

Handläggare *Handled by*

Agneta Kammeby

Datum *Date*

July 9, 2003

Referens *Reference*

CU 03:67 E

INTERIM REPORT January - June 2003

- **Sales SEK 8,273 m. (8,284).**
- **Net income amounted to SEK 240 m. (263).**
- **Earnings per share SEK 2.25 (2.47).**
- **Order bookings during the first half-year were more than SEK 12 billion, of which SEK 6 billion in the second quarter. Order backlog amounted thereby to a record level SEK 47 billion.**
- **Operating income SEK 441 m. (474) and income after financial items SEK 362 m. (374).**
- **Operating cash flow amounted to SEK 733 m. (373).**

Statement by the CEO

"Saab continues to enjoy good order bookings, totaling more than 12 billion SEK during the first six months of this year. This means that the order backlog is now at a record level of 47 billion SEK, corresponding to almost three years invoicing. The largest single order during the second quarter came from Airbus, with whom we have now signed the final agreement for the fixed leading edge on the A380 wing. During the quarter, we have also made on schedule delivery of the first leading edge to Airbus UK, part of a project in which Saab has been engaged since the concept studies in 1997.

Examples of other important orders during the second quarter are the Australian order for an air defense system, several British orders for laser simulators and the Swedish order for new remotely operated underwater vehicles for mine clearing and other purposes. Order bookings continue to be dominated by orders from customers outside Sweden, whose share of the order backlog increased to 62%.

During the second quarter, Saab submitted together with Ericsson, IBM and Boeing a tender to FMV for building the future Swedish network-based defense.

As already mentioned, the second quarter has seen further notices of personnel cutbacks within the Group. During the year, 800 persons have been given notice of redundancy as a result of

Saab AB (publ)Postadress
*Postal address*SE-581 88 Linköping
SwedenTelefon
Telephone

+46 (0)13 18 00 00

Telefax

+46 (0)13 18 00 11

Organisationsnummer
Registered No

556036-0793

Momsregnummer
VAT No

SE556036079301



weakening workload, primarily due to the few domestic development programs started in recent years.

The customary variation over the year and the costs of structural measures during both the first and second quarters resulted in income during the first six months being somewhat lower than in the same period last year. However, in line with my earlier assessment, I still expect continued growth as well as improvement in operating income and operating margin for the whole year.

On Monday 14 July, Åke Svensson will take over the helm at Saab, a duty for which he is outstandingly well suited. I view the change of captain with great confidence and wish Åke every success with an exciting, innovative and capable company."

Major events and structural changes

On 17 January, Bengt Halse announced his decision to utilize his option of leaving the post of President and CEO of Saab on reaching the age of 60. The Board has appointed Åke Svensson, currently head of business area Saab Aerospace, as his successor from 14 July 2003.

The work of divesting non-core operations is being pursued continuously. Among other developments, excellent progress has been made with the earlier announced structural solution in the area of explosives involving the French company SNPE and Nexplo.

With effect from January 1 this year, Combitech Systems has been transferred from Saab Systems and Electronics to Saab Technical Support and Services as part of the co-ordination of the Group's non-defense consultant operations.

Operations

Saab is one of the world's leading high-technology companies, with its main activities focusing on aerospace and defense. The operations cover 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 and Electronics**, **Saab Aerospace**, **Saab Technical Support and Services**, **Saab Bofors Dynamics**, **Saab Ericsson Space** and **Saab Aviation Services**. For a brief description of the business areas, see the end of the report.

Sales, income and orders

Sales

Group sales during the first half-year were on par with last year and amounted to SEK 8,273 m. (8,284). Sales normally fluctuate over the year, but whole year sales are forecasted to continue to grow organically. Seventy-eight (74) percent of sales was related to defense. Sales to foreign markets increased to 47 (39) percent. Sales during the second quarter were SEK 4,240 m. (4,754).



