


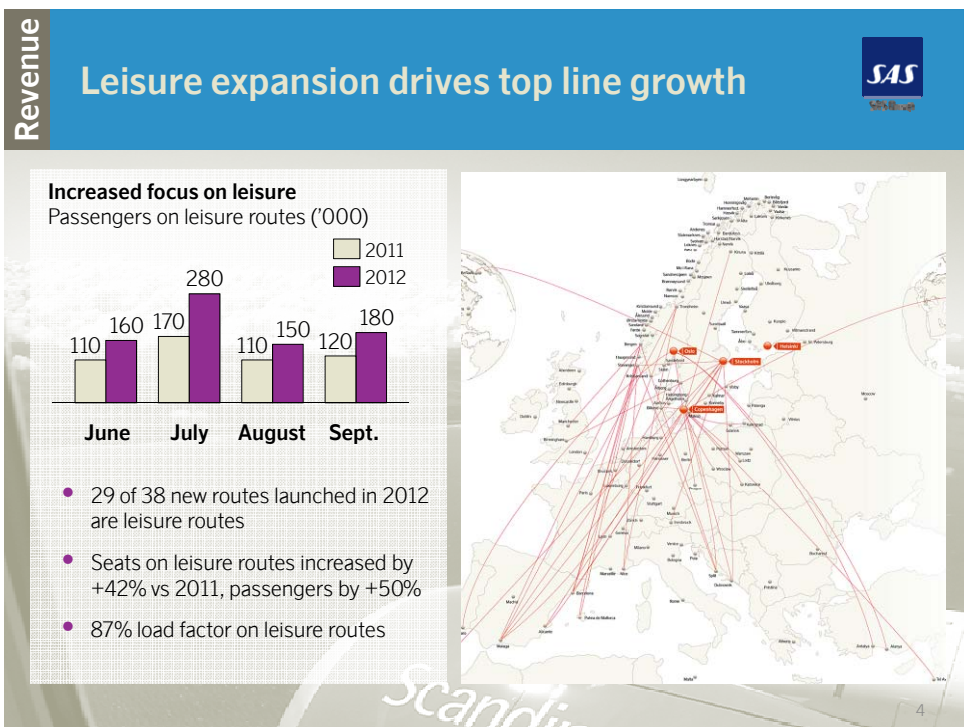
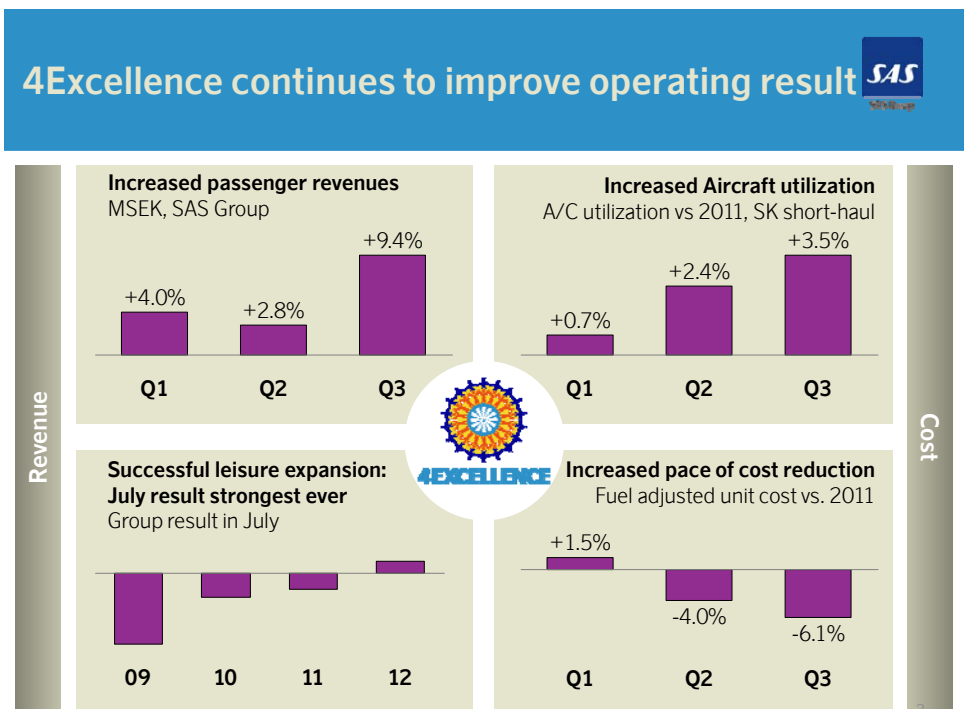


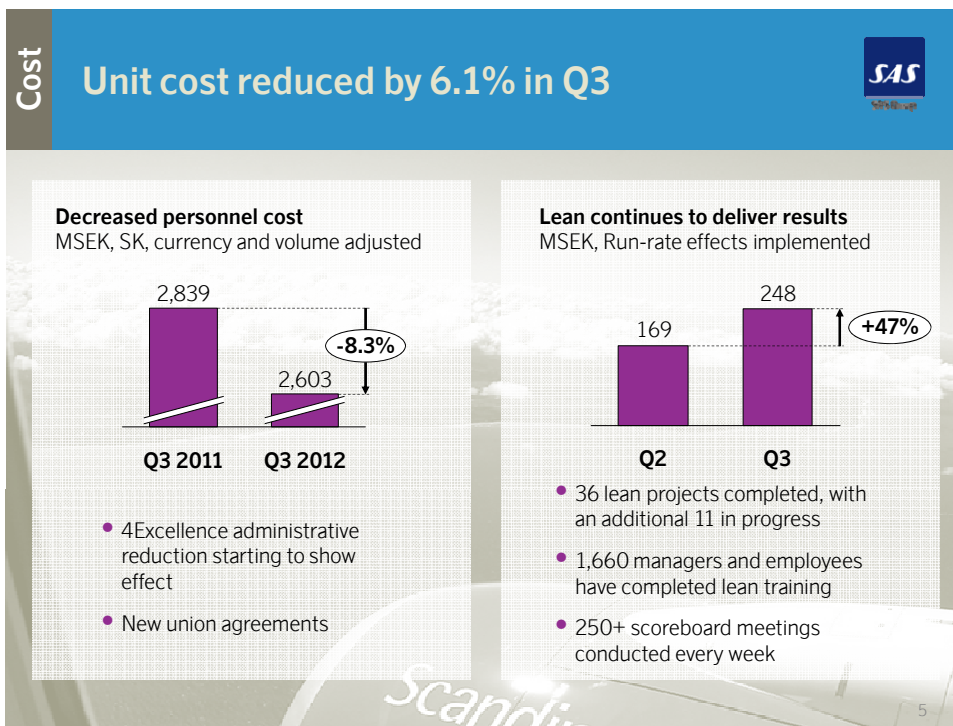
Q3 MSEK 607 EBT before non-recurring items 

