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GRIPEN AND VARIG'S VEM SIGN MEMORANDUM OF UNDERSTANDING

Gripen International, who are bidding for the supply of its Gripen supersonic multi-role fighter to meet the Brazilian governments requirement for new jet fighter aircraft, have announced that it has signed a Memorandum of Understanding with VEM-VARIG Engineering and Maintenance.

Under the terms of the MoU, the parties have agreed that in the event that Gripen International is awarded the contract to supply Gripen fighter aircraft to the Brazilian Air Force, they will evaluate potential projects in the areas of logistics support and the transfer of technology as part of the program of industrial cooperation required under the government's tender process.

The MoU agreement outlines potential cooperation activities such as logistics support, maintenance of Gripen avionics and other aircraft systems and the transfer of technology and data to enable the testing and verification of avionics and other aircraft equipments. The technology transfer would also include the provision of training for the support and maintenance of equipment following delivery of aircraft to Brazil.

Gripen, which is already in service with the Swedish Air Force, has also been selected by South Africa, Hungary and the Czech Republic. Gripen is the most cost-effective and capable supersonic, swing-role fighter in operational service today.

Commenting on the conclusion of the MoU negotiations between Gripen International and VEM-VARIG Engineering and Maintenance Rolf Rue, BAE SYSTEMS regional managing director, said "the agreement opens the door to further collaboration with shareholders of Gripen International, SAAB AB and BAE SYSTEMS in military or civil activities.

According to Vice President of Gripen Brazil, Christer Ros, "this agreement opens up significant possibilities for the future, both in relation to the long term support of Gripen in Brazil and for other products in SAAB AB and BAE SYSTEMS product portfolios.

Notes to Editors:

Gripen International is a company owned jointly by Saab AB of Sweden and BAE SYSTEMS of Great Britain. www.gripen.com

VEM - VARIG Engineering and Maintenance is a Brazilian company that provides engineering and heavy maintenance (repair and overhaul) for aircraft and its components. www.varigvem.com.br.

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