Sales of all operations in Systems & Electronics have increased or are on par with the same period last year. At the same time the business area's sales have decreased due to the internal transfer of Combitech Systems, with a yearly turnover of about SEK 200 m., to Technical Support and Services. The decrease in Aerospace is attributable to variations over the year and is mainly related to fewer Gripen deliveries during the second quarter compared with the same period last year. Sales for the first half-year included 8 (12) Gripen aircraft, of which 3 (9) in the second quarter. Sales of most operations in Technical Support and Services decreased slightly compared with the same period last year and the increase for the business area as such is as a whole related to the internal takeover of Combitech Systems. The increase in Dynamics is mainly attributable to higher volumes for anti-armor weapons and the air defense system RBS 70 and development work on MBTLAW, next generation light anti-armor weapon. The situation in the commercial telecom market continues to be difficult which affects the space business. The decrease in Aviation Services is a result of the general situation for air travel and thereby lower utilization of the aircraft fleet.

Income and profitability

Operating income amounted to SEK 441 m. (474), corresponding to a margin of 5.3 percent (5.7). Income from defense-related operations has continued to improve compared with the previous year. At the same time, however, the income has been affected by structural charges of totally SEK 185 m. (40) for the ongoing structural measures. During the first quarter this year a provision of SEK 75 m. was made for structural measures in the underwater sector and during the second quarter SEK 75 m. was made for coordination of the command and control and avionics businesses and SEK 35 m. for further adaptation of the space business. Operating income for the second quarter amounted to SEK 215 m. (328).

Both operating income and margin for Systems & Electronics have improved mainly as a result of volume increases for Saab Barracuda and due to positive income for Saab TransponderTech in the second quarter. The improvement in operating income for Aerospace is related to Nyge Aero. Operating margin excluding capitalization of development costs was 8.4 percent (8.2). The increased operating income for Technical Support and Services is a result of improved margins mainly due to higher utilization ratio and cost reductions. The improvement in income for Dynamics is mainly due to volume increases, a more favorable product mix and continued rationalization. The structural and rationalization work in Space has continued and resulted in a positive income before the structural provision. Lower volumes have affected operating income for Aviation Services, while margin is maintained on the same level as previous year. Operating income for Corporate/Other Operations has slightly deteriorated compared with the same period last year due to lower income in operating companies but was also negatively affected by the SEK 150 m. provision made for structural measures related to the completion of the Celsius integration.

Administration and marketing expenses have slightly decreased compared with the previous year. The period's internally funded investments in research and development amounted to SEK 429 m. (336), of which SEK 220 m. (120) has been capitalized and SEK 209 m. (216) has been charged to income. Other operating income during both the present and previous years consist mainly of capital gains, currency gains and income from secondary activities.

Other operating expenses consist mainly of currency and capital losses. The present year also include the provision made for structural changes of SEK 185 m. (40). Project interest on non-



utilized advance payments reduced the financial net by SEK 65 m. (83) and is reported in gross income.

Net financial income and expenses amounted to SEK -79 m. (-100). The average return on external investments was 4.26 percent (3.09). Compared with the previous year, the financial net has been positively affected by higher return and lower interest rate on pension debt but negatively affected by lower average liquidity. Income after financial items amounted to SEK 362 m. (374). Current and deferred taxes amounted to SEK -116 m. (-122).

Net income for the period was SEK 240 m. (263). This corresponds to earnings per share of SEK 2.25 (2.47). Pre-tax return on capital employed was 12.0 percent (9.9). After-tax return on shareholders' equity was 10.9 percent (9.3).

Orders

Group order bookings amounted to SEK 12,363 m. (12,456), of which SEK 6,047 m. (6,396) in the second quarter. Of order bookings, more than sixty percent came from customers outside Sweden. Order bookings during the second quarter included among others the final contract regarding the fixed leading edge on the Airbus A380 wing, the Australian order for an air defense system, the Swedish order for new remotely operated underwater vehicles, several British orders for laser simulators, order for a new boost rocket motor for the anti-ship missile RBS15, further orders for command and control systems, separate orders for Gripen and a new contract with Elekta regarding development work and production of the Leksell Gamma Knife. The order backlog at the end of the period amounted to SEK 47,029 m. compared to SEK 43,082 m. at the beginning of the year.

Liquidity, finance and investments

Finance and liquidity

Liquid funds less liabilities to credit institutions compared to the beginning of the year have increased by SEK 275 m. to 4,038 m. (4,214). The Group's net liquidity after deduction of provisions for pensions increased to SEK 590 m. from SEK 352 m. at the beginning of the year.