- EBT (before non-recurring items)
MSEK 607 (MSEK 298 in Q3 2011)
- Positive revenue development
 - Passenger revenue up 9.4% (currency adjusted)
 - Total passenger growth +315,000 vs Q3 2011
 - Successful leisure expansion during summer
- Increased pace in unit cost reductions – unit cost down 6.1% (currency adjusted)



4EXCELLENCE



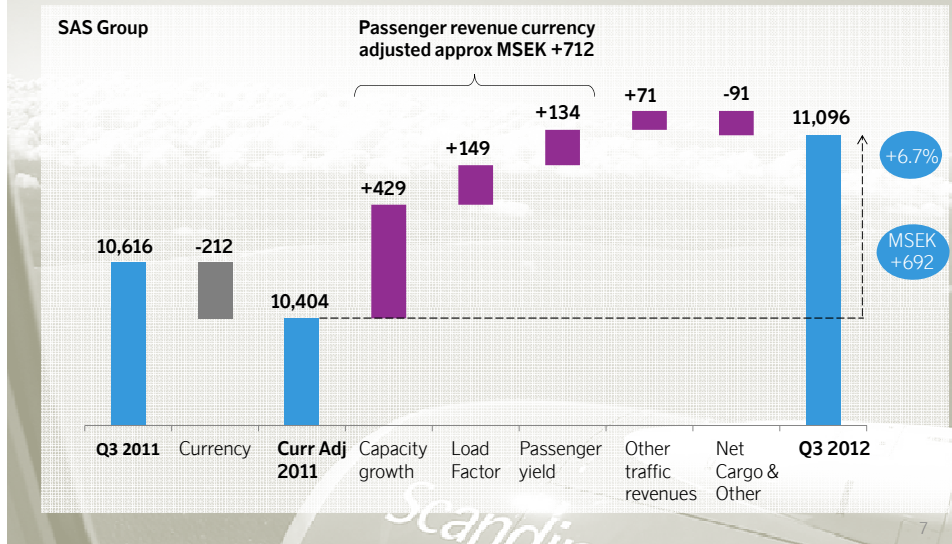


Positive traffic growth and yield in Q3 – Unit cost continues to improve

	Q4 2011	Q1 2012	Q2 2012	Q3 2012
SAS Group				
Traffic (RPK)	↑ +0.9%	↑ +5.1%	↑ +5.9%	↑ +7.6%
Passenger load factor	↓ -1.5 pp	↑ +2.0 pp	↑ +1.0 pp	↑ +1.5 pp
Scandinavian Airlines*				
Passenger yield	↓ -4.0%	↓ -2.3%	↓ -2.7%	↑ +1.8%
Total unit revenue (RASK)	↓ -6.7%	↑ +1.7%	↑ +0.3%	↑ +3.6%
Total unit cost (excluding fuel)	↓ -3.5%	↑ +1.5%	↓ -4.0%	↓ -6.1%

* Including Blue1 from March 2012

Good top line development driven by improved load factor and yield despite capacity increase



Solid cost control visible in the P/L



(MSEK)	Jul-Sep 2012	Share of revenue	Jul-Sep 2011	Share of revenue	Change (pp)
Total operating revenue	11,096		10,616		
Payroll expenses	-2,981	26.9%	-3,172	29.9%	-3.0
Fuel	-2,336	21.1%	-1,976	18.6%	+2.5
Government charges	-1,065	9.6%	-1,039	9.8%	-0.2
Other operating expenses	-3,028	27.3%	-3,118	29.4%	-2.1
Total operating expenses	-9,410	84.8%	-9,305	87.7%	-2.9
EBITDAR before non-recurring items	1,686	15.2%	1,311	12.3%	+2.9
Leasing costs, aircraft	-390	3.5%	-385	3.6%	-0.1
Depreciation	-426	3.8%	-434	4.1%	-0.3
Share of income in affiliated companies	32	0.3%	30	0.3%	+0.0
EBIT before non-recurring items	902	8.1%	522	4.9%	+3.2
Financial items	-295	2.7%	-224	2.1%	+0.6
EBT before non-recurring items	607	5.5%	298	2.8%	+2.7
Non-recurring items	-39	0.4%	-22	0.2%	+0.2
EBT	568	5.1%	276	2.6%	+2.5

Strong cash flow generation during January-September 2012



	Jan-Sep 2012	Jan-Sep 2011
Cash flow from operations	1,768	396
Net investments	-645	-882
Financing / Amortization	-2,575	565
<i>Change of liquid funds</i>	<i>-1,452</i>	<i>79</i>

Outlook for 2012 (January-October)



- **Fiscal year 2012** (Jan-Oct)
 - Small negative result before non-recurring items expected
 - Restructuring cost of MSEK 900-1,000 expected
- **FY 2012/2013** (Nov-Oct)
 - Weak result expected in Q1 (Nov-Jan) due to seasonality

Launching 4Excellence Next Generation



4Excellence delivering strong operational performance, but key challenges remain



Share price development



Key challenges

- 1 4Excellence has reduced SAS' cost base, but **legacy costs and relatively low flexibility** still hamper SAS' ability to become profitable
- 2 New accounting standards for **pensions will result in a one-off write-down of SEK ~10 billion** and increased volatility going forward
- 3 SAS is too **dependent on external credit facilities** to maintain financial preparedness

4Excellence Next Generation (4XNG) will address all remaining challenges



Initiatives	Main purpose		
	Cost	Flexibility	Cash/Equity
New agreements for flying crew & maintenance personnel	✓	✓	
Outsourcing of ground handling & call centers		✓	✓
Admin centralization, FTE reduction & adjustment of compensation to market based levels	✓		
New pension schemes	✓		✓
IT restructuring	✓	✓	
Commercial & Sales	✓	✓	
Divestments			✓

SEK ~3 billion EBIT improvement in plan (whereof ~90% labor-related)

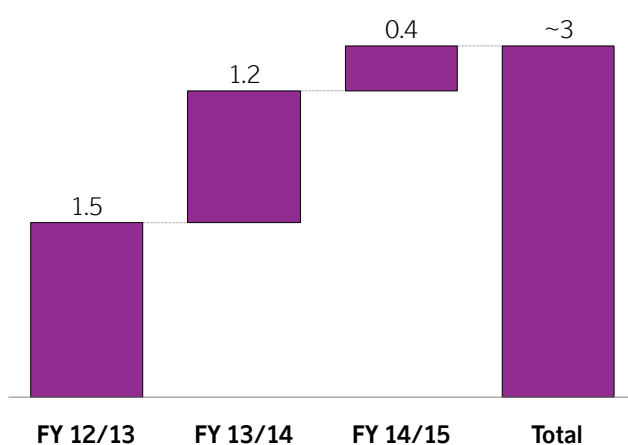
13

1

4XNG will have positive effect already in FY 12/13



Incremental EBIT
SEK billion



- Restructuring cost and one-off implementation costs will be approximately SEK 1.5 billion (whereof 0.9-1.0 in fiscal year 2012)
- The 4XNG plan is self-financing and requires no new capital

