

## The SAS Group

- The SAS Group transported a total of 2,2 million passengers in February 2003 vs 2,4 million in 2002, a decrease of 9,2%.
- Total traffic (RPK) decreased by only 3,9% positively affected by growth on long haul routes.
- Overall group passenger load factor decreased by 1,6 p.u. to 59,0% for February 2003 vs. 2002.

## Market trends and yield development

The current macroeconomic environment remains very challenging for all airlines in the group. Indications of passenger yield development in February show continued pressure on yields for Scandinavian Airlines as a result of negative mix, campaigns and other market activities. Yield (unit revenues) for January 2003 was down 13% vs January 2002. It must be noted that the yield is also significantly affected by more capacity on intercontinental routes with lower yields. Yields on the European routes were down 5-6% in January. Braathens managed to increase its load factor by 0,9 p.u.

**The yield development in January/ February is in line with the figures reported for the previous months, however the demand and traffic development has weakened further. The SAS Group has initiated forceful measures to offset the negative development in passenger volumes and yield. On March 7, 2002 the Group also announced additional structural measures for all the airlines in the group. These measures are aimed to create a platform for profitability and long-term competitiveness. The general market outlook remains negative for the coming months as a result of economic slowdown in Scandinavia/ Europe as well as the uncertain geopolitical situation.**

## Scandinavian Airlines

- Scandinavian Airlines traffic (RPK) decreased by 5,7% in February 2003 compared with 2002 as a result of reduced capacity by 4,3%.
- Scandinavian Airlines passenger load factor decreased by 0,9 p.u. to 61,2%

Intercontinental traffic increased by 11% in February as a result of increased capacity with the introduction of Airbus A330/340.

The demand on the European routes continued to be weak and capacity has been adjusted down 6% and traffic was down 9%. Intrascandinavian traffic continued to be weak. Danish domestic traffic was down mainly as a result of the discontinued Greenland route. The Norwegian and Swedish domestic traffic is affected by changes in the networks and the markets continued to be weak.

SAS Group	Feb 03	Change	Jan-Feb 03	Change
ASK (Mill.)	3 469	-1,3%	7 213	-2,7%
RPK (Mill.)	2 046	-3,9%	4 116	-3,7%
Passenger load factor	59,0%	-1,6 p u	57,1%	-0,6 p u
Passengers (Mill.)	2 220	-9,2%	4 394	-9,1%

p u = percentage units



Summary of the airlines Jan-Feb 2003				
	Traffic (RPK)	Capacity (ASK)	Load factor	Change of load factor
SAS Group	-3,7%	-2,7%	57,1%	-0,6 p u
Scandinavian Airlines	-5,4%	-5,3%	59,7%	-0,1 p u
Spanair	-6,1%	-1,6%	53,2%	-2,6 p u
Braathens	10,4%	7,5%	49,7%	+1,3 p u
Widerøe	17,9%	17,6%	47,5%	+0,1 p u
AirBotnia	20,3%	28,3%	38,6%	-2,6 p u

Route area (change):	Feb 03 vs. Feb 02		Jan-Feb 03 vs. Jan-Feb 02	
	Traffic (RPK)	Capacity (ASK)	Traffic (RPK)	Capacity (ASK)
Intercontinental	7,1%	16,1%	4,1%	9,3%
Europe	-6,4%	-2,4%	-3,5%	-1,7%
Intra Scandinavian	-15,2%	-14,7%	-16,7%	-15,4%
Denmark	-39,8%	-42,3%	-41,2%	-44,2%
Norway	-5,4%	-3,0%	-6,6%	-4,0%
Sweden	-16,7%	-22,7%	-15,6%	-22,9%



Scandinavian Airlines

Scandinavian Airlines	Feb 03	Change	Jan-Feb 03	Change
ASK (Mill.)	2 508	-4,3 %	5 143	-5,3 %
RPK (Mill.)	1 534	-5,7 %	3 069	-5,4 %
Passenger load factor	61,2%	-0,9 p u	59,7%	-0,1 p u
Passengers (Mill.)	1 420	-12,5 %	2 797	-13,1 %

p u = percentage units

Route area (change):	Feb 03 vs. Feb 02		Jan-Feb 03 vs. Jan-Feb 02	
	Traffic (RPK)	Capacity (ASK)	Traffic (RPK)	Capacity (ASK)
Intercontinental	11,2%	20,4%	11,8%	19,1%
Europe	-9,3%	-5,7%	-9,5%	-7,5%
Intra-scandinavian	-19,2%	-19,5%	-20,7%	-20,4%
Denmark	-39,8%	-42,3%	-41,2%	-44,2%
Norway	-36,9%	-33,6%	-38,0%	-33,0%
Sweden	-16,7%	-22,7%	-15,6%	-22,9%