Group equity/assets ratio amounted to 23.5 percent (22.1), compared to 24.3 percent at the beginning of the year. Shareholders' equity amounted to SEK 6,575 m. (6,476), corresponding to SEK 61.73 (60.83) per share, compared with SEK 64.17 at the beginning of the year.

Cash flow

Operating cash flow was positive during the first half-year; SEK 733 m (373) and is distributed between cash flow from operations of 788 m. (444), acquisitions SEK 0 m. (-77) and from the regional aircraft business SEK -55 m. (6).

Capital expenditures

The period's capital expenditures in property, plant and equipment, excluding lease assets, amounted to SEK 238 m. (276).

**Personnel**

At the end of the period, the number of employees in the Group was 13,825, compared with 14,036 at the beginning of the year.

Parent Company

Parent company sales amounted to SEK 2,351 m. (2,547). Operating income was SEK 152 m. (310) and income after financial income and expenses was SEK 52 m. (232).

Cash and marketable securities, less liabilities to credit institutions, decreased mainly due to internal share transactions and dividend to SEK -555 m., compared with SEK 775 m. at year-end. Capital expenditures in property, plant and equipment amounted to SEK 98 m. (100). The number of employees at the end of the period was 4,247, compared with 4,308 at the beginning of the year.

Ownership

Saab's principal owners are BAE SYSTEMS, Investor AB, the Wallenberg foundations, Robur funds, AMF, GMO International Funds, Eikos fund, SEB funds, Skandia, Pictet & Cie, Banco funds, FPG/AMFK and several U.S. and U.K funds.

Accounting Principles

The Group follows all the recommendations of the Swedish Financial Accounting Standards Council, which are applicable to 2003. The new recommendations have not had any material impact on the Group's financial results and position; the only effect is additional disclosures. Sales and operating income by business area for the year 2002 has not been adjusted for the internal re-organization regarding Combitech Systems.

Linköping, July 9, 2003

Bengt Halse
President and Chief Executive Officer

Audit review

We have reviewed this interim report in accordance with the recommendation issued by the Swedish Institute of Authorised Public Accountants, FAR. A review is significantly limited compared to an audit. We have found nothing to suggest that this interim report does not comply with the requirements set out in the Exchange and Annual Accounts Acts.

Linköping, July 9, 2003

Björn Fernström	Caj Nackstad
Authorized Public Accountant	Authorized Public Accountant
Ernst & Young AB	KPMG Bohlins AB


Income statement

SEK m.	Jul 2002					
	6 mos. 2003	6 mos. 2002	2 nd Q 2003	2 nd Q 2002	to Jun 2003	12 mos. 2002
Sales	8,273	8,284	4,240	4,754	16,527	16,538
Cost of goods sold	-6,261	-6,396	-3,191	-3,706	-12,361	-12,496
Gross margin	2,012	1,888	1,049	1,048	4,166	4,042
<i>Margin</i>	24.3%	22.8%	24.7%	22.0%	25.2%	24.4%
Marketing expenses	-650	-676	-345	-373	-1,299	-1,325
Administrative expenses	-533	-535	-277	-275	-1,041	-1,043
Research and development costs	-209	-216	-112	-96	-450	-457
Other operating income	28	91	10	38	219	282
Other operating expenses	-208	-78	-113	-14	-404	-274
Share in income of assoc. comp.	1	-	3	0	-4	-5
Operating income ¹⁾	441	474	215	328	1,187	1,220
<i>Margin</i>	5.3%	5.7%	5.1%	6.9%	7.2%	7.4%
Result from financial investments	-79	-100	-31	-52	-206	-227
Income after financial items	362	374	184	276	981	993
Taxes	-116	-122	-59	-90	-267	-273
Minority interest	-6	11	-4	-1	-5	12
Net income	240	263	121	185	709	732
Earnings per share, SEK ²⁾	2.25	2.47	1.13	1.74	6.65	6.87
after full conversion, SEK ³⁾	2.20	2.41	1.11	1.70	6.49	6.70

¹⁾ Includes depreciation of	-589	-596	-281	-293	-1,161	-1,168
of which depr. on leasing assets	-279	-268	-124	-133	-539	-528
of which goodwill amortization	-85	-87	-42	-43	-174	-176

