

STRONG RESULT IN A DEMANDING MARKET



CEO Comment: Håkan Buskhe

The year started strong with an increase in order bookings in all business areas and the order backlog grew by 32 per cent. Sales amounted to MSEK 5,862 with a reported and organic growth of 5 per cent. A high activity level, especially in the business areas Aeronautics and Combitech, contributed to growth.

The operating margin was 6.8 per cent. During the quarter 6.1 per cent of sales were invested in internally funded research and development. In business area Electronic Defence Systems we invested strongly in radar and sensor technologies, which together with a different project mix compared to 2012, led to an operating loss in the business area. We will continue to invest in these areas going forward since these technologies provide the basis for several of our systems and offerings. The earnings per share after dilution amounted to SEK 2.46. The operating cash flow was negative as a result of utilisation of customer advances and a timing difference in milestone payments.

In summary, we view the reported result as a very good achievement in the current demanding market conditions.

An important milestone was reached on 15 February when we announced a key agreement with the Swedish Defence Materiel Administration, FMV, concerning the development and modification

of Gripen E, the next generation of our fighter aircraft Gripen. During the first quarter we received orders for the complete development of Gripen E from Sweden totalling SEK 13.2 billion. The agreement includes potential orders concerning Gripen E to a total of SEK 47.2 billion during 2013 and 2014, including a potential order for Gripen E to Switzerland.

We also received an order for an upgrade of a mission system for the Erieye system in Brazil as well as a major support contract for an additional airborne surveillance system. Both orders are a further confirmation of our strong capability to provide advanced technology and service and support solutions.

Our market area organisation has been in place for three months. We now focus on leveraging on our existing market position and enhancing our growth possibilities. The internal work to increase efficiency continues at full speed.

Market conditions are challenging, especially in Europe and in the U.S., where sequestration is putting pressure on federal spending. We foresee the continued challenging market situation to remain throughout 2013. As security and defence companies are increasingly looking for business opportunities outside their traditional home markets, competition is fierce, especially in growth markets such as India and Asia Pacific. As one of the most cost-efficient companies in our industry, we are well-prepared and well-positioned to continue to support our customers with world-class technology.

OUTLOOK STATEMENT 2013:

- In 2013, we estimate that sales will increase slightly compared to 2012.
- The operating margin in 2013, excluding material net capital gains and other non-recurring items, is expected to be in line with the operating margin in 2012, excluding material non-recurring items, of 7.7 per cent*.

* Restated from 7.6 per cent to 7.7 per cent due to the changed accounting principles for pensions (IAS 19).

Financial highlights

MSEK	Jan-Mar 2013	Jan-Mar 2012	Change, %	Jan-Dec 2012
Order bookings	18,865	4,000	372	20,683
Order backlog	47,059	35,657	32	34,151
Sales	5,862	5,573	5	24,010
Gross income	1,612	1,579	2	7,208
Gross margin, %	27.5	28.3		30.0
Operating income before depreciation/amortisation and write-downs (EBITDA)	644	684		3,186
EBITDA margin	11.0	12.3		13.3
Operating income (EBIT)	396	403	-2	2,050
Operating margin, %	6.8	7.2		8.5
Net income	262	283	-7	1,560
Earnings per share before dilution, SEK	2.54	2.82		15.00
Earnings per share after dilution, SEK	2.46	2.72		14.52
Return on equity, % ¹⁾	13.3	19.3		12.8
Operating cash flow ²⁾	-349	-48		-396
Operating cash flow per share after dilution, SEK	-3.20	-0.44		-3.63

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

2) Operating cash flow includes cash flow from operating activities of MSEK -234 (-16) and cash flow from investing activities excluding change in short-term investments and other interest-bearing financial assets of MSEK -115 (-32)

All figures presented for 2012 are restated according to the changed accounting principles for pensions (IAS 19). Financials for 2011 and earlier periods are not restated.

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

Services and the independent subsidiary Com-bitech.

In addition, Corporate comprises Group staff and departments and secondary operations. It

also includes the leasing fleet of Saab 340 and Saab 2000 aircraft.

Orders and Sales

Orders

January–March 2013

Order bookings in the first quarter increased strongly compared to the same period 2012. The strong increase was mainly due to two major orders for the development of the next generation of Gripen, Gripen E, totalling SEK 13.2 billion received in February and March from FMV. The development work will be carried out during 2013-2023.

Excluding these two orders, order bookings still showed a strong increase of approximately 40 per cent in the quarter.

Several other large orders were received including an order for delivery of the autonomous underwater vehicles systems, AUV62, in training configuration. The AUV62 systems are the latest version of the advanced training target for Anti Submarine Warfare (ASW) training.

FMV also placed two orders for an upgrade of Sweden's ground based air defence. The orders included both upgrades of existing units and new units with functions for ground based air defence Command, Control and Communications (C3), based on the Giraffe AMB multifunctional radar and C3 system. The systems feature command units which can be coordinated

with Nato's tactical data link (Link 16), communication systems, combat management terminals, as well as an upgrade of existing radar and command units.

An order was received from Brazilian Embraer Defense and Security for an upgrade of the Erieye AEW&C Mission System.

A support contract was signed for an airborne surveillance system that concerns a comprehensive set of spares and support services for a previously delivered system.

For a detailed list of major orders received, see note 3, page 23.

In all, 94 per cent (67) of order bookings were attributable to defence-related operations.

21 per cent (64) of order bookings were from customers outside Sweden.

During the first quarter 2013, index and price changes had a negative effect on order bookings of MSEK 9 compared to a positive effect of MSEK 69 in the first quarter 2012.

Orders received, where the order sum was larger than MSEK 100, represented 86 per cent (19) of total order bookings.

The order backlog at the end of the first quarter 2013 amounted to MSEK 47,059, compared to MSEK 34,151 at the beginning of the year.

Order backlog duration

- 2013: SEK 14.5 billion
- 2014: SEK 12.8 billion
- 2015: SEK 9.0 billion
- 2016: SEK 6.6 billion
- After 2016: SEK 4.2 billion

Sales

January–March 2013

Reported and organic sales increased by 5 per cent in the first quarter 2013 compared to the same period 2012. The growth was mainly a result of an increased activity level related to the development of Gripen E.

Acquisitions contributed to the increase in sales by 1 per cent, however offset by a negative impact from exchange rates of 1 per cent.

Sales in markets outside Sweden amounted to MSEK 3,271 (3,451), or 56 per cent (62) of total sales.

Of sales, 81 per cent (83) was related to the defence market.

Orders by Market Region

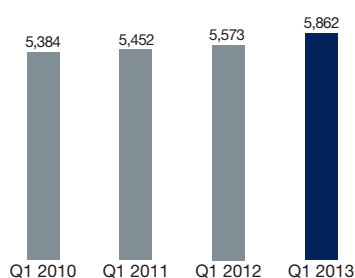
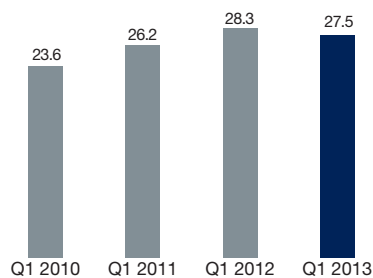
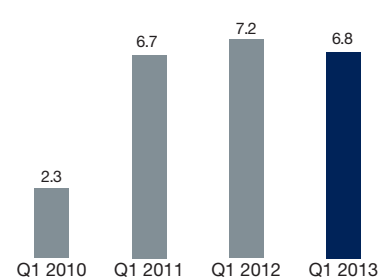
MSEK	Jan–Mar 2013	% of total	Jan–Mar 2012
Sweden	14,923	79	1,431
EU excluding Sweden	877	5	749
Rest of Europe	105	1	42
Americas	1,059	6	1,181
Asia	1,689	9	111
Africa	151	1	294
Australia, etc.	61	-	192
Total	18,865	100	4,000

Sales by Market Region

MSEK	Jan–Mar 2013	Jan–Mar 2012
Sweden	2,591	2,122
EU excluding Sweden	914	940
Rest of Europe	119	56
Americas	715	527
Asia	1,022	1,303
Africa	178	371
Australia, etc.	323	254
Total	5,862	5,573

Sales by Market Segment

MSEK	Jan–Mar 2013	Jan–Mar 2012
Air	2,767	2,225
Land	1,515	1,938
Naval	507	522
Civil Security	535	385
Commercial Aeronautics	346	260
Other	192	243
Total	5,862	5,573

Sales, MSEK**Gross margin, %****Operating margin, %****Income****January–March 2013**

The gross margin decreased in the first quarter 2013 compared to the same period 2012 to 27.5 per cent (28.3) as a result of a different product and project mix compared to 2012.

As expected, marketing expenses increased in the first quarter 2013 as a result of an increased level of activities related to the build-up of the market area organisation which has been in place since 1 January, 2013.

Total depreciation and amortisation amounted to MSEK 257 (297).

Depreciation of tangible fixed assets amounted to MSEK 93 (95), while depreciation of the leasing fleet amounted to MSEK 9 (16).