14

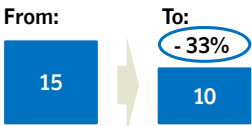
1 Redesigned union agreements to establish crew costs at LCC-level

Redesigned agreements



- Reduced complexity – One common duty agreement for pilots and cabin crew in all Scandinavian countries
- Increased productivity and higher flexibility
- Market-based compensation (LCC-level)

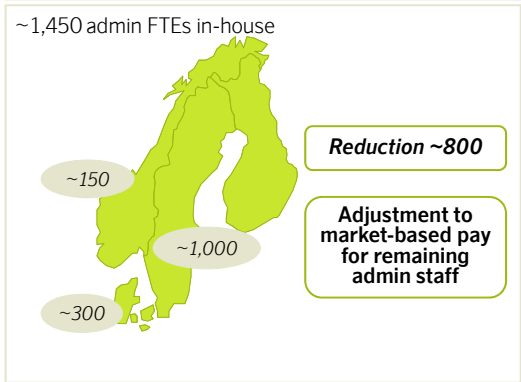
Crew cost per ASK (SEK öre/ASK)



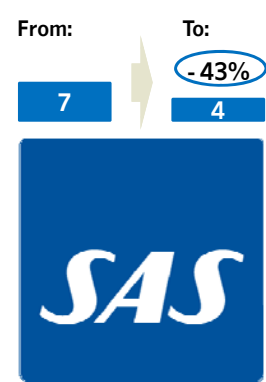
15

1 Centralization, reduction, and compensation adjustment of administration personnel

Admin FTE distribution when fully restructured and centralized



Admin cost per ASK (SEK öre/ASK)



16

1 Outsourcing Ground Handling



Results from outsourcing

SEK ~5 billion of SAS Group's cost slightly reduced and made variable

SEK ~1.6 billion external revenue risk removed


~4,800 FTEs outsourced to reduce complexity

Improved cash flow: Upfront payment and reduced future CAPEX

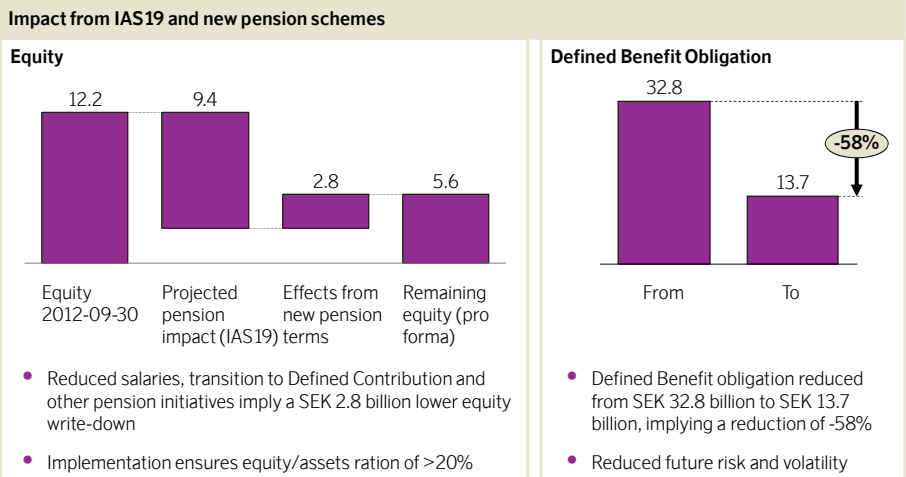


17

2 Positive impact of new pension schemes



SEK billion



18

3 Asset disposal and financing plan to increase liquidity



Selected examples

Sale of Widerøe	Sale of real estate
	
Sale lease back of engines	Sale of Ground Handling
	

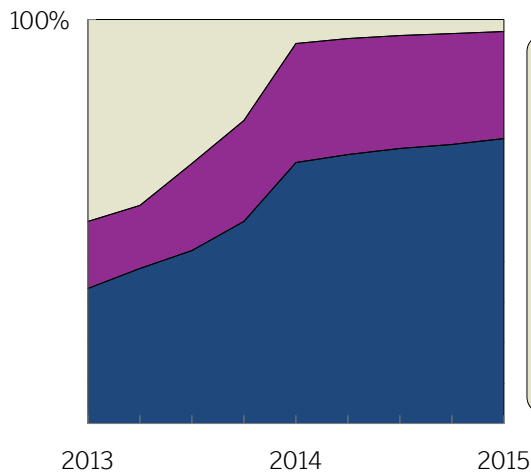
- SEK 3 billion disposals and financing during FY 12/13 and FY 13/14
- In addition, SAS will consider opportunities to realize further value from other assets

19

3 SEK 3.5 billion credit facility available upon signed union agreements



Share of financial preparedness ILLUSTRATIVE



- Revolving Credit Facility
- Cash from Disposals & Asset financing
- Cash (excluding Disposals & Asset financing)

- Existing SEK 3.1 billion credit facility increased to SEK 3.5 billion and extended to March 2015 (provided by SAS' current lenders and core shareholders)
- The availability of the new credit facility is conditional on signed union agreements
- Dependency on external credit facilities rapidly reduced by impact of 4XNG and divestments

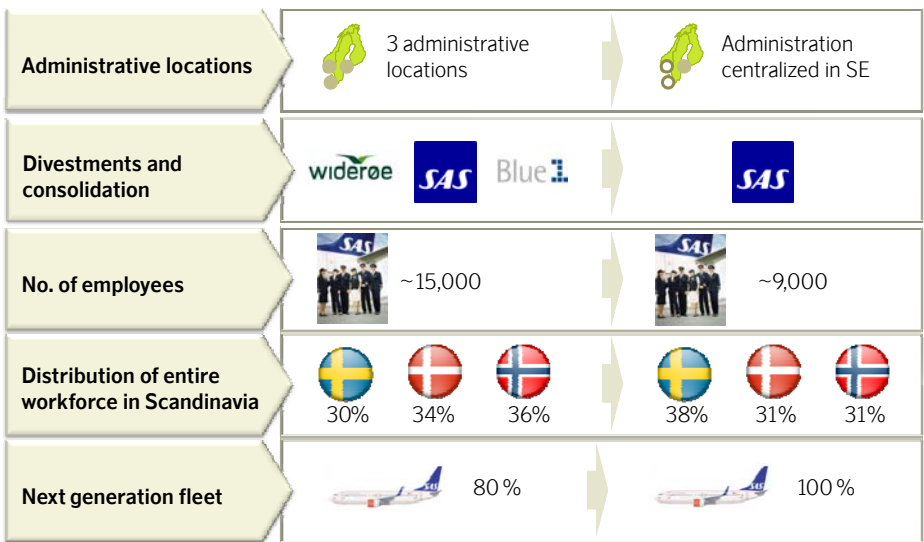
20

3 Description of new Revolving Credit Facility

Amount	<ul style="list-style-type: none"> New facility of SEK 3.5 billion replaces old facility of SEK 3.1 billion
Lenders	<ul style="list-style-type: none"> Seven of the existing RCF banks The Kingdom of Denmark, The Kingdom of Norway, The Swedish state KAW All lenders participate in credit facility pari passu
Prerequisite Conditions	<ul style="list-style-type: none"> Signed agreement with Flight Deck and Cabin Crew in accordance with the 4XNG business plan Projected gross savings from administration restructuring in line with 4XNG business plan