²⁾ Average number of shares Jan - June 2003: 106,510,374 and 2002: 106,459,675

³⁾ after full conversion 109,247,175

Sales by business area

SEK m.	Jul 2002						
	6 mos. 2003	6 mos. 2002	Chg	2 nd Q 2003	2 nd Q 2002	to Jun 2003	12 mos. 2002
Saab Systems & Electr	2,189	2,138	2%	1,208	1,245	4,550	4,499
Saab Aerospace	2,296	2,588	-11%	1,151	1,502	4,490	4,782
Saab Tech Supp & Serv	1,510	1,466	3%	834	795	2,966	2,922
Saab Bofors Dynamics	1,605	1,357	18%	723	777	3,073	2,825
Saab Ericsson Space	289	300	-4%	140	165	594	605
Saab Aviation Services	531	698	-24%	264	336	1,161	1,328
Corporate/Other	201	263		103	127	431	493
Internal sales	-348	-526		-183	-193	-738	-916
Saab Group	8,273	8,284	0%	4,240	4,754	16,527	16,538



Sales by market

SEK m.	6 mos. 2003	% of sales	6 mos. 2002	% of sales	12 mos. 2002	% of sales
Sweden	4,368	53%	5,105	61%	9,707	59%
Rest of EU	1,851	22%	1,452	18%	3,280	20%
Rest of Europe	320	4%	243	3%	616	4%
North America	536	7%	641	8%	1,267	8%
Latin America	119	1%	93	1%	185	1%
Asia	524	6%	265	3%	536	3%
Australia, etc.	551	7%	479	6%	937	5%
Other	4	-	6	-	10	-
Saab Group	8,273	100%	8,284	100%	16,538	100%

Operating income by business area

SEK m.	6 mos. 2003	% of sales	6 mos. 2002	% of sales	July '02 – June '03	% of sales	12 mos. 2002	% of sales
Saab Systems & Electr	123	5.6%	106	5.0%	328	7.2%	311	6.9%
Saab Aerospace	319	13.9%	306	11.8%	592	13.2%	579	12.1%
Saab Techn Supp & Serv	119	7.9%	95	6.5%	231	7.8%	207	7.1%
Saab Bofors Dynamics	88	5.5%	12	0.9%	178	5.8%	102	3.6%
Saab Ericsson Space	-29	neg	-40	neg	-51	neg	-62	neg
Saab Aviation Services	48	9.0%	61	8.7%	123	10.6%	136	10.2%
Corporate/Other	-227	N/a	-66	N/a	-214	N/a	-53	N/a
Saab Group	441	5.3%	474	5.7%	1,187	7.2%	1,220	7.4%

Quarterly information

SEK m.	January - March		April - June	
	2003	2002	2003	2002
Sales				
Saab Systems & Electr	981	893	1,208	1,245
Saab Aerospace	1,145	1,086	1,151	1,502
Saab Techn Supp & Serv	676	671	834	795
Saab Bofors Dynamics	882	580	723	777
Saab Ericsson Space	149	135	140	165
Saab Aviation Services	267	362	264	336
Corporate/Other	98	136	103	127
Internal sales	-165	-333	-183	-193
	4,033	3,530	4,240	4,754
Operating income				
Saab Systems & Electr	51	34	72	72
Saab Aerospace	158	133	161	173
Saab Techn Supp & Serv	59	41	60	54
Saab Bofors Dynamics	39	-5	49	17
Saab Ericsson Space	0	-42	-29	2
Saab Aviation Services	19	29	29	32
Corporate/Other	-100	-44	-127	-22
	226	146	215	328
Net financial income	-48	-48	-31	-52
Income after financial net	178	98	184	276
Net income	119	78	121	185
Earnings per share ¹⁾	1.12	0.73	1.13	1.74


Quarterly information, cont.

