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Stock Market Release

June 29, 2005

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Market adaptation of operations in SAS Technical Services

At the Board meeting of SAS Technical Services AB on June 29, 2005, the Board announced that it had assigned the management of SAS Technical Services AB to continue the market-adaptation of the company. SAS Technical Services conducts operations in a market characterized by surplus capacity and price pressure. Medium-heavy and heavy aircraft maintenance is particularly subject to competition.

As a result, the company will now proceed with local efficiency enhancement, cost reductions and further development of production units in Norway and Sweden. Line maintenance in Norway must also be adapted to the market.

These restructuring measures are part of the SAS Group's Turnaround 2005 program and involve a reduction of about 120 jobs for medium-heavy and heavy maintenance and about 80 jobs in line maintenance. Implementation of this is expected to be completed before the summer of 2006.

SAS Technical Services AB is a company that is wholly owned by the SAS Group. Its operations comprise technical aircraft maintenance and logistics for approximately 250 aircraft. The number of employees totals 3,700 and the company has production bases at Stockholm Arlanda, Copenhagen Kastrup, Oslo Gardermoen, Stavanger Sola, Bergen, Gothenburg and Tallinn. Sales amount to approximately SEK 5 billion annually.

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