

RECORD HIGH ORDER BACKLOG

In September, the order from the Brazilian government for 36 Gripen NG was received. It is the largest export order in Saab's history, and also one of the largest Swedish export orders ever. The order value was SEK 39.3 billion and was booked in the third quarter.

Saab has now an order backlog of SEK 105 billion, which is more than four times annual sales. Our focus is to secure efficient deliveries to the customer. At the same time, Saab shall take advantage of the improved market position in order to develop further and continue to increase order bookings.

Increased sales

During the year's first nine months, sales amounted to MSEK 17,116 (16,102), an increase of 6 per cent compared to last year. The business area Aeronautics increased sales considerably as a result of part deliveries of Gripen for Sweden and Brazil.

The operating income amounted to MSEK 553 (901) during the period, and the operating margin was 3.2 per cent (5.6). The operating income was impacted by continued investments in the cooperation with Boeing in order to participate in the U.S. Air Force's upcoming procurement regarding trainer aircraft, the so called T-X program, and an operating loss in business area Dynamics following low order bookings previous years.

The cash flow was strengthened during the third quarter, mainly due to milestone payments within Saab Kockums and the Gripen programmes.

Complex defence market

The defence market is still strongly affected by major geopolitical changes and the global economy. The defence industry invests large amounts, which is increasingly self-funded, on technology development in projects with long lead times. Furthermore, large defence procurements are preceded by political

processes, which often are difficult to assess, both in terms of timing and outcome.

The interest in Saab's large systems, such as the combat aircraft system Gripen, the submarine system A26 and radar systems, is growing. This means sizeable business opportunities for Saab, despite the market conditions. However, it also places high demands on Saab to maintain a certain capacity also in between large projects, such as continuous investments in R&D and also that some work is done before a contract is signed in order to uphold and increase competitiveness.

Continued focus on efficiencies

We expect an organic sales growth during 2015. This can mostly be handled with existing resources; meanwhile we see possibilities for efficiency improvements to increase profitability. As a first step towards increased efficiency and greater market focus, we will as of 1 January 2016 implement an organisational change. The business area Security and Defence Solutions (SDS) will dissolve and its business units will be moved to other business areas. The assessment is that this enables increased synergies in the operation and secures market focus. Simultaneously with the organisational change, we will strengthen the functional processes within Saab. The purpose of this is to reduce administrative costs, create internal synergies and increase the focus on performance management.

Unchanged outlook statement 2015

During the year, a number of important business opportunities have entailed increased development and marketing efforts. The outcome of these business opportunities may have a significant effect on this year's income statement and balance sheet.

The outlook for 2015 remains 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.

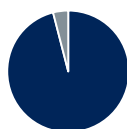
Financial highlights

| MSEK | Jan-Sep 2015 | Jan-Sep 2014 | Change, % | Q3 2015 | Q3 2014 | Full Year 2014 |
|--|--------------|--------------|-----------|---------|---------|----------------|
| Order bookings | 62,599 | 10,199 | 514 | 43,603 | 2,073 | 22,602 |
| Order backlog | 105,486 | 54,910 | 92 | | | 60,128 |
| Sales | 17,116 | 16,102 | 6 | 5,787 | 5,130 | 23,527 |
| Gross income | 3,956 | 4,226 | -6 | 1,282 | 1,330 | 6,077 |
| Gross margin, % | 23.1 | 26.2 | | 22.2 | 25.9 | 25.8 |
| EBITDA | 1,259 | 1,536 | -18 | 429 | 477 | 2,523 |
| EBITDA margin, % | 7.4 | 9.5 | | 7.4 | 9.3 | 10.7 |
| Operating income (EBIT) | 553 | 901 | -39 | 186 | 258 | 1,659 |
| Operating margin, % | 3.2 | 5.6 | | 3.2 | 5.0 | 7.1 |
| Net income | 293 | 582 | -50 | 36 | 170 | 1,168 |
| Earnings per share before dilution, SEK | 2.47 | 5.40 | | 0.25 | 1.57 | 10.86 |
| Earnings per share after dilution, SEK | 2.45 | 5.36 | | 0.24 | 1.55 | 10.78 |
| Return on equity, % ¹⁾ | 7.8 | 7.6 | | | | 9.9 |
| Free cash flow | -1,595 | -2,100 | | 487 | -710 | -1,094 |
| Free cash flow per share after dilution, SEK | -14.99 | -19.59 | | 4.57 | -6.64 | -10.23 |

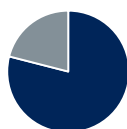
1) The return on equity is measured over a rolling 12-month period.

Significant orders, 3rd quarter

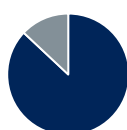
| | MSEK |
|---------------------------|--------|
| Gripen NG | 39,334 |
| Giraffe AMB radar systems | 610 |



Defence/Civil
A total of 96 per cent (70) of order bookings was attributable to defence-related operations during the first nine months of 2015.



Market
A total of 79 per cent (64) of order bookings was related to markets outside Sweden during the first nine months of 2015.

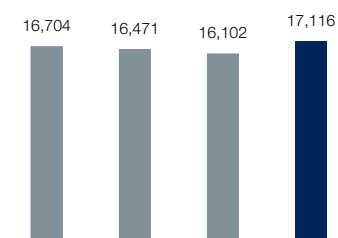


Large orders
Orders where the total order value exceeded MSEK 100 represented 87 per cent (35) of total order bookings during the first nine months of 2015.

Order backlog duration:

- 2015: SEK 7.7 billion
- 2016: SEK 18.2 billion
- 2017: SEK 14.0 billion
- 2018: SEK 10.9 billion
- After 2018: SEK 54.7 billion

Sales, MSEK



Jan-Sep 2012 Jan-Sep 2013 Jan-Sep 2014 Jan-Sep 2015

Orders

Third quarter 2015

In August, orders were received from the UK Ministry of Defence for Giraffe AMB radar systems plus upgrades of the existing British Giraffe systems.

The agreement with Brazil regarding Gripen came into effect in September and Saab received an order from the Brazilian government regarding development and production of 36 Gripen NG. Deliveries will be undertaken from 2019 to 2024.

January-September 2015

In addition to the above mentioned, orders received included a contract with FMV, signed in June, for the construction of two submarines, Type A26, as well as conducting mid-life upgrades of two Gotland class submarines. The orders cover the period 2015-2024 and the total order value attributable to the period is SEK 8.6 billion. Saab received a major order for delivery of underwater systems. The total order value amounts to approximately MSEK 429.

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.

In February, a contract was signed 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 the weapon system Carl-Gustaf.

For a list of significant orders received during 2015, see note 3.

During the first nine months 2015, index and price changes had a positive effect on order bookings of MSEK 152 compared to MSEK 294 in the same period 2014.

The order backlog at the end of the period amounted to MSEK 105,486 compared to MSEK 60,128 at the beginning of the year.

Order bookings by region

| MSEK | Jan-Sep 2015 | Jan-Sep 2014 | Change, % |
|---------------------|---------------|---------------|------------|
| Sweden | 13,326 | 3,661 | 264 |
| EU excluding Sweden | 3,562 | 2,615 | 36 |
| Rest of Europe | 933 | 432 | 116 |
| Americas | 40,786 | 1,485 | 2,647 |
| Asia | 3,007 | 1,166 | 158 |
| Africa | 388 | 333 | 17 |
| Australia, etc. | 597 | 507 | 18 |
| Total | 62,599 | 10,199 | 514 |

Sales

Third quarter 2015

Sales during the third quarter 2015 amounted to MSEK 5,787 (5,130), an increase of 13 per cent.

Acquisitions had a net effect of 0 per cent (2) on sales and currency effects had a positive effect of 2 per cent (1). The organic sales growth was 11 per cent (6).

January-September 2015

Sales during the first nine months 2015 increased by 6 per cent compared to the same period 2014. Acquisitions and the deconsolidation of Saab Grintek Technologies (Pty) Ltd had a positive net effect of 4 per cent (0). Currency effects had a positive effect of 2 per cent (0) on sales. The organic sales growth was 0 per cent (-2).

Sales in markets outside of Sweden amounted to MSEK 9,235 (9,149), or 54 per cent (57), of total sales. 79 per cent (78) of sales were related to the defence market.

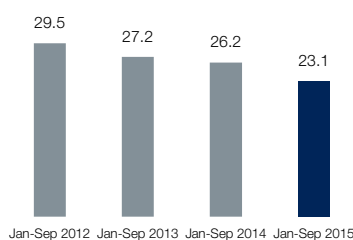
Sales per region

| MSEK | Jan-Sep 2015 | Jan-Sep 2014 | Change, % |
|---------------------|---------------|---------------|-----------|
| Sweden | 7,880 | 6,953 | 13 |
| EU excluding Sweden | 2,979 | 2,570 | 16 |
| Rest of Europe | 376 | 382 | -2 |
| Americas | 2,570 | 1,987 | 29 |
| Asia | 2,267 | 2,888 | -22 |
| Africa | 357 | 430 | -17 |
| Australia, etc. | 687 | 892 | -23 |
| Total | 17,116 | 16,102 | 6 |

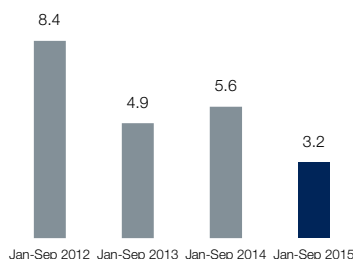
Sales per market segment

| MSEK | Jan-Sep 2015 | Jan-Sep 2014 | Change, % |
|------------------------|---------------|---------------|-----------|
| Air | 7,257 | 7,176 | 1 |
| Land | 3,494 | 3,607 | -3 |
| Naval | 2,995 | 2,050 | 46 |
| Civil Security | 1,492 | 1,597 | -7 |
| Commercial Aeronautics | 1,564 | 1,321 | 18 |
| Other | 314 | 351 | -11 |
| Total | 17,116 | 16,102 | 6 |

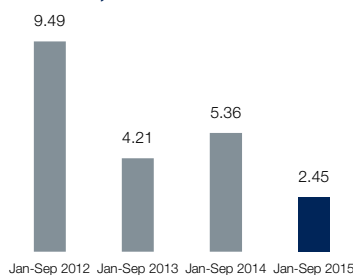
Gross margin, %



Operating margin, %



Earnings per share after dilution, SEK



Income

Third quarter 2015

The gross margin during the third quarter was 22.2 per cent (25.9), the decrease is attributable to a changed product and project mix and lower sales in the business area Electronic Defence Systems.

