES IN WORKING CAPITAL				
Inventories	-489	-	-489	-95
Receivables	761	-	761	-91
Advance payments from customers	-88	-	-88	285
Other current liabilities	-555	-	-555	-728
Provisions	-143	-	-143	-10
Change in working capital	-514	-	-514	-639
Cash flow from operating activities ²⁾	-40	-	-40	-17
INVESTING ACTIVITIES				
Investments in intangible fixed assets	-45	-	-45	-27
Investments in tangible fixed assets	-149	-	-149	-88
Investments in lease assets	-	-	-	-1
Sale and disposals of tangible fixed assets	4	-	4	1
Sale and disposals of lease assets	62	-	62	-
Cash flow from investing activities ³⁾	-128	-	-128	-115
OPERATIONAL CASH FLOW	-168	-	-168	-132
Taxes and other financial items	-93	-	-93	-193
Sale of and investments in financial assets	1	-	1	-
Investments in operations and associated companies	-	-38	-38	-
Sale of subsidiaries and associated companies	-	-18	-18	-
FREE CASH FLOW	-260	-56	-316	-325

1) Cash flow from operating activities before changes in working capital excluding taxes and other financial items.

2) Cash flow from operating activities excluding taxes and other financial items.

3) Cash flow from investing activities excluding change in short-term investments and other interest-bearing financial assets and excluding divestment and acquisition of financial assets, acquisition of operations and associated companies and divestment of Group and associated companies.

NOTE 9 Business Combinations

No significant acquisitions were made in the first quarter 2014.

NOTE 10 Defined-Benefit Plans

Saab has defined-benefit pension plans where post-employment compensation is based on a percentage of the recipient's salary. According to IAS 19, the estimated value of the defined-benefit obligation amounted to MSEK 6,958 at 31 March 2014, compared to MSEK 6,872 at 31 March 2013, and the value of the plan assets amounted to MSEK 5,031 at 31 March 2014, compared to MSEK 4,800 at 31 March 2013. Provisions for pensions attributable to special employers' contribution amounted to MSEK 362 at 31 March 2014 and to MSEK 375 at 31 March 2013. Total provisions for pensions amount to MSEK 2,289, of which MSEK 36 is reported as long-term receivables.

NOTE 11 Contingent Liabilities

No additional significant commitments have arisen during the period. With regard to the Group's performance guarantees for commitments to customers, the likelihood of an outflow of resources is estimated as remote and, as a result, no value is recognised.

NOTE 12 Transactions with Related Parties

Saab has signed an agreement about the sale of Saab Grintek Technologies Ltd. The transaction involves related parties to the company and has been carried through on commercial bases.

No other significant transactions have occurred during the period.

Related parties with which the Group has transactions are described in the annual report 2013, note 43.

NOTE 13 Effects of Amended Accounting Principles Regarding Joint Ventures

The Group has a 50 per cent holding in the joint venture Gripen International KB. Group holdings were reported using the proportional method through 2013; however, application of IFRS 11, Joint Arrangements, requires that holdings be reported using the equity method as of 2014. The Group's remaining holdings in joint ventures are of an insignificant amount.

Effects of application of IFRS 11 on shares in joint ventures at the end of the first quarter of 2014 are reported in accordance with the equity method as shown below. The change has not had a significant effect on the Group's income statement. For information about the other quarters and the opening balance 2013, please see the annual report 2013, note 22.

End of first quarter 2013

Financial position MSEK	31/03/2013 Actual	Adjustment IFRS 11	31/03/2013 Restated
Fixed assets	11,282	-2	11,280
Shares in joint ventures	-	459	459
Current assets	17,153	-362	16,791
Total assets	28,435	95	28,530
Total equity	11,829	-	11,829
Long-term liabilities	4,408	-	4,408
Current liabilities	12,198	95	12,293
Total liabilities	16,606	95	16,701
Total equity and liabilities	28,435	95	28,530

NOTE 14 Restated Accounting 2013 Regarding New Structure

Saab has implemented a new structure where the operations within Security and Defence Solutions which were related to Airborne Surveillance have been moved to corresponding operations within either Electronic Defence Systems or Support and Services. The reorganisation was carried through as of 1 January 2014. Additionally, a development project in Dynamics was moved to Corporate and a part of Security Defence Solutions' operations in Finland was moved to Combitech as of 1 January 2014.

