

SAS Technical Services to be independently operating subsidiary of SAS AB

SAS Technical Services (STS) will now become airborne as a highly competitive incorporated company, which will follow an expansion strategy in order to take full advantage of its leading position on the Scandinavian and Baltic markets for Full-Service Maintenance, Repair and Overhaul (MRO) of aircraft.

This happens effective October 1st 2004 when the SAS Group is scheduled to implement its plan to transform STS from primarily being Scandinavian Airlines internal maintenance function to an independently operating incorporated subsidiary named SAS Technical Services AB.

With 3.800 employees at bases and facilities in Stockholm, Gothenburg, Copenhagen, Oslo, Stavanger, Bergen and Tallinn, and an annual turnover of approx. Euro 650 million, STS has already established itself on the aviation market as the leading Nordic supplier of Full-Service MRO.

Scandinavian Airlines is our biggest customer but STS has contracts with more than 130 other aircraft operators and services some 200 aircraft.

Full-Service Concept

STS builds upon a Full-Service Concept, which enables customers to fully concentrate on their own primary business while outsourcing the vitally important – but to them secondary – MRO tasks to STS. This Full-Service Concept comprises the following products and services:

Line Maintenance performs maintenance that has to be carried out before the flight.

Base Maintenance carries out the more comprehensive so called C-checks, major component replacements, cabin refurbishments, structural repairs and major modifications of aircraft.

Heavy Maintenance is a dedicated business unit, which specializes in the so called D-checks (major overhaul, reconfigurations and structural repairs of an aircraft).

Engine Management is a leading provider of all off-wing activities on all types of commercial aircraft engines and Auxiliary Power Units (APU's).

Engineering Services provides a wide range of support programs such as customized maintenance programs, documentation, planning, cost benefit analysis etc.

SAS Component, a subsidiary of STS, is a global operator in the area of aircraft component management, maintenance/repair and logistics.

STS Maintenance Training provides MRO-training programs and solutions.

A big potential for growth

“In today's highly competitive and turbulent market for the airline industry, aircraft maintenance is an important asset for our customers, and not a liability. The reason is that professional and dedicated maintenance companies like STS contribute to achieving a competitive cost-base in airlines”, states STS President, Ørnulf Myrvoll.

Ørnulf Myrvoll further stresses the fact that the global MRO market represents a very big and fast growing business with a significant growth potential for STS.

Worldwide the MRO business is estimated at 37 billion dollars and it is growing 3-4% annually. An aircraft grounded for technical reasons is costing the airline in the range of 0.1 – 0.2 million Euro a day. And the total maintenance cost of operating a Boeing 737NG aircraft amounts to 40 million USD during the first 15 years of service (equivalent to the purchase price).

“With the competitive strength we have gained in recent years and with our position as number one in the Nordic area we have a huge potential for profitable growth and expansion, which will be among our primary objectives for the coming years”, states Ørnulf Myrvoll.

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Further information and downloadable photos can also be found at:

www.sastechnicalservices.com