

**SAAB****PRESS INFORMATION**

Handläggare *Handled by*  
Agneta Kammeby

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## **INTERIM REPORT January - September 2001**

- **Order bookings after nine months amounted to SEK 11 billion.**
- **Sales amounted to SEK 11,000 m. (12,313), an increase of 3% for comparable units.**
- **Operating income amounted to SEK 1,230 m. (876).**
- **Earnings per share amounted to SEK 8.28 (4.81).**
- **After-tax return on shareholders' equity 24.2% and pre-tax return on capital employed 18.1%.**
- **AerotechTelub becomes a wholly owned subsidiary.**
- **Helicopter purchase is expected to bring Saab business worth SEK 2 billion.**
- **Hungary has started negotiations on leasing Gripen aircraft.**

### Statement by the CEO

"The defense-related operations continue to develop satisfactorily and during the third quarter it was decided that the highly qualified service company AerotechTelub will become a wholly owned subsidiary of Saab, which will create even better possibilities for collaboration and synergies within the group.

Order bookings during the third quarter also continued to be good. Among other things, a Swedish order of about 500 million SEK was placed with Gripen for the integration of new precision weapons. Training Systems gained its fourth NATO customer for instrumented training systems with an order from Italy. The order backlog thereby continues to be some 40 billion SEK, equivalent to about two and a half years' sales.

By utilizing the know-how in systems engineering from Gripen, together with the command and control competence added through the acquisition of Celsius, Saab can now undertake total responsibility for the tactical system in Sweden's new medium-weight helicopter, a contract that together with production of helicopter cabins is expected to give Saab contracts directly worth 2 billion SEK. In addition, negotiations are in progress on the sale of further RBS70 air defense missiles to Australia and in September Hungary decided to start negotiations with Sweden on leasing used Gripen aircraft.

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Streamlining and development of the group have continued also during the third quarter. The majority in American Aero Systems Engineering, which was part of Celsius Aviation Services, has been divested. Collaboration with BAE SYSTEMS in marketing and sales of Gripen, which started in 1995, has been further strengthened through the formation of a jointly owned company named Gripen International and we have acquired TietoEnator's 43 percent share in AerotechTelub.

The tragic events in the USA last month and the subsequent world situation will have a negative influence on our operations in commercial aircraft, but it is too early to totally overview the consequences and quantify the effects on income. Our operations in commercial aircraft currently account for just over 10 percent of total sales. Owing to lower utilization of aircraft, the after market for the Saab 340 and Saab 2000 will probably see decreasing volumes with related fall in income. We are also analyzing the long-term consequences and impact on value for those parts of the former Celsius Aviation Services where we still have owner interests. For the leasing fleet of regional aircraft, revenues may be influenced, but here we have already made provisions and reduced risks through insurance, and therefore we do not expect any effect on income. In the case of deliveries to Airbus, operations are still in a build-up phase and volumes are small; consequently, any impact on income is expected to be limited.

After nine months of the year, we can see that operating income both before and after capital gains has improved compared with the same period last year. We forecast that the profit per share for the whole year will be broadly in line with last year. The result depends on the possible impact on Saab Aviation Services of the recent events."

## Major events and structural changes

During the third quarter, 51 percent of the shares in American Aero Systems Engineering Inc. have been divested to Minnesota ASE, LLC. Saab continues to own 29 percent of the shares and the remaining 20 percent are listed on Nasdaq. The effect on earnings of the divestment has been considered in the fair value analysis that was done in connection with the acquisition of Celsius, and will not affect the earnings of the Saab Group. The divestment has had a positive effect of about 70 million SEK on net liquidity.

With closing during the fourth quarter this year, the minority share in AerotechTelub has been acquired from TietoEnator for 1,100 million SEK. The acquisition has been approved by the Swedish Competition Authority. Discussions on the acquisition of 65 percent in Fokker Space are continuing. Although the EU Commission has approved the purchase, we have still not received satisfactory guarantees from the seller regarding certain earlier contracts. The risk that the acquisition will not be completed is therefore significant.



