

CHALLENGING START TO THE YEAR

Given the challenging market, Saab began the year as expected.

Preparations for development and production of 36 Gripen NG for the Brazilian Air Force continue. We expect that the agreement with the Brazilian government comes into effect during the second quarter and the total order value will amount to SEK 39.3 billion. We are also looking forward to proceeding with negotiations regarding the next generation of submarine for Sweden, the A26. In addition, we see many interesting business opportunities ahead.

The market is still characterised by challenging conditions where customers' orders are delayed, partially due to financial reasons. During the first quarter, we have also seen that political standpoints have had a negative impact. Altogether, this has increased the market risk and we expect that this increased risk will remain in the coming quarters.

Order bookings in the quarter amounted to MSEK 4,800 (4,078). This increase can mainly be attributed to a large follow-on order from the Indian Armed Forces for self-protection systems provided by the business area Electronic Defence Systems. To add to this, we received important orders within air traffic management and underwater systems.

One aspect of Saab's growth strategy is to grow together with partners in a number of markets. Therefore, we have established and developed cooperations where we see significant growth opportunities. An example of this is the cooperation with the Dutch shipyard Damen, which was put into place in the first quarter. This is a way of positioning Saab and Damen for future submarine procurement in the Netherlands with the ambition to also offer joint solutions in other markets.

The order backlog at the end of the period amounted to MSEK 59,811 (58,608).

Gripen E enters into a new phase

Sales increased by 2 per cent, compared to the same period last year, amounting to MSEK 5,389 (5,280). The business area Dynamics reported lower sales following a long period of declining order bookings. Business area Aeronautics shows lower sales than last year as a result of Gripen E transitioning from the development phase to production phase. In the large projects, with Gripen E at the forefront, deliveries went according to plan. Business area Security and Defence Solutions showed growth, mainly attributable to the underwater business which was acquired in 2014.

Reported operating income amounted to MSEK 210 (270) with an operating margin of 3.9 per cent (5.1). A changed product and project mix as well as development cost within the T-X program, where Saab cooperates with Boeing, are the main reasons for a lower operating margin during the quarter.

The net income amounted to MSEK 90 (176), where exchange rate differences had a negative impact on financial net of MSEK 63 in the first quarter.

The operational cash flow in the quarter amounted to MSEK -805 (-168). The change is mainly due to a lower sales of accounts receivables in the first quarter 2015 than during 2014.

Earnings per share after dilution amounted to SEK 0.79 (1.63).

The outlook for 2015 is unchanged.



Håkan Buskhe, President and CEO

UNCHANGED OUTLOOK STATEMENT 2015:

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

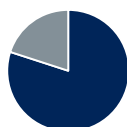
Financial highlights

MSEK	Jan-Mar 2015	Jan-Mar 2014	Change, %	Full Year 2014
Order bookings	4,800	4,078	18	22,602
Order backlog	59,811	58,608	2	60,128
Sales	5,389	5,280	2	23,527
Gross income	1,316	1,361	-3	6,077
Gross margin, %	24.4	25.8		25.8
EBITDA	438	476	-8	2,523
EBITDA margin, %	8.1	9.0		10.7
Operating income (EBIT)	210	270	-22	1,659
Operating margin, %	3.9	5.1		7.1
Net income	90	176	-49	1,168
Earnings per share before dilution, SEK	0.80	1.64		10.86
Earnings per share after dilution, SEK	0.79	1.63		10.78
Return on equity, % ¹⁾	9.3	5.5		9.9
Free cash flow	-941	-316		-1,094
Free cash flow per share after dilution, SEK	-8.84	-2.95		-10.23

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

Significant orders, 1st quarter

	MSEK
Self-protection system for the Indian armed forces' Dhruv helicopter	740



Defence/Civil

A total of 80 per cent (72) of order bookings was attributable to defence-related operations during the first three months of 2015.



Market

A total of 59 per cent (70) of order bookings was related to markets outside Sweden during the first three months of 2015.



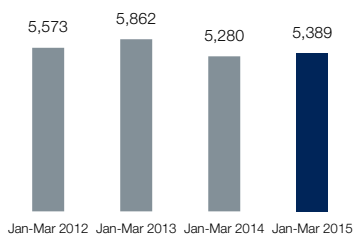
Large orders

Orders where the total order value exceeded MSEK 100 represented 47 per cent (36) of total order bookings during the first three months of 2015.

Order backlog duration:

- 2015: SEK 15.1 billion
- 2016: SEK 11.1 billion
- 2017: SEK 6.2 billion
- 2018: SEK 4.6 billion
- After 2018: SEK 22.8 billion

Sales, MSEK



Orders

January-March 2015

In February Saab signed a contract with FMV for continued development of the New Lightweight Torpedo plus maintenance agreements for underwater weapon systems and the Hydra sonar system. Saab also received two orders for ammunition components for Carl-Gustaf, one of the world's most modern ground support weapon systems.

In March, follow-on orders were received from Hindustan Aeronautic Limited (HAL), India, for an integrated electronic warfare self-protection system for installation on the Indian armed forces' Advanced Light Helicopter Dhruv.

During 2015, index and price changes had a positive effect on order bookings of MSEK 43 compared to a negative effect of MSEK 21 in the same period 2014.

The order backlog at the end of the period amounted to MSEK 59,811 compared to MSEK 60,128 at the beginning of the year.

Order bookings by region

MSEK	Jan-Mar 2015	Jan-Mar 2014	Change, %
Sweden	1,981	1,215	63
EU excluding Sweden	603	1,424	-58
Rest of Europe	38	119	-68
Americas	421	633	-33
Asia	1,625	474	243
Africa	59	130	-55
Australia, etc.	73	83	-12
Total	4,800	4,078	18

Sales

Sales during the first quarter 2015 increased by 2 per cent compared to the same period 2014.

Acquisitions had a positive effect of 5 per cent and currency effects had a positive effect of 3 per cent on sales. The organic sales decline was -6 per cent (-9).

Sales in markets outside of Sweden amounted to MSEK 2,771 (2,762), or 51 per cent (52), of total sales. 77 per cent (79) of sales were related to the defence market.

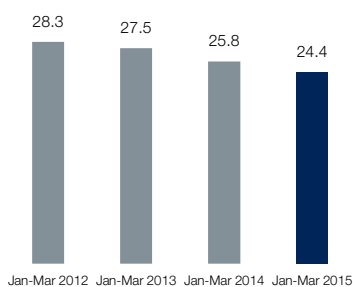
Sales per region

MSEK	Jan-Mar 2015	Jan-Mar 2014	Change, %
Sweden	2,618	2,518	4
EU excluding Sweden	899	845	6
Rest of Europe	101	88	15
Americas	614	456	35
Asia	839	1,009	-17
Africa	114	170	-33
Australia, etc.	204	194	5
Total	5,389	5,280	2

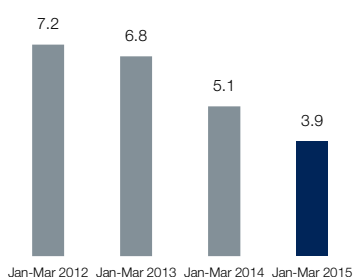
Sales per market segment

MSEK	Jan-Mar 2015	Jan-Mar 2014	Change, %
Air	2,247	2,522	-11
Land	1,154	1,108	4
Naval	854	629	36
Civil Security	498	483	3
Commercial Aeronautics	517	380	36
Other	119	158	-25
Total	5,389	5,280	2

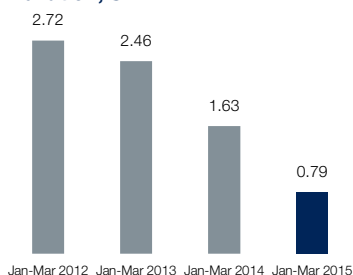
Gross margin, %



Operating margin, %



Earnings per share after dilution, SEK



Income

The gross margin during the first quarter 2015 amounted to 24.4 per cent (25.8), which was lower than in the same period 2014, mainly due to a changed product and project mix. Total depreciation and amortisation amounted to 228 (210). Depreciation of tangible fixed assets amounted to MSEK 104 (93).

Internally funded expenditures in research and development (R&D) amounted to MSEK 329 (320), of which a total of MSEK 51 (36) was capitalised. The internally funded investments in development are mainly attributable to radar and sensor technology as well as development related to the T-X program where Saab cooperates with Boeing in order to participate in the U.S. Air Force's upcoming procurement regarding trainer aircraft.

Amortisation of intangible fixed assets amounted to MSEK 124 (113), of which amortisation of capitalised development expenditures amounted to MSEK 80 (79).

The share of income in associated companies amounted to MSEK 10 (-1).

The operating income amounted to MSEK 210 (270) with an operating margin of 3.9 per cent (5.1). During the first quarter 2015, reversal of risk provisions relating to Saab's leasing fleet of turbo prop aircraft (SAL), contributed positively to the operating income. The positive impact was less during 2015 than during the same period 2014.

