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Gripen International signs enhanced offset agreement with Hungary

Gripen International has agreed to increase its offset commitment to correspond to the higher value of the Gripen agreement. For Hungary this means that more jobs can be created and more business opportunities can be explored.

Kjell Möller, Deputy Managing Director Gripen International and Gábor Szalay Pol.State Secretary, Hungarian Ministry of Economy and Transport, signed the enhanced offset agreement today in Budapest. The agreement was signed in conjunction with the Hungarian government and the Swedish government signing the amended agreement for 14 Gripen multi-role combat aircraft to Hungary.

"Hungary was the first NATO-member to choose Gripen and will be one of the first countries within NATO to operate a fourth generation fighter. We are pleased with today's agreement to provide Hungary with an affordable solution, which is fully NATO-interoperable and meets the extended technical requirements. We are fully committed to benefiting Hungarian industry through the enhanced offset agreement and thereby continue the excellent cooperation that we have had with Hungary since 1995", says Kjell Möller, Deputy Managing Director of Gripen International.

Gripen International has committed to provide offset and industrial cooperation to a value of 110% of the amended agreement value, which includes investments equaling 32% of the agreement's value. The full offset program will be delivered within 14 years from the contract signed in 2001 and half of the obligations will be achieved within 8 years. The 110% commitment represents net value, i.e. credits generated without the application of any multipliers.

SAAB AB and BAE SYSTEMS are world leaders in the delivery of economic compensation to support defense sales. To date, programs in more than 30 countries have been implemented with a total value in excess of US$20 billion.

Background:

The Gripen office in Hungary was established in 1994. A Gripen pre-offset agreement was signed in September 1995 and registration of offset projects worth 876 MUSD was registered until the closing of the pre-offset account in 2002.

The first Gripen offset agreement was signed in December 2001 in conjunction with Hungary´s signing of the lease agreement for 14 Gripen fighters.

A Gripen Investment Fund was established in June 2002 and Gripen International thereby achieved the first milestone in the offset agreement.
The first Gripen offset claims was submitted to the Hungarian Ministry of Economy and Transport on 4 December 2002. The offset claimed has a total value of approximately 39 billion HUF (165 Million Euro).

Notes to editors:

Gripen International is the company, which acts as a prime contracting organization, responsible for marketing, selling and supporting the Gripen aircraft worldwide. SAAB of Sweden and BAE SYSTEMS of the United Kingdom jointly own Gripen International.

Gripen is the first fourth generation multi-role fighter in service world-wide, designed to meet the demands of all current and future threats, while at the same time meeting strict requirements for flight safety, reliability, training efficiency and low operating costs.

Already in operational service with the Swedish Air Force, which has ordered 204 aircraft (including 28 dual-seater), Gripen has also been ordered by the South African Air Force (28 aircraft) and Hungary has signed an agreement with the Swedish government for the lease of 14 Gripen fighters.

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