Saab Marine Electronics was sold earlier this year with a capital gain of 650 million SEK. The divestments of Celsius Amtec, Celsius Aerotech, the military division of Hawker Pacific, the Kockums engineering workshops and other operations have taken place without any impact on income, and agreement has also been reached on the gradual divestment of Hawker Pacific. Through the venture capital function, the share in Triangle Equipment A/S, 60 percent in A2 Acoustics and Sanguistech has been divested during the first six months. With effect from the beginning of the year, the minority share in Ericsson Saab Avionics has been acquired for 225 million SEK.

## Operations

Saab is one of the world's leading high-technology companies, with its main activities focusing on aerospace and defense. The operation covers clearly defined areas within defense electronics, missile systems and space electronics as well as military and civil aviation. Saab also focuses on high technology services and maintenance. Saab comprises the business areas **Saab Systems & Electronics, Saab Aerospace, Saab Technical Support & Services, Saab Bofors Dynamics, Saab Ericsson Space** and **Saab Aviation Services**. For a brief description of the business areas see the last page in the report.

## Sales, income and orders

### Sales

Group sales decreased to SEK 11,000 m. (12,313), due to divestments of companies and operations mainly within Systems and Electronics and Aviation Services. For comparable units, sales increased by 3 percent. During the first nine months, eleven (twelve) Gripen aircraft were invoiced, of which three (three) in the third quarter. The sales increase in Technical Support & Services is mainly attributable to the defense related business within AerotechTelub. The increase in Dynamics is mainly related to anti-armor weapons and for Space the volume growth continues. Sixty-seven percent of sales were related to defense and the foreign markets' share of total sales was 45 percent.

### Income and profitability

Operating income amounted to SEK 1,230 m. (876). The result includes the capital gain from the divestment of Saab Marine Electronics of SEK 650 m. and last year's income included capital gains etc of SEK 386 m. Operating income before capital gains was SEK 580 m. (490) corresponding to an increase of 18 percent, which mainly is due to the restructuring of Dynamics and good profitability in Saab Aviation Services. Both this year and last year, third quarter operating income have been affected by lower volumes due to the holiday period.

Operating income and margin for the remaining operations in Systems & Electronics are on a level with the previous year. Operating margin for Aerospace continues to be on the 9-percent level. Operating income for Technical Support & Services is on a level with the previous year, but due to variations during the year the business area had a somewhat lower operating margin. For Dynamics the positive trend following last year's rationalization has



continued. Operating margin for Space is still somewhat low as a result of internally financed development. Saab Aviation Services reports continued good profitability. Project interest on non-utilized advance payments, accounted for in the gross margin, amounted to SEK 85 m. (128).

Operating expenses are generally somewhat lower compared to the same period in the previous year. Other operating income during both the present and previous years consists mainly of capital gains, trading income in Treasury business and currency gains, etc. Other operating expenses consists mainly of currency and capital losses. Items affecting comparability the previous year related to funds received from SPP and provisions for certain development projects.

Net financial income and expenses amounted to SEK -33 m. (-67). The average return on external investments amounted to 4.63 percent. Income after financial items amounted to SEK 1,197 m. (809). Current and deferred taxes amounted to SEK -267 m. (-234). The tax portion of income after financial items has been affected by the fact that certain capital gains have been assessed as tax-free and that certain capital losses have been assessed as non-deductible and goodwill amortization. The Group's effective tax rate for the year, excluding these one-recurrent items and before goodwill amortization, is calculated at 29 percent.

Net income for the period was SEK 882 m. (512), corresponding to an income per share of SEK 8.28 (4.81). Income per share before goodwill amortization amounted to SEK 9.37 (6.10) and to SEK 11.47 for the year 2000.