Financial net

MSEK	Jan-Mar 2015	Jan-Mar 2014
Financial net related to pensions	-16	-14
Net interest items	-11	-1
Currency losses/gains	-63	9
Other financial items	2	-29
Total	-88	-35

Financial net related to pensions is the financial cost for net pension obligations recognised in the balance sheet. See note 10, for more information regarding defined-benefit pension plans.

Net interest items refer to return on liquid assets and short-term investments and interest expenses on short-term and long-term interest-bearing liabilities.

Currency gains/losses reported in financial net are mainly related to hedges of the tender portfolio, which are valued at fair value. In the first quarter, currency changes, primarily in USD and EUR, had a negative impact on the valuation.

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

In 2013, Saab invested in the Indian company Pipavav Defence and Offshore Engineering Company Limited. A combination of negative currency effects and share price development resulted in a value decline of MSEK 19 during the first quarter of 2014, which is recognised in other financial items.

Tax

Current and deferred taxes amounted to MSEK -32 (-59), the equivalent to an effective tax rate of 26 per cent (25).

Return on capital employed and equity

The pre-tax return on capital employed was 10.6 per cent (8.3) and the after-tax return on equity was 9.3 per cent (5.5), both measured over a rolling 12-month period.

Financial position and liquidity

At the end of March 2015, the net debt amounted to MSEK 3,919; an increase of MSEK 1,806 during 2015 compared to the year-end 2014. Cash flow from operating activities amounted to MSEK -713. Provisions for pensions, excluding special employers' contribution, as of 31 March 2015 amounted to MSEK 2,955, compared to MSEK 2,528 at year-end 2014, and had a negative impact of MSEK 427 on net debt. The increase in provisions was mainly due to the decrease in the discount rate used in the valuation of pension obligations from 2.50 per cent to 2.00 per cent during the period. This was partly mitigated by a strong return on plan assets. For more information about Saab's defined-benefit plans, see note 10.

During the first quarter 2015, net debt was negatively impacted by net investments amounting to approximately MSEK 228 and by a financial lease of an aircraft intended for business travel, education and training of approximately MSEK 470.

Currency exchange rate differences in liquid assets and unrealised results from financial investments had a positive impact on net debt of MSEK 32.

Capitalised development costs on the balance sheet amounted to MSEK 930 at 31 March 2015 and to MSEK 952 at 31 December 2014.

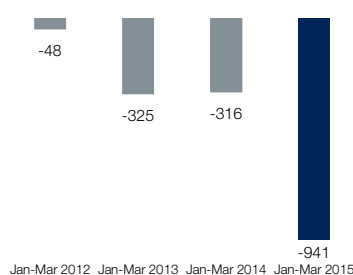
Inventories increased during the first quarter 2015 due to activity in large projects where deliveries will be made later during the year. Inventories are recognised after deducting utilised advances.

Capital expenditures

The cash flow effect of capital expenditures in tangible fixed assets amounted to MSEK 150 (149).

Investments in intangible assets amounted to MSEK 75 (45), of which MSEK 51 (36) was related to capitalised development costs and MSEK 24 (9) to other intangible assets.

Free cash flow, MSEK



Cash flow

Cash flow from operating activities excluding taxes and other financial items amounted to MSEK -580 (-40), see note 8.

Saab has an established programme to sell trade receivables to strengthen its financial position and increase financial flexibility. As of 31 March 2015, net receivables of MSEK 524 were sold, compared to MSEK 1,071 as of 31 December 2014. This had a negative impact on cash flow from operating activities of MSEK 547 during the first quarter 2015.

The operational cash flow amounted to MSEK -805 (-168). It is defined as cash flow from operating activities, excluding taxes and other financial items, acquisitions and divestments of intangible assets, tangible assets and lease assets. The lower level of operational cash flow in the first quarter 2015 compared to the same period 2014 is mainly attributable to lower sales of trade receivables and to investments.

Free cash flow amounted to MSEK -941 (-316). For more detailed information about the cash flow, see note 8.

Key indicators of financial position and liquidity

MSEK	31 Mar 2015	31 Mar 2014	Change	31 Dec 2014
Net liquidity / debt ¹⁾	-3,919	-34	-3,885	-2,113
Intangible fixed assets	6,415	6,273	142	6,351
Goodwill	5,112	4,606	506	5,015
Capitalised development costs	930	1,295	-365	952
Other intangible fixed assets	373	372	1	384
Tangible fixed assets, etc ²⁾	4,581	3,674	907	4,024
Inventories	6,436	5,020	1,416	5,819
Accounts receivable	2,616	2,377	239	3,414
Other receivables	4,640	3,701	939	4,255
Accrued revenues ³⁾	3,967	3,246	721	3,505
Advance payments from customers	784	729	55	856
Equity/assets ratio, %	37.0	44.4		38.5
Return on equity, % ⁴⁾	9.3	5.5		9.9
Equity per share, SEK ⁵⁾	106.54	110.47	-3.93	107.02

1) The Group's net liquidity/debt 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.

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

3) Amounts due from customers relate to 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; 2015 Mar: 105,566,929; 2014 Mar: 106,494,139; 2014 Dec: 105,499,980.

New business area structure

Saab has implemented changes to the business area structure as of 1 January 2015. The new business area Industrial Products and Services includes the business units Aerostructures (previously in business area Aeronautics), Avionics Systems (previously in business area Electronic Defence Systems), the independent technology consulting firm Combitech (previously a business area), Saab Ventures' product portfolio (previously part of Saab Corporate) and a development project, which up until year-end 2014 was part of Saab Corporate.

BUSINESS AREA AERONAUTICS

MSEK	Jan-Mar 2015	Jan-Mar 2014	Change, %	Full Year 2014
Order bookings	204	257	-21	6,213
Order backlog	25,494	24,558	4	26,388
Sales	1,098	1,328	-17	5,454
EBITDA	65	117	-44	439
EBITDA margin, %	5.9	8.8		8.0
Operating income (EBIT)	54	107	-50	398
Operating margin, %	4.9	8.1		7.3
Operational cash flow	46	-142		-401
Defence/Civil (% of sales)	98/2	98/2		99/1
No. of FTE's	2,707	2,635	3	2,690

For a description of the business area activities, see note 3. Comparative numbers for 2014 have been restated following structural changes, see the annual report 2014, note 50, for more information.

Sales, income and margin

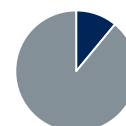
- Sales declined during the first quarter 2015 compared to the same period 2014 as a result of a somewhat lower production volume in Gripen C/D and a transition within Gripen E from development phase to production.
- The operating margin during the first quarter 2015 was lower than for the same period 2014, mainly due to a changed project mix and higher development costs related to the T-X program, where Saab is cooperating with Boeing to participate in the U.S. Air Force's upcoming procurement of trainer aircraft.

Cash flow

- Operational cash flow was positive, primarily due to large milestone payments received during the period.



Large orders
Orders where the total order value exceeded MSEK 100 represented 11 per cent (11) of total order bookings during the first three months of 2015.



Market
Sales related to markets outside Sweden accounted for 11 per cent (11) during the first three months of 2015.

BUSINESS AREA DYNAMICS

MSEK	Jan-Mar 2015	Jan-Mar 2014	Change, %	Full Year 2014
Order bookings	1,099	449	145	2,325
Order backlog	4,404	4,278	3	3,915
Sales	628	716	-12	2,974
EBITDA	-13	43		226
EBITDA margin, %	-2.1	6.0		7.6
Operating income/loss (EBIT)	-28	28		165
Operating margin, %	-4.5	3.9		5.5
Operational cash flow	-97	105		-69
Defence/Civil (% of sales)	82/18	86/14		84/16
No. of FTE's	1,464	1,451	1	1,461

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

Orders

- Order bookings were higher during the first quarter 2015 compared to the same period 2014 as a result of larger orders particularly within the weapon systems area.
- FMV ordered continued development of the New Lightweight Torpedo plus maintenance agreements for underwater weapon systems and the Hydra sonar system.

Sales, income and margin

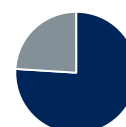
- Sales decreased during the first quarter 2015, compared to the same period 2014, following low order bookings in the past two years.
- The operating margin was at a lower level during the first quarter 2015, compared to the same period 2014, due to a changed product mix and a lower activity level.

Cash flow

- Operational cash flow was negative during the first quarter 2015 as a result of a high activity level in large projects that will be delivered during the year.



Large orders
Orders where the total order value exceeded MSEK 100 represented 60 per cent (60) of total order bookings during the first three months of 2015.



Market
Sales related to markets outside Sweden accounted for 76 per cent (81) during the first three months of 2015.

