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GRIPEN OFFSET AGREEMENT SIGNED WITH HUNGARY

György Matolcsy, Hungarian Minister of Economy and Ian McNamee, managing director Gripen International, have today signed an offset agreement linked to the Hungarian government's lease of 14 Gripen multi-role fighters to meet its national, NATO and European defense needs.

The value of this agreement, signed in Budapest, will exceed Hungarian commitments connected to the aircraft lease agreement. Offset activities will be carried out within nine years from the effective contract date.

We have already delivered pre-offset worth US \$661 million to Hungary and are in discussions with over 40 companies to build on this existing commitment," states Ian McNamee

"The lease of Gripen will act as a catalyst for further economic growth in Hungary and create substantial employment opportunities through industrial partnerships, export promotion and work placement, among others."

Offset programs will be targeted to meet the business sector priorities identified by the Hungarian government. Gripen International has utilized the strengths of an international industrial network, which includes its shareholder companies BAE SYSTEMS and Saab plus others such as Volvo, Ericsson and Investor, one of the world's biggest industrial conglomerates, to develop and deliver long-term economic benefits for Hungary in support of the Gripen contract.

Gripen partners Saab and BAE SYSTEMS are world leaders in the delivery of offset to provide industrial co-operation to support defense sales. So far, programs in more than 30 countries have been implemented with a total value in excess of USD 22 billion.

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Notes to editors:

Gripen has been designed to meet the demands of all current and future threats, while at the same time meeting strict peace-time requirements for flight safety, reliability, training efficiency and low operating costs.

Gripen International is a company in which Saab AB of Sweden and the United Kingdom's BAE SYSTEMS have equal shares.

Already in service with the Swedish Air Force, which has ordered 204 aircraft (including 28 two-seaters), Gripen has also been ordered by the South African Air Force which has a requirement for 28 and selected to provide the national, NATO and European defense needs of the Czech Air Force for the next 30-40 years.

Gripen International has begun negotiations with the Polish government, which is looking to procure up to 60 new fighters and has submitted an offer to the Brazilian government for the supply of 24 new Gripen fighters. A response to the Austrian governments RFP (Request for Proposals) will be submitted in January next year, based on the supply of up to 30 Gripen.

Pictures of Gripen in Hungarian colors are available on www.gripen.com