### **Orders**

Group order bookings during the first nine months amounted to SEK 10,897 m. (23,098), of which the third quarter SEK 2,977 m. (5,209). Third quarter order bookings included the integration of new precision weapons for the Swedish Gripen program, an order from Italy for GAMER instrumented training systems, a new Swedish aerial target towing agreement, an order from Norway for camouflage systems and further development of the Swedish Armed Forces' command and control system, StriC. The order backlog at the end of the period amounted to SEK 40,492 m., compared to SEK 41,091 m. at the beginning of the year.

## **Liquidity, finance and investments**

### **Finance and liquidity**

Compared to opening balance, liquid funds less liabilities to credit institutions increased by SEK 473 m. to SEK 4,415 m. (3,942). The increase is mainly a net of new advances and divestments of businesses and high utilization of advances within Gripen, utilization of structural reserves, payment of dividend and acquisitions of businesses. The Group's net liquidity after deduction for allocations to pensions amounted to SEK 802 m., compared with SEK 415 m. at the beginning of the year.



Group equity/assets ratio amounted to 21,3 percent (14.9) compared with 18.2 percent in the opening balance. Shareholders' equity amounted to SEK 6,495 m. (5,147), corresponding to SEK 61.01 (48.35) per share, compared with SEK 53.26 at the beginning of the year.

**Cash flow**

Group cash flow from operating activities continued to be good. Working capital has despite higher advances developed negatively mainly due to increased inventories, utilization of part of last year's provisions within Dynamics, payments related to the regional aircraft business and decreased lease obligations. The cash flow from investments has been positively affected by divestment of lease assets. Operating cash flow was positive and amounted to SEK 585 m. (88).

**Capital expenditures**

The period's capital expenditures in property, plant and equipment, excluding lease assets, amounted to SEK 335 m. (304).

**Personnel**

At the end of the period, the number of employees in the Group was 14,281, compared with 15,453 at the beginning of the year. The decrease is mainly related to divestment of operations.

**Ownership**

Saab's principal owners are Investor AB, BAE SYSTEMS, the Wallenberg foundations, AMF, Fidelity Funds, MFS Funds, Skandia and Third AP fund.

**Accounting Principles**

The report has been drawn up in accordance with earlier accounting principles. This means that divested companies such as Saab Marine Electronics, Celsius Amtec, Celsius Aerotech and Aero Systems Engineering are not included in the Group for any part of 2001. The figures for 2000 have not been adjusted for external acquisitions and divestments made during 2001. However, sales and operating income by business area for the year 2000 have been adjusted for internal reorganizations.

Linköping, October 19, 2001

Bengt Halse  
President and Chief Executive Officer

This Interim Report has not been subject to review by the Company's auditors.



**Income statement**

SEK m.	9 mon	9 mon	3 <sup>rd</sup> Q	3 <sup>rd</sup> Q	Oct 2000	12 mon
	2001	2000	2001	2000	to Sept 2001	2000
<b>Sales</b>	<b>11,000</b>	<b>12,313</b>	<b>3,160</b>	<b>3,976</b>	<b>16,527</b>	<b>17,840</b>
Cost of goods sold	-8,150	-9,304	-2,294	-3,020	-12,273	-13,427
<b>Gross margin</b>	<b>2,850</b>	<b>3,009</b>	<b>866</b>	<b>956</b>	<b>4,254</b>	<b>4,413</b>
<i>Margin</i>	25.9%	24.4%	27.4%	24.0%	25.7%	24.7%
Marketing expenses	-1,005	-1,094	-299	-337	-1,489	-1,578
Administrative expenses	-825	-838	-261	-180	-1,238	-1,251
Research and development costs	-546	-603	-177	-170	-803	-860
Items affecting comparability	0	33	0	33	252	285
Other operating income	788	454	39	-51	947	613
Other operating expenses	-39	-81	-6	-36	-55	-97
Share in income of assoc. comp.	7	-4	9	5	19	8
<b>Operating income</b> <sup>1) 2)</sup>	<b>1,230</b>	<b>876</b>	<b>171</b>	<b>220</b>	<b>1,887</b>	<b>1,533</b>
<i>Margin</i>	11.2%	7.1%	5.4%	5.5%	11.4%	8.6%
Result from financial investments	-33	-67	-25	-40	-51	-85
<b>Income after financial items</b>	<b>1,197</b>	<b>809</b>	<b>146</b>	<b>180</b>	<b>1,836</b>	<b>1,448</b>
Taxes	-267	-234	-52	-51	-366	-333
Minority interest	-48	-63	-7	-32	-62	-77
<b>Net income</b>	<b>882</b>	<b>512</b>	<b>87</b>	<b>97</b>	<b>1,408</b>	<b>1,038</b>
Earnings per share, SEK <sup>3)</sup>	8.28	4.81	0.81	0.91	13.22	9.75
after full conversion, SEK <sup>4)</sup>	8.07	4.69	0.79	0.89	12.88	9.50
1) Includes depreciation of	-879	-919	-287	-338	-1,296	-1,336
of which depr. on leasing assets	-384	-391	-133	-104	-527	-534
2) Includes goodwill amortization of	-116	-137	-36	-46	-162	-183

