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Handläggare *Handled by*

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Datum *Date*

June 15, 2006

Referens *Reference*

CU 06:040 E

### **Saab and Denel create new international Aerostructures company in South Africa**

**Saab AB of Sweden and South Africa's Denel have signed an Agreement regarding the creation of a new aerostructures company in South Africa which will compete on international markets for design, manufacturing, and assembly orders in the civil and defence aerostructures fields.**

At a ceremony in Stockholm today, South Africa's Minister of Public Enterprises, Alec Erwin, Shaun Liebenberg CEO of Denel and Saab's CEO Åke Svensson signed agreements on the establishment, management, and shareholding structure of the new company. The company, which will receive a Saab investment of 66 MRAND and a proportional capital investment by Denel, will initially be 20 percent owned by Saab and 80% by Denel. It will begin operations with about 600 staff from Denel Aviation, will be led through the transformation process by a team of specialists deployed from Saab Aerostructures, and over time will be integrated with the Swedish operations. The turnover will initially be approximately 200 MRAND and is expected to grow significantly over the first years.

"This partnership not only represents a very good business opportunity for Saab as we expand our aerostructures design and manufacturing capability while creating synergies in procurement, marketing and other areas. It is also another milestone as we consolidate our relationships and expand our presence in our second home market, South Africa", said Åke Svensson, CEO of Saab.

The new South African aerostructures company is the first newly formed partnership to emerge from state-owned aerospace and defence manufacturer Denel's restructuring process. Saab assumes responsibility for the running and performance of the new entity. Saab is today an established participant in the international aerostructures industry, successfully managing significant contracts with Airbus and Boeing both as supplier and risk sharing partner. Its task will be to establish the new company as a competent and profitable African partner in the global aerostructures business.

"South Africa has made a clear choice in favour of the retention, consolidation, and long-term future of our aerospace industry. The task now is to build on our existing assets and skills in creating a viable international industry participant capable of sustaining long-term involvement in the commercial and defence aerospace sector. I am very pleased that we have been able to find in Saab the right partner to join us in the commercial and defence aerospace sector", said Minister Erwin following the signing.

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The South African Government has recognised the significance of the agreement and its transfer of skills and technology. Offset credits in line with the Industrial Participation Programme requirements will be granted to Saab to a maximum value of 2.4 Mdr USD, based on the actual performance of the aerostructures company. The formation of the new company is subject to the completion of certain approvals, including those related to the competition authorities.

For further reading:

[www.denel.co.za](http://www.denel.co.za)

*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 capability in systems integration.*

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