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## Press release

2003-05-12

Page 1/2

### SAS Group restructures aircraft maintenance

The Board of Directors of the SAS Group decided during its meeting today to locate the main base for the technical maintenance operations for aircraft, SAS Technical Services, to Stockholm-Arlanda Airport. The objective is to ensure that SAS Technical Services is a competitive operation. This decision is included in the SAS Group's overall improvement program.

The decision means that medium-heavy aircraft maintenance, currently distributed equally between the three bases in Copenhagen, Oslo and Stockholm, will be concentrated at the new main base. In addition, the strategic management for SAS Technical Services and its support functions will be located at the main base. The decision regarding the location of the main base is an integrated and necessary element of a comprehensive structural change for SAS Technical Services that involves a cost reduction of SEK 500 M.

The daily scheduled maintenance of the aircraft will continue at the three bases and heavy maintenance will remain at Oslo Gardermoen. SAS Technical Services will employ a total of about 2,700 employees in Norway, Denmark and Sweden.

"The change is necessary and a requirement for our survival. We will now continue our work to implement the change as quickly as possible and through discussions with the union representatives in the three countries," says Ørnulf Myrvoll, Senior Vice President and head of SAS Technical Services.

#### Part of SAS Group's improvement program

The restructuring of technical maintenance is part of the SAS Group's overall improvement program presented on April 10, 2003, which is called Plan C.

The SAS Group is already implementing two improvement programs, with a combined earnings effect of SEK 12.8 billion prior to 2005. It is estimated that Plan C will generate cost savings of an additional SEK 8 billion within Scandinavian Airlines, SAS Technical Services, Scandinavian Ground Services and SAS World Sales.

#### Overmanning

In the documentation underlying the decision, it was assessed that the structural change and the geographical concentration at Stockholm Arlanda will involve a reduction in the number of employees within SAS Technical Services by a total of 922 annual full-time positions. The overmanning in Denmark is estimated at 436 annual positions, in Norway 417 and in Sweden 69. These annual positions are part of the previously announced information that 4,000 people will become surplus in conjunction with Plan C within the SAS Group.

SAS Technical Services is a business unit within the SAS Group's Airline Support Businesses area of operations. SAS Technical Services produces and supplies technical flight maintenance to airlines within and outside the SAS Group. It has approximately 3,600 employees.

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Page 2/2

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