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CZECH REPUBLIC CHOOSES GRIPEN

The Government of the Czech Republic has today announced the selection of 24 SAAB-BAE SYSTEMS Gripen supersonic, multi-role fighters to replace its fleet of Mig 21 fighters and provide the country's national defense and NATO needs for the next 30 - 40 years.

Subject to the successful conclusion of contract negotiations, which begin immediately, the first Czech Air Force Gripen squadron will be operational by end 2005. Gripen for the Czech Republic will be fully NATO compatible and interoperable. It will support all NATO priorities for standardization of doctrines and procedures, including NATO standard datalink communications plus an air-to-air refueling system.

Welcoming the Czech government's decision, Julian Scopes, regional managing director Europe with Gripen partner BAE SYSTEMS said: "We have worked hard to provide the Czech Republic with a highly capable and affordable solution to meet its 21st century defense needs and I am delighted by today's announcement. We recognize a period of negotiations on complex issues lies ahead, but believe that this will lead to a successful solution for all concerned.

"Gripen will give the Czech Air Force an outstanding multi-role defense capability, including air superiority within NATO and provide maximum weapons and support commonality with the L159 fleet."

Gripen partners Saab and BAE SYSTEMS, through their jointly owned company Gripen International, will support the procurement of Gripen with a program of industrial offset amounting to 150 % of the contract value, delivered over a 10 year period. Offset amounting to half of the contract value will be committed within two years of contract effectivity.

The Czech government will be provided with financing for 100 % of the payments due under the aircraft supply contract, with repayments spread over at least 15 budget years from date of contract signature.

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Delivered through a consortium of Czech and international banking partners and underpinned by the government export credit agencies of both Sweden and the United Kingdom, the Gripen financing package provides the Czech government with 100 % protection against unplanned foreign exchange risks.

"Gripen and L159 will form a perfect partnership in the Czech Air Force which will be able to utilize the strengths of both products to fulfil complementary operational roles" states Scopes.

Gripen, which is already in operational service with the Swedish Air Force, has also been selected by the air forces of South Africa, which has a requirement for 28, and Hungary, which will take delivery of 14.

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Notes to editors:

Marketed worldwide by Gripen International, a company owned jointly by Saab of Sweden and the United Kingdom's BAE SYSTEMS, Gripen is the most cost-effective and capable supersonic, swing-role fighter in operational service today.

With the ability to change operational roles during flight, at the touch of a button, one Gripen fighter can meet the increasingly demanding requirements of supersonic Beyond Visual Range (BVR) air defense and air superiority missions plus close-in subsonic combat. It also provides class-leading offensive air support, anti-ship and reconnaissance capabilities.

Gripen's advanced design combined with a funded continuous technology insertion program covering all major sensors, avionics, data communication, propulsion and self protection systems, ensures it will grow ahead of future threats to maintain and improve its operational superiority.

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