


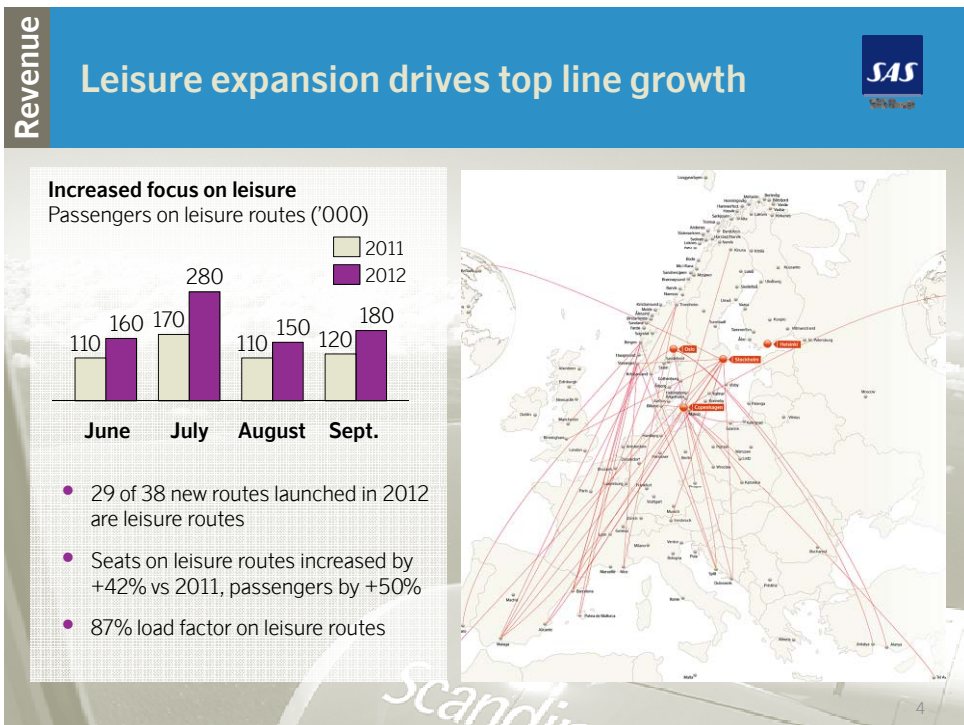
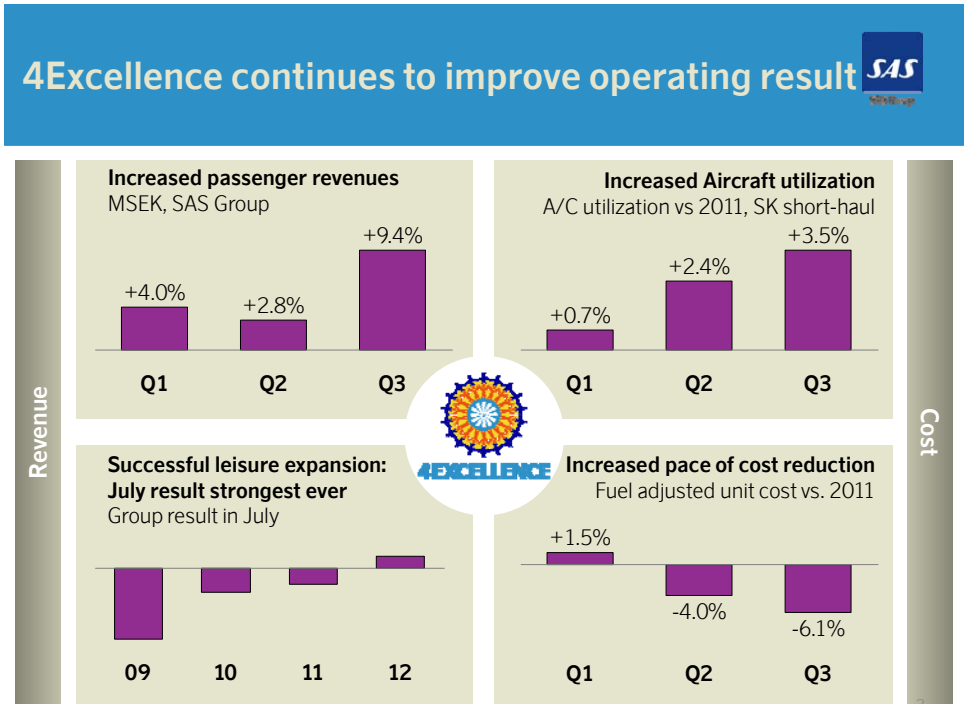