Order bookings 2013

MSEK	Jan-Mar actual	Adjustment structural change	Jan-Mar restated
Aeronautics	10,833	-	10,833
Dynamics	753	-	753
EDS	3,693	-	3,693
SDS	1,620	-695	925
S&S	2,066	659	2,725
Combitech	387	37	424
Internal	-487	-1	-488
Total	18,865	-	18,865

MSEK	Jan-Jun actual	Adjustment structural change	Jan-Jun restated
Aeronautics	11,239	-	11,239
Dynamics	1,364	-5	1,359
EDS	4,633	-23	4,610
SDS	2,464	-706	1,758
S&S	2,563	660	3,223
Combitech	749	73	822
Internal	-976	1	-975
Total	22,036	-	22,036

MSEK	Jan-Sep actual	Adjustment structural change	Jan-Sep restated
Aeronautics	11,411	-	11,411
Dynamics	1,713	-5	1,708
EDS	5,393	-20	5,373
SDS	3,638	-709	2,929
S&S	2,979	658	3,637
Combitech	1,133	76	1,209
Internal	-1,238	-	-1,238
Total	25,029	-	25,029

MSEK	Jan-Dec actual	Adjustment structural change	Jan-Dec restated
Aeronautics	29,677	-	29,677
Dynamics	3,350	-5	3,345
EDS	7,620	-33	7,587
SDS	5,429	-693	4,736
S&S	3,942	660	4,602
Combitech	1,634	106	1,740
Internal	-1,843	-35	-1,878
Total	49,809	-	49,809

Order backlog 2013

MSEK	31/3/2013 actual	Adjustment structural change	31/3/2013 restated
Aeronautics	20,373	-	20,373
Dynamics	4,633	-1	4,632
EDS	8,043	721	8,764
SDS	7,485	-1,586	5,899
S&S	6,906	809	7,715
Combitech	423	57	480
Internal	-804	-	-804
Total	47,059	-	47,059

MSEK	30/6/2013 actual	Adjustment structural change	30/6/2013 restated
Aeronautics	19,061	-	19,061
Dynamics	4,282	-6	4,276
EDS	8,044	589	8,633
SDS	6,804	-1,393	5,411
S&S	6,586	722	7,308
Combitech	376	81	457
Internal	-816	7	-809
Total	44,337	-	44,337

MSEK	30/9/2013 actual	Adjustment structural change	30/9/2013 restated
Aeronautics	17,843	-	17,843
Dynamics	4,092	-5	4,087
EDS	7,849	543	8,392
SDS	6,672	-1,242	5,430
S&S	6,241	626	6,867
Combitech	438	67	505
Internal	-728	11	-717
Total	42,407	-	42,407

MSEK	31/12/2013 actual	Adjustment structural change	31/12/2013 restated
Aeronautics	34,113	-	34,113
Dynamics	4,549	-1	4,548
EDS	8,764	407	9,171
SDS	6,529	-958	5,571
S&S	6,186	497	6,683
Combitech	483	57	540
Internal	-754	-2	-756
Total	59,870	-	59,870

Sales 2013

MSEK	Jan-Mar actual	Adjustment structural change	Jan-Mar restated
Aeronautics	1,765	-	1,765
Dynamics	877	-	877
EDS	1,038	113	1,151
SDS	1,271	-174	1,097
S&S	822	49	871
Combitech	410	13	423
Corporate/internal	-321	-1	-322
Total	5,862	-	5,862

MSEK	Jan-Jun actual	Adjustment structural change	Jan-Jun restated
Aeronautics	3,482	-	3,482
Dynamics	1,848	-	1,848
EDS	1,969	228	2,197
SDS	2,774	-389	2,385
S&S	1,660	142	1,802
Combitech	820	27	847
Corporate/internal	-805	-8	-813
Total	11,748	-	11,748

MSEK	Jan-Sep actual	Adjustment structural change	Jan-Sep restated
Aeronautics	4,873	-	4,873
Dynamics	2,384	-1	2,383
EDS	2,869	278	3,147
SDS	3,963	-518	3,445
S&S	2,392	212	2,604
Combitech	1,142	42	1,184
Corporate/internal	-1,152	-13	-1,165
Total	16,471	-	16,471

MSEK	Jan-Dec actual	Adjustment structural change	Jan-Dec restated
Aeronautics	6,869	-	6,869
Dynamics	3,572	-6	3,566
EDS	4,161	399	4,560
SDS	5,891	-796	5,095
S&S	3,419	353	3,772
Combitech	1,598	86	1,684
Corporate/internal	-1,760	-36	-1,796
Total	23,750	-	23,750

EBITDA

MSEK	Jan-Mar actual	Adjustment structural change	Jan-Mar restated
Aeronautics	153	-	153
Dynamics	83	12	95
EDS	78	33	111
SDS	54	-47	7
S&S	93	14	107
Combitech	46	-	46
Corporate	137	-12	125
Total	644	-	644