Internally funded expenditures in research and development amounted to MSEK 355 (335) of which a total of MSEK 12 (8) was capitalised. A large part of the expenditures was invested in development of radar and sensor technologies.

Amortisation of intangible fixed assets amounted to MSEK 155 (186), of which amortisation of capitalised development

costs amounted to MSEK 115 (152).

A risk assessment of the remaining risks related to Saab's lease fleet of turboprop aircraft led to a reversal of risk provisions, which contributed positively to the operating income in the quarter.

The share of income in associated companies was MSEK -2 (-3).

The operating income amounted to MSEK 396 (403) with an operating margin of 6.8 (7.2).

Financial Net

MSEK	Jan–Mar 2013	Jan–Mar 2012
Project interest from un-utilised advance payment	-1	-5
Net interest items	-5	11
Currency gains/losses	-8	16
Financial net related to pensions	-18	-16
Other net financial items	-10	-16
Total	-42	-10

Project interest is the return received on unutilised advance payments from customers that are received in connection with some orders. The return generated from this advance financing is recognised in gross income and reduces financial net.

Net interest items refer to return on liquid assets and short-term investments and interest expenses on short and long-term interest-bearing liabilities. The market value of marketable securities decreased as a consequence of higher interest rates compared to at year-end 2012. This led to

negative net interest items.

The currency gains/losses reported are related to the tender portfolio where the hedges were valued at fair value.

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

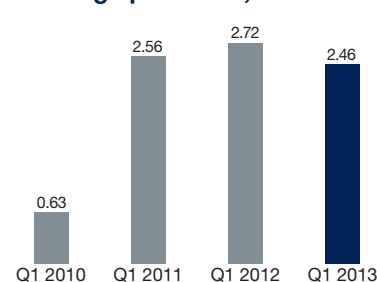
Other net financial items consisted of income from shares in associated companies and other exchange rate effects, for example exchange rate changes related to liquid assets in currencies other than SEK.

Tax

Current and deferred taxes amounted to MSEK -92 (-110), equivalent to an effective tax rate of 26 per cent (28). Current and deferred taxes decreased compared to the first quarter 2012 as a result of a changed corporate tax in Sweden. As of 2013 the tax rate changes from 26.3 per cent previously to 22 per cent.

Return on capital employed and equity

The pre-tax return on capital employed was 14.3 per cent (22.1) and the after-tax return on equity was 13.3 per cent (19.3), both measured over a rolling 12-month period.

Earnings per share, SEK

The graph illustrates earnings per share after dilution

Financial position and liquidity

Financial position

The net liquidity has decreased by MSEK 12 during the first quarter 2013 compared to at year-end 2012. The operating cash flow amounted to MSEK -349, which impacted net liquidity. However, the discount rate used in the valuation of pension obligations increased from 3.00 per cent to 3.25 per cent and the rate of return on the plan assets was higher than the actuarial assumption, which together led to a lower provision for pensions. This had a positive impact on the net liquidity of MSEK 348. At the end of March 2013 it amounted to MSEK 1,984 (3,437). During 2012 the net liquidity decreased mainly as a result of acquisitions made and dividend payments.

In 2009, Saab changed its view on the application of the accounting principles for development costs. As a result of this more conservative view, development costs are capitalised at a later stage in all projects and all capitalised development costs are amortised over maximum ten years. As a result of this, the capitalised development costs have been reduced from MSEK 3,628 at the end of 2008 to MSEK 1,643 at the end of March 2013.

Inventories are recognised after deducting utilised advances.

Tangible fixed assets were in line with the level at year-end 2012. Compared to end of March 2012, tangible fixed assets decreased as a result of divestments of lease assets and investment properties.

Other receivables increased compared to year-end 2012 as a result of a higher activity level in large projects.

Provisions for pensions amounted to MSEK 2,072 (1,835) excluding special employers' contribution. During the quarter, the Saab Pension Fund was capitalised with a total of MSEK 0 (0).

For more information about the Group's defined-benefit plans, see note 10, page 26.

Capital expenditures

Gross capital expenditures in property, plant and equipment, excluding lease assets, amounted to MSEK 88 (86).

Investments in intangible assets amounted to MSEK 27 (17) of which MSEK 12 (8) related to capitalised product development and MSEK 15 (9) to other intangible assets.

Cash flow

Operating cash flow amounted to MSEK -349 (-48). The operating cash flow was distributed between cash flow from operating activities of MSEK -234 (-16) and cash flow from investing activities excluding change in short-term investments and other interest-bearing financial assets of MSEK -115 (-32), of which acquisitions and divestments amounted to MSEK 0 (-61).

Saab has an established programme to sell accounts receivable to strengthen its financial position and increase financial flexibility. As of 31 March 2013, net receivables of MSEK 1,176 were sold, compared to MSEK 852 at 31 December 2012. Hence, it had a positive impact of MSEK 324 on operating cash flow in the first quarter of the year.

The lower level of operating cash flow in the first quarter 2013 compared to 2012 is a result of timing differences in milestone payments.

For more detailed information about the operating cash flow, see note 8, page 25.

Financial Position Key Indicators and Liquidity

MSEK	Jan–Mar 2013	Jan–Mar 2012	Change	Jan–Dec 2012
Net liquidity ¹⁾	1,984	3,437	-1,453	1,996
Intangible fixed assets	6,687	6,558	129	6,849
Goodwill	4,556	4,245	311	4,581
Capitalised development costs	1,643	1,809	-166	1,751
Other intangible fixed assets	488	504	-16	517
Tangible fixed assets, etc. ²⁾	3,758	4,380	-622	3,805
Inventories	4,490	4,498	-8	4,420
Accounts receivable	3,091	2,868	223	3,454
Other receivables	2,832	3,144	-312	2,548
Accrued revenues ³⁾	2,075	2,159	-84	1,724
Advance payments from customers	830	865	-35	553
Equity/assets ratio, (%)	41.6	37.4		39.0
Return on equity, (%) ⁴⁾	13.3	19.3		12.8
Equity per share, SEK ⁵⁾	110.81	105.53	5.28	105.43

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

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

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

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

5) Number of shares excluding treasury shares; 2013 Mar: 105,934,201; 2012 Mar: 105,435,146; 2012 Dec: 105,930,829.

AERONAUTICS

MSEK	Jan–Mar 2013	Jan–Mar 2012	Change, %	Jan–Dec 2012
Order bookings	10,833	817	1,226	4,289
Order backlog	20,373	12,489	63	11,305
Sales	1,765	1,419	24	6,076
Operating income before depreciation/amortisation and write-downs (EBITDA)	153	136	13	592
EBITDA margin, %	8.7	9.6		9.7
Operating income (EBIT)	116	78	49	359
Operating margin, %	6.6	5.5		5.9
Operating cash flow	-482	-122		-425
No. of FTEs	3,021	2,722	11	2,932

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

ORDERS RECEIVED

- Orders received in the first quarter 2013 included two orders from FMV for the development of Gripen E totalling SEK 13.2 billion, of which 10.3 billion was related to Aeronautics. An order was also received from FMV for upgrades of the current Gripen C/D fleet.
- Orders received also included new order bookings of about MSEK 300 for deliveries to the Boeing 787 programme, the Airbus A380 programme and the Airbus A320 programme.
- Orders received, where the order sum exceeded MSEK 100, represented 99 per cent (48) of total order bookings.

SALES, INCOME AND MARGIN

- Sales increased in the first quarter 2013 compared to 2012 as a result of a higher activity level related to development of Gripen E.
- The operating margin increased in the first quarter 2013 compared to 2012, mainly as a result of reduced amortisation and good project execution.
- Markets outside Sweden accounted for 23 per cent (34) of sales.

CASH FLOW

- Operating cash flow was negative due to timing differences in milestone payments.

EMPLOYEES (FTEs)

- The number of FTEs increased in the first quarter 2013 as a result of a higher activity level in the development of Gripen E.

DYNAMICS

MSEK	Jan–Mar 2013	Jan–Mar 2012	Change, %	Jan–Dec 2012
Order bookings	753	554	36	4,095
Order backlog	4,633	4,977	-7	4,769
Sales	877	1,035	-15	4,779
Operating income before depreciation/amortisation and write-downs (EBITDA)	83	150	-45	794
EBITDA margin, %	9.5	14.5		16.6
Operating income (EBIT)	72	108	-33	621
Operating margin, %	8.2	10.4		13.0
Operating cash flow	230	61	277	498
No. of FTEs	1,575	1,520	4	1,568

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

ORDERS RECEIVED

- Orders received in the first quarter 2013 increased compared to 2012, however we continue to see a challenging market situation with delays in customers' investment decision processes.
- Large orders received included an order for missile components and an order for delivery, maintenance and support of the autonomous underwater vehicles systems, AUV62, the latest version of the advanced training target for Anti Submarine Warfare (ASW) training.
- Orders received, where the order sum exceeded MSEK 100, represented 59 per cent (0) of total order bookings.

SALES, INCOME AND MARGIN

- Sales decreased in the first quarter 2013 compared to 2012 as a result of a low order intake throughout 2012 and challenging market conditions.
- As a result of a lower activity level, the operating margin was at a lower level than in the same period 2012.
- Markets outside Sweden accounted for 85 per cent (89) of sales.