The operating income amounted to MSEK 186 (258) with an operating margin of 3.2 per cent (5.0). The decrease in operating margin was mainly due to an operating loss in business areas Electronic Defence Systems and Support and Services.

January-September 2015

The gross margin during the first nine months 2015 was 23.1 per cent (26.2), which was lower than in the same period 2014, mainly due to lower sales in the business areas Electronic Defence Systems and Dynamics. Total depreciation and amortisation amounted to 706 (642). Depreciation of tangible fixed assets amounted to MSEK 329 (291).

Internally funded expenditures in research and development (R&D) amounted to MSEK 991 (951), of which a total of MSEK 149 (119) 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.

Amortisation of intangible fixed assets amounted to MSEK 377 (344), of which amortisation of capitalised development expenditures amounted to MSEK 242 (239).

The share of income in associated companies amounted to MSEK 23 (-3).

The operating income amounted to MSEK 553 (901) with an operating margin of 3.2 per cent (5.6). The operating margin was lower mainly due to a negative operating income in Dynamics for the period and development related to the T-X program.

During the first nine months 2015 and 2014, reversal of risk provisions attributable to the remaining risks related to the ongoing termination of Saab's leasing fleet of turbo prop aircraft (SAL), contributed positively to the operating income.

Financial net

| MSEK | Jan-Sep 2015 | Jan-Sep 2014 |
|-----------------------------------|--------------|--------------|
| Financial net related to pensions | -49 | -42 |
| Net interest items | -50 | 8 |
| Currency gains/losses | -52 | 2 |
| Other financial items | -7 | -86 |
| Total | -158 | -118 |

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 to 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 nine months, the valuation was to a large extent impacted by changes in the market valuation of derivatives with exposure in the currencies USD and EUR.

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 nine months 2014, which is recognised in other financial items.

Tax

Current and deferred taxes amounted to MSEK -102 (-201), the equivalent to an effective tax rate of 26 per cent (26).

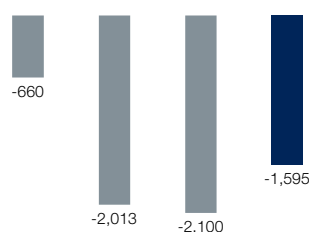
Return on capital employed and equity

The pre-tax return on capital employed was 8.1 per cent (9.7) and the after-tax return on equity was 7.8 per cent (7.6), both measured over a rolling 12-month period.

Change in net debt Jan-Sep 2015

| | MSEK |
|--|---------------|
| Net liquidity (+) / net debt (-), 31 Dec 2014 | -2,113 |
| Cash flow from operating activities | -799 |
| Change in net pension obligation | 383 |
| Net investments | -796 |
| Financial lease | -444 |
| Dividend | -501 |
| Currency impact and unrealised results from financial investments | -57 |
| Net liquidity (+) / net debt (-), 30 Sep 2015 | -4,327 |

Free cash flow, MSEK



Jan-Sep 2012 Jan-Sep 2013 Jan-Sep 2014 Jan-Sep 2015

Financial position and liquidity

At the end of September 2015, the net debt amounted to MSEK 4,327, an increase of MSEK 2,214 during 2015 compared to the year-end 2014.

Cash flow from operating activities was negative and amounted to MSEK -799.

Provisions for pensions, excluding special employers' contribution, as of 30 September 2015 amounted to MSEK 2,145, compared to MSEK 2,528 at year-end 2014. This had a positive impact of MSEK 383 on net debt. The decrease in provisions was mainly due to the increase in the discount rate used in the valuation of pension obligations from 2.50 per cent to 3.00 per cent during the period. This was partially offset by the change of the inflation assumption for calculating the pension obligation from 1.50 per cent to 1.75 per cent. For more information about Saab's defined-benefit plans, see note 10.

During the first nine months 2015, net debt also increased due to net investments amounting to approximately MSEK 796. Saab has also signed a financial lease agreement regarding an aircraft intended for business travel, education and training. This has increased net debt with MSEK 444 during the period. Furthermore, a payment of dividend to the parent company's shareholders of MSEK 501 was made during the period.

Currency exchange rate differences in liquid assets and unrealised results from financial investments had an impact on net debt of MSEK -57.

In order to strengthen the company's financial flexibility, the long-term external funding was increased by MSEK 1,000 and the short-term external funding was increased by MSEK 1,652 during the first nine months 2015. As at 30 September 2015, short-term investments and liquid assets amounted to MSEK 3,013.

Capitalised development costs on the balance sheet amounted to MSEK 865 at 30 September 2015 and to MSEK 952 at 31 December 2014.

Inventories increased by more than one billion SEK during the first nine months 2015 partly due to activity in large projects in Dynamics where deliveries are expected to be made later during the year. Inventories are recognised after deducting utilised advances.

Tangible assets increased, mainly as a result of the above mentioned financial lease of an aircraft.

Trade receivables decreased in several large projects, meanwhile accrued revenues increased, which was mainly related to Gripen E.

Capital expenditures

The cash flow effect of capital expenditures in tangible fixed assets amounted to MSEK 585 (541).

Investments in intangible assets amounted to MSEK 205 (154), of which MSEK 149 (119) was related to capitalised development costs and MSEK 56 (35) to other intangible assets.

Cash flow

Cash flow from operating activities excluding taxes and other financial items amounted to MSEK -371 (-1,354), see note 8.

Saab has an established programme to sell trade receivables to strengthen its financial position and increase financial flexibility. As of 30 September 2015, net receivables of MSEK 1,290 were sold, compared to MSEK 1,071 as of 31 December 2014. This had a positive impact on cash flow from operating activities of MSEK 219 during the first nine months 2015.

The operational cash flow amounted to MSEK -1,153 (-1,950). 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 improved operational cash flow in the first nine months 2015, compared to the same period 2014, is mainly attributable to milestone payments in Saab Kockums and the Gripen programmes. Free cash flow amounted to MSEK -1,595 (-2,100). For more detailed information about the cash flow, see note 8.

Key indicators of financial position and liquidity

| MSEK | 30 Sep 2015 | 30 Sep 2014 | Change | 31 Dec 2014 |
|--|-------------|-------------|--------|-------------|
| Net liquidity / debt ¹⁾ | -4,327 | -2,994 | -1,333 | -2,113 |
| Intangible fixed assets | 6,250 | 6,547 | -297 | 6,351 |
| Goodwill | 5,072 | 4,942 | 130 | 5,015 |
| Capitalised development costs | 865 | 1,229 | -364 | 952 |
| Other intangible fixed assets | 313 | 376 | -63 | 384 |
| Tangible fixed assets, etc ²⁾ | 4,737 | 3,975 | 762 | 4,024 |
| Inventories | 6,914 | 5,777 | 1,137 | 5,819 |
| Accounts receivable | 3,078 | 2,883 | 195 | 3,414 |
| Other receivables | 5,034 | 3,779 | 1,255 | 4,255 |
| Accrued revenues ³⁾ | 4,529 | 3,280 | 1,249 | 3,505 |
| Advance payments from customers | 998 | 963 | 35 | 856 |
| Equity/assets ratio, % | 35.1 | 40.1 | | 38.5 |
| Return on equity, % ⁴⁾ | 7.8 | 7.6 | | 9.9 |
| Equity per share, SEK ⁵⁾ | 108.36 | 103.41 | 4.95 | 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 Sep: 105,843,298; 2014 Sep: 105,377,052; 2014 Dec: 105,499,980.

Business area structure

Saab 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-Sep 2015 | Jan-Sep 2014 | Change, % | Q3 2015 | Q3 2014 | Full Year 2014 |
|----------------------------|--------------|--------------|-----------|---------|---------|----------------|
| Order bookings | 36,350 | 501 | 7,155 | 35,689 | -66 | 6,213 |
| Order backlog | 58,590 | 22,509 | 160 | | | 26,388 |
| Sales | 4,148 | 3,621 | 15 | 1,686 | 998 | 5,454 |
| EBITDA | 233 | 269 | -13 | 129 | 33 | 439 |
| EBITDA margin, % | 5.6 | 7.4 | | 7.7 | 3.3 | 8.0 |
| Operating income (EBIT) | 204 | 238 | -14 | 120 | 23 | 398 |
| Operating margin, % | 4.9 | 6.6 | | 7.1 | 2.3 | 7.3 |
| Operational cash flow | -352 | -221 | | -193 | 28 | -401 |
| Defence/Civil (% of sales) | 99/1 | 98/2 | | 99/1 | 99/1 | 99/1 |
| No. of FTE's | 2,699 | 2,678 | 1 | | | 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.

Orders

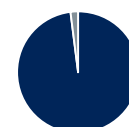
- During the third quarter, the agreement with the Brazilian government regarding development and production of 36 Gripen NG came into effect. Of the total order of SEK 39.3 billion, approximately SEK 35.5 billion was attributable to Aeronautics.

Sales, income and margin

- Sales increased during the first nine months 2015, compared to the same period 2014, mainly due to invoicing related to Gripen NG for Brazil and Gripen E for Sweden.
- The operating margin during the first nine months 2015 was lower than for the same period 2014, mainly as a result of higher development costs related to the T-X program.
- The operating income in the third quarter was positively affected by the fact that the agreement regarding 36 Gripen NG came into effect.

Cash flow

- Operational cash flow was negative, primarily due to investments in the T-X program.



Large orders

Orders where the total order value exceeded MSEK 100 represented 98 per cent (38) of total order bookings during the first nine months of 2015.



Market

Sales related to markets outside Sweden accounted for 23 per cent (11) during the first nine months of 2015.