### Spanair traffic development

Generally, the weak market development in Spain and Europe has a pressure on the load factors. Load factor for scheduled passenger traffic decreased by 5,6 p.u. in February vs last year. Within the Domestic network, two new routes connecting Malaga with Las Palmas and Tenerife were introduced in July 2002. Compared to February last year, the routes from Madrid to Santander and Jerez have been cancelled.

On European routes, Madrid-Lisbon was cancelled in February 2003 and replaced with code share flights operated by Air Portugal. Due to the development into new and more long-distance markets the ASK increased by more than 30%.

### Braathens traffic development:

Braathens scheduled passenger traffic (RPK) showed an overall increase in February 2003 of 11,2% vs. February 2002 and the number of passengers decreased by 6,2%. Capacity (ASK) increased by 9,4% and the passenger load factor increased by 0,9 p.u. to 53,4 %.

Major changes in the domestic route network as of April 2, 2002 resulted in a 28,6% increase in RPK and a 28,4% increase in ASK in February 2003 vs. February 2002. Domestic passenger load factor increased by 0,1 p.u. to 52,1% in February 2003 vs. February 2002. The decrease in number of passengers, RPK and ASK on international routes can be explained by reductions in European network as of April 2, 2002. Passenger load factor on international routes increased by 6,4 p.u. to 60,5 in February 2003 vs. February 2002.

### Widerøe's traffic development

Total number of passengers was up by 8.7% (20.4% in RPK) in February compared to last year, which is mainly an effect by the introduction of new routes, especially on the Intra-Scandinavian sector between Norway and Denmark. On the European sector the Newcastle service developed well. Norwegian domestic routes also developed positively (RPK +5.2%). Overall production (ASK) increased by 18.3% in February with an overall cabin factor up by +0.9 p.u. to 50.3%.

### Air Botnia's traffic development

Air Botnia's total passenger traffic (RPK) increased with 27% and capacity (ASK) increased with 31% compared to last year.

The total number of passengers increased with 19% and Air Botnia continued to gain market share.

<b>Spanair (scheduled)</b>	Feb 03	Change	Jan-Feb 03	Change
ASK (Mill)	467	1,6%	1 049	-1,6%
RPK (Mill)	258	-7,7%	558	-6,1%
Passenger load factor	55,3%	-5,6 p u	53,2%	-2,6 p u
Total Rev. passengers (Mill)	0,328	-5,6%	0,678	1,2%
<b>Route area (change):</b>	Feb 03 vs. Feb 02		Jan-Feb 03 vs. Jan-Feb 02	
	Traffic (RPK)	Capacity (ASK)	Traffic (RPK)	Capacity (ASK)
Spanish domestic	-3,1%	2,3%	8,0%	7,0%
European Routes	20,2%	32,3%	29,2%	43,0%



<b>Braathens (scheduled )</b>	Feb 03	Change	Jan-Feb 03	Change
ASK (Mill.)	354	9,4 %	734	7,5 %
RPK (Mill.)	189	11,2 %	365	10,4 %
Passenger load factor	53,4%	+0,9 p u	49,7%	+1,3 p u
Total no. of passengers, (mill) <sup>1)</sup>	0,303	-6,2 %	0,594	-7,4 %
<b>Route area (change):</b>	Feb 03 vs. Feb 02		Jan-Feb 03 vs. Jan-Feb 02	
	Traffic (RPK)	Capacity (ASK)	Traffic (RPK)	Capacity (ASK)
Norwegian dom.	28,6%	28,4%	27,4%	24,9%
European Routes	-30,2%	-37,6%	-32,9%	-37,6%



<b>Widerøe's</b>	Feb 03	Change	Jan-Feb 03	Change
ASK (Mill.)	74	18,3 %	152	17,6 %
RPK (Mill.)	37	20,4 %	72	17,9 %
Passenger load factor	50,3%	+0,9 p u	47,5%	+0,1 p u
Total no. of passengers (Mill)	0,126	8,7 %	0,245	6,2 %