CASH FLOW

- Operating cash flow increased in the first quarter 2013 compared to 2012, due to timing differences in milestone payments.

ELECTRONIC DEFENCE SYSTEM

MSEK	Jan–Mar 2013	Jan–Mar 2012	Change, %	Jan–Dec 2012
Order bookings	3,693	520	610	2,739
Order backlog	8,043	6,204	30	5,442
Sales	1,038	1,181	-12	4,276
Operating income before depreciation/amortisation and write-downs (EBITDA)	78	197	-60	538
EBITDA margin, %	7.5	16.7		12.6
Operating income (EBIT)	-45	91	-149	117
Operating margin, %	-4.3	7.7		2.7
Operating cash flow	296	185	60	-238
No. of FTEs	2,546	2,508	2	2,578

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

ORDERS RECEIVED

- Orders received increased strongly in the first quarter 2013 compared to 2012, however the challenging market conditions and delays in customers' investment decision processes continued.
- The first quarter 2013 included two orders from FMV for the development of Gripen E, totalling SEK 13.2 billion, of which 1.6 billion was related to Electronics Defence Systems. FMV also ordered an upgrade of Sweden's ground based air defence.
- An order from Brazilian Embraer Defense and Security was received for an upgrade of the Erieye AEW&C Mission System. An order was also received for the Arthur weapon locating system in the period.

- A large order was received for support of an airborne surveillance system totalling SEK 1.1 billion, of which about MSEK 50 was related to Electronic Defence Systems.
- Orders received, where the order sum exceeded MSEK 100, represented 72 per cent (0) of total order bookings.

SALES, INCOME AND MARGIN

- Sales decreased in the first quarter 2013 compared to 2012 as a result of a low level of order bookings in 2011 and 2012.
- Markets outside Sweden accounted for 77 per cent (79) of sales.
- The operating loss in the first quarter 2013 resulted from a high level of investments in several

early stage product development projects, lower sales volume and a different project mix compared to 2012.

CASH FLOW

- Timing differences in milestone payments had a positive impact on operating cash flow in the first quarter 2013 compared to 2012.

EMPLOYEES (FTEs)

- The amount of FTEs decreased slightly compared to year-end 2012 as a result of a lower activity level.

SECURITY AND DEFENCE SOLUTIONS

MSEK	Jan–Mar 2013	Jan–Mar 2012	Change, %	Jan–Dec 2012
Order bookings	1,620	1,247	30	5,307
Order backlog	7,485	7,609	-2	7,150
Sales	1,271	1,323	-4	5,976
Operating income before depreciation/amortisation and write-downs (EBITDA)	54	94	-43	555
EBITDA margin, %	4.2	7.1		9.3
Operating income (EBIT)	22	60	-63	417
Operating margin, %	1.7	4.5		7.0
Operating cash flow	-299	-171		-191
No. of FTEs	3,092	2,995	3	3,105

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

ORDERS RECEIVED

- Orders received increased in the first quarter 2013 compared to 2012. The market conditions remained challenging.
- A large order was received for support of an airborne surveillance system totalling SEK 1.1 billion, of which about MSEK 700 was related to Security and Defence Solutions. The contract concerns a comprehensive set of spares and support services for a previously delivered system, Saab 2000 AEW&C (Airborne Early Warning & Control).
- The Saab Remote Tower (r-TWR) system under deployment for LfV, Sweden's Air Navigation Service Provider, passed Site Acceptance Testing (SAT) during the quarter, which marked an

important milestone, leading the way for full operational certification later in 2013.

- Orders received, where the order sum exceeded MSEK 100, represented 45 per cent (30) of total order bookings.

SALES, INCOME AND MARGIN

- Sales decreased in the first quarter 2013 compared to 2012 as a result of a lower order intake in previous periods.
- Markets outside Sweden accounted for 81 per cent (74) of sales.
- The operating income in the first quarter 2013 was lower compared to 2012 as a result of a different project mix and lower sales.

CASH FLOW

- Operating cash flow was negative in the first quarter 2013 due to timing differences in milestone payments.

SUPPORT AND SERVICES

MSEK	Jan–Mar 2013	Jan–Mar 2012	Change, %	Jan–Dec 2012
Order bookings	2,066	955	116	4,540
Order backlog	6,906	4,634	49	5,678
Sales	822	779	6	3,411
Operating income before depreciation/amortisation and write-downs (EBITDA)	93	72	29	429
EBITDA margin, %	11.3	9.2		12.6
Operating income (EBIT)	88	67	31	410
Operating margin, %	10.7	8.6		12.0
Operating cash flow	24	422	-94	387
No. of FTEs	1,815	1,769	3	1,805

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

ORDERS RECEIVED

- Orders received in the first quarter 2013 increased compared to 2012, mainly as a result of two orders from FMV for the development of Gripen E, totalling SEK 13.2 billion, of which about 1.3 billion was related to Support and Services.
- A large order was received for support of an airborne surveillance system totalling SEK 1.1 billion, of which about MSEK 300 was related to Support and Services.
- A five-year contract was signed with the airline British Midland Regional Ltd (BMI Regional) for component maintenance and the repair of BMI Regional's fleet of Embraer aircraft.

- Orders received, where the order sum exceeded MSEK 100, represented 79 per cent (0) of total order bookings.

SALES, INCOME AND MARGIN

- Sales increased in the first quarter 2013 compared to 2012 as a result of a higher activity level in major projects.
- Markets outside Sweden accounted for 28 per cent (23) of sales.
- The operating margin improved due to a higher activity level in major projects as well as a different project mix in the first quarter 2013, compared to 2012.

CASH FLOW

- The operating cash flow in the first quarter 2013 was lower compared to 2012, partly as a result of a continued build up of working capital in some projects. In 2012 a major milestone payment was received during the first quarter, which was not repeated in 2013.

COMBITECH

MSEK	Jan–Mar 2013	Jan–Mar 2012	Change, %	Jan–Dec 2012
Order bookings	387	246	57	1,436
Order backlog	423	358	18	446
Sales	410	311	32	1,410
Operating income before depreciation/amortisation and write-downs (EBITDA)	46	41	12	130
EBITDA margin, %	11.2	13.2		9.2
Operating income (EBIT)	44	39	13	122
Operating margin, %	10.7	12.5		8.7
Operating cash flow	82	-14		-43
No. of FTEs	1,266	1,146	10	1,245

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

SALES

- Sales increased in the first quarter 2013, compared to 2012, mainly as a result of the establishment of a development centre in Trollhättan, Sweden, and the acquisition of Sörman Information, Sweden, in January 2012 as well as the investment in Bayes Risk Management, Norway, in August 2012.
- Markets outside Sweden accounted for 5 per cent (1) of sales.

INCOME AND MARGIN

- The operating margin decreased in the first quarter 2013 compared to the first quarter 2012 as a result of fewer working days and a higher absence level.

CASH FLOW

- The operating cash flow was at a higher level in the first quarter 2013 compared to 2012 due to a different project mix and the acquisition of Sörman Information that was acquired and paid during the first quarter 2012.

EMPLOYEES (FTEs)

- The number of FTEs increased slightly during the first quarter 2013 as a result of the increased activity level at the development centre in Trollhättan, Sweden.

CORPORATE

Corporate reported operating income of MSEK 99 (-40).

A risk assessment of the remaining risks related to Saab's lease fleet of turboprop aircraft led to a reversal of risk provisions, which contributed positively to the operating income in the quarter.

In 1997 Saab discontinued the manufacturing of turboprop aircraft. Today Saab still has a lease fleet that as of 31 March 2013, consisted of 60 (73) turboprop Saab 340 and Saab 2000 aircraft. Of the fleet, 42 (42) are financed through U.S. leverage leases. Rents from these leases are insured through The Swedish Export Credits Guarantee Board, EKN. 18 (31) aircraft are financed internally and recognised as assets in the balance sheet. Provisions in the balance sheet related to the leasing portfolio are deemed sufficient for the remaining risks.

We estimate that the leasing portfolio will be phased out in 2015.

ACQUISITIONS AND DIVESTMENTS 2013

No significant acquisitions or divestments were made during the first quarter 2013.

PERSONNEL AND OTHER

Personnel (FTEs)

At 31 March 2013, the Group had 14,050 employees, compared to 13,968 at the beginning of the year. The number of Full Time Equivalents (FTEs) as of 31 March 2013 was 14,006, compared to 13,900 at the beginning of the year. The increase of FTEs is mainly related to the increased activity level in the Gripen E development.

Share repurchase

Saab held 3,216,143 treasury shares as of 31 March 2013 compared to 3,219,515 at year-end 2012. The Annual General Meeting on 17 April 2013 authorised the Board of Directors to repurchase up to 10 per cent of the shares of Saab to hedge the share matching plan and performance share plan.

Owners

According to SIS Ägarservice, Saab's largest shareholders as of 31 March 2013, are Investor AB, the Wallenberg foundations, Swedbank Robur Funds, AFA Insurance, SHB Funds, Unionen, SEB Funds, the Fourth AP-Fund, Nordea Funds and Länsförsäkringar Funds.