BUSINESS AREA ELECTRONIC DEFENCE SYSTEMS

MSEK	Jan-Mar 2015	Jan-Mar 2014	Change, %	Full Year 2014
Order bookings	1,233	868	42	2,484
Order backlog	6,798	7,818	-13	6,365
Sales	875	852	3	4,052
EBITDA	131	78	68	625
EBITDA margin, %	15.0	9.2		15.4
Operating income/loss (EBIT)	29	-25		211
Operating margin, %	3.3	-2.9		5.2
Operational cash flow	-99	-398		-589
Defence/Civil (% of sales)	98/2	97/3		97/3
No. of FTE's	2,131	2,179	-2	2,190

For a description of the business area activities, see note 3. Comparative numbers for 2014 have been restated following structural changes, see the annual report 2014, note 50, for more information.

Orders

- Orders received during the first quarter 2015 included an order from the Indian armed forces related to an integrated self-protection system.

Sales, income and margin

- The positive operating income for the first quarter 2015 was mainly a result of lower cost for product development and a somewhat changed product mix, compared to the same period 2014.

Cash flow

- The operational cash flow was negative during the first quarter 2015 due to a high activity level in some projects.



Large orders

Orders where the total order value exceeded MSEK 100 represented 60 per cent (40) of total order bookings during the first three months of 2015.



Market

Sales related to markets outside Sweden accounted for 71 per cent (72) during the first three months of 2015.

BUSINESS AREA SECURITY AND DEFENCE SOLUTIONS

MSEK	Jan-Mar 2015	Jan-Mar 2014	Change, %	Full Year 2014
Order bookings	1,448	1,321	10	6,110
Order backlog	7,088	5,666	25	6,823
Sales	1,292	1,156	12	5,762
EBITDA	96	11		468
EBITDA margin, %	7.4	1.0		8.1
Operating income (EBIT)	64	-12		356
Operating margin, %	5.0	-1.0		6.2
Operational cash flow	135	-136		157
Defence/Civil (% of sales)	71/29	62/38		68/32
No. of FTE's	3,201	2,503	28	3,234

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

Orders

- Order bookings increased during the first quarter 2015, compared to the same period 2014, mainly as a result of orders within the underwater area.

Sales, income and margin

- Sales increased during the first quarter 2015, compared to the same period 2014, as a result of the acquisition of Saab Kockums.
- The operating income for the first quarter 2015 was higher compared to the same period 2014, as a result of positive impact of ongoing cost efficiency measures and a positive operating income in the business unit Saab Kockums.

Cash flow

- The operational cash flow was positive as a result of timing differences between activity and milestone payments during the quarter.

Personnel

- The number of FTE's decreased during the first quarter 2015, compared to year-end 2014, following continuous adjustments of operations. The number of FTE's increased compared to the first quarter 2014, following the acquisition of Saab Kockums in July 2014.



Large orders

Orders where the total order value exceeded MSEK 100 represented 43 per cent (45) of total order bookings during the first three months of 2015.



Market

Sales related to markets outside Sweden accounted for 58 per cent (76) during the first three months of 2015.

BUSINESS AREA SUPPORT AND SERVICES

MSEK	Jan-Mar 2015	Jan-Mar 2014	Change, %	Full Year 2014
Order bookings	471	737	-36	4,720
Order backlog	7,600	6,590	15	7,976
Sales	929	839	11	3,570
EBITDA	88	91	-3	394
EBITDA margin, %	9.5	10.8		11.0
Operating income (EBIT)	83	87	-5	376
Operating margin, %	8.9	10.4		10.5
Operational cash flow	-212	404		-32
Defence/Civil (% of sales)	72/28	78/22		76/24
No. of FTE's	1,842	1,725	7	1,818

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

Orders

- Order bookings in the first quarter 2015 were lower than in the same period 2014, due to fewer large orders, meanwhile small orders were at a good level.

Sales, income and margin

- Sales increased in the first quarter 2015, compared to the same period 2014, as a result of a favourable invoicing pace in small and mid-sized projects.
- The operating margin declined slightly in the first quarter 2015, compared to the first quarter 2014, due to a changed project mix.

Cash flow

- Operational cash flow was negative during the first quarter 2015, mainly due to timing differences between activity and milestone payments during the quarter.



Large orders

Orders where the total order value exceeded MSEK 100 represented 15 per cent (15) of total order bookings during the first three months of 2015.



Market

Sales related to markets outside Sweden accounted for 42 per cent (33) during the first three months of 2015.

BUSINESS AREA INDUSTRIAL PRODUCTS AND SERVICES

MSEK	Jan-Mar 2015	Jan-Mar 2014	Change, %	Full Year 2014
Order bookings	1,034	833	24	2,604
Order backlog	9,709	10,432	-7	9,537
Sales	866	787	10	3,465
EBITDA	43	20		143
EBITDA margin, %	5.0	2.5		4.1
Operating income (EBIT)	34	12		112
Operating margin, %	3.9	1.5		3.2
Operational cash flow	45	2		-320
Defence/Civil (% of sales)	37/63	47/53		43/57
No. of FTE's	2,412	2,311	4	2,370

For a description of the business area activities, see note 3. Comparative numbers for 2014 have been restated following structural changes, see the annual report 2014, note 50, for more information.

Orders and sales

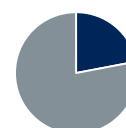
- Orders bookings were higher in the first quarter 2015, compared to the same period 2014, mainly due to orders received in the business unit Avionics Systems related to Gripen.
- The business unit Combitech saw improved market conditions in Sweden, but a continued challenging market situation in Norway during the first quarter 2015.

Income and margin

- Sales were higher in the first quarter 2015, compared to the same period 2014, mainly due to more deliveries within the business unit Aerostructures.
- The operating margin was higher in the first quarter 2015, compared to the same period 2014, mainly due to an improved result in Combitech.

Cash flow

- The operational cash flow was higher in the first quarter 2015, compared to the same period 2014, as a result of efficiency measures within both Combitech and Avionics Systems.



Large orders

Orders where the total order value exceeded MSEK 100 represented 22 per cent (45) of total order bookings during the first three months of 2015.



Market

Sales related to markets outside Sweden accounted for 47 per cent (39) during the first three months of 2015.

Owners

According to SIS Ägarservice, Saab's largest shareholders as of 31 March 2015 were:

Investor AB
Wallenberg foundations
Swedbank Robur funds
AFA Insurance
Unionen
SHB funds
Nordea funds
First AP fund
DFA funds
Odey funds

Personnel

	31 Mar 2015	1 Jan 2015
Number of employees	14,745	14,716
FTE's	14,598	14,561

Corporate

Corporate reported an operating income of MSEK -26 (73) in the first quarter 2015.

During the first quarter, the 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 effect was lower than in the same period 2014.

In 2014, the owned share of the portfolio was divested and the part held via operating leases was reduced. As of 31 March 2015, Saab has a lease portfolio of 0 (23) aircraft, consisting of an owned share of 0 (6) and a leased share of 0 (17). The agreements for the leased aircraft expired in January and the lease portfolio will be discontinued during 2015.

Acquisitions and divestments 2015

No significant acquisitions or divestments were made or announced during the first quarter 2015.

Share repurchase

Saab held 3,583,415 treasury shares as of 31 March 2015, compared to 3,650,364 at year-end 2014. The Annual General Meeting on 15 April 2015 authorised the Board of Directors to repurchase up to 10 per cent of Saab's shares to hedge the Share Matching Plan and Performance Share Plan.

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 can entail various degrees of risk. The key risk areas are political, operating and financial. Various policies and instructions govern the management of significant risks. Saab conducts significant development projects and manages the associated risks.

The market is characterised by challenging conditions where customers' orders are deferred to the future partially due to financial reasons. During the first quarter, we have also seen that political standpoints have had a negative impact. Altogether, this has increased the market risk and we expect that the increased risk will remain in the coming quarters.

For a general description of the risk areas, see pages 50-53 of the annual report 2014.



Next generation submarine - A26

In June 2014, Saab and FMV signed a Letter of Intent regarding the Swedish armed forces' underwater capability for the period 2015-2024. The Letter of intent comprises maintenance, development, construction and production of submarines and other underwater systems.

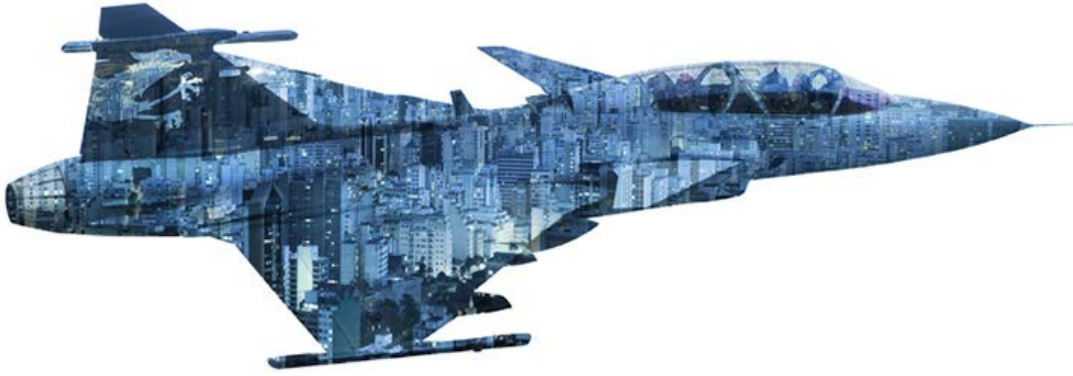
Other significant events January–March 2015

- In January 2015, Saab signed a revolving credit facility of SEK 4 billion with an initial term of five years and a possibility to extend the term with one plus one year. This is done in order to refinance the existing facility with maturity 2016 and to be used for general corporate purposes.
- Saab announced that it is teaming with Dutch shipbuilder Damen Shipyards Group to explore future opportunities in the international submarine market.
- The Air Navigation Service Provider (LFV), has commissioned Saab to install the Remote Tower solution at Linköping Airport, Sweden.

