

SAS PRESS RELEASE

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SAS TO RETAIN AND FURTHER DEVELOP ITS HOTEL BUSINESS

SAS has concluded its review of SAS International Hotels (SIH), its international hotel operation branded as Radisson SAS Hotels Worldwide.

SIH has developed very rapidly and successfully over the last three years having secured in 1994 the exclusive rights to use the Radisson brand in Europe, the Middle East and North Africa. The portfolio has grown from 29 hotels at the end of 1994 to 100 at the end of 1997. The portfolio comprises 6 owned hotels, with the balance being subject to leases, management contracts and franchise agreements.

Whilst SAS has, during the review process, received several approaches to acquire SIH it has determined that it is in the best interest of shareholders, and of the SIH business, to retain and continue to develop the operation. SIH is well positioned to further growth by taking advantage of the critical mass and brand recognition it has already achieved. In particular, SAS believes that SIH's value would now be enhanced by a tight focus on hotel management and operations and less exposure to hotel ownership.

Jan Stenberg, President & CEO of SAS said, "The development of SIH over recent years has accelerated beyond SAS's original expectations. I am confident that SIH's strategy of developing as an operating company will continue to be successful. This is consistent with SAS's overall strategy of concentrating capital resources in its airline business."

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