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 as well as the establishment of operations abroad.

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

For a general description of the risk areas, see pages 52-55 of the annual report 2012.

IMPORTANT EVENTS JANUARY–MARCH 2013

- Saab announced it has partnered with Tawazun, a strategic investment company focusing on defence and strategic manufacturing, to create a new UAE-based radar company. It is a joint venture where 51 per cent is owned by Tawazun and 49 per cent by Saab.
- Saab announced that the deputy CEO and Chief Operating Officer (COO) Lena Olving will leave her position to take up a new job as President and CEO of listed technology company Micronic Mydata AB. Lena Olving leaves Saab at the end of the second quarter in 2013.

For information on major orders received during January–March 2013 see page 2, the business area comments on pages 5–7 and note 3, page 23.

IMPORTANT EVENTS AFTER THE CONCLUSION OF THE FIRST QUARTER 2013

- Saab announced it had received an order from the Brazilian Air Force for the upgrade program of the Erieye AEW&C Mission System in Brazil. The total order amounted to MSEK 325.
- A consortium of Saab's subsidiary HITT Traffic, Ambriex and RRJ Engenharia announced they had been awarded a contract to provide an A3000 Advanced - Surface Movement Guidance and Control System at two international Brazilian airports, by Brazilian airport operator Infraero.
- On 17 April Saab held its Annual General Meeting 2013. The following Board members were re-elected in accordance with the Nomination Committee's proposal: Håkan Buskhe, Johan Forssell, Sten Jakobsson, Per-Arne Sandström, Cecilia Stegö Child, Lena Treschow Torell, Marcus Wallenberg and Joakim Westh. Sara Mazur was elected as new member of the Board. Marcus Wallenberg was re-elected as Chairman of the Board. At the Board Meeting following the Annual General Meeting Sten Jacobsson was re-elected as Deputy Chairman of the Board.

Linköping, 25 April 2013

Håkan Buskhe
President and CEO

CONSOLIDATED INCOME STATEMENT

MSEK	Note	Jan–Mar 2013	Jan–Mar 2012	Rolling 12-months	Jan–Dec 2012
Sales	3	5,862	5,573	24,299	24,010
Cost of goods sold		-4,250	-3,994	-17,058	-16,802
Gross income		1,612	1,579	7,241	7,208
Gross margin, %		27.5	28.3	29.8	30.0
Other operating income		29	41	326	338
Marketing expenses		-513	-457	-2,247	-2,191
Administrative expenses		-263	-275	-1,203	-1,215
Research and development costs		-458	-479	-2,075	-2,096
Other operating expenses		-9	-3	-25	-19
Share of income in associated companies		-2	-3	26	25
Operating income (EBIT) ¹⁾	3	396	403	2,043	2,050
Operating margin, %		6.8	7.2	8.4	8.5
Share of income in associated companies		1	1	2	2
Financial income		18	43	128	153
Financial expenses		-61	-54	-209	-202
Net financial items		-42	-10	-79	-47
Income before taxes		354	393	1,964	2,003
Taxes		-92	-110	-425	-443
Net income for the period		262	283	1,539	1,560
of which Parent Company's shareholders' interest		269	297	1,557	1,585
of which non-controlling interest		-7	-14	-18	-25
Earnings per share before dilution, SEK ²⁾		2.54	2.82	14.72	15.00
Earnings per share after dilution, SEK ³⁾		2.46	2.72	14.26	14.52
1) Includes depreciation/amortisation and write-downs of which depreciation of leasing aircraft		-257 -9	-297 -16	-1,149 -46	-1,189 -53
2) Average number of shares before dilution		105,932,515	105,383,552	105,770,152	105,632,911
3) Average number of shares after dilution		109,150,344	109,150,344	109,150,344	109,150,344

All figures presented for 2012 are restated according to the changed accounting principles for pensions (IAS 19). Financials for 2011 and earlier periods are not restated.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MSEK	Jan–Mar 2013	Jan–Mar 2012	Rolling 12-months	Jan–Dec 2012
Net income for the period	262	283	1,539	1,560
Other comprehensive income:				
Items that will not be reversed in the income statement:				
Revaluation of net pension obligations	439	370	-316	-385
Tax attributable to revaluation of net pension obligations	-97	-97	85	85
Total	342	273	-231	-300
Items that may be reversed in the income statement:				
Translation differences	-80	-48	-213	-181
Net gain/loss on cash flow hedges	23	116	-33	60
Tax attributable net gain/loss on cash flow hedges	-4	-31	41	14
Total	-61	37	-205	-107
Other comprehensive income/loss for the period	281	310	-436	-407
Net comprehensive income for the period	543	593	1,103	1,153
of which Parent Company's shareholders' interest	560	601	1,143	1,184
of which non-controlling interest	-17	-8	-40	-31

All figures presented for 2012 are restated according to the changed accounting principles for pensions (IAS 19). Financials for 2011 and earlier periods are not restated.

QUARTERLY INCOME STATEMENT

MSEK	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011
Sales	5,862	7,306	4,899	6,232	5,573	7,347	4,838	5,861
Cost of goods sold	-4,250	-5,031	-3,541	-4,236	-3,994	-5,091	-3,427	-4,248
Gross income	1,612	2,275	1,358	1,996	1,579	2,256	1,411	1,613
Gross margin, %	27.5	31.1	27.7	32.0	28.3	30.7	29.2	27.5
Other operating income	29	6	60	231	41	47	958	273
Marketing expenses	-513	-640	-472	-622	-457	-619	-432	-430
Administrative expenses	-263	-368	-280	-292	-275	-374	-243	-290
Research and development costs	-458	-638	-401	-578	-479	-621	-445	-456
Other operating expenses	-9	-7	-3	-6	-3	-27	-28	-10
Share of income in associated companies	-2	27	-	1	-3	-3	-4	-3
Operating income (EBIT) ¹⁾	396	655	262	730	403	659	1,217	697
Operating margin, %	6.8	9.0	5.3	11.7	7.2	9.0	25.2	11.9
Share of income in associated companies	1	-	1	-	1	2	1	-
Financial income	18	31	42	37	43	32	78	-13
Financial expenses	-61	-55	-58	-35	-54	-71	-67	-136
Net financial items	-42	-24	-15	2	-10	-37	12	-149
Income before taxes	354	631	247	732	393	622	1,229	548
Taxes	-92	-81	-78	-174	-110	-203	-126	-130
Net income for the period	262	550	169	558	283	419	1,103	418
of which Parent Company's shareholders' interest	269	549	167	572	297	413	1,108	425
of which non-controlling interest	-7	1	2	-14	-14	6	-5	-7
Earnings per share before dilution, SEK ²⁾	2.54	5.19	1.58	5.42	2.82	3.92	10.55	4.06
Earnings per share after dilution, SEK ³⁾	2.46	5.03	1.53	5.24	2.72	3.78	10.15	3.89
1) Includes depreciation/amortisation and write-downs	-257	-279	-317	-296	-297	-329	-332	-301
of which depreciation of leasing aircraft	-9	-10	-12	-15	-16	-23	-30	-30
2) Average number of shares before dilution	105,932,515	105,868,651	105,732,553	105,546,890	105,383,552	105,214,551	104,904,903	104,903,636
3) Average number of shares after dilution	109,150,344	109,150,344	109,150,344	109,150,344	109,150,344	109,150,344	109,150,344	109,150,344

All figures presented for 2012 are restated according to the changed accounting principles for pensions (IAS 19). Financials for 2011 and earlier periods are not restated.

QUARTERLY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MSEK	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011
Net income for the period	262	550	169	558	283	419	1,103	418
Other comprehensive income:								
Items that will not be reversed in the income statement:								
Revaluation of net pension obligations	439	23	-462	-316	370	-	-	-
Tax attributable to revaluation of net pension obligations	-97	-22	121	83	-97	-	-	-
Total	342	1	-341	-233	273	-	-	-
Items that may be reversed in the income statement:								
Translation differences	-80	-18	-214	99	-48	42	-9	55
Net gain/loss on cash flow hedges	23	-118	246	-184	116	-27	-412	-107
Share of other comprehensive income in associated companies	-	-	-	-	-	-	-	-18
Tax attributable net gain/loss on cash flow hedges	-4	61	-65	49	-31	7	109	29
Total	-61	-75	-33	-36	37	22	-312	-41
Other comprehensive income/loss for the period	281	-74	-374	-269	310	22	-312	-41
Net comprehensive income for the period	543	476	-205	289	593	441	791	377
of which Parent Company's shareholders' interest	560	481	-203	305	601	434	821	382
of which non-controlling interest	-17	-5	-2	-16	-8	7	-30	-5

KEY RATIOS BY QUARTER

MSEK	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011
Equity/assets ratio (%)	41.6	39.0	38.4	37.6	37.4	41.1	39.7	39.1
Return on capital employed, % ¹⁾	14.3	14.6	15.1	22.6	22.1	22.2	19.2	13.0
Return on equity, % ¹⁾	13.3	12.8	12.2	20.7	19.3	18.1	15.2	7.9
Equity per share, SEK ²⁾	110.81	105.43	101.88	103.82	105.53	122.94	119.01	111.16
Operating cash flow, MSEK	-349	-396	-660	196	-48	217	-74	1,775
Operating cash flow per share after dilution, SEK ³⁾	-3.20	-3.63	-6.05	1.80	-0.44	1.99	-0.68	16.26