For information regarding large orders received between January and March 2015, see page 2 and the comments regarding Business Areas on pages 5 to 7 and also note 3.

Significant events after the conclusion of the period

- The Annual General Meeting (AGM) on 15 April 2015 decided on a dividend to shareholders of SEK 4.75 per share (total MSEK 501). The record date was set at 17 April 2015 and the payment date 22 April.
- The AGM decided to re-elect all Board members: Håkan Buskhe, Johan Forssell, Sten Jakobsson, Sara Mazur, Per-Arne Sandström, Cecilia Stegö Chilò, Lena Treschow Torell, Marcus Wallenberg and Joakim Westh. Marcus Wallenberg was re-elected as Chairman of the Board.
- The AGM decided to re-elect PricewaterhouseCoopers AB as Auditor for the term until the close of the Annual General Meeting of 2019.
- Saab and Embraer have signed an agreement that establishes a partnership regarding the procurement of Gripen for Brazil. The partnership agreement is part of Saab's commitment to deliver industrial co-operation in relation to the procurement. Embraer will have a leading role in the programme and also undertake an extensive share of work in the production and delivery of both the single- and two-seat versions of the Gripen NG, Brazil's next-generation fighter jet.
- In April, Saab signed a revolving credit facility of SEK 2 billion with maturity 2020-01-15 and a possibility to extend the term with one plus one year. The facility will be used for general corporate purposes and strengthens Saab's financial flexibility in connection with expansion.



ABOUT SAAB

Saab serves the global market with world-leading products, services and solutions ranging from military defence to civil security. Saab has operations and employees on all continents and constantly develops, adopts and improves new technology to meet customers' changing needs.

Short facts

- Saab's series B share is listed on Nasdaq Stockholm Large Cap. Ticker: SAAB B.
- Saab has 14,700 employees
- Local presence in 33 countries
- Customers in more than 100 countries

Vision

It is a human right to feel safe.

Mission

To make people safe by pushing intellectual and technological boundaries.

Business concept

Saab constantly develops, adopts and improves new technology to meet changing customer needs. Saab serves the global market of governments, authorities and corporations with products, services and solutions for defence, aviation and civil security.

ORGANISATION

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 Industrial Products and Services. In addition, Corporate comprises Group staff and departments as well as secondary operations such as Saab Aircraft Leasing.

To ensure presence in local key markets, Saab also has five market areas: Nordic & Baltic, Europe, Middle East and Africa, North America, Latin America and Asia Pacific.

REVENUE MODEL

Saab's earnings are primarily generated by long-term customer contracts, service assignments and sale of goods. Margins vary depending on the nature of the project.

Long-term customer contracts entail the development and manufacture of complex systems. These account for nearly 60 per cent of sales. Long-term contracts are continually recognised in revenue, meaning that income and expenses are recognised as the project is completed. Cash flows for these contracts depend on the timing of advance payments and milestone payments during the order and execution period.

Service assignments, which account for around 25 per cent of Saab's sales, are comprised of consulting and support services. Examples include training and ongoing maintenance associated with previous deliveries.

The third part of Saab's sales model is the sale of products and spare parts that Saab manufactures and stocks or purchases on behalf of customers.

SAAB'S STRATEGY

Saab's strategy is built on four priority areas. Our aim is to create long-term value by accomplishing these strategic priorities.

Saab shall also maintain a solid balance sheet, focus on capital efficiency and generate strong cash flow.

Profitable growth

Local presence on prioritised markets enables us to strengthen the relationship with our customers. We focus on markets where we have a strong market position and on product areas with good growth opportunities.

Performance

We have a long tradition of integrating high-tech systems and we reconsider and develop our tools, methods, and work procedures continuously. This enables us to offer high performance and cost efficient solutions.

Portfolio

The portfolio is focused on areas with significant competitive advantages and growth potential. Investments are made in product innovation, development of prioritised products and system integration expertise. Acquisition of businesses shall strengthen key areas and add to our local presence.

People

Saab shall be an employer of choice in the global market. We are focusing on securing and developing the right skills for current and future needs. Motivated, driven and high performing employees are the backbone of our offering, efficiency and growth.

FINANCIAL TARGETS

Sales

The organic sales growth should average 5 per cent annually over a business cycle.

Operating margin

The operating margin (EBIT) should be at least 10 per cent per year – the target is formulated as an average over a business cycle.

Equity/assets ratio

The equity/assets ratio should be over 30 per cent.

Dividend

The long-term dividend objective is to distribute 20–40 per cent of net income to shareholders over a business cycle.

CONSOLIDATED INCOME STATEMENT

MSEK	Note	Jan-Mar 2015	Jan-Mar 2014	Rolling 12 Months	Full Year 2014
Sales	3	5,389	5,280	23,636	23,527
Cost of goods sold		-4,073	-3,919	-17,604	-17,450
Gross income		1,316	1,361	6,032	6,077
<i>Gross margin, %</i>		<i>24.4</i>	<i>25.8</i>	<i>25.5</i>	<i>25.8</i>
Other operating income		22	45	407	430
Marketing expenses		-479	-484	-2,139	-2,144
Administrative expenses		-297	-280	-1,231	-1,214
Research and development costs		-358	-364	-1,481	-1,487
Other operating expenses		-4	-7	-18	-21
Share in income of associated companies and joint ventures		10	-1	29	18
Operating income (EBIT) ¹⁾	3	210	270	1,599	1,659
<i>Operating margin, %</i>		<i>3.9</i>	<i>5.1</i>	<i>6.8</i>	<i>7.1</i>
Financial income		27	22	108	103
Financial expenses		-115	-57	-297	-239
Net financial items		-88	-35	-189	-136
Income before taxes		122	235	1,410	1,523
Taxes		-32	-59	-328	-355
Net income for the period		90	176	1,082	1,168
of which Parent Company's shareholders' interest		84	175	1,062	1,153
of which non-controlling interest		6	1	20	15
Earnings per share before dilution, SEK ²⁾		0.80	1.64	10.03	10.86
Earnings per share after dilution, SEK ³⁾		0.79	1.63	9.95	10.78
1) Includes depreciation/amortisation and write-downs of which depreciation of leasing aircraft		-228 -	-210 -4	-890 -4	-872 -8
2) Average number of shares before dilution		105,533,455	106,454,142	105,895,494	106,125,666
3) Average number of shares after dilution.		106,402,040	107,299,002	106,738,059	106,916,255

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MSEK	Jan-Mar 2015	Jan-Mar 2014	Rolling 12 Months	Full Year 2014
Net income for the period	90	176	1,082	1,168
Other comprehensive income/loss:				
Items that will not be reversed in the income statement:				
Revaluation of net pension obligations	-524	-681	-1,063	-1,220
Tax attributable to revaluation of net pension obligations	115	150	231	266
Total	-409	-531	-832	-954
Items that may be reversed in the income statement:				
Translation differences	265	26	756	517
Available-for-sale financial assets	72	-	99	27
Cash flow hedges	-79	-80	-1,162	-1,163
Tax attributable to cash flow hedges	15	19	249	253
Total	273	-35	-58	-366
Other comprehensive income/loss for the period	-136	-566	-890	-1,320
Net comprehensive income/loss for the period	-46	-390	192	-152
of which Parent Company's shareholders' interest	-57	-387	163	-167
of which non-controlling interest	11	-3	29	15