<b>Air Botnia</b>	Feb 03	Change	Jan-Feb 03	Change
ASK (Mill.)	66	30,6%	135	28,3%

RPK (Mill.)	27	27,4%	52	20,3%
Passenger load factor	41,6%	-1,1 p u	38,6%	-2,6 p u
Total no. of passengers (Mill)	0,042	18,5 %	0,081	13,1%

<b>INTERCONTINENTAL ROUTES</b>	<b>Feb 03</b>	<b>Feb 02</b>	<b>CHANGE</b>	<b>Jan-Feb 03</b>	<b>Jan-Feb 02</b>	<b>CHANGE</b>
Scandinavian Airlines APPENDIX – Traffic, capacity, passenger load factors and number of passengers per route area.						
ASK (Mill.)	972	807	+20,4%	2 024	1 700	+19,1%
RPK (Mill.)	702	631	+11,2%	1 435	1 283	+11,8%
Passenger load factor	72,2%	78,2%	-6,0 p u	70,9%	75,5%	-4,6 p u
Total no. of passengers (000)	100,8	91,1	+10,7%	206,3	184,9	+11,5%
<b>EUROPEAN ROUTES</b>	<b>Feb 03</b>	<b>Feb 02</b>	<b>CHANGE</b>	<b>Jan-Feb 03</b>	<b>Jan-Feb 02</b>	<b>CHANGE</b>
ASK (Mill.)	898	953	-5,7%	1 811	1 959	-7,5%
RPK (Mill.)	472	520	-9,3%	924	1 021	-9,5%
Passenger load factor	52,5%	54,6%	-2,1 p u	51,0%	52,1%	-1,1 p u
Total no. of passengers (000)	480,7	518,8	-7,3%	941,6	1 023,2	-8,0%
<b>INTRA-SCANDINAVIAN ROUTES</b>	<b>Feb 03</b>	<b>Feb 02</b>	<b>CHANGE</b>	<b>Jan-Feb 03</b>	<b>Jan-Feb 02</b>	<b>CHANGE</b>
ASK (Mill.)	197	245	-19,5%	399	501	-20,4%
RPK (Mill.)	106	132	-19,2%	206	259	-20,7%
Passenger load factor	53,9%	53,7%	+0,2 p u	51,5%	51,7%	-0,2 p u
Total no. of passengers (000)	222,8	277,7	-19,8%	431,4	549,2	-21,5%
<b>DANISH DOMESTIC ROUTES</b>	<b>Feb 03</b>	<b>Feb 02</b>	<b>CHANGE</b>	<b>Jan-Feb 03</b>	<b>Jan-Feb 02</b>	<b>CHANGE</b>
ASK (Mill.)	24	41	-42,3%	48	86	-44,2%
RPK (Mill.)	12	20	-39,8%	24	41	-41,2%
Passenger load factor	51,1%	49,0%	+2,1 p u	50,4%	47,8%	+2,6 p u
Total no. of passengers (000)	58,0	65,5	-11,4%	116,1	136,6	-15,1%
<b>NORWEGIAN DOMESTIC ROUTES</b>	<b>Feb 03</b>	<b>Feb 02</b>	<b>CHANGE</b>	<b>Jan-Feb 03</b>	<b>Jan-Feb 02</b>	<b>CHANGE</b>
ASK (Mill.)	162	244	-33,6%	340	507	-33,0%
RPK (Mill.)	86	137	-36,9%	168	271	-38,0%
Passenger load factor	53,4%	56,1%	-2,7 p u	49,3%	53,3%	-4,0 p u
Total no. of passengers (000)	236,3	284,8	-17,0%	457,5	562,9	-18,7%
<b>SWEDISH DOMESTIC ROUTES</b>	<b>Feb 03</b>	<b>Feb 02</b>	<b>CHANGE</b>	<b>Jan-Feb 03</b>	<b>Jan-Feb 02</b>	<b>CHANGE</b>
ASK (Mill.)	256	330	-22,7%	520	675	-22,9%
RPK (Mill.)	156	187	-16,7%	312	370	-15,6%
Passenger load factor	61,0%	56,6%	+4,4 p u	60,0%	54,8%	+5,2 p u
Total no. of passengers (000)	321,5	385,8	-16,7%	643,8	762,0	-15,5%