SEK m.	July - September		October - December	
	2003	2002	2003	2002
Sales				
Saab Systems & Electr		879		1,482
Saab Aerospace		977		1,217
Saab Techn Supp & Serv		550		906
Saab Bofors Dynamics		581		887
Saab Ericsson Space		107		198
Saab Aviation Services		321		309
Corporate/Other		93		137
Internal sales		-84		-306
		3,424		4,830
Operating income				
Saab Systems & Electr		20 2.3%		185 12.5%
Saab Aerospace		111 11.4%		162 13.3%
Saab Techn Supp & Serv		44 8.0%		68 7.5%
Saab Bofors Dynamics		49 8.4%		41 4.6%
Saab Ericsson Space		-20 neg		-2 neg
Saab Aviation Services		23 7.2%		52 16.8%
Corporate/Other		-23 N/a		36 N/a
		204 6.0%		542 11.2%
Net financial income		15		-142
Income after financial net		219		400
Net income		147		322
Earnings per share ¹⁾		1.38		3.02

¹⁾ Average number of shares 2003: 106,510,374 and 2002: 106,487,407

Total depreciation/amortization by business area

SEK m.	6 mos.	6 mos.	2 nd Q	2 nd Q	12 mos.
	2003	2002	2003	2002	2002
Saab Systems & Electronics	94	110	45	51	198
Saab Aerospace	72	71	36	36	143
Saab Technical Support & Services	66	53	38	26	113
Saab Bofors Dynamics	42	50	21	26	97
Saab Ericsson Space	16	17	8	8	35
Saab Aviation Services – lease assets	279	268	124	133	528
Saab Aviation Services - other	6	7	3	4	15
Corporate/Other	14	20	6	9	39
Saab Group	589	596	281	293	1,168

Of which goodwill amortization by business area

SEK m.	6 mos.	6 mos.	2 nd Q	2 nd Q	12 mos.
	2003	2002	2003	2002	2002
Saab Systems & Electronics	42	47	18	24	95
Saab Aerospace	4	5	2	2	10
Saab Technical Support & Services	24	18	15	9	36
Saab Bofors Dynamics	14	15	7	8	29
Saab Ericsson Space	-	-	-	-	1
Saab Aviation Services	-	-	-	-	1
Corporate/Other	1	2	-	-	4
Saab Group	85	87	42	43	176

Balance sheet

SEK m.	June 30, 2003	Dec. 31, 2002	June 30, 2002
Assets			
Goodwill and other intangible assets	2,428	2,297	2,127
Property, plant and equipment, etc.	4,271	4,325	4,270
Lease assets	5,247	5,672	5,798
Long-term interest bearing receivables	918	1,053	1,172
Shares, etc.	411	413	472
Deferred tax receivables	1,175	1,279	1,397
Inventories, etc.	3,752	3,745	3,854
Short-term interest bearing receivables	42	55	13
Other receivables	5,334	5,413	5,667
Cash and marketable securities	4,363	3,857	4,508
Total assets	27,941	28,109	29,278
Shareholders' equity and liabilities			
Shareholders' equity	6,575	6,833	6,476
Minority interest in subsidiaries	115	110	140
Provision for pensions	3,448	3,411	3,426
Other provisions	2,428	2,600	2,657
Liabilities to credit institutions	1,054	972	1,247
Convertible debenture loan	231	230	232
Lease obligations	2,750	2,926	3,217
Advance payments from customers, net	3,327	3,775	4,229
Other liabilities	8,013	7,252	7,654
Total shareholders' equity and liabilities	27,941	28,109	29,278

Shareholders' equity

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

SEK m.	Total
At the beginning of the year	6,833
Net income for the period	240
Dividend	-373
Translation differences etc.	-125
Total at the end of the period	6,575


Personnel by business area

Number	June 30, 2003	Dec. 31, 2002	Change	June 30, 2002
Saab Systems & Electronics	2,801	3,026	-225	2,970
Saab Aerospace	4,309	4,379	-70	4,339
Saab Technical Supp & Serv	3,058	2,760	298	2,928
Saab Bofors Dynamics	1,723	1,904	-181	1,897
Saab Ericsson Space	611	634	-23	675
Saab Aviation Services	798	815	-17	794
Corporate/Other operations	525	518	7	623
Saab Group	13,825	14,036	-211	14,226