BUSINESS AREA DYNAMICS

| MSEK | Jan-Sep 2015 | Jan-Sep 2014 | Change, % | Q3 2015 | Q3 2014 | Full Year 2014 |
|------------------------------|--------------|--------------|-----------|---------|---------|----------------|
| Order bookings | 3,530 | 1,257 | 181 | 568 | 408 | 2,325 |
| Order backlog | 5,496 | 3,769 | 46 | | | 3,915 |
| Sales | 1,961 | 2,045 | -4 | 763 | 599 | 2,974 |
| EBITDA | -34 | 84 | -140 | 61 | -11 | 226 |
| EBITDA margin, % | -1.7 | 4.1 | | 8.0 | -1.8 | 7.6 |
| Operating income/loss (EBIT) | -75 | 38 | -297 | 47 | -26 | 165 |
| Operating margin, % | -3.8 | 1.9 | | 6.2 | -4.3 | 5.5 |
| Operational cash flow | -626 | -177 | | -419 | -144 | -69 |
| Defence/Civil (% of sales) | 83/17 | 84/16 | | 88/12 | 81/19 | 84/16 |
| No. of FTE's | 1,542 | 1,477 | 4 | | | 1,461 |

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

Orders

- Order bookings were substantially higher during the first nine months 2015, compared to the same period 2014, and included an order from FMV regarding continued development of the New Lightweight Torpedo and maintenance agreements for underwater weapon systems and the Hydra sonar system. The Finnish Defence Forces ordered deliveries of the NLAW anti-tank weapon.
- In the third quarter, Saab received the first order for the new portable weapon system Carl-Gustaf M4 from the Slovak army. Moreover, an order was received from the US army for the portable anti-tank weapon system AT4 CS RS (Reduced Sensitivity).

Sales, income and margin

- Sales decreased somewhat during the first nine months 2015, compared to the same period 2014, following a changed product and project mix and low order bookings in 2013 and 2014.
- The negative operating income during the first nine months is primarily attributable to a changed product mix and a lower activity level.
- During the third quarter 2015, sales and operating margin improved compared to the same period 2014 as a result of increased deliveries and a changed product mix.

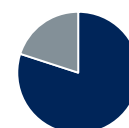
Cash flow

- The operational cash flow was negative during the first nine months 2015 as a result of negative operating income and activity in orders that will be delivered during 2015.



Large orders

Orders where the total order value exceeded MSEK 100 represented 52 per cent (0) of total order bookings during the first nine months of 2015.



Market

Sales related to markets outside Sweden accounted for 80 per cent (83) during the first nine months of 2015.

BUSINESS AREA ELECTRONIC DEFENCE SYSTEMS

| MSEK | Jan-Sep 2015 | Jan-Sep 2014 | Change, % | Q3 2015 | Q3 2014 | Full Year 2014 |
|------------------------------|--------------|--------------|-----------|---------|---------|----------------|
| Order bookings | 5,467 | 1,637 | 234 | 3,023 | 322 | 2,484 |
| Order backlog | 9,174 | 6,591 | 39 | | | 6,365 |
| Sales | 2,528 | 2,898 | -13 | 731 | 953 | 4,052 |
| EBITDA | 339 | 433 | -22 | 99 | 201 | 625 |
| EBITDA margin, % | 13.4 | 14.9 | | 13.5 | 21.1 | 15.4 |
| Operating income/loss (EBIT) | 26 | 125 | -79 | -7 | 100 | 211 |
| Operating margin, % | 1.0 | 4.3 | | -1.0 | 10.5 | 5.2 |
| Operational cash flow | -257 | -789 | | -28 | -410 | -589 |
| Defence/Civil (% of sales) | 98/2 | 98/2 | | 96/4 | 99/1 | 97/3 |
| No. of FTE's | 2,186 | 2,182 | 0 | | | 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

- Order bookings during the first nine months 2015 increased compared to the same period 2014 and included SEK 1.7 billion related to the Brazilian government's Gripen order, and an order from the Indian armed forces related to an integrated self-protection system.
- The UK Ministry of Defence ordered additional Giraffe AMB radar systems plus upgrades of the existing British Giraffe radars and associated equipment.

Sales, income and margin

- Sales during the first nine months decreased following lower order bookings in 2013 and 2014.
- The negative operating income in the third quarter 2015 was a result of changed product mix and continued investments in research and development.

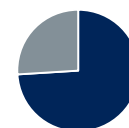
Cash flow

- The operational cash flow was negative during the first nine months 2015 due to a continued high activity level in some projects and continued high investments in product development.



Large orders

Orders where the total order value exceeded MSEK 100 represented 77 per cent (29) of total order bookings during the first nine months of 2015.



Market

Sales related to markets outside Sweden accounted for 74 per cent (77) during the first nine months of 2015.

BUSINESS AREA SECURITY AND DEFENCE SOLUTIONS

| MSEK | Jan-Sep 2015 | Jan-Sep 2014 | Change, % | Q3 2015 | Q3 2014 | Full Year 2014 |
|----------------------------|--------------|--------------|-----------|---------|---------|----------------|
| Order bookings | 12,689 | 3,900 | 225 | 1,375 | 827 | 6,110 |
| Order backlog | 15,169 | 6,494 | 134 | | | 6,823 |
| Sales | 4,312 | 3,763 | 15 | 1,394 | 1,367 | 5,762 |
| EBITDA | 269 | 210 | 28 | 71 | 101 | 468 |
| EBITDA margin, % | 6.2 | 5.6 | | 5.1 | 7.4 | 8.1 |
| Operating income (EBIT) | 170 | 134 | 27 | 38 | 71 | 356 |
| Operating margin, % | 3.9 | 3.6 | | 2.7 | 5.2 | 6.2 |
| Operational cash flow | 310 | -325 | | 296 | -119 | 157 |
| Defence/Civil (% of sales) | 74/26 | 65/35 | | 75/25 | 68/32 | 68/32 |
| No. of FTE's | 3,102 | 3,318 | -7 | | | 3,234 |

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

Orders

- During 2015, orders were received from FMV for two submarines type A26, and mid-life upgrade of two Gotland class submarines. The total order value in the period amounted to SEK 8.6 billion.
- An order for training equipment was received from the Austrian army during the third quarter.

Sales, income and margin

- Sales increased during the first nine months 2015, compared to the same period 2014, primarily as a result of the acquisition of Saab Kockums.
- During the third quarter, sales increased in the business units Traffic Management and Saab Kockums, compared to the same period 2014.
- The operating income for the first nine months 2015 was strengthened, compared to the same period 2014, as a result of a strong operating income in Saab Kockums and improved operating income in Traffic Management.

Cash flow

- The operational cash flow was positive as a result of timing differences between activity and milestone payments, mainly within Saab Kockums, during the period.

Personnel

- The number of FTE's decreased during the first nine months 2015, compared to year-end 2014, following continuous adjustments of operations.



Large orders

Orders where the total order value exceeded MSEK 100 represented 78 per cent (42) of total order bookings during the first nine months of 2015.



Market

Sales related to markets outside Sweden accounted for 57 per cent (77) during the first nine months of 2015.

BUSINESS AREA SUPPORT AND SERVICES

| MSEK | Jan-Sep 2015 | Jan-Sep 2014 | Change, % | Q3 2015 | Q3 2014 | Full Year 2014 |
|----------------------------|--------------|--------------|-----------|---------|---------|----------------|
| Order bookings | 3,813 | 2,085 | 83 | 2,811 | 339 | 4,720 |
| Order backlog | 9,079 | 6,338 | 43 | | | 7,976 |
| Sales | 2,743 | 2,531 | 8 | 804 | 794 | 3,570 |
| EBITDA | 166 | 266 | -38 | 1 | 48 | 394 |
| EBITDA margin, % | 6.1 | 10.5 | | 0.1 | 6.0 | 11.0 |
| Operating income (EBIT) | 152 | 252 | -40 | -4 | 43 | 376 |
| Operating margin, % | 5.5 | 10.0 | | -0.5 | 5.4 | 10.5 |
| Operational cash flow | -215 | -90 | | 6 | -171 | -32 |
| Defence/Civil (% of sales) | 71/29 | 76/24 | | 70/30 | 73/27 | 76/24 |
| No. of FTE's | 1,831 | 1,798 | 2 | | | 1,818 |

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

Orders

- Order bookings in the first nine months were strong with regards to the volume of small and mid-sized orders. In September, order bookings were further strengthened following the Brazilian government's order for Gripen NG. SEK 2.1 billion was attributable to Support and Services.

Sales, income and margin

- Sales increased during the first nine months 2015, compared to the same period 2014, as a result of a continued strong invoicing pace in small and mid-sized projects.
- The operating margin decreased in the first nine months 2015, compared to the same period 2014, as a result of a changed product and project mix.

Cash flow

- The operational cash flow was negative during the first nine months 2015, mainly due to timing differences between activity and milestone payments during the period.



Large orders

Orders where the total order value exceeded MSEK 100 represented 62 per cent (35) of total order bookings during the first nine months of 2015.



Market

Sales related to markets outside Sweden accounted for 44 per cent (36) during the first nine months of 2015.

BUSINESS AREA INDUSTRIAL PRODUCTS AND SERVICES

| MSEK | Jan-Sep 2015 | Jan-Sep 2014 | Change, % | Q3 2015 | Q3 2014 | Full Year 2014 |
|----------------------------|--------------|--------------|-----------|---------|---------|----------------|
| Order bookings | 2,753 | 1,931 | 43 | 993 | 453 | 2,604 |
| Order backlog | 9,742 | 9,876 | -1 | | | 9,537 |
| Sales | 2,540 | 2,448 | 4 | 762 | 773 | 3,465 |
| EBITDA | 139 | 56 | 148 | 19 | 9 | 143 |
| EBITDA margin, % | 5.5 | 2.3 | | 2.5 | 1.2 | 4.1 |
| Operating income (EBIT) | 109 | 33 | 230 | 8 | 1 | 112 |
| Operating margin, % | 4.3 | 1.3 | | 1.0 | 0.1 | 3.2 |
| Operational cash flow | -58 | -176 | | -26 | -68 | -320 |
| Defence/Civil (% of sales) | 38/62 | 42/58 | | 37/63 | 39/61 | 43/57 |
| No. of FTE's | 2,374 | 2,342 | 1 | | | 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

- Orders bookings during the first nine months 2015 increased, compared to the same period 2014, mainly due to orders received in the business unit Avionics Systems related to the Brazilian government's order for Gripen NG.

Sales, income and margin

- Sales were somewhat higher in the first nine months, compared to the same period 2014, mainly due to more deliveries within the business unit Aerostructures. In May, Saab and DigitalGlobe Inc., a leading global provider of high-resolution earth imagery solutions, announced the creation of a joint venture – Vricon Inc.
- The operating margin was strengthened in the first nine months 2015, compared to the same period 2014, as a result of improved operating income in Avionics Systems and holdings in Saab Ventures and Vricon.

