



11 July 2001

Ref: 036/2001

GRIPEN TEAM OUTLINES USD 3 BILLION PARTNERSHIP PROGRAM FOR POLAND

Selection of the SAAB-BAE SYSTEMS Gripen new-generation, swing-role fighter to meet the national, NATO and European defense needs of Poland, would substantially boost the country's industrial base through a USD3 billion program of industrial co-operation and investment, the Anglo-Swedish partnership announced in Warsaw today.

Targeted to meet specific business sector and regional priorities in line with Polish Government economic strategy, a compensatory trade agreement, which would accompany the sale of Gripen, will represent 100 per cent of the total contract value, the company confirmed.

It will create jobs and long-term growth in both the defense and commercial sectors, maximizing economic benefits for Poland through inward investment, export promotion and technology transfer among others. This innovative offset proposal would help make Gripen the most capable and affordable solution for the Polish Air Force, national industry and the country's economy.

"The compensatory trade program that would accompany the sale of Gripen to Poland would generate immediate and sustainable economic benefits through long-term industrial partnerships that others simply can not match," comments Ray Lomas, who leads the Gripen marketing team in Poland. "The economic and industrial benefits would far exceed those offered by any of our competitors and more 'traditional' offset."

"Our proposal will be fully supported by the Governments of the United Kingdom and Sweden – with the United Kingdom being a founder member of NATO. Both countries are members of the European Union – partners for security and prosperity."

Together with its international supplier base, the Gripen team in Poland has spent the past five years understanding the needs of Polish industry and identifying potential industrial partners in a wide variety of sectors. This includes aerospace and defense, manufacturing and engineering, agriculture, banking and finance, environmental, utilities, communications, airfield development and education, among others.

In the process of this work, long-term work packages and tenders worth almost USD 60 million have already been placed with Polish companies and could naturally grow to almost USD 130 million within the next five years.

(more)

(2)

“In Poland, SAAB-BAE SYSTEMS Gripen has done most to demonstrate the potential of its offset programs,” continues Lomas. “It is providing pre-contract jobs for local people, work for local factories and export revenues for the national economy. “

“Poland is already seeing the economic benefits of choosing SAAB-BAE SYSTEMS and its international industrial and financial network. Our projects, which fully meet the requirements of Polish offset law, are delivering important benefits to the national economy today. “

If the Gripen new-generation, multi-role fighter is selected by the Polish government, additional programs will provide a catalyst for long-term co-operation between Poland, its Baltic neighbor Sweden and the United Kingdom.

To date, Polish industry has been involved in manufacturing components and sub-assemblies for Hawk trainer, Gripen fighter and Avro RJ/RJX airliner projects. It has also produced tooling for use in the production of Eurofighter Typhoon, Nimrod, Airbus and Hawk aircraft.

Ammunition contracts have been awarded to Mesko and a partnership with Huta Stalowa Wola and Obrum is developing the 155mm Braveheart howitzer known as KRAB to meet both Polish and export requirements. Dozens of Polish students have benefited from educational programs provided by the Gripen team, including English language training and post graduate business, agricultural and economics management courses.

Gripen partners Saab and BAE SYSTEMS have an unrivalled record within the aerospace and defense industry for meeting offset and compensatory trade obligations. To date, programs in more than 30 countries have been implemented by the two companies, with a total value of more than USD 22 billion.

In South Africa, Gripen's first export customer, the two companies have already delivered some 40 per cent of offset commitments (USD 2.9 billion) in areas outside defense and aerospace and 55 per cent of commitments (USD 829 million) within the defense and aerospace industry. This has been achieved just one year after the contract for 28 new-generation Gripen fighters and 24 Hawk lead-in fighter trainers became effective.

ends....

For further information please contact:

John Neilson, vice president communications, SAAB-BAE SYSTEMS Gripen
Tel: +44 1252 384795 e:mail: john.neilson@baesystems.com

Dariusz Chomka, Best Communications Group
Tel.: + 48 22 853 66 00 e:mail: dariusz.chomka@bestcg.com

www.gripen.com