21

This is what future SAS will look like



22

New financial targets



Long term:
FY 14/15

NEW	Profitability EBIT %	>8%	1
NEW	Equity ratio Equity/Assets, %	>35%	2
NEW	Financial preparedness Cash & unutilized credit facilities / Fixed cost	>20% (70 days)	3

23

Thank you!



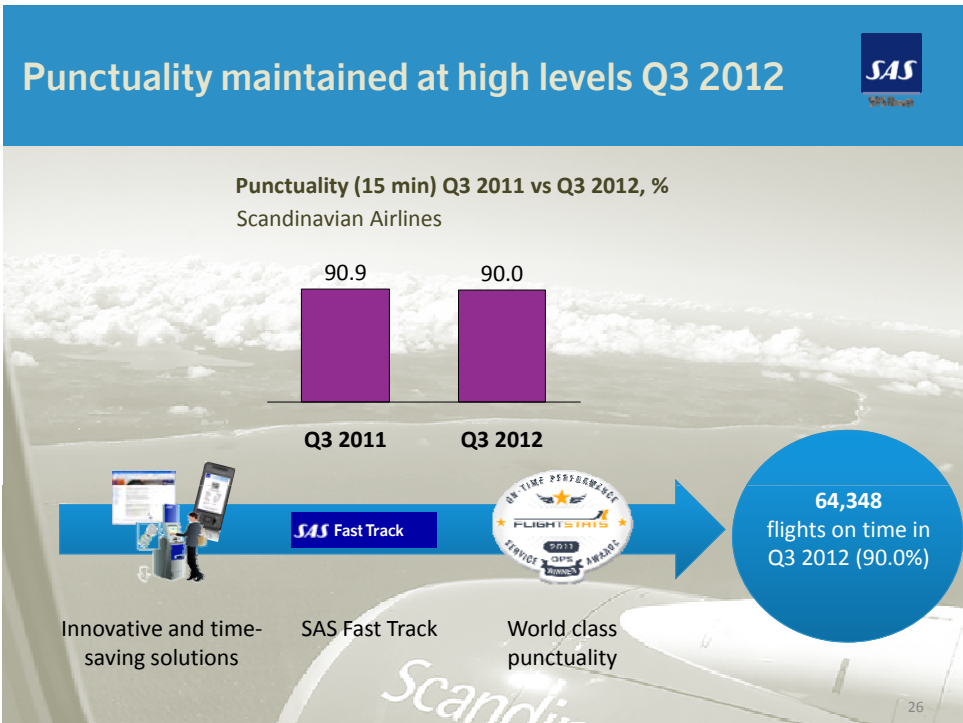
24

Appendices










- Fleet & productivity**
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25



Modernization of fleet well in progress



SAS main aircraft	 Airbus A330/340-300 Scandinavian Airlines	 Airbus A319/A320/A321 Scandinavian Airlines	 Boeing 737-600/700/800 Scandinavian Airlines
SAS aircraft being phased out, no later than 2013/2014	 Boeing 737-400/500 Scandinavian Airlines	 MD-82/87 Scandinavian Airlines	
Widerøe & Blue1	 deHavilland Q 100/300/400NG Scandinavian Airlines	 Boeing 717 Scandinavian Airlines	

- SAS is phasing in 30 modern aircraft that will completely replace older generation aircraft
- 30 Airbus A320NEO to be delivered from 2016

27

SAS Group fleet – September 2012



Aircraft Type	Age	Owned	Leased	Total	Leased out	Order
Airbus A330/340	10.4	5	6	11	0	
Airbus A321/A320/A319	8.7	4	10	14	0	30
Boeing 737 Classic	19.3	0	10	10	0	
Boeing 737 NG	11.3	23	49	72	0	
Boeing 717	12.1	0	9	9	0	
Douglas MD-80-series	23.1	20	8	28	0	
Douglas MD-90-series	-	8	0	8	8	
Avro RJ-85	-	0	5	5	1	
deHavilland Q-series	14.6	33	10	43	0	
Bombardier CRJ900 NG	3.3	12	0	12	0	
Total	13.1	105	107	212	9	30
Split per Airline						
SAS (incl Blue1)				165	9	30
Widerøe				39		
Leased out aircraft				8		
Total				212	9	30

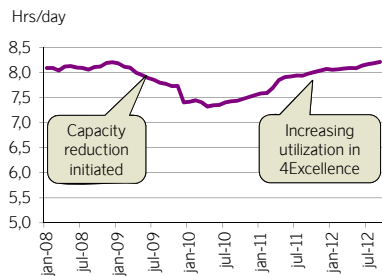
*In addition SAS wet leases the following Aircraft: four CRJ and one ATR for SAS in Denmark, two ATR and four S2000 for Blue1 in Finland.

28

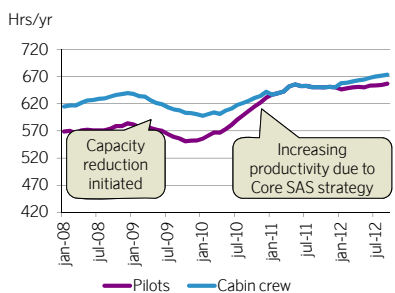
Productivity development



Scandinavian Airlines
Aircraft utilization (12 months rolling)




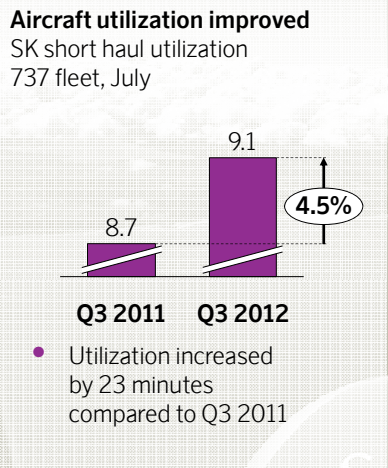
Scandinavian Airlines
Cabin, pilot utilization (12 months rolling)



Block hours, 12 months rolling, Sep 2012	Aircraft, hours/day	Pilots, hours/year	Cabin, hours/year
Scandinavian Airlines	8.2	657	673
Widerøe	6.9	481	491
Blue1	6.7	605	684