Cash flow

- The operational cash flow was negative in the first nine months 2015, mainly due to a high activity level connected to preparations for future deliveries within Aerostructures.



Large orders

Orders where the total order value exceeded MSEK 100 represented 31 per cent (28) of total order bookings during the first nine months of 2015.



Market

Sales related to markets outside Sweden accounted for 46 per cent (46) during the first nine months of 2015.

Owners

According to SIS Ägarservice, Saab's largest shareholders as of 30 September 2015 were:

Investor AB
Wallenberg foundations
Swedbank Robur funds
AFA Insurance
Unionen
SHB funds
Nordea bank AB
DFA funds (USA)
Lannebo funds
Nordea funds

Personnel

| | 30 Sep 2015 | 1 Jan 2015 |
|---------------------|-------------|------------|
| Number of employees | 14,709 | 14,716 |
| FTE's | 14,556 | 14,561 |

Corporate

Corporate reported an operating income of MSEK -33 (81) in the first nine months 2015.

Reversal of risk provisions, attributable to the remaining risks related to the ongoing termination of Saab's leasing fleet of turboprop aircraft, contributed positively to the operating income during the first nine months 2015 and 2014.

In 2014, the owned share of the lease portfolio was divested and the part held via operating leases was reduced. As of 30 September 2015, Saab has a lease portfolio of 0 (13) aircraft, consisting of an owned share of 0 (4) and a leased share of 0 (9). The agreements for the leased aircraft expired in January and the lease portfolio will be discontinued during 2015.

Operational cash flow attributable to Corporate amounted to MSEK 45 during the period. Sale of trade receivables had a positive effect of MSEK 219. See more information on cash flow on page 4.

Acquisitions and divestments 2015

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

Share repurchase

Saab held 3,307,046 treasury shares as of 30 September 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 nine months, political standpoints have had a negative impact. Altogether, this has increased the market risk and the increased risk is expected to remain in 2015.

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

Nomination committee

The members have been appointed based on the shareholder structure on 31 August 2015 in accordance with a resolution by the Saab Annual General Meeting.

Members of the Saab Nomination Committee for the Annual General Meeting 2016 are; Marcus Wallenberg, Chairman of the Board of Saab AB, Petra Hedengran, Investor AB, Peter Wallenberg Jr, Knut and Alice Wallenberg's Foundation, Tomas Hedberg, Swedbank Robur Funds, and Anders Algotsson, AFA Insurance.

The Nomination Committee is assigned to prepare proposals regarding Chairman of the Annual General Meeting, Board of Directors, Chairman of the Board and remuneration to the Board and the Auditor.

The Annual General Meeting of Saab AB will be held in Linköping on Thursday, 14 April, 2016.



Gripen for Brazil order

In October 2014, Saab announced an agreement with the Brazilian government regarding development and production of 36 Gripen NG. The total order value amounts to approximately SEK 39.3 billion and was booked on 10 September 2015, as all required conditions were fulfilled. Deliveries of Gripen NG to the Brazilian Air Force will be undertaken from 2019 to 2024.

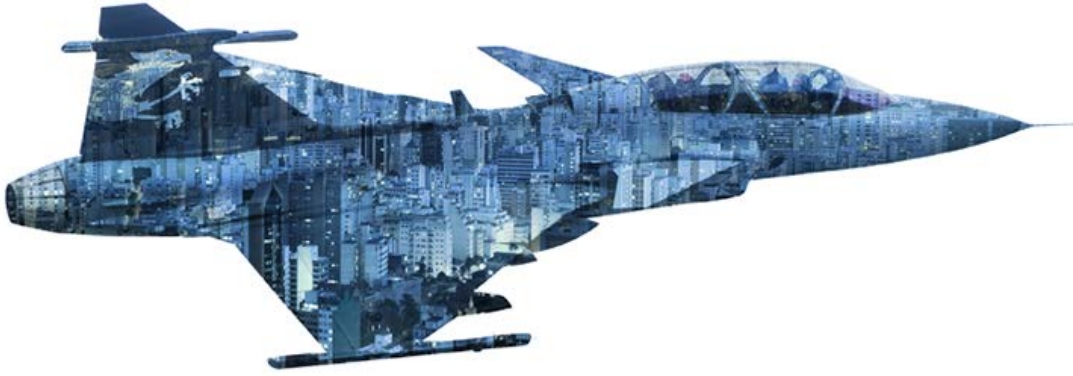
Other significant events January-September 2015

- 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 was 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 Annual General Meeting (AGM) on 15 April 2015 decided on a dividend to shareholders of SEK 4.75 per share (total MSEK 501).
- The AGM decided to re-elect all Board members: Håkan Buskhe, Johan Forssell, Sten Jakobsson, Sara Mazur, Per-Arne Sandström, Cecilia Stegö Chilö, 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.
- As of April 2015 air traffic control at Örnsköldsvik Airport is operated with Remote Tower Services by the Swedish air navigation service provider LFV at the Remote Tower Center in Sundsvall, Sweden.
- In May, Saab and DigitalGlobe, Inc., a leading global provider of high-resolution earth imagery solutions, announced the creation of a joint venture – Vricon, Inc. to produce photo-realistic 3D products and digital elevation models globally for enterprise and government geospatial markets.
- In September, Saab increased the existing Medium Term Note programme (MTN) from SEK 3 billion to SEK 6 billion.

For information regarding significant orders received between January and September 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

- In October, Saab issued 3 year Medium Term Notes of total MSEK 350 with maturity on 10 December 2018. The total size of the MTN programme is SEK 6 billion and Saab has now issued bonds amounting to SEK 4.15 billion under the programme.



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 approximately 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 & 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-Sep 2015 | Jan-Sep 2014 | Rolling 12 Months | Full Year 2014 |
|--|------|--------------|--------------|-------------------|----------------|
| Sales | 3 | 17,116 | 16,102 | 24,541 | 23,527 |
| Cost of goods sold | | -13,160 | -11,876 | -18,734 | -17,450 |
| Gross income | | 3,956 | 4,226 | 5,807 | 6,077 |
| <i>Gross margin, %</i> | | <i>23.1</i> | <i>26.2</i> | <i>23.7</i> | <i>25.8</i> |
| Other operating income | | 99 | 169 | 360 | 430 |
| Marketing expenses | | -1,492 | -1,515 | -2,121 | -2,144 |
| Administrative expenses | | -931 | -881 | -1,264 | -1,214 |
| Research and development costs | | -1,084 | -1,071 | -1,500 | -1,487 |
| Other operating expenses | | -18 | -24 | -15 | -21 |
| Share in income of associated companies and joint ventures | | 23 | -3 | 44 | 18 |
| Operating income (EBIT) ¹⁾ | 3 | 553 | 901 | 1,311 | 1,659 |
| <i>Operating margin, %</i> | | <i>3.2</i> | <i>5.6</i> | <i>5.3</i> | <i>7.1</i> |
| Financial income | | 37 | 51 | 89 | 103 |
| Financial expenses | | -195 | -169 | -265 | -239 |
| Net financial items | | -158 | -118 | -176 | -136 |
| Income before taxes | | 395 | 783 | 1,135 | 1,523 |
| Taxes | | -102 | -201 | -256 | -355 |
| Net income for the period | | 293 | 582 | 879 | 1,168 |
| of which Parent Company's shareholders' interest | | 261 | 574 | 840 | 1,153 |
| of which non-controlling interest | | 32 | 8 | 39 | 15 |
| Earnings per share before dilution, SEK ²⁾ | | 2.47 | 5.40 | 7.95 | 10.86 |
| Earnings per share after dilution, SEK ³⁾ | | 2.45 | 5.36 | 7.89 | 10.78 |
| 1) Includes depreciation/amortisation and write-downs of which depreciation of leasing aircraft | | -706 - | -642 -7 | -936 -1 | -872 -8 |
| 2) Average number of shares before dilution | | 105,653,013 | 106,354,716 | 105,599,389 | 106,125,666 |
| 3) Average number of shares after dilution. | | 106,401,289 | 107,175,504 | 106,403,115 | 106,916,255 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| MSEK | Jan-Sep 2015 | Jan-Sep 2014 | Rolling 12 Months | Full Year 2014 |
|--|--------------|---------------|-------------------|----------------|
| Net income for the period | 293 | 582 | 879 | 1,168 |
| Other comprehensive income/loss: | | | | |
| Items that will not be reversed in the income statement: | | | | |
| Revaluation of net pension obligations | 500 | -1,047 | 327 | -1,220 |
| Tax attributable to revaluation of net pension obligations | -110 | 230 | -74 | 266 |
| Total | 390 | -817 | 253 | -954 |
| Items that may be reversed in the income statement: | | | | |
| Translation differences | 46 | 343 | 220 | 517 |
| Available-for-sale financial assets | 63 | 17 | 73 | 27 |
| Cash flow hedges | -210 | -848 | -525 | -1,163 |
| Tax attributable to cash flow hedges | 50 | 186 | 117 | 253 |
| Total | -51 | -302 | -115 | -366 |
| Other comprehensive income/loss for the period | 339 | -1,119 | 138 | -1,320 |
| Net comprehensive income/loss for the period | 632 | -537 | 1,017 | -152 |
| of which Parent Company's shareholders' interest | 632 | -548 | 1,013 | -167 |
| of which non-controlling interest | - | 11 | 4 | 15 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| MSEK | Note | 30 Sep 2015 | 31 Dec 2014 | 30 Sep 2014 |
|---|------|---------------|---------------|---------------|
| ASSETS | | | | |
| Fixed assets: | | | | |
| Intangible fixed assets | 5 | 6,250 | 6,351 | 6,547 |
| Tangible fixed assets | | 4,414 | 3,702 | 3,647 |
| Biological assets | | 290 | 289 | 297 |
| Investment properties | | 33 | 33 | 31 |
| Shares in associated companies and joint ventures | | 422 | 397 | 479 |
| Financial investments | | 376 | 292 | 295 |
| Long-term receivables | 10 | 179 | 152 | 123 |
| Deferred tax assets | | 505 | 656 | 644 |
| Total fixed assets | | 12,469 | 11,872 | 12,063 |
| Current assets: | | | | |
| Inventories | | 6,914 | 5,819 | 5,777 |
| Derivatives | | 858 | 469 | 229 |
| Tax receivables | | 280 | 60 | 112 |
| Accounts receivable | | 3,078 | 3,414 | 2,883 |
| Other receivables | | 5,034 | 4,255 | 3,779 |
| Prepaid expenses and accrued income | | 1,258 | 1,113 | 1,244 |
| Short-term investments | | 1,627 | 1,270 | 333 |
| Liquid assets | 8 | 1,386 | 1,284 | 947 |
| Total current assets | | 20,435 | 17,684 | 15,304 |
| TOTAL ASSETS | | 32,904 | 29,556 | 27,367 |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | | |
| Shareholders' equity: | | | | |
| Parent Company's shareholders' interest | | 11,469 | 11,291 | 10,897 |
| Non-controlling interest | | 82 | 82 | 83 |
| Total shareholders' equity | | 11,551 | 11,373 | 10,980 |
| Long-term liabilities: | | | | |
| Long-term interest-bearing liabilities | 6 | 3,523 | 2,105 | 1,694 |
| Other liabilities | | 134 | 141 | 154 |
| Provisions for pensions | 10 | 2,669 | 3,149 | 2,926 |
| Other provisions | | 894 | 1,234 | 1,426 |
| Deferred tax liabilities | | 41 | 48 | 87 |
| Total long-term liabilities | | 7,261 | 6,677 | 6,287 |
| Current liabilities: | | | | |
| Short-term interest-bearing liabilities | 6 | 1,964 | 264 | 419 |
| Advance payments from customers | | 998 | 856 | 963 |
| Accounts payable | | 1,675 | 1,840 | 1,480 |
| Derivatives | | 1,674 | 1,400 | 815 |
| Tax liabilities | | 31 | 47 | 29 |
| Other liabilities | | 756 | 978 | 741 |
| Accrued expenses and deferred income | | 6,529 | 5,609 | 5,138 |
| Provisions | | 465 | 512 | 515 |
| Total current liabilities | | 14,092 | 11,506 | 10,100 |
| Total liabilities | | 21,353 | 18,183 | 16,387 |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | | 32,904 | 29,556 | 27,367 |

