

# Saab Technologies

Strategies and Reflections regarding  
Support Solutions for Military Aircrafts



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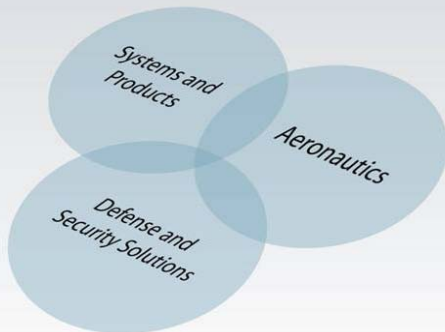
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# Saab in brief



Defense 80%

Non-defense 20%



2004 figures  
1 USD = 7.35 SEK

	2004	2003
Sales, MUSD	2,428	2,132
Operating income, MUSD	225	160
Operating margin %	9.3	7.5
Number of employees	11,939	13,316

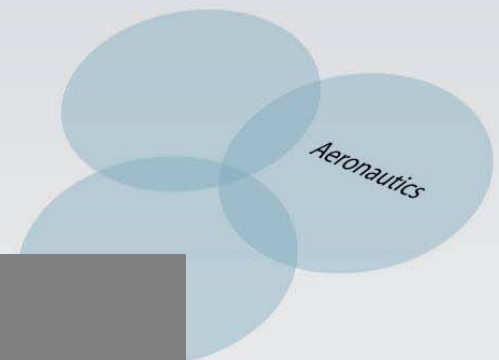
# Support Solutions in the Aeronautics Area - 2005

## Defence:

- Unbundled Products
- One customer with several boundaries
- Fix margins
- Internal organizational barriers

## Non-defence:

- Unbundled Products
- Several customers
- Parts Exchange Program (PEP)
- Turn key (Experiences from)



Defence

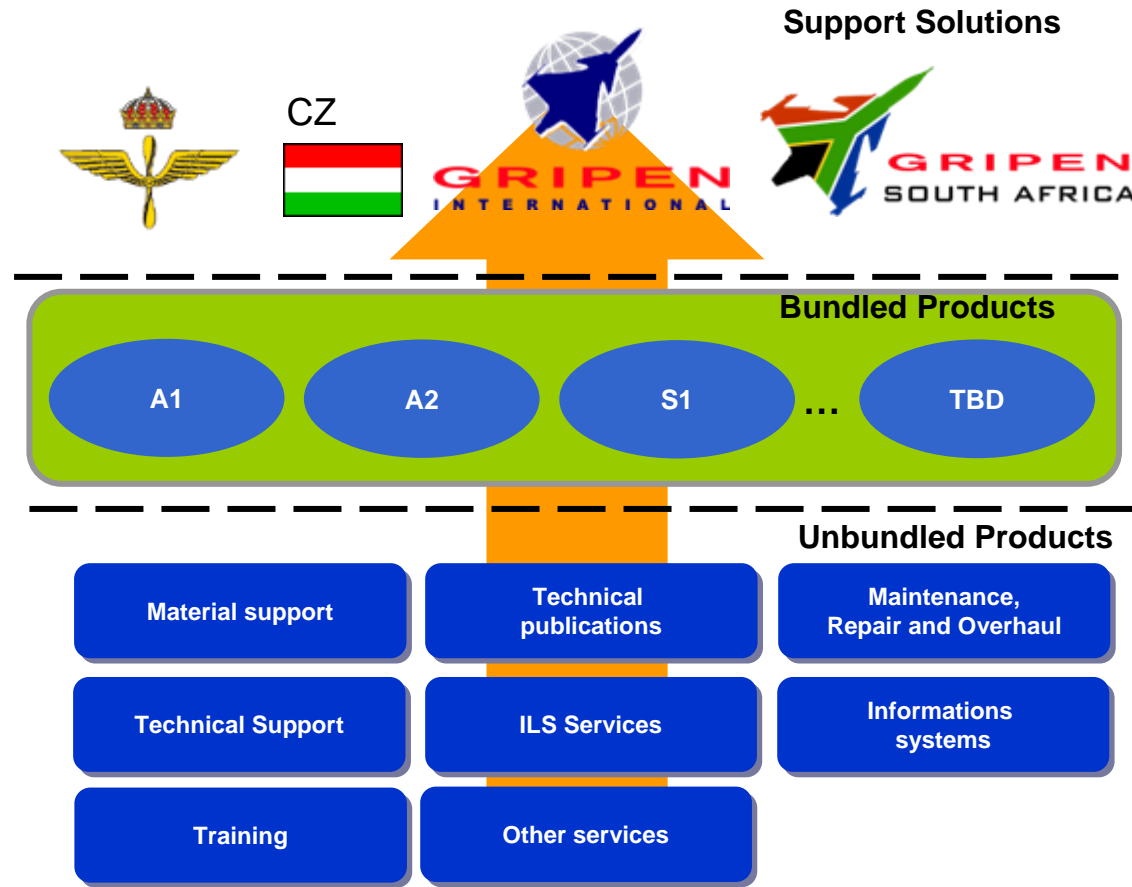
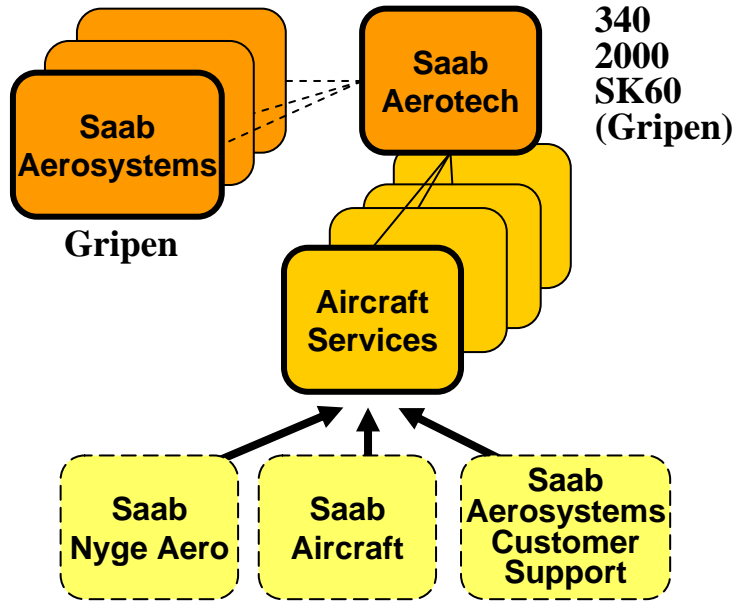


Non-defence

# New prerequisites for Military Support Solutions

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- Cut-offs within the Swedish Armed Forces
  - Increased responsibility for the industry
    - Increased focus on international peace-promoting activities
    - Battle group 2008
  - De-escalation of Gripen production
  - Less product development
    - Multi-customer situation

# Strategies regarding Military Support Solutions



# Conclusions & Reflections

## Bundled products

- Difficult cost drivers are expected early
- Proactively reactive

## Organizational challenges

- Cost Efficiency – Finding synergies, handling resignation and skepticism due to expected cut offs
- Revenue Efficiency – The business of Gripen is within Aerosystems
- Capacity Utilization – Service level agreements, flexibility, etc.

## Control model

- Communication of a clear strategy
- A clear service development process
- Securing that the theoretical margins become real

[www.saabgroup.com](http://www.saabgroup.com)