<sup>3)</sup> Number of shares: 106,459,675 as per September 30, 2001 <sup>4)</sup> after full conversion: 109,247,175

**Sales by business area**

SEK m.	9 mon	9mon	Chg	3 <sup>rd</sup> Q	3 <sup>rd</sup> Q	Oct 2000	12 mon
	2001	2000		2001	2000	to Sept 2001	2000
Saab Systems & Electr	2,562	2,995	-14%	795	915	3,931	4,364
Saab Aerospace	2,621	2,717	-4%	821	846	3,825	3,921
Saab Tech Supp & Serv	2,187	1,966	11%	591	607	3,153	2,932
Saab Bofors Dynamics	1,697	1,502	13%	476	484	2,543	2,348
Saab Ericsson Space	610	518	18%	185	179	805	713
Saab Aviation Serv	1,552	2,836	-45%	381	1,009	2,575	3,859
Corporate/Other	405	724	-44%	92	208	651	970
Internal sales	-634	-945		-181	-272	-956	-1,267
<b>Saab Group</b>	<b>11,000</b>	<b>12,313</b>	<b>-11%</b>	<b>3,160</b>	<b>3,976</b>	<b>16,527</b>	<b>17,840</b>

**Operating income by business area**

SEK m.	9 mon		9 mon		Oct 2000		% of sales
	2001	% of sales	2000	% of sales	to Sep 2001	12 mon 2000	
Saab Systems & Electr	120	4.7%	158	5.3%	251	289	6.6%
Saab Aerospace	232	8.9%	238	8.8%	327	333	8.5%
Saab Techn Supp & Serv	130	5.9%	126	6.4%	186	182	6.2%
Saab Bofors Dynamics	47	2.8%	1	0.1%	92	46	2.0%
Saab Ericsson Space	43	7.0%	44	8.5%	52	53	7.4%
Saab Aviation Services	129	8.3%	90	3.2%	189	150	3.9%
Corporate/Other	529	n/a	219	n/a	790	480	n/a
<b>Saab Group</b>	<b>1,230</b>	<b>11.2%</b>	<b>876</b>	<b>7.1%</b>	<b>1,887</b>	<b>1,533</b>	<b>8.6%</b>

**Operating income by business area, quarterly**

SEK m.	3 <sup>rd</sup> Q		3 <sup>rd</sup> Q		2 <sup>nd</sup> Q		2 <sup>nd</sup> Q	
	2001	% of sales	2000	% of sales	2001	% of sales	2000	% of sales
Saab Systems & Electr	37	4.7%	58	6.3%	43	4.6%	39	3.8%
Saab Aerospace	68	8.3%	64	7.6%	100	8.8%	74	8.1%
Saab Techn Supp & Serv	41	6.9%	39	6.4%	44	5.4%	41	6.1%
Saab Bofors Dynamics	15	3.2%	28	5.8%	18	2.8%	-4	-0.9%
Saab Ericsson Space	9	4.9%	14	7.8%	20	9.0%	14	8.0%
Saab Aviation Services	24	6.3%	34	3.4%	53	9.4%	36	4.2%
Corporate/Other	-23	n/a	-17	n/a	-22	n/a	209	n/a
<b>Saab Group</b>	<b>171</b>	<b>5.4%</b>	<b>220</b>	<b>5.5%</b>	<b>256</b>	<b>6.0%</b>	<b>409</b>	<b>9.9%</b>

