



INFORMATION

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American United Defense purchases Bofors Weapon Systems from Saab

The American company United Defense has today signed an agreement with Saab:s subsidiary Celsius regarding purchase of Bofors Weapon Systems. United Defense acquires 100 per cent of the shares in Bofors Weapon Systems.

The purchase of Bofors Weapon Systems creates a transatlantic defence company linking Sweden and the United States.

"I'm extremely happy that we've been successful in getting a strong and competent owner for Bofors Weapon Systems - an owner that can develop the unique competencies that are to be found with the company. The divestment is fully in keeping with Saab's strategy of concentrating its operations", said Saab's, president and CEO, Bengt Halse.

United Defense Industries (UDI) acquires 100 percent of the stock of the Karlskoga defence company in a union that promises to establish a strong position in advanced artillery technology, naval gun design and intelligent munitions. Terms of the sale will not be revealed. The agreement is subject to approval from Swedish and American government officials.

The combination of companies offers a completely integrated weapon system competency, end-to-end, from projectile dynamics, ballistics, launch and propulsion, trajectory guidance and sensors to detonation and warhead effectiveness; a comprehensive capability to develop, manufacture, integrate and support combat vehicles, land and naval guns and intelligent munitions.

"Bofors Weapon Systems is an excellent fit to support our core business," said Tom Rabaut, President of United Defense.

Our defence customers in the U.S. and Sweden share a common joint vision on future military capabilities. We now have the potential to be the defense company that offers a unique life-cycle approach to armament systems and intelligent munitions that focus on precision engagement."

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UDI intends to retain BWS as a Swedish corporation, headquartered in its present location in Karlskoga. All activities will be in line with Swedish export regulations and any prior business transactions will not be affected by the present agreement.

Bofors Weapon Systems has about 550 employees and an annual turnover of approximately 1500 MSEK. BWS has a strong position within several areas of artillery and combat vehicles and is a world leader in intelligent ammunition. Current operations include strong research and development capabilities.

According to Magnus Ingesson, president of Bofors Weapon Systems, this acquisition is a fiscally wise move for both companies.

"With United Defense's acquisition of BWS, we will be joining a strong company where we will be a valuable complement. This was a natural development given the prior close working relationship between the two companies" said Ingesson.

Saab is Northern Europe's leading high technology company and operates within the defense and aerospace areas and offers leading-edge products and systems built on sophisticated information technology. Its business areas are Infomatics, Aerospace, Dynamics, Technical Support & Services, Space and Aviation Services

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