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MSEK	Note	31 Mar 2015	31 Dec 2014	31 Mar 2014
ASSETS				
Fixed assets:				
Intangible fixed assets	5	6,415	6,351	6,273
Tangible fixed assets		4,260	3,702	3,348
Biological assets		288	289	295
Investment properties		33	33	31
Shares in associated companies and joint ventures		433	397	440
Financial investments		366	292	275
Long-term receivables	10	226	152	122
Deferred tax assets		805	656	263
Total fixed assets		12,826	11,872	11,047
Current assets:				
Inventories		6,436	5,819	5,020
Derivatives		1,155	469	362
Tax receivables		84	60	108
Accounts receivable		2,616	3,414	2,377
Other receivables		4,640	4,255	3,701
Prepaid expenses and accrued income		1,255	1,113	1,015
Short-term investments		792	1,270	1,858
Liquid assets	8	869	1,284	1,154
Total current assets		17,847	17,684	15,595
TOTAL ASSETS		30,673	29,556	26,642
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity:				
Parent Company's shareholders' interest		11,247	11,291	11,764
Non-controlling interest		93	82	69
Total shareholders' equity		11,340	11,373	11,833
Long-term liabilities:				
Long-term interest-bearing liabilities	6	2,558	2,105	1,081
Other liabilities		148	141	189
Provisions for pensions	10	3,758	3,149	2,326
Other provisions		1,160	1,234	910
Deferred tax liabilities		45	48	374
Total long-term liabilities		7,669	6,677	4,880
Current liabilities:				
Short-term interest-bearing liabilities	6	303	264	264
Advance payments from customers		784	856	729
Accounts payable		1,738	1,840	1,519
Derivatives		2,002	1,400	337
Tax liabilities		27	47	53
Other liabilities		738	978	703
Accrued expenses and deferred income		5,631	5,609	5,767
Provisions		441	512	557
Total current liabilities		11,664	11,506	9,929
Total liabilities		19,333	18,183	14,809
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		30,673	29,556	26,642

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 2014	1,746	543	346	-353	11	9,843	12,136	91	12,227
Net comprehensive income/loss 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
Net comprehensive income/loss for the period April-December 2014			-851	488	27	556	220	18	238
Transactions with shareholders:									
Repurchase of shares						-252	-252		-252
Share matching plan						38	38		38
Dividend						-479	-479	-5	-484
Closing balance, 31 December 2014	1,746	543	-562	161	38	9,365	11,291	82	11,373
Opening balance, 1 January 2015	1,746	543	-562	161	38	9,365	11,291	82	11,373
Net comprehensive income/loss for the period			-67	263	72	-325	-57	11	-46
Transactions with shareholders:									
Share matching plan						13	13		13
Closing balance, 31 March 2015	1,746	543	-629	424	110	9,053	11,247	93	11,340

CONSOLIDATED STATEMENT OF CASH FLOWS

MSEK	Note	Jan-Mar 2015	Jan-Mar 2014	Full Year 2014
Operating activities:				
Income after financial items		122	235	1,523
Adjustments for items not affecting cash flows		149	244	725
Income tax paid		-64	-98	-394
Cash flow from operating activities before changes in working capital		207	381	1,854
Cash flow from changes in working capital:				
Increase(-)/Decrease(+) in inventories		-608	-489	-856
Increase(-)/Decrease(+) in current receivables		322	761	-282
Increase(+)/Decrease(-) in advance payments from customers		-85	-88	21
Increase(+)/Decrease(-) in other current liabilities		-391	-555	-914
Increase(+)/Decrease(-) in provisions		-158	-143	-536
Cash flow from operating activities		-713	-133	-713
Investing activities:				
Investments in intangible fixed assets		-24	-9	-68
Capitalised development costs		-51	-36	-171
Investments in tangible fixed assets		-150	-149	-732
Sales and disposals of tangible fixed assets		-	4	15
Sales and disposals of lease assets		-	62	105
Sale of and Investments in short-term investments		480	148	720
Investments in other financial assets		-7	-	-
Sale of other financial assets		-	27	40
Investments in operations and associated companies, net effect on liquidity	9	-6	-38	152
Sale of subsidiaries and associated companies, net effect on liquidity		4	-18	299
Cash flow from investing activities		246	-9	360
Financing activities:				
Repayments of loans		-	-469	-468
Raising of loans		8	-	1,000
Repurchase of shares		-	-	-252
Dividend paid to Parent Company's shareholders		-	-	-479
Dividend paid to non-controlling interest		-	-	-5
Cash flow from financing activities		8	-469	-204
Cash flow for the period		-459	-611	-557
Liquid assets at the beginning of the period		1,284	1,764	1,764
Exchange rate difference in liquid assets		44	1	77
Liquid assets at end of period	8	869	1,154	1,284

QUARTERLY INCOME STATEMENT

MSEK	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013
Sales	5,389	7,425	5,130	5,692	5,280	7,279	4,723	5,886
Cost of goods sold	-4,073	-5,574	-3,800	-4,157	-3,919	-5,426	-3,459	-4,287
Gross income	1,316	1,851	1,330	1,535	1,361	1,853	1,264	1,599
<i>Gross margin, %</i>	<i>24.4</i>	<i>24.9</i>	<i>25.9</i>	<i>27.0</i>	<i>25.8</i>	<i>25.5</i>	<i>26.8</i>	<i>27.2</i>
Other operating income	22	261	77	47	45	83	63	29
Marketing expenses	-479	-629	-511	-520	-484	-565	-471	-533
Administrative expenses	-297	-333	-300	-301	-280	-338	-219	-291
Research and development costs	-358	-416	-322	-385	-364	-490	-380	-434
Other operating expenses	-4	3	-10	-7	-7	-19	9	-238
ventures	10	21	-6	4	-1	10	-	17
Operating income (EBIT) ¹⁾	210	758	258	373	270	534	266	149
<i>Operating margin, %</i>	<i>3.9</i>	<i>10.2</i>	<i>5.0</i>	<i>6.6</i>	<i>5.1</i>	<i>7.3</i>	<i>5.6</i>	<i>2.5</i>
Share of income in associated companies	-	-	-	-	-	-	-1	-
Financial income	27	52	19	10	22	15	16	13
Financial expenses	-115	-70	-48	-64	-57	-189	-27	-151
Net financial items	-88	-18	-29	-54	-35	-174	-12	-138
Income before taxes	122	740	229	319	235	360	254	11
Taxes	-32	-154	-59	-83	-59	-73	-62	-10
Net income for the period	90	586	170	236	176	287	192	1
of which Parent Company's shareholders' interest	84	579	166	233	175	281	189	2
of which non-controlling interest	6	7	4	3	1	6	3	-1
Earnings per share before dilution, SEK ²⁾	0.80	5.49	1.57	2.19	1.64	2.64	1.78	0.02
Earnings per share after dilution, SEK ³⁾	0.79	5.45	1.55	2.17	1.63	2.57	1.73	0.02
1) includes depreciation/amortisation and write-downs of which depreciation of leasing aircraft	-228 -	-230 -1	-221 -2	-211 -1	-210 -4	-278 -2	-256 -7	-256 -7
2) average number of shares before dilution	105,533,455	105,438,516	106,060,673	106,549,332	106,454,142	106,342,403	106,196,870	106,028,640
3) average number of shares after dilution	106,402,040	106,239,161	106,888,805	107,422,230	107,299,002	109,150,344	109,150,344	109,150,344

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

As of 2014, the dilution 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 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013
Net income for the period	90	586	170	236	176	287	192	1
Other comprehensive income/loss:								
Items that will not be reversed in the income statement:								
Revaluation of net pension obligations	-524	-173	-324	-42	-681	68	101	647
Tax attributable to revaluation of net pension obligations	115	36	71	9	150	-24	-22	-142
Total	-409	-137	-253	-33	-531	44	79	505
Items that may be reversed in the income statement:								
Translation differences	265	174	169	148	26	28	-122	42
Net gain/loss on available-for-sale financial assets	72	10	-77	94	-	116	-53	-63
Net gain/loss on cash flow hedges	-79	-315	-517	-251	-80	-174	196	-300
Tax attributable to net gain/loss on cash flow hedges	15	67	114	53	19	39	-44	68
Total	273	-64	-311	44	-35	9	-23	-253
Other comprehensive income/loss for the period	-136	-201	-564	11	-566	53	56	252
Net comprehensive income/loss for the period	-46	385	-394	247	-390	340	248	253
of which Parent Company's shareholders' interest	-57	381	-398	237	-387	335	242	262
of which non-controlling interest	11	4	4	10	-3	5	6	-9

KEY RATIOS BY QUARTER

MSEK	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013
Equity/assets ratio, (%)	37.0	38.5	40.1	42.7	44.4	44.0	44.6	42.4
Return on capital employed, % ¹⁾	10.6	11.1	9.7	9.8	8.3	9.1	10.2	10.5
Return on equity, % ¹⁾	9.3	9.9	7.6	7.7	5.5	6.3	8.8	8.7
Equity per share, SEK ²⁾	106.54	107.02	103.41	108.20	110.47	114.04	110.94	108.69
Free cash flow, MSEK	-941	1,006	-710	-1,074	-316	553	-940	-748
Free cash flow per share after dilution, SEK ³⁾	-8.84	9.47	-6.64	-10.00	-2.95	5.07	-8.61	-6.85

1) Measured over a rolling 12-month period

2) Number of shares excluding treasury shares

3) Average number of shares after dilution

105,566,929	105,499,980	105,377,052	106,604,525	106,494,139	106,414,144	106,270,662	106,123,078
106,402,040	106,239,161	106,888,805	107,422,230	107,299,002	109,150,344	109,150,344	109,150,344