**Operating income by business area, quarterly**

SEK m.	1 <sup>st</sup> Q		1 <sup>st</sup> Q	
	2001	% of sales	2000	% of sales
Saab Systems & Electr	40	4.8%	61	5.7%
Saab Aerospace	64	9.7%	100	10.4%
Saab Techn Supp & Serv	45	5.8%	46	6.7%
Saab Bofors Dynamics	14	2.4%	-23	-4.0%
Saab Ericsson Space	14	6.9%	16	9.8%
Saab Aviation Services	52	8.6%	20	2.1%
Corporate/Other	574	n/a	27	n/a
<b>Saab Group</b>	<b>803</b>	<b>22.5%</b>	<b>247</b>	<b>5.9%</b>

**Sales and income per quarter**

SEK m.	2001			2000			
	1 <sup>st</sup> Q	2 <sup>nd</sup> Q	3 <sup>rd</sup> Q	1 <sup>st</sup> Q	2 <sup>nd</sup> Q	3 <sup>rd</sup> Q	4 <sup>th</sup> Q
Sales	3,575	4,265	3,160	4,187	4,150	3,976	5,527
Operating income	803	256	171	247	409	220	657
<i>Operating margin</i>	22.5%	6.0%	5.4%	5.9%	9.9%	5.5%	11.9%
Net financial income	-1	-7	-25	8	-35	-40	-18
Income after financial items	802	249	146	255	374	180	639
Net income	631	164	87	161	254	97	526
Earnings per share, SEK <sup>1)</sup>	5.93	1.54	0.81	1.51	2.39	0.91	4.94

<sup>1)</sup> Number of shares: 106,459,675 as per September 30, 2001.

**Balance sheet**

SEK m.	Sept 30, 2001	Sept 30, 2000	Dec 31, 2000
<b>Assets</b>			
Goodwill and other intangible assets	1,495	1,773	1,619
Property, plant and equipment, etc.	4,457	4,174	4,712
Lease assets	5,888	8,212	6,502
Long-term interest bearing receivables	1,338	1,559	1,345
Shares, etc.	1,126	924	950
Deferred tax receivables	1,256	970	1,440
Inventories, etc.	4,277	4,056	3,684
Short-term interest bearing receivables	181	629	606
Other receivables	5,793	6,045	6,079
Cash and marketable securities	4,737	6,169	4,182
<b>Total assets</b>	<b>30,548</b>	<b>34,511</b>	<b>31,119</b>
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity	6,495	5,147	5,670
Minority interest in subsidiaries	688	821	821
Provision for pensions	3,613	3,499	3,527
Other provisions	3,490	5,999	3,821
Liabilities to credit institutions	1,611	2,255	1,963
Convertible debenture loan	230	228	228
Lease obligations	3,543	4,203	3,916
Advance payments from customers, net	4,340	3,886	3,619
Other liabilities	6,538	8,473	7,554
<b>Total shareholders' equity and liabilities</b>	<b>30,548</b>	<b>34,511</b>	<b>31,119</b>