29

Aircraft utilization continues to improve

- Several 4Excellence initiatives enable increased aircraft utilization**
- Increased leisure focus enables alternate use of capacity
 - Improved aircraft utilization off-peak
 - Improved maintenance plans
 - Lean operations processes

30

Appendices



- Fleet & productivity
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- Currency & Fuel

31

Yield and RASK development

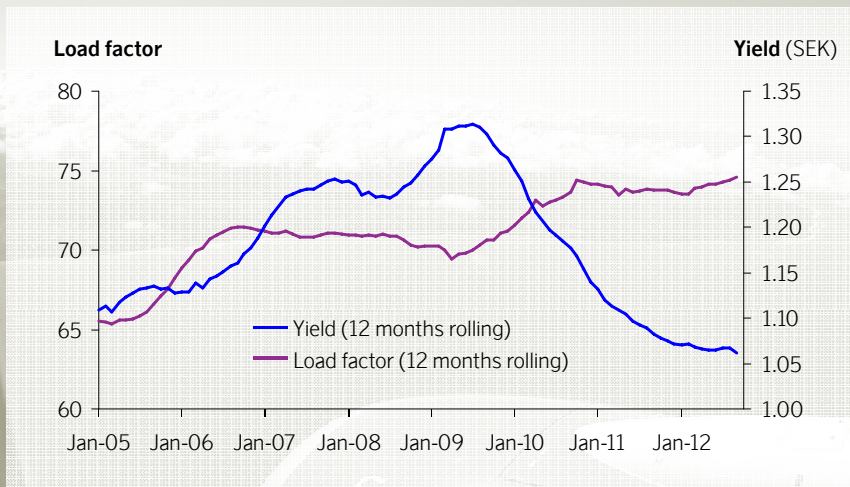


Yield, SEK Currency adj		Jul-Sep	Jan-Sep	Yield, SEK Currency adj		Jul-Sep	Jan-Sep
		1.8%	-1.2%*			4.6%	2.9%
RASK, SEK currency adj		Jul-Sep	Jan-Sep	RASK, SEK currency adj		Jul-Sep	Jan-Sep
		3.6%	-1.8%			-2.0%	-0.9%

* 2011 Adjusted for Eurobonus

32

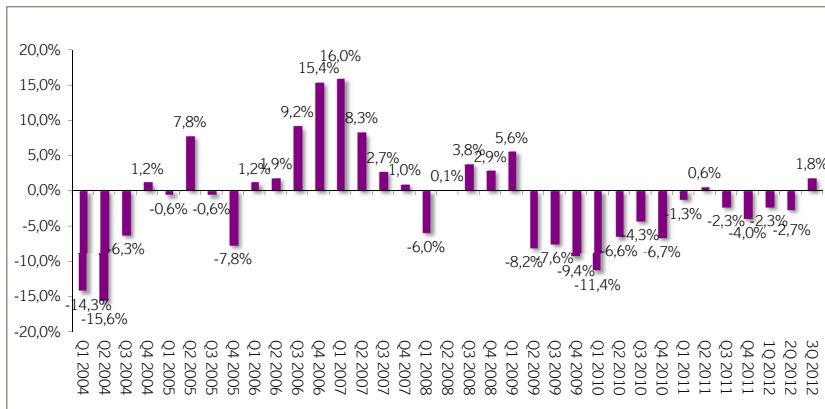
Stabilizing yield, with strong load factor



Quarterly yield development



Scandinavian Airlines, currency adjusted yield vs last year

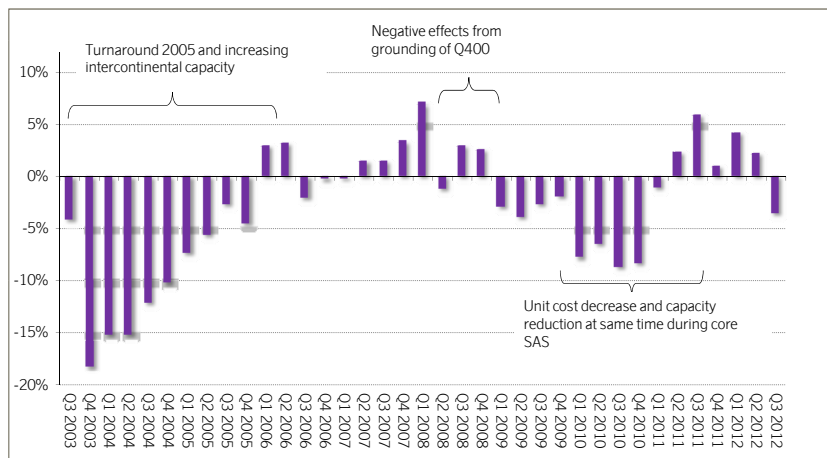


Note: Including Blue1 from March 2012

Quarterly unit cost development



Scandinavian Airlines, currency adjusted unit cost excluding fuel vs last year



Note: Including Blue1 from March 2012

35

Breakdown of unit cost in Q3 2012



Scandinavian Airlines, SEK, currency adjusted

Unit cost breakdown	Jul-Sep 2012	Jul-Sep 2011	Var, %	Share of total var, %
Payroll expenses	-2,603	-2,839	-8.3%	-2.8%
Jet fuel	-2,225	-2,133	4.3%	1.1%
Government user fees	-986	-973	1.3%	0.2%
Selling and distribution costs	-552	-549	0.5%	0.0%
Handling costs	-384	-421	-8.8%	-0.4%
Technical aircraft maint.	-575	-586	-1.9%	-0.1%
Other operating expenses	-126	-180	-30.1%	-0.6%
Total operating expenses	-7,449	-7,680	-3.0%	-2.7%
Leasing costs for aircraft	-381	-421	-9.7%	-0.5%
Depreciation	-386	-414	-6.8%	-0.3%
Adjusted EBIT	-8,216	-8,516	-3.5%	-3.5%

36

Breakdown of unit cost Jan-Sep 2012



Scandinavian Airlines, SEK, currency adjusted

Unit cost breakdown	Jan-Sep 2012	Jan-Sep 2011	Var, %	Share of total var, %
Payroll expenses	-8,488	-8,939	-5.0%	-1.8%
Jet fuel	-6,870	-6,075	13.1%	3.1%
Government user fees	-2,935	-2,893	1.4%	0.2%
Selling and distribution costs	-1,623	-1,752	-7.4%	-0.5%
Handling costs	-1,164	-1,273	-8.6%	-0.4%
Technical aircraft maint.	-1,684	-1,733	-2.8%	-0.2%
Other operating expenses	-491	-244	-	1.0%
Total operating expenses	-23,255	-22,910	1.5%	1.4%
Leasing costs for aircraft	-1,142	-1,233	-7.4%	-0.4%
Depreciation	-1,163	-1,208	-3.7%	-0.2%
Adjusted EBIT	-25,561	-25,352	0.8%	0.8%