Subdivided summary of balance sheet, June 30, 2003

SEK m.	Saab	Saab Aircraft Leasing	Elimi- nations	Saab Group
Assets				
Goodwill and other intangible assets	2,428			2,428
Property, plant and equipment, etc.	4,269	2		4,271
Lease assets		5,247		5,247
Long-term interest bearing receivables	918			918
Shares, etc.	1,911		-1,500	411
Deferred tax receivables	1,471		-296	1,175
Inventories, etc.	3,723	29		3,752
Short-term interest bearing receivables	42			42
Other receivables	4,435	899		5,334
Cash and marketable securities	4,124	239		4,363
Total assets	23,321	6,416	-1,796	27,941
Shareholders' equity and liabilities				
Shareholders' equity	6,240	1,835	-1,500	6,575
Minority interest in subsidiaries	113	2		115
Provision for pensions	3,448			3,448
Other provisions	2,132	592	-296	2,428
Liabilities to credit institutions	1,054			1,054
Convertible debenture loan	231			231
Lease obligations		2,750		2,750
Advance payments from customers, net	3,327			3,327
Other liabilities	6,776	1,237		8,013
Total shareholders' equity and liabilities	23,321	6,416	-1,796	27,941


Capital employed by business area

SEK m.	June 30, 2003	Dec. 31, 2002	June 30, 2002
Saab Systems & Electr	3,411	3,211	3,043
Saab Aerospace	1,988	2,235	1,957
Saab Tech Supp & Serv	1,538	1,536	1,528
Saab Bofors Dynamics	1,240	1,214	1,608
Saab Ericsson Space	401	442	447
Saab Aviation Services	3,260	3,516	4,011
Corporate/Other	-415	-598	-1,073
Saab Group	11,423	11,556	11,521

Order bookings and order backlog by business area

SEK m.	Order bookings				Order backlog	
	6 mos. 2003	6 mos. 2002	2 nd Q 2003	2 nd Q 2002	June 30, 2003	Dec. 31, 2002
Saab Systems & Electr	2,167	2,735	1,286	739	9,549	9,703
Saab Aerospace	5,868	2,198	2,911	417	28,243	24,675
Saab Tech Supp & Serv	1,750	1,814	823	800	1,204	1,006
Saab Bofors Dynamics	2,143	5,191	1,009	4,269	8,842	8,300
Saab Ericsson Space	179	246	103	114	626	736
Saab Aviation Services	739	705	234	317	418	210
Corporate/Other	272	189	195	89	294	224
Internal	-755	-622	-514	-349	-2,147	-1,772
Saab Group	12,363	12,456	6,047	6,396	47,029	43,082

Summary of cash flow statement

SEK m.	6 mos. 2003	6 mos. 2002	12 mos. 2002
Cash flow from operating activities			
Income after financial items, excl share in income of associated companies	362	374	998
Depreciation and write-down charged to income	589	596	1,176
Taxes	-16	-11	-18
Cash flow from operating activities before changes in working capital	935	959	2,156
Working capital			
Inventories etc.	-7	-125	-16
Receivables	32	-258	6
Advance payments from customers, net	-448	35	-419
Other liabilities	761	347	-55
Lease obligations	-176	96	-195
Provisions	-172	-326	-383
Change in working capital	-10	-231	-1,062
Cash flow from operating activities	925	728	1,094
Investments in intangible fixed assets	-220	-237	-508



Investments in shares etc.	2	-6	36
Investments in tangible fixed assets	-167	-141	-415
Investments in lease assets	146	37	-97
Change in long-term receivables	47	-8	-18
Cash flow from investments	-192	-355	-1,002
Operating cash flow	733	373	92

Operating cash flow by business area

SEK m.	6 mos. 2003	6 mos. 2002	12 mos. 2002
Saab Systems & Electronics	74	-275	-641
Saab Aerospace	139	668	427
Saab Technical Support & Services	212	102	245
Saab Bofors Dynamics	331	-1	30
Saab Ericsson Space	31	-46	-32
Saab Aviation Services	23	37	239
Corporate/Other	-77	-112	-176
Saab Group	733	373	92

Key ratios

	6 mos. 2003	6 mos. 2002	12 mos. 2002
Operating margin before depreciation	9.1%	9.7%	11.2%
Operating margin before goodwill amort.	6.4%	6.8%	8.4%
Operating margin after depreciation	5.3%	5.7%	7.4%
Earnings per share, SEK ¹⁾	2.25	2.47	6.87
after full conversion, SEK ¹⁾	2.20	2.41	6.70
Earnings per share before goodwill, SEK ¹⁾	3.05	3.29	8.52
Pre-tax return on capital employed	12.0%	9.9%	11.6%
After-tax return on shareholders' equity	10.9%	9.3%	10.8%
Equity/assets ratio	23.5%	22.1%	24.3%
Shareholders' equity per share, SEK ¹⁾	61.73	60.83	64.17

1) Average no of shares Jan – June 2003: 106,510,374 and Jan - June 2002: 106,459,675.