1) Measured over a rolling 12-month period

2) Number of shares excluding treasury shares

3) Average Number of shares after dilution

105,934,201	105,930,829	105,806,472	105,658,633	105,435,146	105,331,958	105,097,144	104,975,480
109,150,344	109,150,344	109,150,344	109,150,344	109,150,344	109,150,344	109,150,344	109,150,344

All figures presented for 2012 are restated according to the changed accounting principles for pensions (IAS 19). Financials for 2011 and earlier periods are not restated.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MSEK	Note	31/3/2013	31/12/2012	31/3/2012
ASSETS				
Fixed assets				
Intangible fixed assets	5	6,687	6,849	6,558
Tangible fixed assets		3,142	3,162	3,255
Lease assets		277	304	596
Biological assets		306	306	305
Investment properties		33	33	224
Shares in associated companies		302	300	274
Financial investments		195	193	196
Long-term receivables		114	138	186
Deferred tax assets		226	213	81
Total fixed assets		11,282	11,498	11,675
Current assets				
Inventories		4,490	4,420	4,498
Derivatives		569	514	490
Tax receivables		35	39	26
Accounts receivable		3,091	3,454	2,868
Other receivables		2,832	2,548	3,144
Prepaid expenses and accrued income		1,030	886	1,015
Short-term investments		3,219	3,963	3,855
Liquid assets	8	1,887	1,616	2,487
Total current assets		17,153	17,440	18,383
TOTAL ASSETS		28,435	28,938	30,058

All figures presented for 2012 are restated according to the changed accounting principles for pensions (IAS 19). Financials for 2011 and earlier periods are not restated.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT.)

MSEK	Note	31/3/2013	31/12/2012	31/3/2012
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity				
Parent Company's shareholders' interest		11,739	11,168	11,127
Non-controlling interest		90	112	111
Total shareholders' equity		11,829	11,280	11,238
Long-term liabilities				
Provisions for pensions	10	2,447	2,874	2,134
Other provisions		1,254	1,286	1,729
Long-term interest-bearing liabilities	6	101	105	1,217
Other liabilities		312	315	424
Deferred tax liabilities		294	184	125
Total long-term liabilities		4,408	4,764	5,629
Current liabilities				
Short-term interest-bearing liabilities	6	1,526	1,637	474
Advance payments from customers		830	553	865
Accounts payable		1,569	1,904	1,681
Derivatives		329	254	394
Tax liabilities		136	228	415
Other liabilities		706	760	778
Accrued expenses and deferred income		6,566	6,993	7,954
Provisions		536	565	630
Total current liabilities		12,198	12,894	13,191
Total liabilities		16,606	17,658	18,820
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		28,435	28,938	30,058

All figures presented for 2012 are restated according to the changed accounting principles for pensions (IAS 19). Financials for 2011 and earlier periods are not restated.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

MSEK	Capital stock	Other capital contributions	Net result of cash flow hedges	Translation reserve	Revaluation reserve	Retained earnings	Total parent company's share holders' interest	Non-controlling interest	Total share holders' equity
Opening balance, 1 January 2012	1,746	543	457	-51	51	10,204	12,950	119	13,069
Effects of change in accounting principles						-2,434	-2,434		-2,434
Adjusted opening balance, 1 January 2012	1,746	543	457	-51	51	7,770	10,516	119	10,635
Net comprehensive income for the period January-March 2012			82	-51		570	601	-8	593
Transactions with shareholders:									
Share matching plan						10	10		10
Closing balance, 31 March 2012	1,746	543	539	-102	51	8,350	11,127	111	11,238
Net comprehensive income for the period April-December 2012			-8	-124		715	583	-23	560
Reallocation of revaluation reserve						40	-		-
Adjustment due to change of accounting principles for pensions attributable to change in tax rate in Sweden						-104	-104		-104
Transactions with shareholders:									
Share matching plan						36	36		36
Dividend						-474	-474		-474
Acquisition and sale of non-controlling interest							-	24	24
Closing balance, 31 December 2012	1,746	543	531	-226	11	8,563	11,168	112	11,280
Opening balance, 1 January 2013	1,746	543	531	-226	11	8,563	11,168	112	11,280
Net comprehensive income for the period January-March 2013			26	-77		611	560	-17	543
Transactions with shareholders:									
Share matching plan						11	11		11
Acquisition and sale of non-controlling interest							-	-5	-5
Closing balance, 31 March 2013	1,746	543	557	-303	11	9,185	11,739	90	11,829

All figures presented for 2012 are restated according to the changed accounting principles for pensions (IAS 19). Financials for 2011 and earlier periods are not restated.

CONSOLIDATED STATEMENT OF CASH FLOWS

MSEK	Note	Jan–Mar 2013	Jan–Mar 2012	Jan–Dec 2012
Operating activities				
Income after financial items		354	393	2,003
Adjustments for items not affecting cash flows		267	253	1,082
Income tax paid		-173	-139	-574
Cash flow from operating activities before changes in working capital		448	507	2,511
Cash flow from changes in working capital				
Increase(-)/Decrease(+) in inventories		-95	-163	-199
Increase(-)/Decrease(+) in current receivables		-96	549	707
Increase(+)/Decrease(-) in advance payments from customers		285	-160	-459
Increase(+)/Decrease(-) in other current liabilities		-766	-627	-1,701
Increase(+)/Decrease(-) in provisions		-10	-122	-509
Cash flow from operating activities		-234	-16	350
Investing activities				
Investments in intangible fixed assets		-15	-9	-51
Capitalised development costs		-12	-8	-292
Investments in tangible fixed assets		-88	-86	-328
Investments in lease assets		-1	-	-1
Sale of tangible fixed assets		1	1	10
Sale of lease assets		-	131	312
Sale of and investments in short-term investments		722	682	585
Sale of and investments in other financial assets		16	-13	26
Investments in operations and associated companies, net effect on liquidity	9	-	-78	-568
Sale of group and associated companies, net effect on liquidity		-	17	174
Cash flow from investing activities		623	637	-133
Financing activities				
Repayments of loans		-108	-49	-19
Dividend paid to Parent Company's shareholders		-	-	-474
Cash flow from financing activities		-108	-49	-493
Cash flow for the period				
Cash flow for the period		281	572	-276
Liquid assets at the beginning of the year		1,616	1,918	1,918
Exchange rate difference in liquid assets		-10	-3	-26
Liquid assets at end of period	8	1,887	2,487	1,616

All figures presented for 2012 are restated according to the changed accounting principles for pensions (IAS 19). Financials for 2011 and earlier periods are not restated.

QUARTERLY INFORMATION

MSEK	Q1 2013	Operating margin	Q4 2012	Operating margin	Q3 2012	Operating margin	Q2 2012	Operating margin
Sales								
Aeronautics	1,765		1,678		1,275		1,704	
Dynamics	877		1,512		873		1,359	
Electronic Defence Systems	1,038		1,182		805		1,108	
Security and Defence Solutions	1,271		2,019		1,280		1,354	
Support and Services	822		1,091		697		844	
Combitech	410		439		299		361	
Corporate	-		-		-		-	
Internal sales	-321		-615		-330		-498	
Total	5,862		7,306		4,899		6,232	
Operating income								
Aeronautics	116	6.6%	125	7.4%	72	5.6%	84	4.9%
Dynamics	72	8.2%	233	15.4%	105	12.0%	175	12.9%
Electronic Defence Systems	-45	-4.3%	-106	-9.0%	-78	-9.7%	210	19.0%
Security and Defence Solutions	22	1.7%	209	10.4%	59	4.6%	89	6.6%
Support and Services	88	10.7%	215	19.7%	34	4.9%	94	11.1%
Combitech	44	10.7%	44	10.0%	18	6.0%	21	5.8%
Corporate	99	-	-65	-	52	-	57	-
Total	396	6.8%	655	9.0%	262	5.3%	730	11.7%

MSEK	Q1 2012	Operating margin	Q4 2011	Operating margin	Q3 2011	Operating margin	Q2 2011	Operating margin
Sales								
Aeronautics	1,419		1,740		1,268		1,835	
Dynamics	1,035		1,565		724		1,084	
Electronic Defence Systems	1,181		1,453		979		1,094	
Security and Defence Solutions	1,323		1,819		1,310		1,272	
Support and Services	779		954		786		781	
Combitech	311		304		200		257	
Corporate	-		-		-		4	
Internal sales	-475		-488		-429		-466	
Total	5,573		7,347		4,838		5,861	
Operating income								
Aeronautics	78	5.5%	74	4.3%	22	1.7%	157	8.6%
Dynamics	108	10.4%	212	13.5%	60	8.3%	123	11.3%
Electronic Defence Systems	91	7.7%	38	2.6%	42	4.3%	181	16.5%
Security and Defence Solutions	60	4.5%	147	8.1%	109	8.3%	67	5.3%
Support and Services	67	8.6%	165	17.3%	79	10.1%	107	13.7%
Combitech	39	12.5%	41	13.5%	3	1.5%	20	7.8%
Corporate	-40	-	-18	-	902	-	42	-
Total	403	7.2%	659	9.0%	1,217	25.2%	697	11.9%

All figures presented for 2012 are restated according to the changed accounting principles for pensions (IAS 19). Financials for 2011 and earlier periods are not restated.