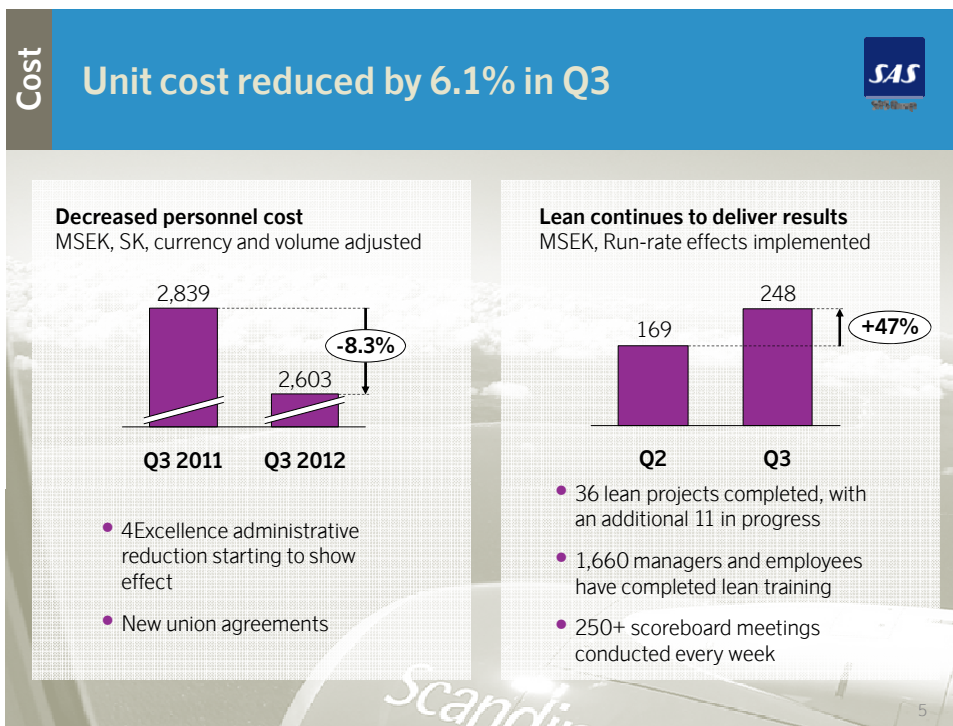
Q3 MSEK 607 EBT before non-recurring items 

- 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



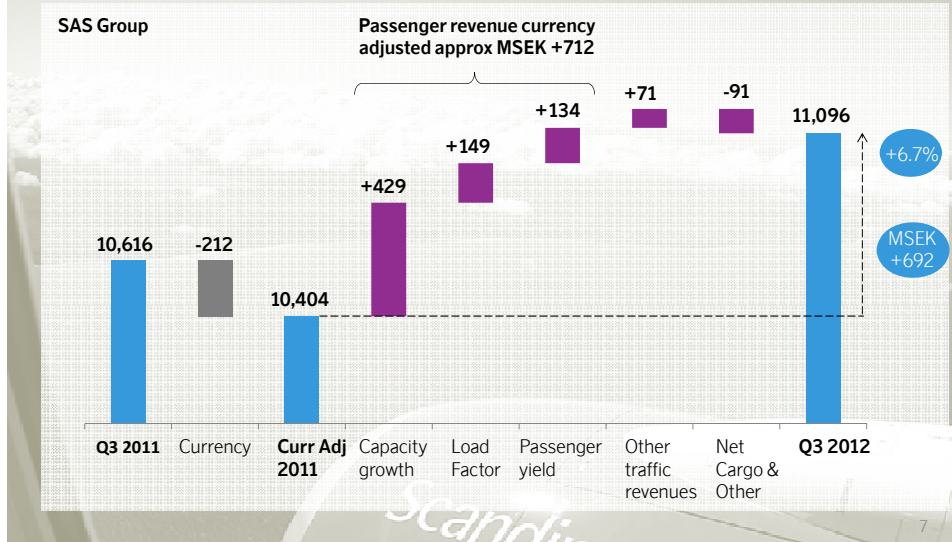


Positive traffic growth and yield in Q3 – Unit cost continues to improve

	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>	-1,452	79

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)