**Subdivided summary of balance sheet, September 30, 2001**

SEK m.	Saab	Saab Aircraft Leasing	Elimi- nations	Saab Group
<b>Assets</b>				
Goodwill and other intangible assets	1,495			1,495
Property, plant and equipment, etc,	4,454	3		4,457
Lease assets	0	5,888		5,888
Long-term interest bearing receivables	1,338			1,338
Shares, etc,	2,626		-1,500	1,126
Deferred tax receivables	1,429		-173	1,256
Inventories, etc,	4,277			4,277
Short-term interest bearing receivables	181			181
Other receivables	4,608	1,185		5,793
Cash and marketable securities	3,971	766		4,737
<b>Total assets</b>	<b>24,379</b>	<b>7,842</b>	<b>-1,673</b>	<b>30,548</b>
<b>Shareholders' equity and liabilities</b>				
Shareholders' equity	5,913	2,082	-1500	6,495
Minority interest in subsidiaries	682	6		688
Provision for pensions	3,613			3,613
Other provisions	2,437	1,226	-173	3,490
Liabilities to credit institutions	1,611			1,611
Convertible debenture loan	230			230
Lease obligations	0	3,543		3,543
Advance payments from customers, net	4,340			4,340
Other liabilities	5,553	985		6,538
<b>Total shareholders' equity and liabilities</b>	<b>24,379</b>	<b>7,842</b>	<b>-1,673</b>	<b>30,548</b>

**Shareholders' equity**

Equity in the Group has changed as follows during the period:

SEK m.	Totalt
At the beginning of the year	5,670
Net income for the period	882
Dividend	-319
Translation differences etc.	262
<b>Total at the end of the period</b>	<b>6,495</b>

**Summary of cash flow statement**

SEK m.	9 months 2001	9 months 2000 <sup>1)</sup>	12 months 2000 <sup>1)</sup>
<b>Cash flow from operating activities</b>			
Income after financial items excl, Share in income of associated companies	1,190	813	1,440
Depreciation and write-down charged to income	879	919	1,336
Items affecting comparability	0	0	-246
Tax	-118	-221	-648
<b>Cash flow from operating activities before changes in working capital</b>	<b>1,951</b>	<b>1,511</b>	<b>1,882</b>
<b>Working capital</b>			
Inventories etc.	-593	-102	270
Receivables	285	459	320
Advance payments from customers, net	721	-745	-1,012
Other liabilities	-1,016	-142	-612
Lease obligations	-373	-388	-717
Provisions	-331	-597	-1,537
<b>Change in working capital</b>	<b>-1,307</b>	<b>-1,515</b>	<b>-3,288</b>
<b>Cash flow from operating activities</b>	<b>644</b>	<b>-4</b>	<b>-1,406</b>
Investments in intangible fixed assets	8	-69	-59
Investments in shares etc.	-174	70	43
Investments in tangible fixed assets	-124	-240	-911
Investments in lease assets	230	360	476
Change in long-term receivables	1	-29	-51
<b>Cash flow from investments</b>	<b>-59</b>	<b>92</b>	<b>-502</b>
<b>Operating cash flow</b>	<b>585</b>	<b>88</b>	<b>-1,908</b>

1) Change compared to pro forma balance sheet as per December 31, 1999.

**Key ratios**

	9 months 2001	9 months 2000	12 months 2000
Operating margin before depreciation	15.7%	11.4%	13.5%
Operating margin after depreciation	11.2%	7.1%	8.6%
Earnings per share, SEK <sup>1)</sup>	8.28	4.81	9.75
after full conversion, SEK <sup>1)</sup>	8.07	4,69	9.50
Earnings per share before goodwill, SEK <sup>1)</sup>	9.37	6.10	11.47
Pre-tax return on capital employed <sup>2)</sup>	18.1%	12.0%	14.6%
After-tax return on shareholders' equity <sup>2)</sup>	24.2%	14.5%	20.0%
Equity/assets ratio	21.3%	14.9%	18.2%
Shareholders' equity per share, SEK <sup>1)</sup>	61.01	48.35	53.26

<sup>1)</sup> Number of shares: 106,459,675 as per Sept 30, 2001 and after full conversion 109,247,175.