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-September 2014 | | | -663 | 341 | 17 | -243 | -548 | 11 | -537 |
| Transactions with shareholders: | | | | | | | | | |
| Repurchase of shares | | | | | | -252 | -252 | | -252 |
| Share matching plan | | | | | | 37 | 37 | | 37 |
| Dividend | | | | | | -479 | -479 | | -479 |
| Acquisition and sale of non-controlling interest | | | | | | 3 | 3 | -19 | -16 |
| Closing balance, 30 September 2014 | 1,746 | 543 | -317 | -12 | 28 | 8,909 | 10,897 | 83 | 10,980 |
| Net comprehensive income/loss for the period October-December 2014 | | | -245 | 173 | 10 | 443 | 381 | 4 | 385 |
| Transactions with shareholders: | | | | | | | | | |
| Repurchase of shares | | | | | | - | - | | - |
| Share matching plan | | | | | | 13 | 13 | | 13 |
| Dividend | | | | | | - | - | -5 | -5 |
| 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 January-September 2015 | | | -134 | 52 | 63 | 651 | 632 | - | 632 |
| Transactions with shareholders: | | | | | | | | | |
| Share matching plan | | | | | | 47 | 47 | | 47 |
| Dividend | | | | | | -501 | -501 | - | -501 |
| Closing balance, 30 September 2015 | 1,746 | 543 | -696 | 213 | 101 | 9,562 | 11,469 | 82 | 11,551 |

CONSOLIDATED STATEMENT OF CASH FLOWS

| MSEK | Note | Jan-Sep 2015 | Jan-Sep 2014 | Full Year 2014 |
|--|------|---------------|---------------|----------------|
| Operating activities: | | | | |
| Income after financial items | | 395 | 783 | 1,523 |
| Adjustments for items not affecting cash flows | | 440 | 669 | 725 |
| Income tax paid | | -244 | -385 | -394 |
| Cash flow from operating activities before changes in working capital | | 591 | 1,067 | 1,854 |
| Cash flow from changes in working capital: | | | | |
| Increase(-)/Decrease(+) in inventories | | -1,162 | -1,134 | -856 |
| Increase(-)/Decrease(+) in current receivables | | -742 | 409 | -282 |
| Increase(+)/Decrease(-) in advance payments from customers | | 162 | 135 | 21 |
| Increase(+)/Decrease(-) in other current liabilities | | 647 | -1,890 | -914 |
| Increase(+)/Decrease(-) in provisions | | -295 | -338 | -536 |
| Cash flow from operating activities | | -799 | -1,751 | -713 |
| Investing activities: | | | | |
| Investments in intangible fixed assets | | -56 | -35 | -68 |
| Capitalised development costs | | -149 | -119 | -171 |
| Investments in tangible fixed assets | | -585 | -541 | -732 |
| Sales and disposals of tangible fixed assets | | 8 | 6 | 15 |
| Sales and disposals of lease assets | | - | 93 | 105 |
| Sale of and investments in short-term investments | | -359 | 1,663 | 720 |
| Investments in other financial assets | | -89 | -1 | - |
| Sale of other financial assets | | - | 27 | 40 |
| Investments in operations and associated companies, net effect on liquidity | 9 | -18 | 162 | 152 |
| Sale of subsidiaries and associated companies, net effect on liquidity | | 4 | 86 | 299 |
| Cash flow from investing activities | | -1,244 | 1,341 | 360 |
| Financing activities: | | | | |
| Repayments of loans | | -746 | -314 | -468 |
| Raising of loans | | 3,398 | 600 | 1,000 |
| Repurchase of shares | | - | -252 | -252 |
| Dividend paid to Parent Company's shareholders | | -501 | -479 | -479 |
| Dividend paid to non-controlling interest | | - | - | -5 |
| Cash flow from financing activities | | 2,151 | -445 | -204 |
| Cash flow for the period | | 108 | -855 | -557 |
| Liquid assets at the beginning of the period | | 1,284 | 1,764 | 1,764 |
| Exchange rate difference in liquid assets | | -6 | 38 | 77 |
| Liquid assets at end of period | 8 | 1,386 | 947 | 1,284 |

QUARTERLY INCOME STATEMENT

| MSEK | Q3 2015 | Q2 2015 | Q1 2015 | Q4 2014 | Q3 2014 | Q2 2014 | Q1 2014 | Q4 2013 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Sales | 5,787 | 5,940 | 5,389 | 7,425 | 5,130 | 5,692 | 5,280 | 7,279 |
| Cost of goods sold | -4,505 | -4,582 | -4,073 | -5,574 | -3,800 | -4,157 | -3,919 | -5,426 |
| Gross income | 1,282 | 1,358 | 1,316 | 1,851 | 1,330 | 1,535 | 1,361 | 1,853 |
| <i>Gross margin, %</i> | <i>22.2</i> | <i>22.9</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> |
| Other operating income | 23 | 54 | 22 | 261 | 77 | 47 | 45 | 83 |
| Marketing expenses | -460 | -553 | -479 | -629 | -511 | -520 | -484 | -565 |
| Administrative expenses | -305 | -329 | -297 | -333 | -300 | -301 | -280 | -338 |
| Research and development costs | -346 | -380 | -358 | -416 | -322 | -385 | -364 | -490 |
| Other operating expenses | -8 | -6 | -4 | 3 | -10 | -7 | -7 | -19 |
| Share of income in associated companies and joint ventures | - | 13 | 10 | 21 | -6 | 4 | -1 | 10 |
| Operating income (EBIT) ¹⁾ | 186 | 157 | 210 | 758 | 258 | 373 | 270 | 534 |
| <i>Operating margin, %</i> | <i>3.2</i> | <i>2.6</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> |
| Financial income | -36 | 46 | 27 | 52 | 19 | 10 | 22 | 15 |
| Financial expenses | -89 | 9 | -115 | -70 | -48 | -64 | -57 | -189 |
| Net financial items | -125 | 55 | -88 | -18 | -29 | -54 | -35 | -174 |
| Income before taxes | 61 | 212 | 122 | 740 | 229 | 319 | 235 | 360 |
| Taxes | -25 | -45 | -32 | -154 | -59 | -83 | -59 | -73 |
| Net income for the period | 36 | 167 | 90 | 586 | 170 | 236 | 176 | 287 |
| of which Parent Company's shareholders' interest | 26 | 151 | 84 | 579 | 166 | 233 | 175 | 281 |
| of which non-controlling interest | 10 | 16 | 6 | 7 | 4 | 3 | 1 | 6 |
| Earnings per share before dilution, SEK ²⁾ | 0.25 | 1.43 | 0.80 | 5.49 | 1.57 | 2.19 | 1.64 | 2.64 |
| Earnings per share after dilution, SEK ³⁾ | 0.24 | 1.42 | 0.79 | 5.45 | 1.55 | 2.17 | 1.63 | 2.57 |
| 1) includes depreciation/amortisation and write-downs of which depreciation of leasing aircraft | -243 - | -235 - | -228 - | -230 -1 | -221 -2 | -211 -1 | -210 -4 | -278 -2 |
| 2) average number of shares before dilution | 105,781,884 | 105,643,700 | 105,533,455 | 105,438,516 | 106,060,673 | 106,549,332 | 106,454,142 | 106,342,403 |
| 3) average number of shares after dilution | 106,529,247 | 106,442,012 | 106,402,040 | 106,239,161 | 106,888,805 | 107,422,230 | 107,299,002 | 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 | Q3 2015 | Q2 2015 | Q1 2015 | Q4 2014 | Q3 2014 | Q2 2014 | Q1 2014 | Q4 2013 |
|--|-------------|--------------|-------------|-------------|-------------|------------|-------------|------------|
| Net income for the period | 36 | 167 | 90 | 586 | 170 | 236 | 176 | 287 |
| Other comprehensive income/loss: | | | | | | | | |
| Items that will not be reversed in the income statement: | | | | | | | | |
| Revaluation of net pension obligations | -233 | 1,257 | -524 | -173 | -324 | -42 | -681 | 68 |
| Tax attributable to revaluation of net pension obligations | 51 | -276 | 115 | 36 | 71 | 9 | 150 | -24 |
| Total | -182 | 981 | -409 | -137 | -253 | -33 | -531 | 44 |
| Items that may be reversed in the income statement: | | | | | | | | |
| Translation differences | -63 | -156 | 265 | 174 | 169 | 148 | 26 | 28 |
| Net gain/loss on available-for-sale financial assets | -6 | -3 | 72 | 10 | -77 | 94 | - | 116 |
| Net gain/loss on cash flow hedges | -187 | 56 | -79 | -315 | -517 | -251 | -80 | -174 |
| Tax attributable to net gain/loss on cash flow hedges | 49 | -14 | 15 | 67 | 114 | 53 | 19 | 39 |
| Total | -207 | -117 | 273 | -64 | -311 | 44 | -35 | 9 |
| Other comprehensive income/loss for the period | -389 | 864 | -136 | -201 | -564 | 11 | -566 | 53 |
| Net comprehensive income/loss for the period | -353 | 1,031 | -46 | 385 | -394 | 247 | -390 | 340 |
| of which Parent Company's shareholders' interest | -335 | 1,024 | -57 | 381 | -398 | 237 | -387 | 335 |
| of which non-controlling interest | -18 | 7 | 11 | 4 | 4 | 10 | -3 | 5 |

