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Stock Market Release

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Clarifications regarding the freeze of pension schemes at Swedish insurance company Alecta

The recent weak development on world stock exchanges has put increased pressure on many life insurance companies to secure sufficient capital coverage. As a result, the Swedish life insurance company Alecta last week decided to temporarily freeze its surplus funds allocated to its clients.

Scandinavian Airlines (including related units) pension schemes are mainly defined benefit plans allocated to various insurance companies. One of the schemes is placed with Alecta.

SAS surplus at Alecta amounted to approx. MSEK 1 800 as of September 30, 2002.

Of the MSEK 1800 approx. MSEK 600 is affected by the freeze, as the remaining part is part of a separate agreement.

The surplus funds have been reduced over time through reduced insurance premiums payable to Alecta. The P/L statement is unaffected by the above decision, the net impact on Scandinavian Airlines is a negative liquidity effect of approx MSEK 250 per annum.

It must be noted that Alecta has communicated that the freeze is only temporary and that SAS is monitoring the situation closely. New information is expected on October 31, at the latest from Alecta.

For further information

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