MSEK	Jan-Jun actual	Adjustment structural change	Jan-Jun restated
Aeronautics	311	-	311
Dynamics	215	25	240
EDS	113	56	169
SDS	206	-104	102
S&S	204	45	249
Combitech	79	3	82
Corporate	-86	-25	-111
Total	1,042	-	1,042

MSEK	Jan-Sep actual	Adjustment structural change	Jan-Sep restated
Aeronautics	464	-	464
Dynamics	184	35	219
EDS	255	57	312
SDS	318	-143	175
S&S	279	80	359
Combitech	95	6	101
Corporate	-38	-35	-73
Total	1,557	-	1,557

MSEK	Jan-Dec actual	Adjustment structural change	Jan-Dec restated
Aeronautics	603	-	603
Dynamics	386	42	428
EDS	287	86	373
SDS	556	-228	328
S&S	383	134	517
Combitech	148	9	157
Corporate	4	-43	-39
Total	2,367	-	2,367

Operating income (EBIT)

MSEK	Jan-Mar actual	Adjustment structural change	Jan-Mar restated
Aeronautics	116	-	116
Dynamics	72	12	84
EDS	-45	33	-12
SDS	22	-44	-22
S&S	88	14	102
Combitech	44	-	44
Corporate	99	-15	84
Total	396	-	396

MSEK	Jan-Jun actual	Adjustment structural change	Jan-Jun restated
Aeronautics	237	-	237
Dynamics	187	25	212
EDS	-125	56	-69
SDS	142	-97	45
S&S	195	45	240
Combitech	75	2	77
Corporate	-166	-31	-197
Total	545	-	545

MSEK	Jan-Sep actual	Adjustment structural change	Jan-Sep restated
Aeronautics	354	-	354
Dynamics	141	35	176
EDS	-101	57	-44
SDS	222	-133	89
S&S	265	80	345
Combitech	89	5	94
Corporate	-159	-44	-203
Total	811	-	811

MSEK	Jan-Dec actual	Adjustment structural change	Jan-Dec restated
Aeronautics	456	-	456
Dynamics	324	42	366
EDS	-201	86	-115
SDS	428	-215	213
S&S	364	134	498
Combitech	140	8	148
Corporate	-166	-55	-221
Total	1,345	-	1,345

NOTE 15 Definitions

Capital employed

Total capital less non-interest-bearing liabilities.

Earnings per share

Net income for the period attributable to Parent Company shareholders' interest, divided by the average number of shares before and after full dilution. There is no dilution impact if the result is negative.

EBITDA margin

Operating income before depreciation/amortisation and write-downs less depreciation/amortisation and write-downs of lease aircraft as a percentage of sales revenue.

Equity/assets ratio

Equity in relation to total assets.

Equity per share

Equity attributable to the Parent Company's shareholders divided by the number of shares, excluding treasury shares, at the end of the period.

Gross margin

Gross income as a percentage of sales revenue.

Net liquidity/net debt

Liquid assets, short-term investments and interest-bearing receivables less interest-bearing liabilities and provisions for pensions excluding provisions for pensions attributable to special employers' contribution.

Free cash flow per share

Free cash flow divided by the average number of shares after dilution.

Operating margin

Operating income as a percentage of sales revenue.

Return on capital employed

Operating income plus financial income as a percentage of average capital employed (measured over a rolling 12-month period).

Return on equity

Net income for the period as a percentage of average equity (measured over a rolling 12-month period).

REVIEW REPORT

Introduction

We have reviewed the condensed interim financial information of Saab AB for the period from 1 January to 31 March 2014. The board of directors and the president are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Swedish Annual Accounts act. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410 Review of Interim report performed by the Independent auditor of the entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in

scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, the conclusion expressed based on a review does not give the same level of assurance as conclusion expressed based on an audit

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts act for the Group, and with the Swedish Annual Accounts act for the parent company.

Stockholm 25 April 2014
PricewaterhouseCoopers AB

Håkan Malmström
*Authorised Public Accountant
Auditor in charge*

Anna-Clara af Ekenstam
Authorised Public Accountant

Saab AB is disclosing the information here in pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act.
The information was submitted for publication at 7:30 a.m. on 25 April 2014.

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Press and financial analyst conference and webcast
with CEO Håkan Buskhe and CFO Magnus Örnberg
Today, Friday, 25 April, 2014 at 10:00 a.m. (CET)
Grand Hôtel, Room: New York
Blasieholmshamnen 8, Stockholm, Sweden
Contact Karoline Sandar to register
and for further information
Tel. +46-8-463 02 45
www.saabgroup.com

To see a live webcast of the event, visit <http://www.saabgroup.com/en/InvestorRelations> where it will be available together with the presentation material. All viewers will be able to post questions to the presenters. The webcast will also be available on Saab's website after the event.

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