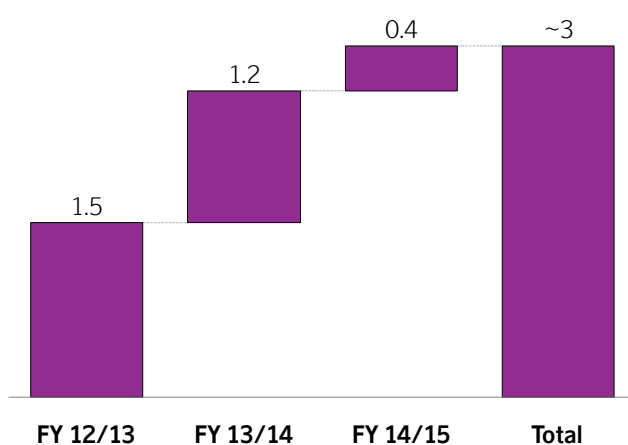
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4XNG will have positive effect already in FY 12/13



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

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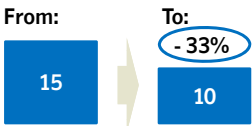
1 Redesigned union agreements to establish crew costs at LCC-level

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)

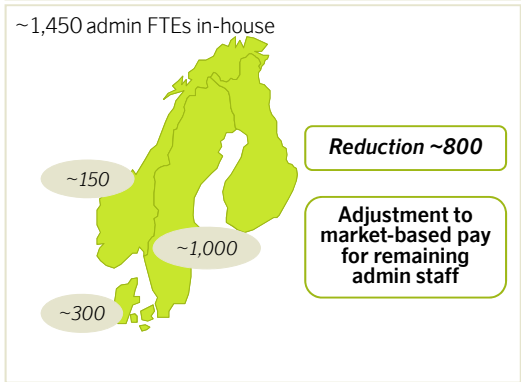
Crew cost per ASK (SEK öre/ASK)



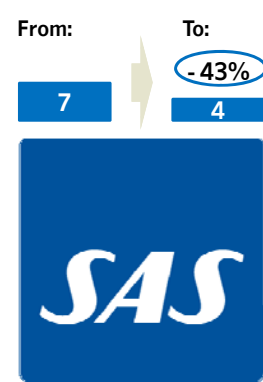
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1 Centralization, reduction, and compensation adjustment of administration personnel

Admin FTE distribution when fully restructured and centralized



Admin cost per ASK (SEK öre/ASK)



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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

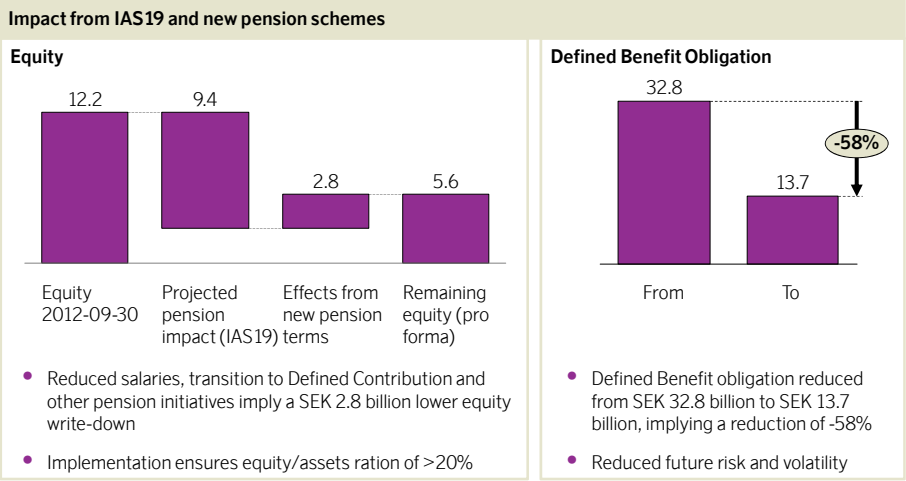


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2 Positive impact of new pension schemes



SEK billion



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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
	

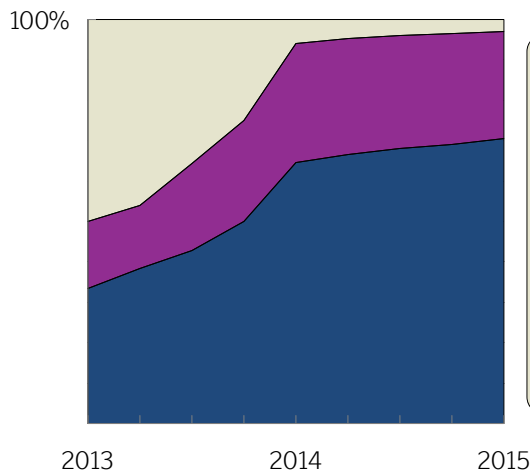
- SEK 3 billion disposals and financing during FY 12/13 and FY 13/14
- In addition, SAS will consider opportunities to realize further value from other assets

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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

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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

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This is what future SAS will look like



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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

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Thank you!



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