KEY RATIOS BY QUARTER

| MSEK | Q3 2015 | Q2 2015 | Q1 2015 | Q4 2014 | Q3 2014 | Q2 2014 | Q1 2014 | Q4 2013 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|
| Equity/assets ratio, (%) | 35.1 | 37.2 | 37.0 | 38.5 | 40.1 | 42.7 | 44.4 | 44.0 |
| Return on capital employed, % ¹⁾ | 8.1 | 8.7 | 10.6 | 11.1 | 9.7 | 9.8 | 8.3 | 9.1 |
| Return on equity, % ¹⁾ | 7.8 | 8.6 | 9.3 | 9.9 | 7.6 | 7.7 | 5.5 | 6.3 |
| Equity per share, SEK ²⁾ | 108.36 | 111.48 | 106.54 | 107.02 | 103.41 | 108.20 | 110.47 | 114.04 |
| Free cash flow, MSEK | 487 | -1,141 | -941 | 1,006 | -710 | -1,074 | -316 | 553 |
| Free cash flow per share after dilution, SEK ³⁾ | 4.57 | -10.72 | -8.84 | 9.47 | -6.64 | -10.00 | -2.95 | 5.07 |

1) Measured over a rolling 12-month period

2) Number of shares excluding treasury shares

3) Average number of shares after dilution

| | | | | | | | |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 105,843,298 | 105,720,470 | 105,566,929 | 105,499,980 | 105,377,052 | 106,604,525 | 106,494,139 | 106,414,144 |
| 106,529,247 | 106,442,012 | 106,402,040 | 106,239,161 | 106,888,805 | 107,422,230 | 107,299,002 | 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 | Q3 2015 | Operating margin | Q2 2015 | Operating margin | Q1 2015 | Operating margin | Q4 2014 | Operating margin |
|----------------------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|------------------|
| Sales | | | | | | | | |
| Aeronautics | 1,686 | | 1,364 | | 1,098 | | 1,833 | |
| Dynamics | 763 | | 570 | | 628 | | 929 | |
| Electronic Defence Systems | 731 | | 922 | | 875 | | 1,154 | |
| Security and Defence Solutions | 1,394 | | 1,626 | | 1,292 | | 1,999 | |
| Support and Services | 804 | | 1,010 | | 929 | | 1,039 | |
| Industrial Products and Services | 762 | | 912 | | 866 | | 1,017 | |
| Internal sales | -353 | | -464 | | -299 | | -546 | |
| Total | 5,787 | | 5,940 | | 5,389 | | 7,425 | |
| Operating income/loss | | | | | | | | |
| Aeronautics | 120 | 7.1% | 30 | 2.2% | 54 | 4.9% | 160 | 8.7% |
| Dynamics | 47 | 6.2% | -94 | -16.5% | -28 | -4.5% | 127 | 13.7% |
| Electronic Defence Systems | -7 | -1.0% | 4 | 0.4% | 29 | 3.3% | 86 | 7.5% |
| Security and Defence Solutions | 38 | 2.7% | 68 | 4.2% | 64 | 5.0% | 222 | 11.1% |
| Support and Services | -4 | -0.5% | 73 | 7.2% | 83 | 8.9% | 124 | 11.9% |
| Industrial Products and Services | 8 | 1.0% | 67 | 7.3% | 34 | 3.9% | 79 | 7.8% |
| Corporate | -16 | | 9 | | -26 | | -40 | |
| Total | 186 | 3.2% | 157 | 2.6% | 210 | 3.9% | 758 | 10.2% |

| MSEK | Q3 2014 | Operating margin | Q2 2014 | Operating margin | Q1 2014 | Operating margin |
|----------------------------------|--------------|------------------|--------------|------------------|--------------|------------------|
| Sales | | | | | | |
| Aeronautics | 998 | | 1,295 | | 1,328 | |
| Dynamics | 599 | | 730 | | 716 | |
| Electronic Defence Systems | 953 | | 1,093 | | 852 | |
| Security and Defence Solutions | 1,367 | | 1,240 | | 1,156 | |
| Support and Services | 794 | | 898 | | 839 | |
| Industrial Products and Services | 773 | | 888 | | 787 | |
| Internal sales | -354 | | -452 | | -398 | |
| Total | 5,130 | | 5,692 | | 5,280 | |
| Operating income/loss | | | | | | |
| Aeronautics | 23 | 2.3% | 108 | 8.3% | 107 | 8.1% |
| Dynamics | -26 | -4.3% | 36 | 4.9% | 28 | 3.9% |
| Electronic Defence Systems | 100 | 10.5% | 50 | 4.6% | -25 | -2.9% |
| Security and Defence Solutions | 71 | 5.2% | 75 | 6.0% | -12 | -1.0% |
| Support and Services | 43 | 5.4% | 122 | 13.6% | 87 | 10.4% |
| Industrial Products and Services | 1 | 0.1% | 20 | 2.3% | 12 | 1.5% |
| Corporate | 46 | | -38 | | 73 | |
| Total | 258 | 5.0% | 373 | 6.6% | 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-Sep 2015 | Jan-Sep 2014 | Full Year 2014 |
|-------------------------|------------------|--------------|--------------|----------------|
| Organic sales growth, % | 5 | 0 | -2 | -3 |
| Operating margin, % | 10 | 3.2 | 5.6 | 7.1 |
| Equity/assets ratio, % | 30 | 35.1 | 40.1 | 38.5 |

PARENT COMPANY INCOME STATEMENT

| MSEK | Jan-Sep 2015 | Jan-Sep 2014 | Full Year 2014 |
|-------------------------------------|--------------|--------------|----------------|
| Sales | 10,979 | 11,175 | 16,175 |
| Cost of goods sold | -8,776 | -8,326 | -11,869 |
| Gross income | 2,203 | 2,849 | 4,306 |
| <i>Gross margin, %</i> | <i>20.1</i> | <i>25.5</i> | <i>26.6</i> |
| Operating income and expenses | -2,307 | -2,291 | -3,106 |
| Operating income (EBIT) | -104 | 558 | 1,200 |
| <i>Operating margin, %</i> | <i>-0.9</i> | <i>5.0</i> | <i>7.4</i> |
| Financial income and expenses | 77 | 217 | 706 |
| Income after financial items | -27 | 775 | 1,906 |
| Appropriations | - | - | -419 |
| Income before taxes | -27 | 775 | 1,487 |
| Taxes | -59 | -192 | -317 |
| Net income for the period | -86 | 583 | 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 nine months of 2015 amounted to MSEK 10,979 (11,175). Operating income was MSEK -104 (558).

Net financial income and expenses was MSEK 77 (217). After appropriations of MSEK 0 (0) and taxes of MSEK -59 (-192), net income for the period amounted to MSEK -86 (583).

Liquidity, financing, capital expenditures and number of employees

The Parent Company's net debt amounted to MSEK 4,526 at 30 September 2015 compared to MSEK 2,577 at 31 December 2014.

Gross capital expenditure in tangible fixed assets amounted to MSEK 461 (445). Investments in intangible assets amounted to MSEK 45 (32). At the end of the period, the Parent Company had 8,652 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 | 30 Sep 2015 | 31 Dec 2014 | 30 Sep 2014 |
|---|------|---------------|---------------|---------------|
| ASSETS | | | | |
| Fixed assets: | | | | |
| Intangible fixed assets | | 892 | 1,117 | 1,171 |
| Tangible fixed assets | | 2,842 | 2,574 | 2,540 |
| Financial fixed assets | | 7,767 | 8,057 | 8,043 |
| Total fixed assets | | 11,501 | 11,748 | 11,754 |
| Current assets: | | | | |
| Inventories, etc. | | 5,090 | 4,490 | 4,381 |
| Current receivables | | 8,137 | 8,251 | 7,285 |
| Short term investments | | 1,627 | 1,270 | 327 |
| Liquid assets | | 716 | 377 | 163 |
| Total current assets | | 15,570 | 14,388 | 12,156 |
| TOTAL ASSETS | | 27,071 | 26,136 | 23,910 |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | | |
| Equity: | | | | |
| Restricted equity | | 2,983 | 2,983 | 2,989 |
| Unrestricted equity | | 4,946 | 5,486 | 4,880 |
| Total shareholders' equity | | 7,929 | 8,469 | 7,869 |
| Provisions and liabilities: | | | | |
| Untaxed reserves | | 1,979 | 1,979 | 1,560 |
| Provisions | | 532 | 778 | 1,438 |
| Liabilities | 6 | 16,631 | 14,910 | 13,043 |
| Total provisions and liabilities | | 19,142 | 17,667 | 16,041 |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | | 27,071 | 26,136 | 23,910 |

