



## **SAS organizes all airline operations in Norway in a single company – takes up the fight against low-fare airlines**

Braathens and Scandinavian Airlines in Norway are to be merged into a single organization. The new airline – SAS Braathens – will serve routes in Norway and between Norway and the rest of Europe.

The President of the airline will be Petter Jansen. Jansen is 48 years old and was head of Fornebu Airport, in Oslo, during the 1990s. He has extensive experience of the Armed Forces and Norwegian banking operations, is on leave from his position as CEO of DnBNOR and is currently working on a scholarship in the Europa Program. He will assume his position as President of SAS Braathens on April 15.

"I am pleased and excited to assume the task of creating a new airline in cooperation with my colleagues. We shall create something new and I can say with certainty that the airline signals the start of a new era," says Petter Jansen. "SAS Braathens will have a cost level that will enable us to seriously challenge the competition from the so-called low-fare airlines. The customers will be the winners."

The new airline will offer Norwegians fixed low fares for air travel. Fares and service concepts will be ready in April. These will be structured as one-way fares on all routes and with simple rules for ticket bookings. On flights to selected European business destinations, it will be possible to furnish the cabin with a premium class for passengers requiring extra comfort and flexibility.

SAS Braathens will initially have a route network comprising 41 destinations, from Longyearbyen in the North to Las Palmas in the south. The route network will be served by a fleet comprising exclusively Boeing 737s, with about 50 aircraft.

"The coordination process between the two airlines will begin shortly and the aim is for integration to be completed by April 2005. This includes efforts to compose skilled teams at all levels of the new organization. The coordination process will be based on the regulations for operational transfers. Rationalization and efficiency measures shall not be implemented at the cost of flight safety," Petter Jansen emphasizes.

The integration of the administrative functions in Braathens and Scandinavian Airlines into the new business will lead to immediate overmanning. The selection criteria will, in the first instance, be qualifications and length of service. It is still too early to say how many will be redundant.

For pilots and cabin crew, no redundancy will occur as a result of the merger. However, the productivity and efficiency gains contained in the agreements on new salary and working conditions will lead to redundancies in these groups, too. In this case, the selection criterion will be length of service.

SAS Braathens will already play an active role in the market in May. The basis for the new operation will be the combined traffic program currently operated by Braathens and Scandinavian Airlines in Norway, reinforced by increased production and more routes.



New foreign destinations from Oslo will initially comprise Manchester, Geneva, Milan, Prague and London-Gatwick. Sandefjord's Torp Airport – and thereby the entire Vestfold region – will have a direct connection with Alicante.

The existing domestic route network in Norway will have an even better offering, with the establishment of more departures. This will initially apply to Oslo-Trondheim and the coastal route of Stavanger-Bergen-Trondheim.

More routes and departures will be introduced in autumn 2004 and spring 2005. The new airline will not operate intercontinental services. Overseas flights will be offered by the SAS Group's existing intercontinental operation.

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