MULTI-YEAR OVERVIEW

MSEK	2012	2011	2010	2009	2008
Order bookings	20,683	18,907	26,278	18,428	23,212
Order backlog at 31 Dec.	34,151	37,172	41,459	39,389	45,324
Sales	24,010	23,498	24,434	24,647	23,796
Sales in Sweden, %	36	37	38	31	32
Sales in EU excluding Sweden, %	19	19	19	23	25
Sales in Americas, %	12	8	9	8	6
Sales in Rest of the World, %	33	36	34	38	37
Operating income (EBIT)	2,050	2,941	975	1,374	166
Operating margin, %	8.5	12.5	4.0	5.6	0.7
Operating income before depreciation/amortisation and write-downs, excluding leasing aircraft (EBITDA)	3,186	4,088	2,187	2,598	1,515
EBITDA margin, %	13.3	17.4	9.0	10.5	6.4
Income/loss after financial items	2,003	2,783	776	976	-406
Net income/loss for the year	1,560	2,217	454	699	-242
Total assets	28,938	31,799	29,278	30,430	32,890
Operating cash flow	-396	2,477	4,349	1,447	659
Return on capital employed, %	14.6	22.2	7.9	10.3	1.4
Return on equity, %	12.8	18.1	4.1	7.0	-2.4
Equity/assets ratio, %	39	41.1	39.1	35.1	28.4
Earnings per share before dilution, SEK ^{2) 4)}	15.00	21.19	4.12	6.45	-2.31
Earnings per share after dilution, SEK ^{3) 4)}	14.52	20.38	3.97	6.28	-2.31
Dividend per share, SEK	4.50	4.50	3.50	2.25	1.75
Equity per share, SEK ¹⁾	105.43	122.94	107.66	99.91	86.49
Number of employees at year-end	13,968	13,068	12,536	13,159	13,294

1) Number of shares excluding treasury shares as of 31 December 2012: 105,930,829; 2011: 105,331,958; 2010: 104,717,729; 2009: 105,511,124; 2008: 106,829,893

2) Average number of shares 2012: 105,868,651; 2011: 105,214,551; 2010: 105,217,786; 2009: 106,335,553; 2008: 107,515,049

3) Average number of shares 2012/2011/2010/2009: 109,150,344; 2008: 107,515,049

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

KEY RATIOS AND TARGETS

	Long-term target	Jan–Mar 2013	Jan–Mar 2012	Jan–Dec 2012
Organic sales growth, %	5	5	-2	-2
Operating margin, %	10	6.8	7.2	8.5
Equity/assets ratio, %	30	41.6	37.4	39.0

All figures presented for 2012 are restated according to the changed accounting principles for pensions (IAS 19). Financials for 2011 and earlier periods are not restated.

PARENT COMPANY INCOME STATEMENT

MSEK	Jan–Mar 2013	Jan–Mar 2012	Jan–Dec 2012
Sales	4,165	3,621	15,338
Cost of goods sold	-3,148	-2,456	-10,723
Gross income	1,017	1,165	4,615
Gross margin, %	24.4	32.2	30.1
Operating income and expenses	-786	-730	-3,584
Operating income (EBIT)	231	435	1,031
Operating margin, %	5.5	12.0	6.7
Financial income and expenses	3	8	914
Income after financial items	234	443	1,945
Appropriations	-	-	-481
Income before taxes	234	443	1,464
Taxes	-70	-150	-499
Net income for the period	164	293	965

PARENT COMPANY

Sales and income

The Parent Company includes units within the business areas Aeronautics, Electronic Defence Systems, Security and Defence Solutions and Support and Services. Group staff and Group support are included as well. The Parent Company's sales in the first quarter 2013 amounted to MSEK 4,165 (3,621). Operating income was MSEK 231 (435).

Net financial income and expenses was MSEK 3 (8). After appropriations of MSEK 0 (0) and taxes of MSEK -70 (-150), net income for the period amounted to MSEK 164 (293).

Liquidity, finance, capital expenditures and number of employees

The Parent Company's net debt amounted to MSEK 430 at 31 March 2013 compared to MSEK 38 at 31 December 2012.

Gross capital expenditures in property, plant and equipment amounted to MSEK 58 (46). Investments in intangible assets amounted to MSEK 15 (9). At the end of March 2013, the Parent Company had 8,904 employees, compared to 8,737 at the beginning of the year.

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

PARENT COMPANY BALANCE SHEET

MSEK	Note	31/3/2013	31/12/2012	31/3/2012
ASSETS				
Fixed assets				
Intangible fixed assets		1,593	1,661	1,866
Tangible fixed assets		2,127	2,126	2,130
Financial fixed assets		8,002	8,146	8,118
Total fixed assets		11,722	11,933	12,114
Current assets				
Inventories, etc.		3,394	3,385	3,217
Current receivables		5,565	5,778	5,249
Short-term investments		3,204	3,926	3,827
Liquid assets		1,333	949	1,777
Total current assets		13,496	14,038	14,070
TOTAL ASSETS		25,218	25,971	26,184
SHAREHOLDERS' EQUITY AND LIABILITIES				
Equity				
Restricted equity		2,996	2,996	3,001
Unrestricted equity		4,703	4,531	4,291
Total shareholders' equity		7,699	7,527	7,292
Provisions and liabilities				
Untaxed reserves		1,276	1,276	795
Provisions		1,150	1,169	1,273
Liabilities	6	15,093	15,999	16,824
Total provisions and liabilities		17,519	18,444	18,892
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		25,218	25,971	26,184

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 CORPORATE INFORMATION

Saab AB (publ), corporate identity no. 556036-0793, with registered office in Linköping, Sweden. The address of the company's head office is Gustavslundsvägen 42, Bromma, with the mailing address Box 12062, SE-102 22 Stockholm, Sweden, and the telephone number +46-8-463 00 00. Saab has been listed on NASDAQ OMX Stockholm since 1998 and on the large cap list from October 2006. The company's operations, including subsidiaries and associated companies, are described in the annual report 2012.

NOTE 2 ACCOUNTING PRINCIPLES

The consolidated accounts for the January-March Interim report 2013 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 71-78 of the annual report 2012.

The Group and the Parent Company apply the same accounting principles and methods of computation as described in the annual report 2012 except for pension accounting (see note 10 for further information).

The January-March 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 2012.

NOTE 3 SEGMENT REPORTING

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

Aeronautics

These operations include the development of civil and military aviation technology at a high level. The product portfolio includes the Gripen fighter and Unmanned Aerial Systems (UAS). Aeronautics also manufactures aircraft components for Saab's own aircraft as well as for passenger aircraft produced by others.

Dynamics

The product portfolio comprises various types of advanced weapon systems such as support weapons, missiles, torpedoes, Remotely Operated Vehicles (ROVs) and signature management systems that are used to make it more difficult for various types of sensors to detect and identify people or objects.

Electronic Defence Systems

These operations, which are based on Saab's extensive expertise in radar and electronic warfare, develop sophisticated solutions for detection, localisation and protection. The product portfolio includes air and land-based sensor and radar systems, systems for electronic warfare, defence electronics and aeronautics.

Security and Defence Solutions

These operations address both the military and the civil security market with a competitive product portfolio consisting of C4ISR (computerized command, control, communications and intelligence) systems, airborne early warning systems, solutions for civil security, training and simulation systems, and solutions for telecom operators.

Support and Services

These operations offer reliable, cost-effective service and support for all markets where Saab is active. This primarily includes integrated support solutions, technical maintenance and logistics, and products, solutions and services for military and civil missions in locations with limited infrastructure.

Combitech

Combitech, an independent business area in the Saab Group, is one of Sweden's largest technology consulting firms. They create solutions for our customers' specific needs through a combination of high technology and strong competence within environment and security.