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

As of 2014, the dilution 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 INFORMATION PER BUSINESS AREA

MSEK	Q1 2015	Operating margin	Q4 2014	Operating margin	Q3 2014	Operating margin	Q2 2014	Operating margin
Sales								
Aeronautics	1,098		1,833		998		1,295	
Dynamics	628		929		599		730	
Electronic Defence Systems	875		1,154		953		1,093	
Security and Defence Solutions	1,292		1,999		1,367		1,240	
Support and Services	929		1,039		794		898	
Industrial Products and Services	866		1,017		773		888	
Internal sales	-299		-546		-354		-452	
Total	5,389		7,425		5,130		5,692	
Operating income/loss								
Aeronautics	54	4.9%	160	8.7%	23	2.3%	108	8.3%
Dynamics	-28	-4.5%	127	13.7%	-26	-4.3%	36	4.9%
Electronic Defence Systems	29	3.3%	86	7.5%	100	10.5%	50	4.6%
Security and Defence Solutions	64	5.0%	222	11.1%	71	5.2%	75	6.0%
Support and Services	83	8.9%	124	11.9%	43	5.4%	122	13.6%
Industrial Products and Services	34	3.9%	79	7.8%	1	0.1%	20	2.3%
Corporate	-26		-40		46		-38	
Total	210	3.9%	758	10.2%	258	5.0%	373	6.6%

MSEK	Q1 2014	Operating margin
Sales		
Aeronautics	1,328	
Dynamics	716	
Electronic Defence Systems	852	
Security and Defence Solutions	1,156	
Support and Services	839	
Industrial Products and Services	787	
Internal sales	-398	
Total	5,280	
Operating income/loss		
Aeronautics	107	8.1%
Dynamics	28	3.9%
Electronic Defence Systems	-25	-2.9%
Security and Defence Solutions	-12	-1.0%
Support and Services	87	10.4%
Industrial Products and Services	12	1.5%
Corporate	73	
Total	270	5.1%

2014 has been restated according to the structural changes described in the annual report 2014, note 50.

MULTI-YEAR OVERVIEW

MSEK	2014	2013	2012	2011	2010
Order bookings	22,602	49,809	20,683	18,907	26,278
Order backlog at 31 December	60,128	59,870	34,151	37,172	41,459
Sales	23,527	23,750	24,010	23,498	24,434
<i>Sales in Sweden, %</i>	<i>45</i>	<i>41</i>	<i>36</i>	<i>37</i>	<i>38</i>
<i>Sales in EU excluding Sweden, %</i>	<i>16</i>	<i>17</i>	<i>19</i>	<i>19</i>	<i>19</i>
<i>Sales in Americas, %</i>	<i>12</i>	<i>13</i>	<i>12</i>	<i>8</i>	<i>9</i>
<i>Sales in Rest of the world, %</i>	<i>27</i>	<i>30</i>	<i>33</i>	<i>36</i>	<i>34</i>
Operating income (EBIT)	1,659	1,345	2,050	2,941	975
<i>Operating margin, %</i>	<i>7.1</i>	<i>5.7</i>	<i>8.5</i>	<i>12.5</i>	<i>4.0</i>
EBITDA	2,523	2,367	3,186	4,088	2,187
<i>EBITDA margin, %</i>	<i>10.7</i>	<i>10.0</i>	<i>13.3</i>	<i>17.4</i>	<i>9.0</i>
Income after financial items	1,523	979	2,003	2,783	776
Net income for the year	1,168	742	1,560	2,217	454
Total assets	29,556	27,789	28,938	31,799	29,278
Free cash flow	-1,094	-1,460	-396	2,477	4,349
<i>Return on capital employed, %</i>	<i>11.1</i>	<i>9.1</i>	<i>14.6</i>	<i>22.2</i>	<i>7.9</i>
<i>Return on equity, %</i>	<i>9.9</i>	<i>6.3</i>	<i>12.8</i>	<i>18.1</i>	<i>4.1</i>
<i>Equity/assets ratio, %</i>	<i>38.5</i>	<i>44.0</i>	<i>39.0</i>	<i>41.1</i>	<i>39.1</i>
Earnings per share before dilution, SEK ^{2) 4)}	10.86	6.98	15.00	21.19	4.12
Earnings per share after dilution, SEK ^{3) 4)}	10.78	6.79	14.52	20.38	3.97
Dividend per share, SEK	4.75	4.50	4.50	4.50	3.50
Equity per share, SEK ¹⁾	107.02	114.04	105.43	122.94	107.66
Number of employees at year-end	14,716	14,140	13,968	13,068	12,536

1) Number of shares excluding treasury shares as of 31 December 2014: 105,499,980; 2013: 106,414,144; 2012: 105,930,829; 2011: 105,331,958; 2010: 104,717,729.

2) Average number of shares 2014: 106,125,666; 2013: 106,125,107; 2012: 105,632,911; 2011: 104,982,315; 2010: 105,217,786.

3) Average number of shares 2014: 106,916,255; 2010-2013: 109,150,344.

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

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.

KEY RATIOS AND TARGETS

	Long-term target	Jan-Mar 2015	Jan-Mar 2014	Full Year 2014
Organic sales growth, %	5	-6	-9	-3
Operating margin, %	10	3.9	5.1	7.1
Equity/assets ratio, %	30	37.0	44.4	38.5

PARENT COMPANY INCOME STATEMENT

MSEK	Jan-Mar 2015	Jan-Mar 2014	Full Year 2014
Sales	3,547	3,765	16,175
Cost of goods sold	-2,698	-2,990	-11,869
Gross income	849	775	4,306
<i>Gross margin, %</i>	<i>23.9</i>	<i>20.6</i>	<i>26.6</i>
Operating income and expenses	-758	-754	-3,106
Operating income (EBIT)	91	21	1,200
<i>Operating margin, %</i>	<i>2.6</i>	<i>0.6</i>	<i>7.4</i>
Financial income and expenses	26	10	706
Income after financial items	117	31	1,906
Appropriations	-	-	-419
Income before taxes	117	31	1,487
Taxes	-44	-25	-317
Net income for the period	73	6	1,170

Parent company

Sales and income

The Parent Company includes units within the business areas Aeronautics, Electronic Defence Systems, Security and Defence Solutions, Support and Services, and Industrial Products and Services. Group staff and Group support are included as well. The business area Dynamics is a subsidiary to Saab AB and is not a part of the Parent Company.

The Parent Company's sales in the first quarter 2015 amounted to MSEK 3,547 (3,765). Operating income was MSEK 91 (21).

Net financial income and expenses was MSEK 26 (10). After appropriations of MSEK 0 (0) and taxes of MSEK -44 (-25), net income for the period amounted to MSEK 73 (6).

Liquidity, financing, capital expenditures and number of employees

The Parent Company's net debt amounted to MSEK 3,164 at 31 March 2015 compared to MSEK 2,577 at 31 December 2014.

The cash flow effect of capital expenditures in tangible fixed assets amounted to MSEK 105 (118). Investments in intangible assets amounted to MSEK 22 (9). At the end of the period, the Parent Company had 8,752 employees, compared to 8,695 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 Mar 2015	31 Dec 2014	31 Mar 2014
ASSETS				
Fixed assets:				
Intangible fixed assets		1,050	1,117	1,317
Tangible fixed assets		2,627	2,574	2,339
Financial fixed assets		8,111	8,057	7,658
Total fixed assets		11,788	11,748	11,314
Current assets				
Inventories, etc.		4,959	4,490	3,992
Current receivables		7,986	8,251	6,427
Short term investments		789	1,270	1,843
Liquid assets		258	377	555
Total current assets		13,992	14,388	12,817
TOTAL ASSETS		25,780	26,136	24,131
SHAREHOLDERS' EQUITY AND LIABILITIES				
Equity:				
Restricted equity		2,983	2,983	2,989
Unrestricted equity		5,572	5,486	5,009
Total shareholders' equity		8,555	8,469	7,998
Provisions and liabilities:				
Untaxed reserves		1,979	1,979	1,560
Provisions		690	778	1,087
Liabilities	6	14,556	14,910	13,486
Total provisions and liabilities		17,225	17,667	16,133
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		25,780	26,136	24,131

NOTES

TO THE FINANCIAL STATEMENTS

NOTE 1 Corporate information

Saab AB (publ.), corporate identity no. 556036-0793, with registered office in Linköping, Sweden. The company's head office is located at Gustavslundsvägen 42, Bromma, with the mailing address P.O. Box 12062, SE-102 22 Stockholm, Sweden, and the telephone number +46-8-463 00 00. Saab is listed on Nasdaq Stockholm since 1998 and on the large cap list as of October 2006. The company's operations, including subsidiaries and associated companies, are described in the annual report 2014.

NOTE 2 Accounting principles

The consolidated accounts for the first three months of 2015 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 78 to 84 in the annual report 2014.

The Group and the Parent Company apply the same accounting principles and methods of computation as described in the annual report 2014.

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 2014.

