

**SAAB**

PRESS INFORMATION

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Terma and Saab sign Agreements

Saab and Danish defence and aerospace company Terma have signed a Memorandum of Understanding which should be seen as the initial step in a long-term cooperation between the two parties.

The background for the agreement is considerations of Danish Ministry of Defence which is in the process of evaluating options for the replacement of the Danish fleet of F-16 fighter aircraft. Saab is promoting the acquisition by the Danish Government of the Gripen aircraft as its new modern fighter aircraft as one of the candidates for the replacement.

This Memorandum of Understanding (MoU) between Saab and Terma forms a good basis to bring together the expertise of the two parties resulting in good value for potential customers and also to sound and profitable business relations between the parties.

As a first concrete result of the Agreement, Terma and Saab have also signed a Contract for production of parts for Gripen. The production will start immediately at Terma's facilities in Grenaa, Denmark. The contract value is approximately 10 MDKK. The negotiations were concluded in a very short span of time.

Terma, as the leading defence and aerospace company in Denmark has unique knowledge, capabilities and experiences in the field of military electronics, including wire/harnesses, metal and composite air structures, systems for airborne applications, power supply systems, software validation, and in the field of control and integration of Electronic Warfare systems into all types of airborne platforms.

Kjell Möller Senior Vice President of Saab Industrial Cooperation comments: "We are pleased to see Terma as a key partner in the future development of Gripen. This is a future co-operation including both development and manufacturing. With Gripen being the new main focal project in our relation with Terma, we will also look into several other areas of industrial co-operation between our two companies. Historically, Terma and Saab have had a close industrial relation since many years."

Jens Maaløe, President & CEO of Terma A/S comments: "The selection of Denmark's future fighter aircraft is expected within two-three years. Among the candidates for the replacement of the F-16 is the Gripen Aircraft. With the competencies Terma possess within aerostructures, electronic warfare, and

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PRESS INFORMATION

Sida Page

2

other avionics systems, I believe we can add operational value to Gripen that will benefit the customers, Terma and Saab alike." Maaløe adds: "A number of Terma's core competencies will be subject to further discussions with Saab as the MoU is not limited to Gripen and the down selection of a new fighter aircraft."

For more information about Saab please visit www.saabgroup.com. For more information about Gripen please visit www.gripen.com. For more information about Terma, please visit www.terma.com.

Saab is one of the world's leading high-technology companies, with its main operations focusing on defence, aviation and space. The group covers a broad spectrum of competence and capabilities in systems integration.

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