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Press release
1998-12-18

SAS adjusts 1999 capacity growth

SAS has decided to adjust 1999 capacity to conform with expected lower level of market growth. The planned capacity increase is now about 6 percent, of which 2.5 percent is attributable to extraordinary events in 1998, in the form of general labor market conflicts and the reorganization of Scandinavian airspace.

The restructuring has resulted in the termination of several routes, at the same time as parts of the SAS traffic system have been strengthened.

Effective March 1999, SAS will no longer fly to Hong Kong, Rotterdam, Venice and Arkhangelsk (*Archangel*). The affected routes generate weak earnings and the cuts will contribute to an improvement in consolidated earnings. Uncertainty with regard to the economic climate in Asia and a faltering market in Russia were significant factors underlying this decision.

The capacity released as a result of the restructuring will be used to strengthen traffic to Amsterdam, Helsinki, Milan and between the three Scandinavian capitals.

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