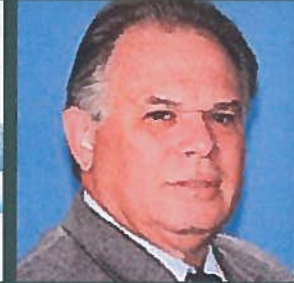


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SCANDINAVIAN AIRLINES IN GSE SALE AND LEASEBACK



SAS has arranged a sales and leaseback outsourcing of its motorised or non-motorised ground support equipment (GSE) at Copenhagen Airport (CPH). The airline has inked a deal with Belgium-based TCR International (TCR) through its subsidiary TCR Denmark. Through this agreement, SAS endorses TCR as the main supplier of all GSE (over 5,000 units) throughout most Scandinavian airports. This agreement marks the culmination of TCR's expansion strategy in the region, increasing TCR inventory there by more than 1,800 vehicles.

Under the agreement, TCR acquires all SAS Ground Handling (SGH) GSE and integrates SGH's 56 technicians and employees into TCR, which will also build a brand-new 4,000m² workshop at CPH.

Kjetil Habjorg, CEO SAS Ground Handling, said: "SAS is very pleased to have signed this Scandinavia-wide agreement with TCR. This operation makes our handling division much more flexible. We have transferred a significant structure to TCR, consisting of eight workshops, more than 100 staff and 5,000 pieces of GSE.

"We rent this back in a flexible form which allows us to easily adapt our GSE fleet to both increases and decreases in our operation. We have been working for more than two years with TCR to close this entire agreement.

"In TCR we value the fact that they are the world leader in terms of GSE services, with an excellent reputation in terms of customer service as well as a responsible management of their staff."

TCR's first major contract in Scandinavia started in 2011 with the sale and rent-back of the entire fleet of Menzies' GSE at Oslo Airport, an operation closely followed by the signature of contracts with Aviator in 2012 and with SAS in 2014.

Tom Bellekens, chief operation officer TCR, said: "TCR is very grateful to have completed this operation with SAS. Both companies chose a gradual implementation approach country by country. This has allowed SAS to see a proof of TCR's quality and reliability before entering into this last important phase in Denmark.



Tom Bellekens, chief operation officer TCR

"SAS is the third important airline in Europe after KLM and Air Europa to outsource all its GSE, a trend that we expect to expand to other major carriers in their constant search for efficiency and flexibility improvements. The contract with SAS is a long-term one, foreseeing efficiency improvements over time as well important investments of between €50 to €100 million in renewal of the existing GSE fleet."

TCR International currently employs 700 people with a planned turnover of around €140 million in 2015, up from €10 million in 1999. It is present in 11 European countries at some 100 airports, including seven of the 10 largest in the continent. In early 2015, TCR revealed its global ambitions by creating TCR Malaysia, the Group's gateway to Asia.

WIDERØE DEAL

Meanwhile, in line with a June 2015 letter of intent, SAS will transfer the operations at all of SAS Ground Handling's line stations in Norway to Widerøe Ground Handling (Widerøe) from February 2016.

SGH's operations at 14 line stations in Norway will be transferred to Widerøe and include approximately 850 full-time positions and the takeover of existing agreements for equipment and premises, as well as handling contracts. The transaction is being conducted as an operations transfer, meaning that in itself it will have no significant impact on SAS's earnings. Following the transfer, SAS will purchase ground services from Widerøe Ground Handling as an external service and the parties have entered into a five-year contract for these services.

Rickard Gustafson, SAS president and CEO, said: "The transfer of the operations at the line stations in Norway to Widerøe is in line with our strategy of focusing on flight operations, while at the same time reducing the company's fixed costs. In Widerøe, we have a high-quality and reliable supplier that will ensure a smooth outsourcing process for our employees. We look forward to continuing to work with Widerøe and together developing our ground product for the good of our customers."

Widerøe already has ground operations at a further 28 airports in Norway that support Widerøe's regional routes. 