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 Industrial Products and Services. In addition, Corporate comprises Group staff and departments as well as other operations that are not core operations.

Aeronautics

Aeronautics operates in the aerospace and defence industry and engages in advanced development of military and civil aviation technology. The product portfolio consists mainly of the Gripen fighter. Aeronautics also manufactures aircraft components for Saab's own passenger aircraft.

Dynamics

Dynamics offers a highly competitive product portfolio comprising ground combat weapons, missile systems, torpedoes, unmanned underwater vehicles and signature management systems for armed forces as well as unmanned underwater vehicles for the offshore 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, self-protection, and electronic warfare, and a product portfolio covering airborne, land-based and naval radar, electronic support measures and self-protection systems.

Security and Defence Solutions

The operations comprise combat management systems for the navy, air force and army, and also design, construction and maintenance of submarines and surface vessels. The portfolio in addition includes systems for training and simulation, security systems, solutions for secure communication as well as systems for maritime and air traffic management.

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.

Industrial Products and Services

Operations are dominated by business with industrial clients, some of which require that integrity towards Saab's other operations is maintained. The portfolio includes one of Sweden's largest technology consulting firms, Combitech, as well as development, production and global sales of flight safety critical structures and systems in civil and military aircraft. The business area also includes the Venture portfolio, which develops spin-in and spin-off businesses to and from Saab.

Order bookings per business area

MSEK	Jan-Mar 2015	Jan-Mar 2014	Change, %	Rolling 12 Months	Full Year 2014
Aeronautics	204	257	-21	6,160	6,213
Dynamics	1,099	449	145	2,975	2,325
Electronic Defence Systems	1,233	868	42	2,849	2,484
Security and Defence Solutions	1,448	1,321	10	6,237	6,110
Support and Services	471	737	-36	4,454	4,720
Industrial Products and Services	1,034	833	24	2,805	2,604
Internal	-689	-387		-2,156	-1,854
Total	4,800	4,078	18	23,324	22,602

Order backlog per business area

MSEK	31 Mar 2015	31 Dec 2014	31 Mar 2014
Aeronautics	25,494	26,388	24,558
Dynamics	4,404	3,915	4,278
Electronic Defence Systems	6,798	6,365	7,818
Security and Defence Solutions	7,088	6,823	5,666
Support and Services	7,600	7,976	6,590
Industrial Products and Services	9,709	9,537	10,432
Internal	-1,282	-876	-734
Total	59,811	60,128	58,608

NOTE 3 Continued

Significant orders received (approx. values MSEK)	Country	Order value
Self-protection system for the Indian armed forces' Dhruv helicopter	India	740

Sales per business area

MSEK	Jan-Mar 2015	Jan-Mar 2014	Change, %	Rolling 12 Months	Full Year 2014
Aeronautics	1,098	1,328	-17	5,224	5,454
of which external sales	1,092	1,289	-15	5,045	5,242
of which internal sales	6	39	-85	179	212
Dynamics	628	716	-12	2,886	2,974
of which external sales	594	672	-12	2,762	2,840
of which internal sales	34	44	-23	124	134
Electronic Defence Systems	875	852	3	4,075	4,052
of which external sales	846	797	6	3,916	3,867
of which internal sales	29	55	-47	159	185
Security and Defence Solutions	1,292	1,156	12	5,898	5,762
of which external sales	1,261	1,121	12	5,775	5,635
of which internal sales	31	35	-11	123	127
Support and Services	929	839	11	3,660	3,570
of which external sales	903	797	13	3,477	3,371
of which internal sales	26	42	-38	183	199
Industrial Products and Services	866	787	10	3,544	3,465
of which external sales	670	593	13	2,665	2,588
of which internal sales	196	194	1	879	877
Corporate/eliminations	-299	-398		-1,651	-1,750
of which external sales	23	11		-4	-16
of which internal sales	-322	-409		-1,647	-1,734
Total	5,389	5,280	2	23,636	23,527

Sales per region

MSEK	Jan-Mar 2015	% of sales	Jan-Mar 2014	% of sales	Full Year 2014	% of sales
Sweden	2,618	49	2,518	48	10,512	45
Rest of EU	899	17	845	16	3,770	16
Rest of Europe	101	2	88	2	592	3
Total Europe	3,618	67	3,451	65	14,874	63
North America	513	10	331	6	2,387	10
Latin America	101	2	125	2	508	2
Asia	839	16	1,009	19	4,007	17
Africa	114	2	170	3	573	2
Australia, etc.	204	4	194	4	1,178	5
Total	5,389	100	5,280	100	23,527	100

Information on large customers

In the first quarter 2015, 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 2,017 (1,929).

Seasonal variation

A major part of Saab's 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 to the other quarters. The fourth quarter is also usually affected by a higher number of deliveries, mainly within Dynamics.

NOTE 3 Continued

Operating income per business area

MSEK	Jan-Mar 2015	% of sales	Jan-Mar 2014	% of sales	Rolling 12 Months	Full Year 2014
Aeronautics	54	4.9	107	8.1	345	398
Dynamics	-28	-4.5	28	3.9	109	165
Electronic Defence Systems	29	3.3	-25	-2.9	265	211
Security and Defence Solutions	64	5.0	-12	-1.0	432	356
Support and Services	83	8.9	87	10.4	372	376
Industrial Products and Services	34	3.9	12	1.5	134	112
The business area's total operating income	236	4.4	197	3.7	1,657	1,618
Corporate	-26		73		-58	41
Total	210	3.9	270	5.1	1,599	1,659

Depreciation/amortisation and write-downs per business area

MSEK	Jan-Mar 2015	Jan-Mar 2014	Change, %	Rolling 12 Months	Full Year 2014
Aeronautics	11	10	10	42	41
Dynamics	15	15	-	61	61
Electronic Defence Systems	102	103	-1	413	414
Security and Defence Solutions	32	23	39	121	112
Support and Services	5	4	25	19	18
Industrial Products and Services	9	8	13	32	31
Corporate – lease aircraft	-	4	-100	4	8
Corporate – other	54	43	26	198	187
Total	228	210	9	890	872

Operational cash flow per business area

MSEK	Jan-Mar 2015	Jan-Mar 2014	Rolling 12 Months	Full Year 2014
Aeronautics	46	-142	-213	-401
Dynamics	-97	105	-271	-69
Electronic Defence Systems	-99	-398	-290	-589
Security and Defence Solutions	135	-136	428	157
Support and Services	-212	404	-648	-32
Industrial Products and Services	45	2	-277	-320
Corporate	-623	-3	-563	57
Total	-805	-168	-1,834	-1,197

Capital employed per business area

MSEK	31 Mar 2015	31 Dec 2014	31 Mar 2014
Aeronautics	1,877	2,152	1,938
Dynamics	2,269	2,186	1,902
Electronic Defence Systems	4,540	4,621	4,160
Security and Defence Solutions	4,103	4,257	3,223
Support and Services	2,428	2,214	1,637
Industrial Products and Services	1,640	1,660	1,213
Corporate	357	-761	1,069
Total	17,214	16,329	15,142

Full time equivalents (FTE's) per business area

Number at end of the year	31 Mar 2015	31 Dec 2014	31 Mar 2014
Aeronautics	2,707	2,690	2,635
Dynamics	1,464	1,461	1,451
Electronic Defence Systems	2,131	2,190	2,179
Security and Defence Solutions	3,201	3,234	2,503
Support and Services	1,842	1,818	1,725
Industrial Products and Services	2,412	2,370	2,311
Corporate	841	798	757
Total	14,598	14,561	13,561

NOTE 4 Dividend to Parent Company's shareholders

At the Annual General Meeting 2015 on 15 April, it was decided that the Parent Company's shareholders should receive a dividend of SEK 4.75 per share, totalling MSEK 501.

The record date for the dividend was set at 17 April 2015 and payment of dividend at 22 April 2015.

NOTE 5 Intangible fixed assets

MSEK	31 Mar 2015	31 Dec 2014	31 Mar 2014
Goodwill	5,112	5,015	4,606
Capitalised development costs	930	952	1,295
Other intangible assets	373	384	372
Total	6,415	6,351	6,273

NOTE 6 Net liquidity/debt

MSEK	31 Mar 2015	31 Dec 2014	31 Mar 2014
Assets:			
Liquid assets	869	1,284	1,154
Short-term investments	792	1,270	1,858
Total liquid investments	1,661	2,554	3,012
Short-term interest-bearing receivables	7	5	11
Long-term interest-bearing receivables	85	83	76
Long-term receivables attributable to pensions	59	59	36
Long-term interest-bearing financial investments	144	142	140
Total interest-bearing assets	1,956	2,843	3,275
Liabilities:			
Liabilities to credit institutions	2,001	2,001	1,000
Liabilities to associated companies and joint ventures	257	244	236
Other interest-bearing liabilities	603	124	109
Provisions for pensions ¹⁾	3,014	2,587	1,964
Total interest-bearing liabilities and provisions for pensions	5,875	4,956	3,309
Net debt	-3,919	-2,113	-34

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

NOTE 6 Continued

Committed credit lines

MSEK	Facilities	Drawings	Available
Revolving credit facility (Maturity 2020)	4,000	-	4,000
Overdraft facility (Maturity 2015)	99	-	99
Total	4,099	-	4,099

After the conclusion of the period Saab signed a revolving credit facility of SEK 2 billion with maturity 2020-01-15.