37

Appendices



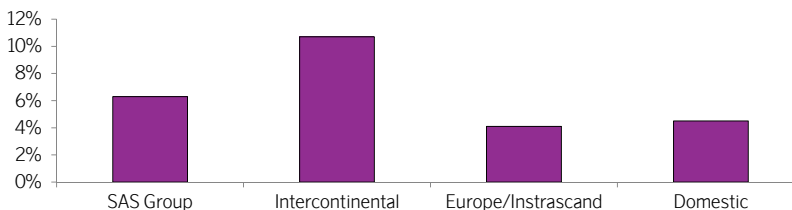
- Fleet & productivity
- Unit revenue (yield & RASK) & Unit cost
- Traffic and capacity outlook**
- Financial update
- Currency & Fuel

38

Strong traffic growth on intercontinental routes



RPK Jan-Sep 2012 vs Jan-Sep 2011, SAS Group



ASK outlook for full year 2012

Scheduled	Jan-Dec 2012 vs 2011
SAS Group	+4-5%
Scandinavian Airlines (incl. Blue1)	+4-5%
Widerøe	+7-8%

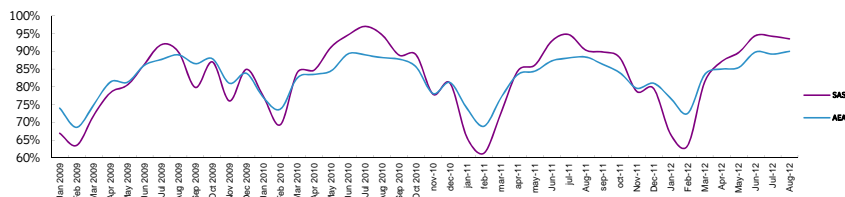
39

Development – North Atlantic routes



- Traffic development January – August 2012
 - SK traffic up 7.1%
 - AEA traffic up 4.4%
- SAS to launch Copenhagen-San Francisco in April 2013
- SAS improved load factors in 2012
- SAS load factors lower than AEA

Load factor

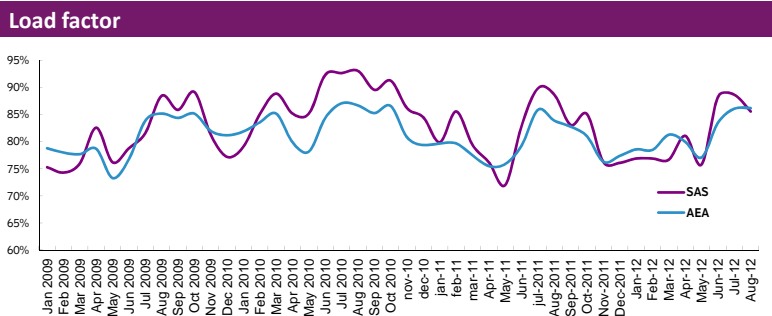


40

Development – Asian routes



- Scandinavian Airlines serving Bangkok, Beijing and Tokyo from Copenhagen
 - Bangkok to become a seasonal route from April 2013
- Copenhagen-Shanghai opened in March 2012
- Traffic development January-August 2012:
 - AEA traffic up 6.5%
 - SAS traffic down 15.8%

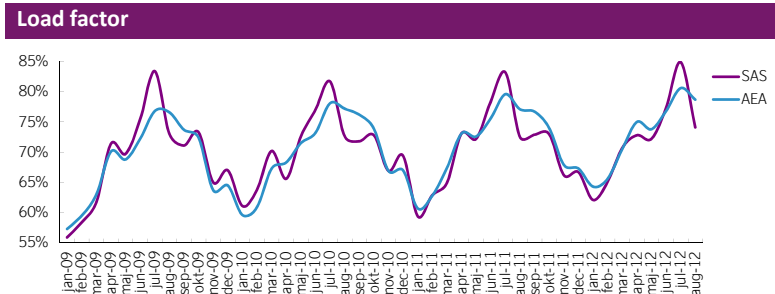


41

Development – Cross border European routes


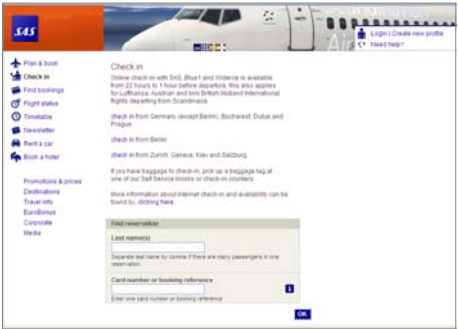
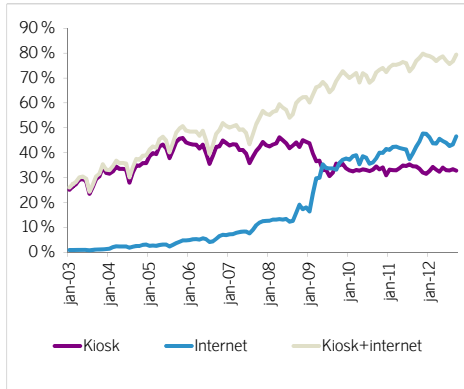


- 38 new routes to be launched in 2012 (including Shanghai)
- Traffic development January-August 2012:
 - AEA traffic up 4.7%
 - SAS traffic up 5.3%
- SAS load factor in line with AEA








42

Use of internet check-in continues to increase

Appendices



-  Fleet & productivity
-  Unit revenue (yield & RASK) & Unit cost
-  Traffic & capacity outlook
-  **Financial update**
-  Currency & Fuel

Overview of available funds – September 2012



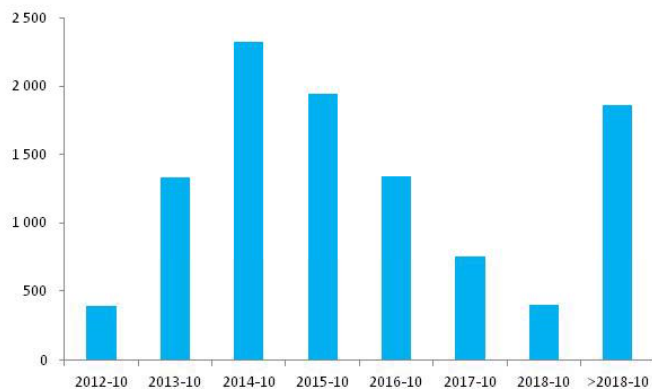
Available funds, SEK billion	Sep 2012	Maturity
Liquid funds	2.4	
Undrawn portion of credit facilities		
Revolving Credit Facility, MEUR 366 (total SEK 3.0bn)	3.0	Jun 2013
Revolving Credit Facility, MUSD 86 (total SEK 0.6 bn)	0.0	Apr 2013
Credit Facility, MUSD 125 & 70 (total SEK 1.3 bn)	0.3	Jan 2016 & Oct 2017
Bi-lateral Revolving Credit Facilities (total SEK 1.3 bn)	1.3	
Others	0.0	Jun 2013
Total undrawn credit facilities	4.7	2012
Total available funds	7.1	
Total credit facilities	6.2	
Drawn portion of credit facilities	1.5	
Undrawn portion of credit facilities	4.7	

