

**SAAB**

PRESS INFORMATION

Handläggare *Handled by*

Peter Larsson

Datum *Date*

August 27, 2004

Referens *Reference*

CU 04:059 E

Saab Bofors Underwater Systems and the Brazilian Navy terminate torpedo project

Following negotiations, Saab Bofors Underwater Systems and the Brazilian Navy have reached an agreement to terminate the torpedo project started in 1999. The decision is mainly a consequence of integration difficulties due to third party proprietary rights.

The termination agreement is covered in its details by commercial confidentiality but will entail termination costs for Saab Bofors Underwater Systems. The termination costs are presently being calculated but are expected to burden the income statement by not more than SEK 160 million.

The Brazilian Navy and Saab Bofors Underwater Systems signed an agreement in 1999 covering the development and delivery of a new torpedo system for the Brazilian Navy's submarines. The contract value amounted to approximately SEK 500 million.

Saab Bofors Underwater Systems is a subsidiary of Saab, a company listed on the Stockholm Stock Exchange. The Saab half-year report published on July 9, 2004, addressed the issue, which has now come to a conclusion. With regard to the above, the full-year forecast will be updated when published with the nine-month report due on October 22, 2004.

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.

For further information please contact:

*Irène Svensson, Group Senior VP, Communications, Saab,
telephone: + 46 (0)734 18 71 30.*

*Lars Wahlund, Group Senior VP, Financial Control, Saab,
telephone: + 46 (0)734 18 71 35.*

www.saab.se

Saab AB (publ)Postadress
Postal addressSE-581 88 Linköping
SwedenTelefon
Telephone

+46 (0)13 18 00 00

Telefax

+46 (0)13 18 72 00

Organisationsnummer
Registered No

556036-0793

Momsregnummer
VAT No

SE556036079301