NOTE 3 CONTINUED

SALES AND ORDER INFORMATION

Sales by business area

MSEK	Jan–Mar 2013	Jan–Mar 2012	Change %	Rolling 12-months	Jan–Dec 2012
Aeronautics	1,765	1,419	24	6,422	6,076
of which external sales	1,723	1,372	26	6,227	5,876
of which internal sales	42	47	-11	195	200
Dynamics	877	1,035	-15	4,621	4,779
of which external sales	855	1,008	-15	4,514	4,667
of which internal sales	22	27	-19	107	112
Electronic Defence Systems	1,038	1,181	-12	4,133	4,276
of which external sales	944	1,034	-9	3,562	3,652
of which internal sales	94	147	-36	571	624
Security and Defence Solutions	1,271	1,323	-4	5,924	5,976
of which external sales	1,256	1,294	-3	5,814	5,852
of which internal sales	15	29	-48	110	124
Support and Services	822	779	6	3,454	3,411
of which external sales	783	710	10	3,245	3,172
of which internal sales	39	69	-43	209	239
Combitech	410	311	32	1,509	1,410
of which external sales	245	198	24	866	819
of which internal sales	165	113	46	643	591
Corporate/eliminations	-321	-475		-1,764	-1,918
of which external sales	56	-43		71	-28
of which internal sales	-377	-432		-1,835	-1,890
Total	5,862	5,573	5	24,299	24,010

Sales by geographical market

MSEK	Jan–Mar 2013	% of sales	Jan–Mar 2012	% of sales	Jan–Dec 2012	% of sales
Sweden	2,591	44	2,122	38	8,765	36
Rest of EU	914	16	940	17	4,640	19
Rest of Europe	119	2	56	1	390	2
Total Europe	3,624	62	3,118	56	13,795	57
North America	690	12	507	9	2,609	11
Latin America	25	-	20	-	171	1
Asia	1,022	17	1,303	23	4,886	20
Africa	178	3	371	7	1,345	6
Australia, etc.	323	6	254	5	1,204	5
Total	5,862	100	5,573	100	24,010	100

Information on large customers

In the first quarter 2013, 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 our business areas, and total sales amounted to MSEK 2,070 (1,533).

Seasonal variation

A major part of our business is related to larger 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 higher deliveries, mainly within Dynamics.

Order bookings by business area

MSEK	Jan–Mar 2013	Jan–Mar 2012	Change %	Jan–Dec 2012
Aeronautics	10,833	817	1,226	4,289
Dynamics	753	554	36	4,095
Electronic Defence Systems	3,693	520	610	2,739
Security and Defence Solutions	1,620	1,247	30	5,307
Support and Services	2,066	955	116	4,540
Combitech	387	246	57	1,436
Corporate	-	-	-	-
Internal	-487	-339	-	-1,723
Total	18,865	4,000	372	20,683

Order backlog by business area

MSEK	31/3/2013	31/12/2012	31/3/2012
Aeronautics	20,373	11,305	12,489
Dynamics	4,633	4,769	4,977
Electronic Defence Systems	8,043	5,442	6,204
Security and Defence Solutions	7,485	7,150	7,609
Support and Services	6,906	5,678	4,634
Combitech	423	446	358
Corporate	-	-	-
Internal	-804	-639	-614
Total	47,059	34,151	35,657

OPERATING INCOME

Operating income by business area

MSEK	Jan–Mar 2013	% of sales	Jan–Mar 2012	% of sales	Rolling 12-months	Jan–Dec 2012
Aeronautics	116	6.6	78	5.5	397	359
Dynamics	72	8.2	108	10.4	585	621
Electronic Defence Systems	-45	-4.3	91	7.7	-19	117
Security and Defence Solutions	22	1.7	60	4.5	379	417
Support and Services	88	10.7	67	8.6	431	410
Combitech	44	10.7	39	12.5	127	122
The business areas' total operating income	297	5.1	443	7.9	1,900	2,046
Corporate	99		-40		143	4
Total operating income	396	6.8	403	7.2	2,043	2,050

Depreciation/amortisation and write-downs by business area

MSEK	Jan–Mar 2013	Jan–Mar 2012	Change, %	Rolling 12-months	Jan–Dec 2012
Aeronautics	37	58	-36	212	233
Dynamics	11	42	-74	142	173
Electronic Defence Systems	123	106	16	438	421
Security and Defence Solutions	32	34	-6	136	138
Support and Services	5	5	-	19	19
Combitech	2	2	-	8	8
Corporate – lease aircraft	9	16	-44	46	53
Corporate – other	38	34	12	148	144
Total	257	297	-13	1,149	1,189

NOTE 3 CONTINUED

LARGE ORDERS RECEIVED JAN–MAR 2013

Large orders received (approx. values MSEK)	Country	Order value
Development of Gripen E	Sweden	10,700
Development of Gripen E	Sweden	2,500
Support contract for Airborne Surveillance System	n/a	1,100
Upgrade of ground based air defence	Sweden	600
Upgrade of mission system Erieye	Brazil	380
Autonomous underwater vehicles systems, AUV62	n/a	269
Missile components	n/a	175
Upgrade contract for Gripen C/D	Sweden	140
Weapon locating system Arthur	n/a	128

OPERATING CASH FLOW AND CAPITAL EMPLOYED

Operating cash flow by business area

MSEK	Jan–Mar 2013	Jan–Mar 2012	Rolling 12-months	Jan–Dec 2012
Aeronautics	-482	-122	-785	-425
Dynamics	230	61	667	498
Electronic Defence Systems	296	185	-127	-238
Security and Defence Solutions	-299	-171	-319	-191
Support and Services	24	422	-11	387
Combitech	82	-14	53	-43
Corporate	-200	-409	-175	-384
Total	-349	-48	-697	-396

Capital employed by business area

MSEK	31/3/2013	31/12/2012	31/3/2012
Aeronautics	2,315	2,285	2,071
Dynamics	1,992	2,284	2,171
Electronic Defence Systems	4,408	4,690	4,314
Security and Defence Solutions	3,913	3,879	3,231
Support and Services	1,328	1,301	916
Combitech	424	493	368
Corporate	1,148	510	1,693
Total	15,528	15,442	14,764

FULL TIME EQUIVALENTS (FTEs)

FTEs by business area

Number at end of period	31/3/2013	31/12/2012	Change	31/3/2012
Aeronautics	3,021	2,932	89	2,722
Dynamics	1,575	1,568	7	1,520
Electronic Defence Systems	2,546	2,578	-32	2,508
Security and Defence Solutions	3,092	3,105	-13	2,995
Support and Services	1,815	1,805	10	1,769
Combitech	1,266	1,245	21	1,146
Corporate	691	667	24	623
Total	14,006	13,900	106	13,283

NOTE 4 DIVIDEND TO PARENT COMPANY'S SHAREHOLDERS

At the Annual General Meeting 2013 on 17 April 2013, it was decided that the Parent Company's shareholders should receive a dividend of SEK 4.50 per share, totalling MSEK 477, in the second quarter 2013.

NOTE 5 INTANGIBLE FIXED ASSETS

MSEK	31/3/2013	31/12/2012	31/3/2012
Goodwill	4,556	4,581	4,245
Capitalised development costs	1,643	1,751	1,809
Other intangible assets	488	517	504
Total	6,687	6,849	6,558

NOTE 6 NET LIQUIDITY

MSEK	31/3/2013	31/12/2012	31/3/2012
Assets			
Liquid assets	1,887	1,616	2,487
Short-term investments	3,219	3,963	3,855
Total liquid investments	5,106	5,579	6,342
Short-term interest-bearing receivables	350	326	375
Long-term interest-bearing receivables	84	109	104
Long-term interest-bearing financial investments	143	144	142
Total interest-bearing assets	5,683	6,158	6,963
Liabilities			
Liabilities to credit institutions	1,107	1,104	1,103
Liabilities to associates and JVs	388	378	449
Other interest-bearing liabilities	132	260	139
Provisions for pensions ¹⁾	2,072	2,420	1,835
Total interest-bearing liabilities	3,699	4,162	3,526
NET LIQUIDITY	1,984	1,996	3,437

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

Committed credit lines

MSEK	Facilities	Drawings	Available
Revolving credit facility (Maturity 2016)	4,000	-	4,000
Overdraft facility (Maturity 2013)	116	7	109
Total	4,116	7	4,109

Parent Company

MSEK	31/3/2013	31/12/2012	31/3/2012
Long-term liabilities to credit institutions	-	-	1,100
Short-term liabilities to credit institutions	1,107	1,100	-
Total	1,107	1,100	1,100

In December 2009 Saab established a Medium Term Note programme (MTN) of SEK 3 billion in order to enable the issuance of long-term loans on the capital market. Under the terms of this programme Saab has issued bonds and Floating Rate Notes of MSEK 1,100.

NOTE 7 FINANCIAL INSTRUMENTS

Classification and categorisation of financial assets and liabilities*

	Fair value through profit and loss for trading	Designated as at fair value through profit and loss	Held-to-maturity investments	Loans receivable and accounts receivable	Financial liabilities	Derivatives identified as cash flow hedges	Derivatives identified as fair value hedges	Total financial assets and liabilities	Measured at fair value
31/3/2013									
Financial assets									
Financial investments	-	52	143	-	-	-	-	195	193
Long-term receivables	-	-	-	114	-	-	-	114	114
Derivatives									
Forward exchange contracts	20	-	-	-	-	509	17	546	546
Currency options	18	-	-	-	-	-	-	18	18
Interest rate swaps	1	-	-	-	-	-	-	1	1
Electricity derivatives	-	-	-	-	-	4	-	4	4
Total derivatives	39	-	-	-	-	513	17	569	569
Accounts receivable and other receivables	-	-	-	6,334	-	-	-	6,334	6,334
Short-term investments	-	3,219	-	-	-	-	-	3,219	3,219
Liquid assets	-	-	-	1,887	-	-	-	1,887	1,887
Total financial assets	39	3,271	143	8,335	-	513	17	12,318	12,316
Financial liabilities									
Interest-bearing liabilities	-	-	-	-	1,627	-	-	1,627	1,641
Derivatives									
Forward exchange contracts	14	-	-	-	-	269	-	283	283
Currency options	12	-	-	-	-	-	-	12	12
Interest rate swaps	18	-	-	-	-	-	-	18	18
Electricity derivatives	-	-	-	-	-	16	-	16	16
Total derivatives	44	-	-	-	-	285	-	329	329
Other liabilities	-	-	-	-	5,467	-	-	5,467	5,467
Total financial liabilities	44	-	-	-	7,094	285	-	7,423	7,437

* Derivatives with positive values are recognised as assets and derivatives with negative values are recognised as liabilities.