Parent Company

MSEK	31 Mar 2015	31 Dec 2014	31 Mar 2014
Long-term liabilities to credit institutions	2,000	2,000	1,000
Short-term liabilities to credit institutions	-	-	-
Total	2,000	2,000	1,000

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 (FRN) of MSEK 2,000.

NOTE 7 Financial instruments

Classification and categorisation of financial assets and liabilities*

31 Mar 2015	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
Financial assets:										
Financial investments	-	193	29	144	-	-	-	-	366	369
Long-term receivables	-	-	-	-	226	-	-	-	226	226
Derivatives										
Forward exchange contracts	27	-	-	-	-	-	860	10	897	897
Currency options	19	-	-	-	-	-	237	-	256	256
Interest rate swaps	-	-	-	-	-	-	-	-	-	-
Electricity derivatives	2	-	-	-	-	-	-	-	2	2
Total derivatives	48	-	-	-	-	-	1,097	10	1,155	1,155
Accounts receivable and other receivables	-	-	-	-	7,871	-	-	-	7,871	7,871
Short-term investments	-	-	792	-	-	-	-	-	792	792
Liquid assets	-	-	-	-	869	-	-	-	869	869
Total financial assets	48	193	821	144	8,966	-	1,097	10	11,279	11,282
Financial liabilities:										
Interest-bearing liabilities	-	-	-	-	-	2,861	-	-	2,861	2,902
Derivatives										
Forward exchange contracts	53	-	-	-	-	-	1,747	1	1,801	1,801
Currency options	87	-	-	-	-	-	-	-	87	87
Interest rate swaps	10	-	-	-	-	-	94	-	104	104
Electricity derivatives	2	-	-	-	-	-	8	-	10	10
Total derivatives	152	-	-	-	-	-	1,849	1	2,002	2,002
Other liabilities	-	-	-	-	-	5,181	-	-	5,181	5,181
Total financial liabilities	152	-	-	-	-	8,042	1,849	1	10,044	10,085

* 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 777.

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).

NOTE 7 Continued

There has been no change between levels in 2015. As of 31 March 2015, the Group had the following financial assets and liabilities at fair value:

Assets at fair value

MSEK	31 Mar 2015	Level 1	Level 2	Level 3
Bonds and interest-bearing securities	792	792	-	-
Forward exchange contracts	897	-	897	-
Currency options	256	-	256	-
Interest rate swaps	-	-	-	-
Electricity derivatives	2	2	-	-
Shares and participations	222	193	-	29
Total	2,169	987	1,153	29

Liabilities at fair value

MSEK	31 Mar 2015	Level 1	Level 2	Level 3
Forward exchange contracts	1,801	-	1,801	-
Currency options	87	-	87	-
Interest rate swaps	104	-	104	-
Electricity derivatives	10	10	-	-
Total	2,002	10	1,992	-

Specification of free cash flow

MSEK	Saab excl. Acquisitions/divestments	Acquisitions and divestments	Total Group Jan-Mar 2015	Total Group Jan-Mar 2014
Cash flow from operating activities before changes in working capital ¹⁾	340	-	340	474
Cash flow from changes in working capital:				
Inventories	-608	-	-608	-489
Current receivables	322	-	322	761
Advance payments from customers	-85	-	-85	-88
Other current liabilities	-391	-	-391	-555
Provisions	-158	-	-158	-143
Change in working capital	-920	-	-920	-514
Cash flow from operating activities ²⁾	-580	-	-580	-40
Investing activities:				
Investments in intangible fixed assets	-75	-	-75	-45
Investments in tangible fixed assets	-150	-	-150	-149
Sales and disposals of tangible fixed assets	-	-	-	4
Sales and disposals of lease assets	-	-	-	62
Cash flow from investing activities ³⁾	-225	-	-225	-128
Operational cash flow	-805	-	-805	-168
Taxes and other financial items	-133	-	-133	-93
Sale of and investments in shares etc.	-1	-	-1	1
Acquisitions of subsidiaries and associated companies	-	-6	-6	-38
Sale of subsidiaries and associated companies	-	4	4	-18
Free cash flow	-939	-2	-941	-316

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 sale of and investment in financial assets, investments in operations and associated companies and sale of subsidiaries and associated companies.

NOTE 8 Supplemental information on Statement of cash flows

Liquid assets

MSEK	31 Mar 2015	31 Dec 2014	31 Mar 2014
The following components are included in liquid assets:			
Cash and bank balances	869	1,284	756
Bank deposits	-	-	398
Total according to balance sheet	869	1,284	1,154
Total according to statement of cash flows	869	1,284	1,154

Free cash flow vs. statement of cash flows

MSEK	Jan-Mar 2015	Jan-Mar 2014	Full Year 2014
Free cash flow	-941	-316	-1,094
Investing activities – interest-bearing:			
Short-term investments	480	148	720
Other financial investments and receivables	-6	26	21
Financing activities:			
Repayments of loans	-	-469	-468
Raising of loans	8	-	1,000
Repurchase of shares	-	-	-252
Dividend paid to the Parent Company's shareholders	-	-	-479
Dividend paid to non-controlling interest	-	-	-5
Cash flow for the period	-459	-611	-557

NOTE 9 Business combinations

No significant acquisitions were made or announced during the first quarter 2015.

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 8,920 at 31 March 2015 compared to MSEK 6,958 at 31 March 2014 and the value of the plan assets amounted to MSEK 5,965 at 31 March 2015 compared to MSEK 5,031 at 31 March 2014. Provisions for pensions attributable to special employers' contribution amounted to MSEK 744 at 31 March 2015 and to MSEK 362 at 31 March 2014. Total provisions for pensions amount to MSEK 3,699, of which MSEK 59 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

No significant transactions have occurred during the period. Related parties with which the Group has transactions are described in the annual report 2014, note 43.

NOTE 13 Restated accounting 2014 regarding new structure

Saab has implemented changes to the business area structure as of 1 January 2015. In order to create a stronger and more coherent platform for business-to-business focused business units the new business area Industrial Products and Services was formed. Industrial Products and Services will include the business units Aerostructures (previously in business area Aeronautics), Avionics (previously in business area Electronic Defence Systems), the independent technology consulting firm Combitech, Saab ventures' product portfolio (previously in Saab Corporate) and a development project, which up until year-end 2014 was a part of Saab Corporate.

Comparative numbers for 2014 have been restated following structural changes, see the annual report 2014, note 50, for more information.

NOTE 14 Definitions

Capital employed

Total assets less non-interest-bearing liabilities.

Earnings per share

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

EBITDA

Operating income before depreciation/amortisation and write-downs less depreciation/amortisation and write-downs of lease aircraft.

EBITDA margin

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

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.

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 (EBIT) as a percentage of sales.

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).

GLOSSARY

EKN

The Swedish Export Credits Guarantee Board

FMV

Swedish Defence Materiel Administration

FRN

Floating Rate Note

FTE

Full Time Equivalent, corresponds to one employee working full-time for one year

IAS

International Accounting Standards

IFRS

International Financial Reporting Standards

LFV

Air Navigation Services of Sweden

MTN

Medium Term Note, bonds with a duration of 1-15 years

SAL

Saab Aircraft Leasing, relates to Saab's leasing fleet of turboprop aircraft

Linköping, 24 April 2015

Håkan Buskhe
President and CEO

REVIEW REPORT

Introduction

We have reviewed the condensed interim financial information of Saab AB for the period from 1 January to 31 March 2015. 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 24 April 2015
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 (CET) on 24 April 2015.

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Press and financial analyst conference

10 February 2015 at 10.00 (CET)

Grand Hôtel, Venue: New York, Blasieholmshamnen 8, Stockholm

Contact Marie Bergström to register and more information,
ph +46-8-463 02 45

You are welcome to participate on site at Grand Hôtel, watch the live webcast or dial in to the conference call. It is possible to post questions also over the web and conference call.

Live webcast:

saab-interimreport.creo.se/150424/

Conference call:

Please, dial in using one of the numbers below.

UK: +44 203 42 814 06

US: +1855 753 22 36

SE: +46 8 566 426 69

The interim report, the presentation material and the webcast will be available on saabgroup.com.

CALENDAR

CAPITAL MARKETS DAY

13 MAY 2015

INTERIM REPORT JANUARY–JUNE 2015

PUBLISHED 17 JULY 2015

INTERIM REPORT JANUARY–SEPTEMBER 2015

PUBLISHED 23 OCTOBER 2015

YEAR-END REPORT 2015

PUBLISHED 10 FEBRUARY 2016



SAAB