<sup>2)</sup> Calculated for the period October 2000 to September 2001,

**Order bookings and order backlog by business area**

SEK m.	Order bookings				Order backlog	
	9 mon 2001	9 mon 2000	3 <sup>rd</sup> Q 2001	3 <sup>rd</sup> Q 2000	Sept. 30, 2001	Dec. 31, 2000
Saab Systems & Electronics	2,784	3,307	604	822	8,530	8,689
Saab Aerospace	2,329	11,596	757	908	26,802	27,097
Saab Technical Supp & Serv	2,314	2,444	559	687	1,306	1,268
Saab Bofors Dynamics	1,872	2,608	517	1,699	4,468	4,219
Saab Ericsson Space	620	501	200	172	826	816
Saab Aviation Services	1,572	2,996	424	1,007	292	540
Corporate/Other operations	313	574	71	89	431	612
Internal	-907	-928	-155	-175	-2,163	-2,150
<b>Saab Group</b>	<b>10,897</b>	<b>23,098</b>	<b>2,977</b>	<b>5,209</b>	<b>40,492</b>	<b>41,091</b>

**Personell by business area**

SEK m.	Sept. 30, 2001	Sept. 30, 2000	Dec. 31, 2000
Saab Systems & Electronics	2,734	3,024	3,023
Saab Aerospace	4,083	4,145	4,146
Saab Technical Supp & Serv	3,081	3,324	3,147
Saab Bofors Dynamics	1,930	1,913	1,884
Saab Ericsson Space	663	654	663
Saab Aviation Services	1,054	1,726	1,631
Corporate/Other operations	736	860	959
<b>Saab Group</b>	<b>14,281</b>	<b>15,646</b>	<b>15,453</b>

**Dates for financial information:**

The 2001 Report will be published on February 15, 2002. Changed date!

Interim Report for January-March will be published on April 24, 2002.

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**Telephone interview with President Bengt Halse:**

Today, Friday October 19, approx. 15.00 – 15.30

Contact Anders Stålhammar, Press Officer

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**International teleconference:**

Today, Friday October 19, 15.30. Contact Marita Sidén  
for registration and further information.

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**Interim report can also be accessed on the Internet at [www.saab.se](http://www.saab.se)**



## **Business areas**

**Saab Systems and Electronics** focuses on command and control systems, simulation systems, avionics, electronic warfare and signature management, as well as commercial operations of IT and electronics. The most important products are naval command and control systems, electronic warfare systems for combat aircraft, electronic warfare equipment such as radar warners, jammers and decoys, display systems, air defense systems, laser simulators and combat training centers, and automatic identification systems (AIS) for ships and aircraft.

**Saab Aerospace**, which has the overall system integration capability required for building complete aircraft and defense systems, develops and manufactures military aircraft systems and act as a partner in subsystems to manufacturers of large commercial aircraft. The individually biggest product is the Gripen combat aircraft. The Swedish Defence Material Administration, FMV, has ordered a total of 204 Gripen aircraft, of which 109 have been delivered. In 2000, the first export order for the Gripen, comprising 28 aircraft, was formally received from South Africa.

**Saab Technical Support and Services** focuses on the growing market for high technology services in aviation, command and control, information, communications and sensors, and supplies both military and commercial customers. More than half of sales go to the defense sector.

**Saab Bofors Dynamics**, gathers Saab's operations in precision engagement, develops and produces missile systems, portable anti-armor systems and underwater systems. Today, the business area is a complete missile systems house with products such as air-to-air, air defense, anti-ship and ground target missiles, anti-armor weaponry and torpedoes. Saab Bofors Dynamics is involved in several international collaboration projects in the missiles area.

**Saab Ericsson Space** develops and produces computers, antennas, microwave electronics and mechanical systems for the space industry. About half of the business relates to commercial telecommunication projects and the other half concerns publicly financed projects within organizations such as the European Space Agency, ESA, and bilateral and national programs.

**Saab Aviation Services** is a new business area started in 2001. Its core consists of Saab's leasing and customer support operation in regional aviation. Since the commercial risk in the leasing portfolio was eliminated last year through an insurance solution, the operation is now oriented towards developing portfolio value and the customer support operation. The business area includes remaining activities from Celsius Aviation Services until these are divested or taken care of in another way.