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's B shares are 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 nine 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, missile systems, and naval 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-Sep 2015 | Jan-Sep 2014 | Change, % | Q3 2015 | Q3 2014 | Full Year 2014 |
|----------------------------------|-----------------|-----------------|--------------|---------------|--------------|-------------------|
| Aeronautics | 36,350 | 501 | 7,155 | 35,689 | -66 | 6,213 |
| Dynamics | 3,530 | 1,257 | 181 | 568 | 408 | 2,325 |
| Electronic Defence Systems | 5,467 | 1,637 | 234 | 3,023 | 322 | 2,484 |
| Security and Defence Solutions | 12,689 | 3,900 | 225 | 1,375 | 827 | 6,110 |
| Support and Services | 3,813 | 2,085 | 83 | 2,811 | 339 | 4,720 |
| Industrial Products and Services | 2,753 | 1,931 | 43 | 993 | 453 | 2,604 |
| Internal | -2,003 | -1,112 | | -856 | -210 | -1,854 |
| Total | 62,599 | 10,199 | 514 | 43,603 | 2,073 | 22,602 |

Order backlog per business area

| MSEK | 30 Sep 2015 | 31 Dec 2014 | 30 Sep 2014 |
|----------------------------------|----------------|---------------|---------------|
| Aeronautics | 58,590 | 26,388 | 22,509 |
| Dynamics | 5,496 | 3,915 | 3,769 |
| Electronic Defence Systems | 9,174 | 6,365 | 6,591 |
| Security and Defence Solutions | 15,169 | 6,823 | 6,494 |
| Support and Services | 9,079 | 7,976 | 6,338 |
| Industrial Products and Services | 9,742 | 9,537 | 9,876 |
| Internal | -1,764 | -876 | -667 |
| Total | 105,486 | 60,128 | 54,910 |

NOTE 3 Continued

| Significant orders received (approx. values MSEK) | Country | Order value |
|--|---------|-------------|
| Gripen NG | Brazil | 39,334 |
| Submarine A26 and mid-life upgrade for Gotland-class submarines | Sweden | 8,650 |
| Self-protection system for the Indian armed forces' Dhruv helicopter | India | 740 |
| Giraffe AMB radar systems | UK | 610 |
| Underwater systems | | 429 |

Sales per business area

| MSEK | Jan-Sep 2015 | Jan-Sep 2014 | Change, % | Q3 2015 | Q3 2014 | Rolling 12 Months | Full Year 2014 |
|---|---------------|---------------|------------|--------------|--------------|-------------------|----------------|
| Aeronautics | 4,148 | 3,621 | 15 | 1,686 | 998 | 5,981 | 5,454 |
| of which external sales | 3,936 | 3,490 | 13 | 1,616 | 953 | 5,688 | 5,242 |
| of which internal sales | 212 | 131 | 62 | 70 | 45 | 293 | 212 |
| Dynamics | 1,961 | 2,045 | -4 | 763 | 599 | 2,890 | 2,974 |
| of which external sales | 1,891 | 1,952 | -3 | 746 | 578 | 2,779 | 2,840 |
| of which internal sales | 70 | 93 | -25 | 17 | 21 | 111 | 134 |
| Electronic Defence Systems | 2,528 | 2,898 | -13 | 731 | 953 | 3,682 | 4,052 |
| of which external sales | 2,429 | 2,740 | -11 | 690 | 909 | 3,556 | 3,867 |
| of which internal sales | 99 | 158 | -37 | 41 | 44 | 126 | 185 |
| Security and Defence Solutions | 4,312 | 3,763 | 15 | 1,394 | 1,367 | 6,311 | 5,762 |
| of which external sales | 4,235 | 3,673 | 15 | 1,381 | 1,348 | 6,197 | 5,635 |
| of which internal sales | 77 | 90 | -14 | 13 | 19 | 114 | 127 |
| Support and Services | 2,743 | 2,531 | 8 | 804 | 794 | 3,782 | 3,570 |
| of which external sales | 2,667 | 2,392 | 11 | 778 | 749 | 3,646 | 3,371 |
| of which internal sales | 76 | 139 | -45 | 26 | 45 | 136 | 199 |
| Industrial Products and Services | 2,540 | 2,448 | 4 | 762 | 773 | 3,557 | 3,465 |
| of which external sales | 1,912 | 1,871 | 2 | 571 | 613 | 2,629 | 2,588 |
| of which internal sales | 628 | 577 | 9 | 191 | 160 | 928 | 877 |
| Corporate/eliminations | -1,116 | -1,204 | | -353 | -354 | -1,662 | -1,750 |
| of which external sales | 46 | -16 | | 5 | -20 | 46 | -16 |
| of which internal sales | -1,162 | -1,188 | | -358 | -334 | -1,708 | -1,734 |
| Total | 17,116 | 16,102 | 6 | 5,787 | 5,130 | 24,541 | 23,527 |

Sales per region

| MSEK | Jan-Sep 2015 | % of sales | Jan-Sep 2014 | % of sales | Full Year 2014 | % of sales |
|---------------------|---------------|------------|---------------|------------|----------------|------------|
| Sweden | 7,880 | 46 | 6,953 | 43 | 10,512 | 45 |
| Rest of EU | 2,979 | 17 | 2,570 | 16 | 3,770 | 16 |
| Rest of Europe | 376 | 2 | 382 | 2 | 592 | 3 |
| Total Europe | 11,235 | 66 | 9,905 | 62 | 14,874 | 64 |
| North America | 1,645 | 10 | 1,615 | 10 | 2,387 | 10 |
| Latin America | 925 | 5 | 372 | 2 | 508 | 2 |
| Asia | 2,267 | 13 | 2,888 | 18 | 4,007 | 17 |
| Africa | 357 | 2 | 430 | 3 | 573 | 2 |
| Australia, etc. | 687 | 4 | 892 | 6 | 1,178 | 5 |
| Total | 17,116 | 100 | 16,102 | 100 | 23,527 | 100 |

Information on large customers

In the first nine months of 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 6,317 (5,263).

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-Sep 2015 | % of sales | Jan-Sep 2014 | % of sales | Rolling 12 Months | Full Year 2014 |
|---|-----------------|---------------|-----------------|---------------|----------------------|-------------------|
| Aeronautics | 204 | 4.9 | 238 | 6.6 | 364 | 398 |
| Dynamics | -75 | -3.8 | 38 | 1.9 | 52 | 165 |
| Electronic Defence Systems | 26 | 1.0 | 125 | 4.3 | 112 | 211 |
| Security and Defence Solutions | 170 | 3.9 | 134 | 3.6 | 392 | 356 |
| Support and Services | 152 | 5.5 | 252 | 10.0 | 276 | 376 |
| Industrial Products and Services | 109 | 4.3 | 33 | 1.3 | 188 | 112 |
| The business area's total operating income | 586 | 3.4 | 820 | 5.1 | 1,384 | 1,618 |
| Corporate | -33 | | 81 | | -73 | 41 |
| Total | 553 | 3.2 | 901 | 5.6 | 1,311 | 1,659 |

Depreciation/amortisation and write-downs per business area

| MSEK | Jan-Sep 2015 | Jan-Sep 2014 | Change, % | Q3 2015 | Q3 2014 | Rolling 12 Months | Full Year 2014 |
|-------------------------------------|-----------------|-----------------|--------------|------------|------------|----------------------|-------------------|
| Aeronautics | 29 | 31 | -6 | 9 | 10 | 39 | 41 |
| Dynamics | 41 | 46 | -11 | 14 | 15 | 56 | 61 |
| Electronic Defence Systems | 313 | 308 | 2 | 106 | 101 | 419 | 414 |
| Security and Defence Solutions | 99 | 76 | 30 | 33 | 30 | 135 | 112 |
| Support and Services | 14 | 14 | - | 5 | 5 | 18 | 18 |
| Industrial Products and Services | 30 | 23 | 30 | 11 | 8 | 38 | 31 |
| Corporate – lease aircraft | - | 7 | -100 | - | 2 | 1 | 8 |
| Corporate – other | 180 | 137 | 31 | 65 | 50 | 230 | 187 |
| Total | 706 | 642 | 10 | 243 | 221 | 936 | 872 |

Operational cash flow per business area

| MSEK | Jan-Sep 2015 | Jan-Sep 2014 | Q3 2015 | Q3 2014 | Rolling 12 Months | Full Year 2014 |
|-------------------------------------|-----------------|-----------------|------------|-------------|----------------------|-------------------|
| Aeronautics | -352 | -221 | -193 | 28 | -532 | -401 |
| Dynamics | -626 | -177 | -419 | -144 | -518 | -69 |
| Electronic Defence Systems | -257 | -789 | -28 | -410 | -57 | -589 |
| Security and Defence Solutions | 310 | -325 | 296 | -119 | 792 | 157 |
| Support and Services | -215 | -90 | 6 | -171 | -157 | -32 |
| Industrial Products and Services | -58 | -176 | -26 | -68 | -202 | -320 |
| Corporate | 45 | -172 | 1,017 | 31 | 274 | 57 |
| Total | -1,153 | -1,950 | 653 | -853 | -400 | -1,197 |

Capital employed per business area

| MSEK | 30 Sep 2015 | 31 Dec 2014 | 30 Sep 2014 |
|----------------------------------|-------------|---------------|---------------|
| Aeronautics | | 2,049 | 2,152 |
| Dynamics | | 2,721 | 2,186 |
| Electronic Defence Systems | | 4,560 | 4,621 |
| Security and Defence Solutions | | 4,330 | 4,257 |
| Support and Services | | 2,573 | 2,214 |
| Industrial Products and Services | | 1,787 | 1,626 |
| Corporate | | 1,222 | -727 |
| Total | | 19,242 | 16,329 |

Full time equivalents (FTE's) per business area

| Number at end of the period | 30 Sep 2015 | 31 Dec 2014 | 30 Sep 2014 |
|----------------------------------|---------------|---------------|---------------|
| Aeronautics | 2,699 | 2,690 | 2,678 |
| Dynamics | 1,542 | 1,461 | 1,477 |
| Electronic Defence Systems | 2,186 | 2,190 | 2,182 |
| Security and Defence Solutions | 3,102 | 3,234 | 3,318 |
| Support and Services | 1,831 | 1,818 | 1,798 |
| Industrial Products and Services | 2,374 | 2,370 | 2,342 |
| Corporate | 822 | 798 | 767 |
| Total | 14,556 | 14,561 | 14,562 |

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 17 April 2015 and payment was made on 22 April 2015.