Average no of shares 2002: 106,487,407. After full conversion 109,247,175

Five-year overview

SEK m., unless otherwise stated	2002	2001	2000	Proforma 1999	1999	1998
Order bookings	19,521	15,274	28,141	15,267	6,849	5,797
Order backlog at year-end	43,082	40,034	41,091	29,891	23,637	23,132
Sales	16,538	15,689	17,840	18,018	9,053	8,248
Foreign market sales, %	41	40	48	48	38	41
Operating income	1,220	1,594	1,533	1,125	1,104	875
Operating margin, %	7.4	10.2	8.6	6.2	12.2	10.6



Operating margin before depr.,%	11.2	14.4	13.5	10.7	17.1	14.7
Operating income excl capital gains	1,220	944	895	870	849	875
Operating margin excl capital gains, %	7.4	6.0	5.0	4.8	9.4	10.6
Income after financial items	993	1,554	1,448	1,116	1,377	1,218
Net income	732	1,127	1,038	735	939	912
Total assets	28,109	29,901	31,119	36,641	28,079	29,680
Operating cash flow	92	1,642	-1,908	N/a	-2,368	-1,105
Pre-tax return on capital employed, %	11.6	15.5	14.6	N/a	21.3	21.4
After-tax return on equity, %	10.8	18.3	20.0	N/a	21.5	25.6
Equity/assets ratio, %	24.3	22.3	18.2	12.8	16.8	13.6
Earnings per share, SEK ²⁾	6.87	10.59	9.75	6.90	8.82	8.55
after full conversion, SEK ³⁾	6.70	10.32	9.50	6.73	8.60	8.35
before goodwill amortization, SEK ²⁾	8.52	12.11	11.47	8.62	9.36	8.70
Dividend per share, SEK	3.50	3.25	3.00	N/a	2.50	2.00
Equity per share, SEK ¹⁾	64.17	62.74	53.26	44.15	44.23	37.90
Number of employees at year-end	14,036	14,028	15,453	16,665	8,031	7,891

Aside from the pro forma figures for 1999, the figures have not been revised and match those in the published information for each year.

¹⁾ Number of shares as of December 31, 2002: 106,510,374 1998-2001: 106,459,675

³⁾ Number of shares after full conversion:

109,247,175

²⁾ Average number of shares 2002: 106,487,407. 1998-,2001:106,459,675

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.

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.

Saab Technical Support and Services focuses on the growing market for high technology services in aviation, command and control, information, communications and sensors.

Saab Bofors Dynamics, gathers Saab's operations in precision engagement, develops and produces missile systems, portable anti-armor systems and underwater systems.

Saab Ericsson Space develops and produces computers, antennas, microwave electronics and mechanical systems for the space industry.

Saab Aviation Services core consists of Saab's leasing and customer support operation in regional aviation. The commercial risk in the leasing portfolio was eliminated in the year 2000 through an insurance solution.



SAAB

PRESS INFORMATION

Sida Page

14

Dates for financial information:

Interim Report for January – September will be published on October 8, 2003.

The 2003 Report will be published on February 12, 2004.

For further information, please contact:

Agneta Kammeby, Manager Investor Relations

tel. +46 13 18 71 25

Irène Svensson, Senior Vice President,

Corporate Communications

tel. +46 8 463 01 30

Telephone interview with CEO Bengt Halse:

Today Wednesday July 9, approx. 13.00

tel.+46 13 18 71 49

Contact Marita Sidén

tel.+46 734 18 71 49

International teleconference:

Today Wednesday July 9, 13.30 (CET).

tel. +46 13 18 71 49

Contact Marita Sidén for registration and further information.

tel.+46 734 18 71 49

The Interim report can also be accessed on the Internet at www.saab.se