45

Amortization profile updated for financial year ending October

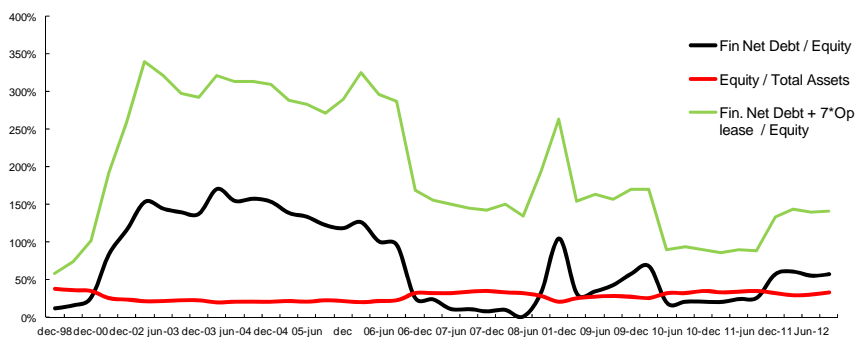


Scheduled amortization profile as of September 2012, MSEK



46

Gearing ratios impacted by Spanair, but has stabilized since Q2 2012



47

SAS Group

Financial Net January - September




MSEK	Jan-Sep 2012	Jan-Sep 2011	Difference
Interest net and others	-815	-595	-220
Exchange rate differences	-6	+32	-38
Financial net	-821	-563	-258

MSEK	Jul-Sep 2012	Jul-Sep 2011	Difference
Interest net and others	-251	-237	-14
Exchange rate differences	-44	+13	-57
Financial net	-295	-224	-71

48

Development and Break Down

Financial Net Debt

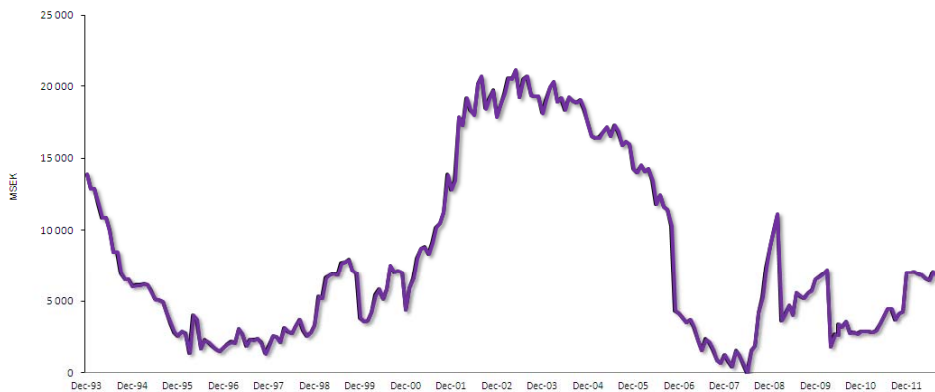


MSEK	30 Sep 2012	31 Dec 2011	Difference
Cash	2,356	3,808	-1,452
Other interest bearing assets	1,615	2,513	-898
Interest bearing liabilities	-10,854	-13,338	+2,484
Financial net debt	-6,883	-7,017	+134

49

Development of financial net debt

1993-2012

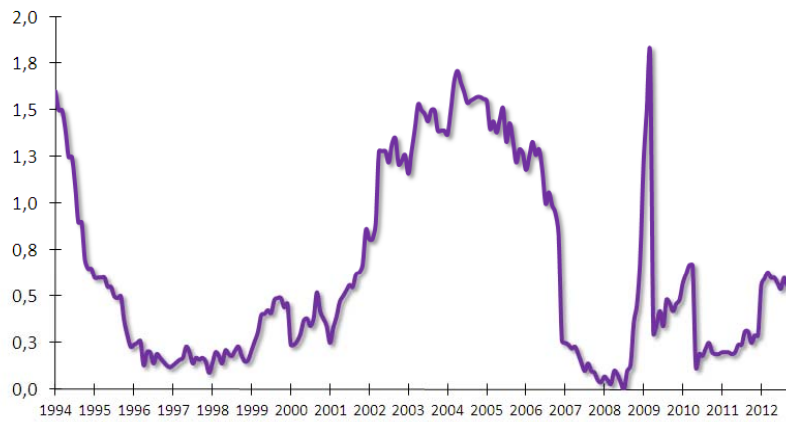
50

Equity / Assets Ratio 1993-2012



51

Financial Net Debt / Equity Ratio 1993-2012



52

Development of the financial net debt

Jan-Sep 2012



SEK billion	
Financial net debt December 2011	-7.0
Investments	-2.4
Sales	+1.8
Cash flow from operating activities	+1.8
Others*	-1.1
Financial net debt September 2012	-6.9

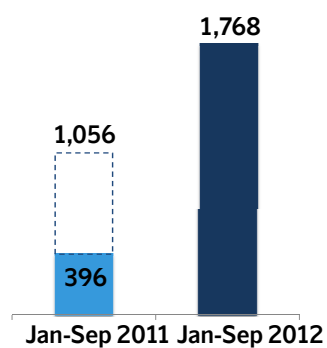
* Of this, SEK 0.3 billion is due to revaluation of financial instruments relating to IAS39 and SEK 0.2 billion relates to reclassification of assets from interest bearing receivables to aircraft

53

Good cash flow and improved working capital



Cash flow from operating activities MSEK



--- Adjusted for EU fine of 660 MSEK

- Improved underlying earnings from operation
- Working capital affected by
 - Sales campaigns
 - Good passenger growth
 - Attractive leisure offering
 - Focus on working capital processes

