

## The SAS Group reduces outlook for full year 2004

The SAS Group has in connection with the full year result in February and at the 1<sup>st</sup> Quarter result in May stated that it is the primary aim of the Board and the management of the SAS Group to attain a positive result before taxes, capital gains and other non- recurring items for the full year 2004 and take the necessary decisions for this to be achieved.

As a result of the continued large overcapacity on many markets and heavy price pressure, yields have, primarily for Scandinavian Airlines, developed very weak during April and May. The other airlines in the group have developed according to plan. Yields for May were down 22,5%<sup>1)</sup> compared with May 2003. (for Scandinavian Airlines). In addition jet fuel prices has been at very high levels during 2<sup>nd</sup> Quarter 2004.

The passenger volumes has during 2004 developed well and Turnaround 2005 incorporating cost reductions of SEK 14 billion develops according to plan and has resulted in and will continue to give significant unit cost reductions for all airlines in the group.

Due to the development during January through May and the continued uncertainties about yields and the competitive situation, the Board and the management's previous aim about a positive result before taxes, capital gains and non-recurring items, for the full year 2004 is expected not to be possible to achieve.

### **For further information**

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### **SAS GROUP INVESTOR RELATIONS**

1) 5-6 percentage units of the yield reduction is due to technical effects due to increased share of long haul traffic