NOTE 5 Intangible fixed assets

| MSEK | 30 Sep 2015 | 31 Dec 2014 | 30 Sep 2014 |
|-------------------------------|--------------|--------------|--------------|
| Goodwill | 5,072 | 5,015 | 4,942 |
| Capitalised development costs | 865 | 952 | 1,229 |
| Other intangible assets | 313 | 384 | 376 |
| Total | 6,250 | 6,351 | 6,547 |

NOTE 6 Net liquidity/debt

| MSEK | 30 Sep 2015 | 31 Dec 2014 | 30 Sep 2014 |
|---|---------------|---------------|---------------|
| Assets: | | | |
| Liquid assets | 1,386 | 1,284 | 947 |
| Short-term investments | 1,627 | 1,270 | 333 |
| Total liquid investments | 3,013 | 2,554 | 1,280 |
| Short-term interest-bearing receivables | 44 | 5 | 5 |
| Long-term interest-bearing receivables | 107 | 83 | 78 |
| Long-term receivables attributable to pensions | 59 | 59 | 36 |
| Long-term interest-bearing financial investments | 141 | 142 | 141 |
| Total interest-bearing assets | 3,364 | 2,843 | 1,540 |
| Liabilities: | | | |
| Liabilities to credit institutions | 4,649 | 2,001 | 1,760 |
| Liabilities to associated companies and joint ventures | 224 | 244 | 223 |
| Other interest-bearing liabilities | 614 | 124 | 130 |
| Provisions for pensions ¹⁾ | 2,204 | 2,587 | 2,421 |
| Total interest-bearing liabilities and provisions for pensions | 7,691 | 4,956 | 4,534 |
| Net liquidity (+) / net debt (-) | -4,327 | -2,113 | -2,994 |

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) | 6,000 | - | 6,000 |
| Overdraft facility (Maturity 2015) | 97 | - | 97 |
| Total | 6,097 | - | 6,097 |

Parent Company

| MSEK | 30 Sep 2015 | 31 Dec 2014 | 30 Sep 2014 |
|---|--------------|--------------|--------------|
| Long-term liabilities to credit institutions | 3,000 | 2,000 | 1,600 |
| Short-term liabilities to credit institutions | 1,648 | - | 160 |
| Total | 4,648 | 2,000 | 1,760 |

In December 2009, Saab established a Medium Term Note programme (MTN) in order to enable the issuance of long-term loans on the capital market. In September 2015, the MTN programme was increased from SEK 3 billion to SEK 6 billion. Under the terms of this programme Saab has issued bonds and Floating Rate Notes (FRN) of SEK 3.8 billion, of which MSEK 800 was settled in October. After the conclusion of the period additional bonds and FRN of MSEK 350 have been issued.

NOTE 7 Financial instruments

Classification and categorisation of financial assets and liabilities*

| 30 Sep 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 | - | 184 | 51 | 141 | - | - | - | - | 376 | 379 |
| Long-term receivables | - | - | - | - | 179 | - | - | - | 179 | 179 |
| Derivatives | | | | | | | | | | |
| Forward exchange contracts | 45 | - | - | - | - | - | 791 | 9 | 845 | 845 |
| Currency options | 9 | - | - | - | - | - | - | - | 9 | 9 |
| Interest rate swaps | - | - | - | - | - | - | - | - | - | - |
| Electricity derivatives | 4 | - | - | - | - | - | - | - | 4 | 4 |
| Total derivatives | 58 | - | - | - | - | - | 791 | 9 | 858 | 858 |
| Accounts receivable and other receivables | - | - | - | - | 8,601 | - | - | - | 8,601 | 8,601 |
| Short-term investments | - | - | 1,627 | - | - | - | - | - | 1,627 | 1,627 |
| Liquid assets | - | - | - | - | 1,386 | - | - | - | 1,386 | 1,386 |
| Total financial assets | 58 | 184 | 1,678 | 141 | 10,166 | - | 791 | 9 | 13,027 | 13,030 |
| Financial liabilities: | | | | | | | | | | |
| Interest-bearing liabilities | - | - | - | - | - | 5,487 | - | - | 5,487 | 5,490 |
| Derivatives | | | | | | | | | | |
| Forward exchange contracts | 25 | - | - | - | - | - | 1,495 | 2 | 1,522 | 1,522 |
| Currency options | 10 | - | - | - | - | - | - | - | 10 | 10 |
| Interest rate swaps | - | - | - | - | - | - | 123 | - | 123 | 123 |
| Electricity derivatives | 5 | - | - | - | - | - | 14 | - | 19 | 19 |
| Total derivatives | 40 | - | - | - | - | - | 1,632 | 2 | 1,674 | 1,674 |
| Other liabilities | - | - | - | - | - | 4,763 | - | - | 4,763 | 4,763 |
| Total financial liabilities | 40 | - | - | - | - | 10,250 | 1,632 | 2 | 11,924 | 11,927 |

* 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 725.

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 30 September 2015, the Group had the following financial assets and liabilities at fair value:

Assets at fair value

| MSEK | 30 Sep 2015 | Level 1 | Level 2 | Level 3 |
|---------------------------------------|--------------|--------------|------------|-----------|
| Bonds and interest-bearing securities | 1,627 | 1,627 | - | - |
| Forward exchange contracts | 845 | - | 845 | - |
| Currency options | 9 | - | 9 | - |
| Interest rate swaps | - | - | - | - |
| Electricity derivatives | 4 | 4 | - | - |
| Shares and participations | 235 | 184 | - | 51 |
| Total | 2,720 | 1,815 | 854 | 51 |

Liabilities at fair value

| MSEK | 30 Sep 2015 | Level 1 | Level 2 | Level 3 |
|----------------------------|--------------|-----------|--------------|----------|
| Forward exchange contracts | 1,522 | - | 1,522 | - |
| Currency options | 10 | - | 10 | - |
| Interest rate swaps | 123 | - | 123 | - |
| Electricity derivatives | 19 | 19 | - | - |
| Total | 1,674 | 19 | 1,655 | - |

Specification of free cash flow

| MSEK | Saab excl. Acquisitions/divestments | Acquisitions and divestments | Total Group Jan-Sep 2015 | Total Group Jan-Sep 2014 |
|--|-------------------------------------|------------------------------|--------------------------|--------------------------|
| Cash flow from operating activities before changes in working capital ¹⁾ | 1,019 | - | 1,019 | 1,464 |
| Cash flow from changes in working capital: | | | | |
| Inventories | -1,162 | - | -1,162 | -1,134 |
| Current receivables | -742 | - | -742 | 409 |
| Advance payments from customers | 162 | - | 162 | 135 |
| Other current liabilities | 647 | - | 647 | -1,890 |
| Provisions | -295 | - | -295 | -338 |
| Change in working capital | -1,390 | - | -1,390 | -2,818 |
| Cash flow from operating activities ²⁾ | -371 | - | -371 | -1,354 |
| Investing activities: | | | | |
| Investments in intangible fixed assets | -205 | - | -205 | -154 |
| Investments in tangible fixed assets | -585 | - | -585 | -541 |
| Sales and disposals of tangible fixed assets | 8 | - | 8 | 6 |
| Sales and disposals of lease assets | - | - | - | 93 |
| Cash flow from investing activities ³⁾ | -782 | - | -782 | -596 |
| Operational cash flow | -1,153 | - | -1,153 | -1,950 |
| Taxes and other financial items | -428 | - | -428 | -397 |
| Sale of and investments in shares etc. | - | - | - | -1 |
| Acquisitions of subsidiaries and associated companies | - | -18 | -18 | 162 |
| Sale of subsidiaries and associated companies | - | 4 | 4 | 86 |
| Free cash flow | -1,581 | -14 | -1,595 | -2,100 |

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 | 30 Sep 2015 | 31 Dec 2014 | 30 Sep 2014 |
|---|--------------|--------------|-------------|
| The following components are included in liquid assets: | | | |
| Cash and bank balances | 986 | 1,284 | 947 |
| Bank deposits | 400 | - | - |
| Total according to balance sheet | 1,386 | 1,284 | 947 |
| Total according to statement of cash flows | 1,386 | 1,284 | 947 |

Free cash flow vs. statement of cash flows

| MSEK | Jan-Sep 2015 | Jan-Sep 2014 | Full Year 2014 |
|--|--------------|--------------|----------------|
| Free cash flow | -1,595 | -2,100 | -1,094 |
| Investing activities – interest-bearing: | | | |
| Short-term investments | -359 | 1,663 | 720 |
| Other financial investments and receivables | -89 | 27 | 21 |
| Financing activities: | | | |
| Repayments of loans | -746 | -314 | -468 |
| Raising of loans | 3,398 | 600 | 1,000 |
| Repurchase of shares | - | -252 | -252 |
| Dividend paid to the Parent Company's shareholders | -501 | -479 | -479 |
| Dividend paid to non-controlling interest | - | - | -5 |
| Cash flow for the period | 108 | -855 | -557 |

NOTE 9 Business combinations

No significant acquisitions were made or announced during the first nine months of 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 7,826 at 30 September 2015 compared to MSEK 7,778 at 30 September 2014 and the value of the plan assets amounted to MSEK 5,681 at 30 September 2015 compared to MSEK 5,393 at 30 September 2014. Provisions for pensions attributable to special employers' contribution amounted to MSEK 465 at 30 September 2015 and to MSEK 505 at 30 September 2014. Total provisions for pensions amount to MSEK 2,610, of which MSEK 59 is reported as long-term receivables.

NOTE 11 Contingent liabilities

During the period guarantees related to the order of Gripen NG to Brazil have arisen. 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 Systems (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, 23 October 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 30 September 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 23 October 2015
PricewaterhouseCoopers AB

Anna-Clara af Ekenstam
Authorised Public Accountant
Auditor in charge

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 23 October 2015.

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Press and financial analyst conference

23 October 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/151023

Conference call:

Please, dial in using one of the numbers below.

UK: +44 20 342 814 09

US: +1 866 385 9214

SE: +46 8 566 426 66

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

CALENDAR

YEAR-END REPORT 2015

PUBLISHED 10 FEBRUARY 2016

ANNUAL GENERAL MEETING

14 APRIL 2016

INTERIM REPORT JANUARY–MARCH 2016

PUBLISHED 21 APRIL 2016

INTERIM REPORT JANUARY–JUNE 2016

PUBLISHED 21 JULY 2016

INTERIM REPORT JANUARY–SEPTEMBER 2016

PUBLISHED 25 OCTOBER 2016



SAAB