



VARIG AND SAAB CONFIRM TECHNOLOGY PARTNERSHIP FOR GRIPEN FIGHTER AIRCRAFT

Meeting in Sao Paulo, Ozires Silva, Evandro Oliveira and Bengt Halse, the presidents of VARIG, VEM - VARIG Engenharia e Manutenção, and SAAB AB, respectively reaffirm their partnership in the development of projects in the areas of logistic support and transfer of technology, as part of an industrial cooperation program (offset) required by the Brazilian government in the bid for the acquisition of a new fleet of fighter jets (F-X BR Project) for the Brazilian Air Force.

VEM S/A is a subsidiary of VARIG that specializes in the area of aeronautical engineering and maintenance for commercial, corporate and military aircraft. It employs around 4,000 highly-qualified engineers and technicians and is expected to achieve sales of US\$ 200 million in 2002.

The Swedish company, SAAB AB, and the English company, BAE SYSTEMS equally own Gripen International, which intends to be the supplier of the Gripen fighter jets to the Brazilian Air Force and which appointed VEM as its strategic partner in Brazil to provide logistics support. According to the president of VEM, Evandro Oliveira, "the partnership between VEM and Gripen International is part of VEM's strategic proposition to position itself in the military aviation market, as a Brazilian alternative to the Brazilian Air Force for the support, maintenance and development of military aircraft in Brazil, able to contribute to the success of the current programs to renew the fleet of the Brazilian Air Force".

The choice of Gripen to supply the new fighters to the Brazilian Air Force will enable the creation of the Gripen Technology Center in Brazil, in partnership with and operated by VEM, which will comprise a fully comprehensive systems development center, to not only ensure Brazil's self-sufficiency, but also the continuous improvement of the support to the operational capacity of the fleet of aircraft. The Center could also be expanded to include simulators for training, both for pilots and for qualifying teams of instructors.

For the president of VARIG, Ozires Silva, "VEM's participation in military programs forms part of VARIG's strategy to seek additional income for the Group in areas in which it has highly skilled technical capabilities. Today in Brazil, only VEM has the installed technical capacity to provide the operational/maintenance support for the F-X BR fighters". Further, according to the president of VARIG, "our partnership with Gripen comprises the perfect association between the only fourth-generation aircraft in the Bid and the most advanced aeronautical maintenance complex in the Southern Hemisphere, capable of providing support to latest generation aircraft".

The president of SAAB AB, Mr. Bengt Halse stated that "this cooperation initiative between VARIG and Gripen will assure the Brazilian Air Force of the best and most advanced support when the new Gripen fighter aircraft go into operation and our preparation has already begun. Our expectations are for this to be the start of a new phase in further increasing the relations between Brazil, the United Kingdom and Sweden".

SAAB AB is one of the world's leading high technology companies, with its main operations focusing on defense, aviation and space. The SAAB group has over 14,000 employees and average annual sales of approximately US\$ 1.6 billion.

Further information and pictures are available from:

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