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SAS and GlobeGround considering partnership in ground handling*

SAS and GlobeGround plan to initiate a study to investigate the possibility of forming a joint company in ground handling, mainly on the Scandinavian market.

The aim for SAS is to build a platform for a company which becomes an international player with very favorable development potentials while concurrently finding a solution that provides for more efficient airport handling. The goal is a company which is managed on a commercial basis and with broad freedom of action when necessary to create new business possibilities within ground handling.

During the spring, SAS has analyzed various ways to organize its airport operations and in conjunction with this effort determined that an independent ground-handling company working in cooperation with an external partner offers major advantages. After initial discussions, SAS and GlobeGround have decided to study the possibilities of cooperation in a joint company.

Increased liberalization in the European aviation market has provided scope for independent, specialized companies to develop into very competitive alternatives to the airlines' own passenger and baggage handling operations. In several cases, airlines have also organized these operations into a separate business area.

The core of the new company will comprise about 7,000 SAS employees. SAS conducts airport operations at some 40 airports in Scandinavia and more than 80 outside Scandinavia.

Discussions have been held with trade union representatives during the spring and more detailed information is being provided today. In the future, the trade unions will be continuously updated on how the study is progressing.

The ambition is to present the result of the study early this autumn. Accordingly, no decision has been made at this time within SAS's corporate management.

* *Ground handling* can be defined as the operations conducted by SAS at airports, including passenger and baggage handling as well as other ground services.

Globe Ground is the world's largest supplier of ground handling, with operations at more than 80 airports worldwide, and is wholly owned by Lufthansa. The head office is in Frankfurt.

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