

# 10th US-Sweden Defense Industry Conf.



Trans Atlantic Acquisitions –  
Lessons Learned

Saab Barracuda LLC



Washington DC, Oct 8, 2003



Mats Warstedt, President  
Saab Barracuda AB

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# Lessons Learned - Saab Barracuda LLC

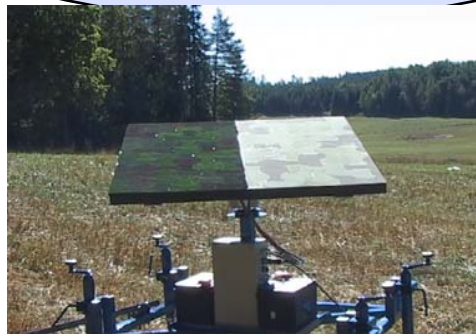
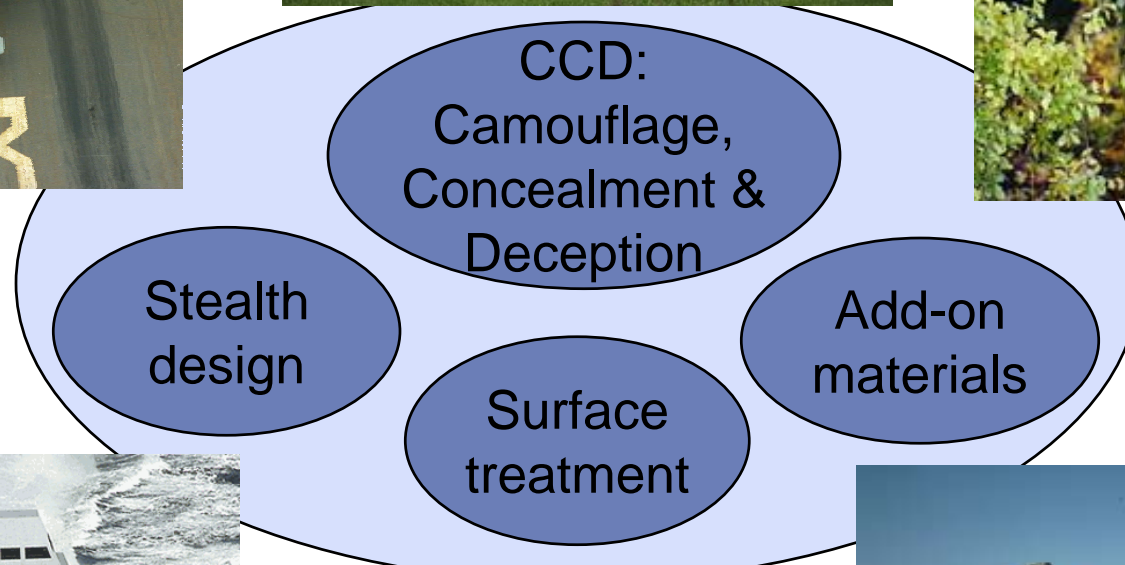


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- Saab Barracuda Group
  - Products
  - Company
- Saab Barracuda LLC
  - Background
  - Foreign Ownership
  - Special Security Agreement
- Challenges for the Barracuda Group
- Was it worth the effort?



# The Barracuda Signature Management Offer – More Than Just Camouflage





# Barracuda Facilities Around the World



Gamleby, Sweden



New Delhi, India



Lillington (NC), USA



Sydney, Australia

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# Barracuda History in U.S.



▼ Agreement with Brunswick

— Construction of Plant in Deland, FL

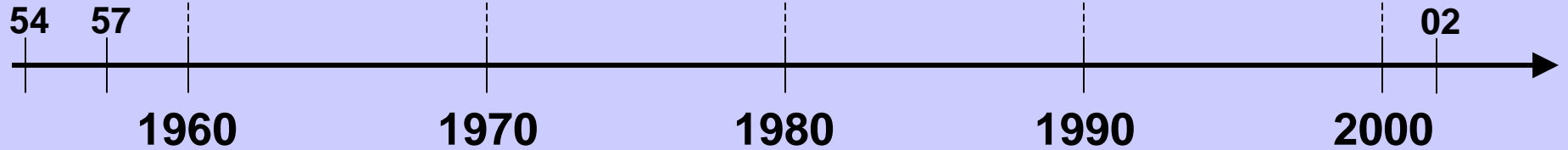
Synthetic Net Production

Agreement with TRACOR ▼

ULCANS Award ▼

ULCANS Production

Acquisition of ULCANS Plant in Lillington, NC ▼



# Saab Barracuda LLC – Background

- Saab Barracuda LLC is located in Lillington, North Carolina
- Manufactures Static Camouflage – ULCANS (Military Controlled Item - MCI)
- Primary Customer – U.S. Army
- Ownership: TRACOR ⇒ Marconi ⇒ BAE SYSTEMS ⇒ Saab



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# Foreign Ownership, Control & Influence



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- As ULCANS is an MCI, a facility security clearance is required
- A facility cannot be under the Foreign Ownership, Control and Influence (FOCI) – **UNLESS** – a mechanism is put in place to mitigate the FOCI

## Different mechanisms:

- Proxy Agreement
- Voting Trust
- Special Security Agreement – SSA



# Special Security Agreement – SSA



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- Granted by DoD on 13 August 2002
- Allows Saab Barracuda LLC
  - to be treated as any other cleared contractor
  - to be awarded classified work
- The SSA controls
  - U.S. Government classified (requires export license and DoD approval)
  - Export controlled technology (requires export license or TAA)
- Other Requirements:
  - Board of Directors
  - Government Security Committee
  - TCP (Technology Control Plan)
  - Visit procedures
  - Electronic communications
  - Annual DoD report – Audit





# Challenges for the Barracuda Group



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- Consistent management of the Group
- Joint development projects within the Group
- Sub-contracting of work to Sweden (and vice versa)
- Efficient logistics within the framework of the Berry Law (textiles import to US)
- Integration of different corporate cultures



# So, Was It Worth the Effort?



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## Yes!

- Better pay-off than just license fees
- Reference market
- Growing market
- Opportunity to introduce more products in U.S. from the Group product range
- Extended market opportunities (FMS)
- Influence on management and marketing
- Larger base for carrying R&D costs





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# Questions?