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
- Electricity derivatives
- Interest derivatives

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 swaps:** Future variable interest rates are calculated with the help of current forward rates. These implicit interest payments are discounted on the valuation date using current market rates. The market value of inter-

est rate swaps is obtained by contrasting the discounted variable interest payments with the discounted present value of fixed interest payments.

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

There has been no change between levels in the first quarter 2013 compared to 2012.

As of 31 March 2013, the Group had the following financial assets and liabilities at fair value:

Assets at fair value

MSEK	31/3/2013	Level 1	Level 2	Level 3
Bonds and interest-bearing securities	3,219	3,219	-	-
Forward exchange contracts	546	-	546	-
Currency options	18	-	18	-
Interest rate swaps	1	-	1	-
Electricity derivatives	4	4	-	-
Shares and participations	52	-	-	52
Total	3,840	3,223	565	52

NOTE 7 CONTINUED
Liabilities at fair value

MSEK	31/3/2013	Level 1	Level 2	Level 3
Forward exchange contracts	283	-	283	-
Currency options	12	-	12	-
Interest rate swaps	18	-	18	-
Electricity derivatives	16	16	-	-
Total	329	16	313	-

NOTE 8 SUPPLEMENTAL INFORMATION ON STATEMENT OF CASH FLOWS
Liquid assets

MSEK	31/3/2013	31/12/2012	31/3/2012
The following components are included in liquid assets:			
Cash and bank balances	569	622	772
Bank deposits	1,245	862	1,581
Funds in escrow account	72	131	133
Deposits on behalf of customers	1	1	1
Total according to balance sheet	1,887	1,616	2,487
Total according to statement of cash flows	1,887	1,616	2,487

Operating cash flow vs. statement of cash flows

MSEK	Jan–Mar 2013	Jan–Mar 2012	Jan–Dec 2012
Operating cash flow	-349	-48	-396
Investing activities – interest-bearing:			
Short-term investments	722	682	585
Other financial investments and receivables	16	-13	28
Financing activities:			
Repayments of loans	-108	-49	-19
Dividend paid to the Parent Company's shareholders	-	-	-474
Cash flow for the period	281	572	-276

Specification of operating cash flow

MSEK	Saab excl. acquisitions/divestments	Acquisitions and divestments	Total Group Jan–Mar 2013	Total Group Jan–Mar 2012
Cash flow from operating activities before changes in working capital	448	-	448	507
CASH FLOW FROM CHANGES IN WORKING CAPITAL				
Inventories	-95	-	-95	-163
Receivables	-96	-	-96	549
Advance payments from customers	285	-	285	-160
Other liabilities	-766	-	-766	-627
Provisions	-10	-	-10	-122
Change in working capital	-682	-	-682	-523
Cash flow from operating activities	-234	-	-234	-16
INVESTING ACTIVITIES				
Investments in intangible fixed assets	-27	-	-27	-17
Investments in tangible fixed assets	-88	-	-88	-86
Investments in lease assets	-1	-	-1	-
Sale of tangible fixed assets	1	-	1	1
Sale of lease assets	-	-	-	131
Investments in operations and associated companies, net effect on liquidity	-	-	-	-78
Sale of group and associated companies, net effect on liquidity	-	-	-	17
Cash flow from investing activities excluding change in short-term investments and other interest-bearing financial assets	-115	-	-115	-32
OPERATING CASH FLOW	-349	-	-349	-48

NOTE 9 BUSINESS COMBINATIONS

No significant acquisitions were made during the first quarter 2013.

NOTE 10 DEFINED-BENEFIT PLANS

Saab has defined-benefit pension plans where post-employment compensation is based on a percentage of the recipient's salary. According to IAS 19, the estimated value of the defined-benefit obligation amounted to MSEK 6,872 at 31 March 2013, compared to MSEK 6,438 at 31 March 2012, and the value of the plan assets amounted to MSEK 4,800 at 31 March 2013, compared to MSEK 4,603 at 31 March 2012. Provisions for pensions attributable to special employers' contribution amounted to MSEK 375 at 31 March 2013 and to MSEK 299 at 31 March 2012.

Amendments to IAS 19 Employee Benefits

In the first quarter 2013 the financial reporting has been affected by amendments to IAS 19 Employee Benefits.

The amendments to IAS 19 eliminate the option to use the so-called corridor approach, i.e. the possibility to recognise only a part of actuarial gains and losses as income or expenses. Instead changes in actuarial assumptions are recognised directly in other comprehensive income.

The revised standard also implies that the return on plan assets shall not be recognised as expected return as it used to be, but instead as interest income in the income statement based on the prevailing discount rate at the beginning of the year.

The accounting principles for defined-benefit plans have changed compared to the Group's accounting principles in the annual report 2012 and the previously published interim and year-end reports in 2012. The new principles are applied retroactively and therefore the opening balance as of 1 January 2012 as well as the quarterly numbers for 2012 have been adjusted.

The statement of financial position 2012 has been adjusted for netting of deferred tax assets and liabilities compared to the summarised statement of financial position presented in the annual report 2012.

The adjusted statement of financial position and the adjusted income statement for the first quarter 2012 are as follows.

Statement of financial position MSEK	31/3/2012 actual	Adjustment IAS 19R	31/3/2012 restated
Fixed assets	12,403	-809	11,594
Deferred tax assets	81	-	81
Current assets	18,383	-	18,383
Total assets	30,867	-809	30,058
Equity	13,381	-2,143	11,238
Provision for pension	12	2,122	2,134
Deferred tax liabilities	913	-788	125
Other long-term liabilities	3,370	-	3,370
Current liabilities	13,191	-	13,191
Total liabilities	17,486	1,334	18,820
Total equity and liabilities	30,867	-809	30,058
Equity/assets ratio	43.4%		37.4%

Income statement MSEK	Jan-Mar 2012 actual	Adjustment IAS 19R	Jan-Mar 2012 restated
EBIT	398	5	403
Financial net	-30	20	-10
Taxes	-103	-7	-110
Net income	265	18	283
EPS before dilution, SEK	2.65	0.17	2.82
EPS after dilution, SEK	2.56	0.16	2.72
Other comprehensive income after tax	37	273	310
Net comprehensive income	302	291	593

For further information about the effects of the changes in accounting principles regarding pensions, see note 37 in the annual report 2012.

NOTE 11 CONTINGENT LIABILITIES

Saab has an ongoing legal dispute with the Danish Defence Acquisition and Logistics Organization, Forsvarets Materieltjeneste (FMT). The Maritime and Commercial Court in Copenhagen issued a judgement dismissing the FMT's claim against Saab. FMT has appealed the court's decision. FMT's counterclaim amounts to approximately MDKK 250. Judgement in the Danish Supreme Court is expected by the end of April 2013.

In 2012 Saab received a claim for alleged patent infringement in the United States. The claim is currently being evaluated. It cannot be ruled out that the claim could be substantial.

No additional obligations have been added during the first quarter 2013. 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 2012, note 43.

NOTE 13 DEFINITIONS

Capital employed

Total capital less non-interest-bearing liabilities.

Earnings per share

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

EBITDA margin

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

Equity/assets ratio

Equity in relation to total assets.

Equity per share

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

Gross margin

Gross income as a percentage of sales revenue.

Net liquidity/net debt

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

Operating cash flow per share

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

Operating margin

Operating income as a percentage of sales revenue.

Return on capital employed

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

Return on equity

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

REVIEW REPORT

Introduction

We have reviewed the condensed interim financial information of Saab AB for the period from 1 January to 31 March 2013. 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 Swedish Standard on Review Engagements SÖG 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying

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

Conclusion

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

Stockholm, 25 April 2013.
PricewaterhouseCoopers AB

Håkan Malmström
Authorised Public Accountant

Saab AB is disclosing the information here in pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act.
The information was submitted for publication at 7:30 a.m. on 25 April, 2013.

FOR FURTHER INFORMATION, PLEASE CONTACT

MEDIA:

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Press and financial analyst conference and webcast

with CEO Håkan Buskhe and CFO Magnus Örnberg

Today, Thursday, 25 April 2013, 10:00 a.m. (CET)
Grand Hôtel, Blaiseholmshamnen 8, Stockholm, Sweden
Contact Ann-Sofi Jönsson to register
and for further information
Tel. +46 8 463 02 14
www.saabgroup.com

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

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