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Saab signs agreement for the next generation fighter aircraft Gripen E and receives development order

Defence and security company Saab has signed an agreement with the Swedish Defence Materiel Administration (FMV) for Gripen E. The agreement includes development and modification of Gripen E for Sweden during the period 2013-2026 and a possible order for new production of Gripen E from Switzerland. FMV has today placed an initial development order of SEK 2.5 billion for operations during 2013-2014. Remaining orders from Sweden are expected in 2013-2014. The total value of possible orders under the agreement amounts to a total of SEK 47.2 billion.

The Swedish Parliament, has with a broad majority, decided that Sweden will acquire Gripen E. The agreement signed leads to an initial delivery of Gripen E to Sweden in 2018.

The agreement with FMV includes several parts. The first part, ordered today, relates to development of Gripen E in 2013-2014 and is worth SEK 2.5 billion. The remaining parts of the agreement include orders as follows:

- Remaining development work for Gripen E to Sweden of SEK 10.6 billion – expected in the first quarter 2013.
- Modification of 60 Gripen C to Gripen E with first deliveries to Sweden in 2018 – expected in the fourth quarter 2013 at the latest.
- Mission-specific equipment and support and maintenance for Gripen E to Sweden with initial deliveries in 2018 – expected in the fourth quarter 2014 at the latest.
- In Switzerland, a possible acquisition of 22 Gripen E is to be processed in the parliament. The agreement therefore includes provisions of delivery of 22 brand new Gripen E, and related equipment to Switzerland, if Switzerland decides to acquire Gripen E.

All orders under the agreement, including a possible order from Switzerland via FMV, amounts to a total value of approximately SEK 47.2 billion and will be booked when each order is received.

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The agreement includes rights for FMV - conditional to certain pre-requisites - to fully or partly make cancellations. If so, Saab has the right to compensation for costs already taken and costs for discontinuation. The agreement also includes sections regulating the conditions should Switzerland decide not to acquire Gripen E.

“This is an historic event for Saab. We are proud to continue to deliver a world-leading fighter aircraft to the Swedish Air Force. Gripen has long been the backbone of the Swedish Air Force as well as for several other countries. This next step also creates more opportunities in the export market for many years to come. Our existing customers that operate the Gripen C/D version will also be able to take advantage of some of the development in their future upgrades,” says Saab’s President and CEO Håkan Buskhe.

“We are now entering a development and test phase which will occupy many of our existing employees. We also anticipate that we will need to recruit. The production will take place in Sweden with suppliers from several countries,” says Lennart Sindahl, Head of business area Aeronautics, and adds:

“With this agreement we continue to develop the successful Gripen concept with our own innovative and unique design as well as our own software combined with sub-systems from different suppliers around the world.”

Gripen E has a substantially developed capability compared to previous versions. The aircraft is based on the same smart design and innovative technological solutions, which leads to considerable savings compared to other alternatives. Gripen E has a more powerful engine with the capacity to operate for a longer duration and carry more weapons and payload. New electronic radar, upgraded presentation systems in the cockpit and modern avionics (aircraft electronics) enhances the ability to perform successful missions. The technological steps that have been taken with Gripen E have been proven in the Gripen 39-7 E/F demonstrator program, where the test aircraft has flown more than 250 hours in Sweden, the UK, India and Switzerland among others since 2008.

Through upgrading both hardware and software, Gripen E becomes a modern system that is easy to further develop for the future.

Saab serves the global market with world-leading products, services and solutions ranging from military defence to civil security. Saab has operations and employees on all continents and constantly develops, adapts and improves new technology to meet customers’ changing needs.

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