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**Press release**

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A STAR ALLIANCE MEMBER 

## Decision on structural changes to SAS Group companies

The Board of Directors of SAS AB has today decided on the future structure of SAS Ground Services (SGS), SAS Technical Services (STS) and Spirit (terminal management within SAS Cargo).

Until further notice, SGS will remain an independent subsidiary of the SAS Group, provided that the company can improve a number of quality and profitability targets, which have been agreed by management and the trade unions, within 18 months. One of the requirements is an improvement in costs within SGS of approximately SEK 400 M.

At STS, heavy maintenance of the Boeing 737 Classic will be conducted outside Scandinavia in future.

The SAS Board has decided that Spirit Air Cargo Handling, which is part of SAS Cargo, will be divested.

“The decision to retain SGS as an independent subsidiary of SAS requires that the company achieves the agreed quality and cost improvements within 18 months. Otherwise, an external solution will be on the cards, for example, by bringing in a part-owner with operations in the ground handling industry or through outsourcing,” says Mats Jansson, President and CEO of SAS.

“Implementation of the structural changes will commence immediately, continues Mats Jansson. In addition, we must also accelerate the momentum of the cultural turnaround process and the implementation of Strategy 2011 (S11) at SAS. We have taken too long and used too many resources in this structural decision. We have also perceived threats of unlawful action, which shows very clearly that SAS still has a long way to go before we have a corporate culture in place that is adapted to the competitive situation.”

“The Board takes a serious view of the long decision-making processes and the threat of action delaying important elements of S11. The strategy will ensure a profitable and competitive SAS,” says Egil Myklebust, Chairman of SAS AB.

In conjunction with the decision by the Board, co-determination negotiations will be conducted with the appropriate trade unions.

### **For further information, please contact**

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### **SAS Group Corporate Communications**

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**SGS** is the Nordic region's largest supplier of airport-related services on the ground for passengers, baggage and aircraft. SGS has approximately 8,200 employees.

**STS** is a leading supplier of Maintenance, Repair and Overhaul (MRO services) to the airline industry. STS has approximately 2,400 employees.

**SAS Cargo** has approximately 1,300 employees and offers transport and cargo solutions in aircraft. Spirit is part of SAS Cargo and has 12 terminals in Scandinavia.