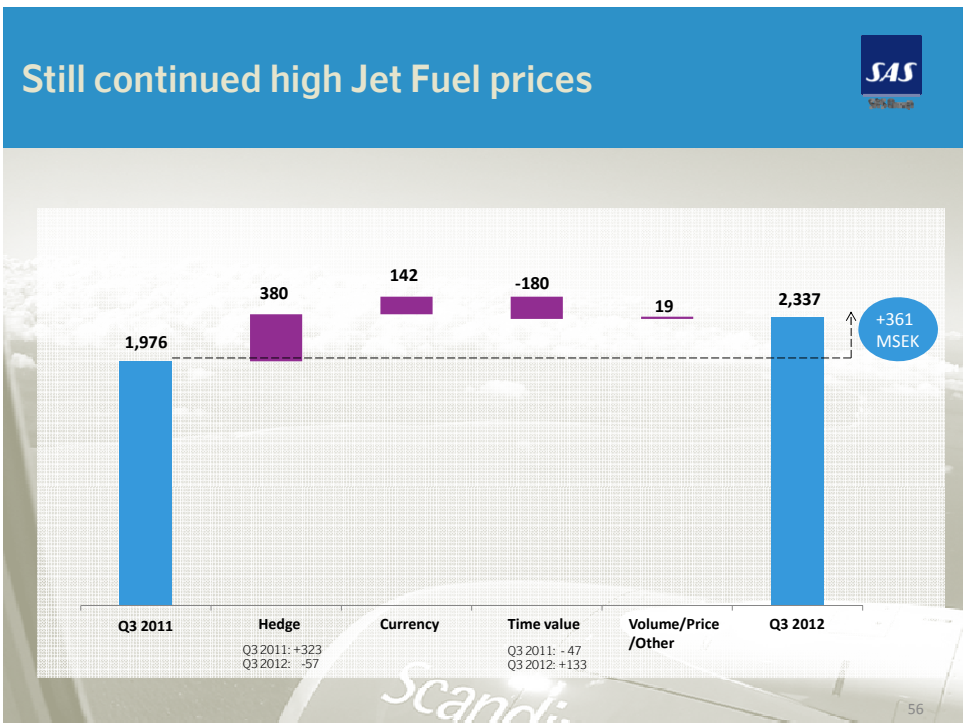
54

Appendices



- 🔗 Fleet & productivity
- 🔗 Unit revenue (yield & RASK) & Unit cost
- 🔗 Traffic & capacity outlook
- 🔗 Financial update
- 🔗 **Currency & Fuel**

55



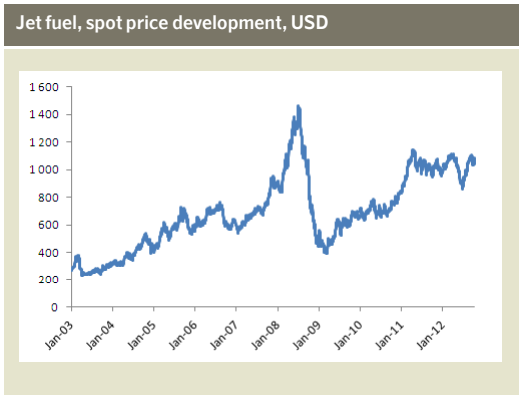
56

Breakdown of currency effects SAS Group

Total revenues & costs currency effects		Jul-Sep 2012 vs 2011	Jan-Sep 2012 vs 2011
Total revenues & costs	USD	-168	-474
	DKK	0	1
	NOK	-50	44
	EUR	-4	-3
	Asian currencies	18	75
	All others	-2	23
Total	-206	-334	
Forward cover costs	2011	-1	673
	2012	31	85
	Difference	32	-588
Working capital	2011	-29	-15
	2012	-36	-84
	Difference	-7	-69
Financial items	2011	13	32
	2012	-44	-6
	Difference	-57	-38
Total currency effects		-238	-1,029

57

Jet fuel prices have stabilized at historically high levels



- Current hedges**
- 57% of the consumption hedged for next 12 months
 - Only swaps and options
 - Due to falling jet fuel prices, the market value of the hedge portfolio was slightly negative in June
- Amended policy to offset fuel price volatility**
- Hedging 40-80% of expected consumption (12 months rolling)
 - Up to 18 months hedging allowed
 - Yield management
 - Cost initiatives

58

Changes in currency exchange rates

affected the result by MSEK -1,029 in Jan-Sep 2012 vs Jan-Sep 2011



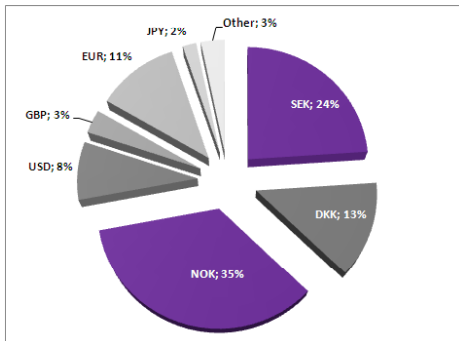
Currency effects MSEK on SAS Group 2012 vs 2011	Jul-Sep 2012	Jan-Sep 2012
<ul style="list-style-type: none"> • Positive impact on revenue due to the weaker SEK, mainly in Q2. In Q3 the SEK strengthened against DKK, NOK and EUR. • Negative impact on other operating costs due to the weaker SEK, mainly in Q2. • Dissolution of USD-hedges for aircraft in 2011 amounted to MSEK 970. 	<p>Total revenue</p> <p>Total costs</p> <p>Forward cover costs & working capital</p> <p>Income before depreciation</p> <p>Financial items</p> <p>Income before tax</p>	<p>225</p> <p>-559</p> <p>-657</p> <p>-991</p> <p>-38</p> <p>-1,029</p>
<p style="text-align: right; margin-right: 10px;">-212</p> <p style="text-align: right; margin-right: 10px;">6</p> <p style="text-align: right; margin-right: 10px;">25</p> <p style="text-align: right; margin-right: 10px;">-181</p> <p style="text-align: right; margin-right: 10px;">-57</p> <p style="text-align: right; margin-right: 10px;">-238</p>		

59

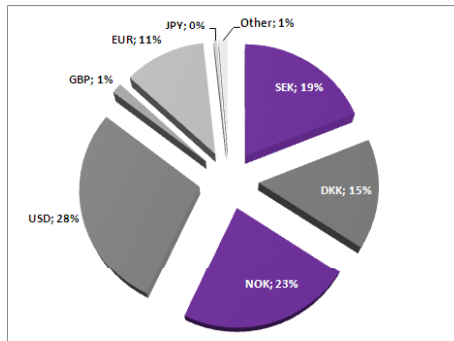
Currency distribution in SAS Group 2011



Revenue



Expenses



60

SAS hedging position



SAS Group's jet fuel hedging portfolio Oct-Dec 2012 Jan-Mar 2013 Apr-Jun 2013 Jul-Sep 2013

Jet fuel hedging proportion 76% 61% 54% 37%

SAS Group's jet fuel costs in 2012
(annual average values)

	5.0 SEK/USD	6.0 SEK/USD	7.0 SEK/USD	8.0 SEK/USD
Market price				
800 USD/MT	SEK 8.6 bn	SEK 8.9 bn	SEK 9.2 bn	SEK 9.5 bn
1,000 USD/MT	SEK 8.9 bn	SEK 9.2 bn	SEK 9.6 bn	SEK 9.9 bn
1,200 USD/MT	SEK 9.1 bn	SEK 9.5 bn	SEK 9.8 bn	SEK 10.2 bn
1,400 USD/MT	SEK 9.3 bn	SEK 9.7 bn	SEK 10.2 bn	SEK 10.6 bn