



SAS Group Q4 2012 Teleconference December 12, 2012

1

Break-even result in 2012 despite 1.6 bn SEK higher fuel cost



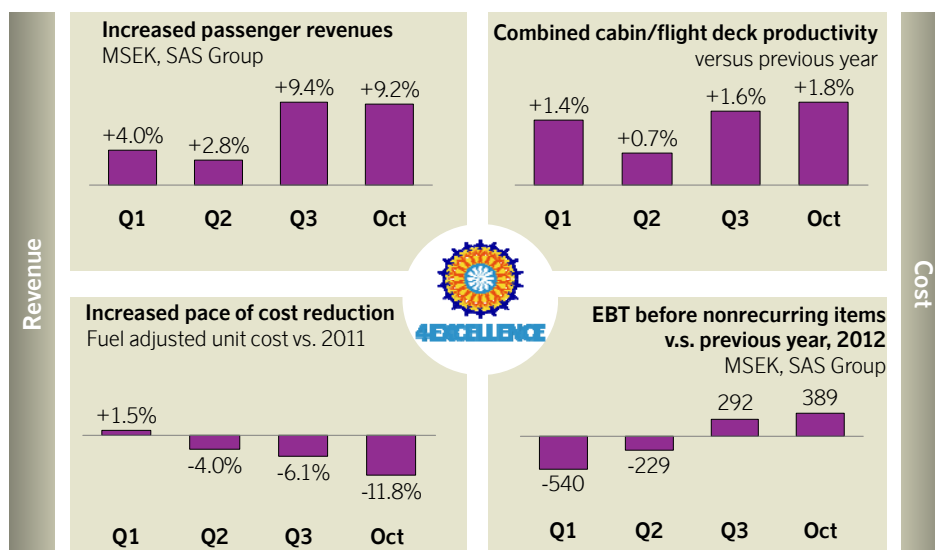
- 23 MSEK EBT (before non-recurring items) despite 1.6 bn SEK higher fuel cost
- Positive revenue development
 - Passenger revenue up 5.6% and 9.2% in Oct (currency adjusted)
 - Passenger growth 1 million in Jan-Oct
 - Successful leisure expansion during summer
- Increased pace in unit cost reductions. Unit cost (excl. fuel and currency adjusted) down 4% in Jan-Oct
- EBT of -1,2 bn SEK after restructuring costs related to the 4XNG



4EXCELLENCE

2

Significant progress in KPIs



EBIT-margin improved in 2012 despite 1.6 bn SEK higher fuel cost




| (MSEK) | Jan-Oct 2012 | Share of revenue | Jan-Oct 2011 | Share of revenue | Change (pp) |
|---|----------------|------------------|----------------|------------------|-------------|
| Total operating revenue | 35,986 | | 34,599* | | |
| Payroll expenses | -10,605 | 29.5% | -10,925 | 31.6% | -2.1 |
| Fuel | -8,035 | 22.3% | -6,465 | 18.7% | +3.6 |
| Government charges | -3,539 | 9.8% | -3,418 | 9.9% | -0.1 |
| Other operating expenses | -10,178 | 28.3% | -10,390 | 30.0% | -1.3 |
| Total operating expenses | -32,357 | 89.9% | -31,198 | 90.2% | -0.3 |
| EBITDAR before non-recurring items | 3,629 | 10.1% | 3,401 | 9.8% | +0.3 |
| Leasing costs, aircraft | -1,303 | 3.6% | -1,273 | 3.7% | -0.1 |
| Depreciation | -1,426 | 4.0% | -1,425 | 4.1% | -0.1 |
| Share of income in affiliated companies | 32 | 0.1% | 32 | 0.1% | -0.0 |
| EBIT before non-recurring items | 932 | 2.6% | 735 | 2.1% | +0.5 |
| Financial items | -909 | 2.5% | -639 | 1.8% | +0.7 |
| EBT before non-recurring items | 23 | 0.1% | 96 | 0.3% | -0.2 |
| Non-recurring items | -1,268 | 3.5% | 285 | 0.8% | |
| EBT | -1,245 | -3.5% | 381 | 1.1% | |

* Excludes MSEK 380 in revaluation of Euro Bonus liability

4

Key drivers point in the right direction


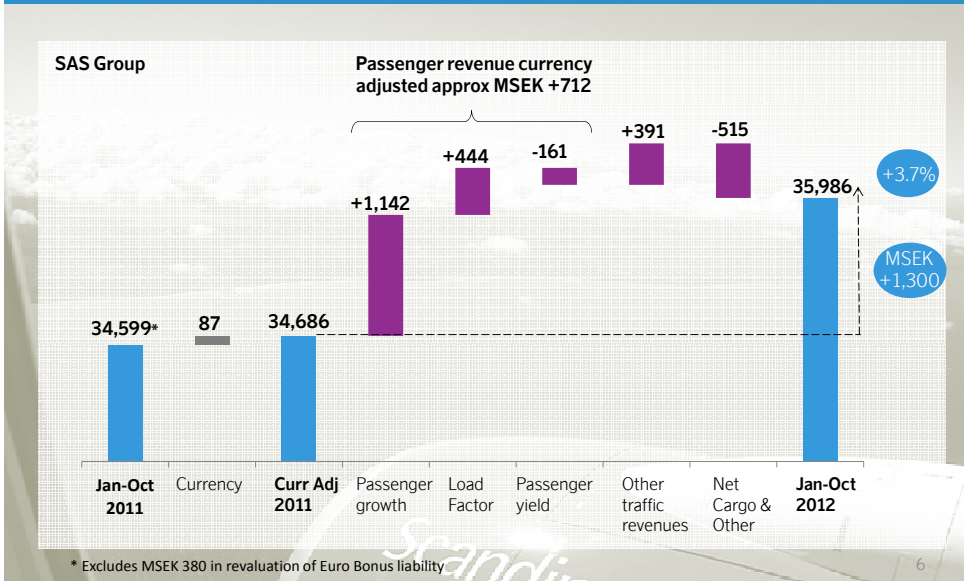


| | Q1'12 | Q2'12 | Q3'12 | OCT'12 | FY'12 |
|----------------------------------|-------------|-------------|-------------|-------------|-------------|
| SAS Group | | | | | |
| Traffic (RPK) | ↑ +5.1% | ↑ +5.9% | ↑ +7.6% | ↑ +5.4% | ↑ +6.2% |
| Passenger load factor | ↑ +2.0 p.u. | ↑ +1.0 p.u. | ↑ +1.5 p.u. | ↓ -1.0 p.u. | ↑ +1.2 p.u. |
| Scandinavian Airlines* | | | | | |
| Passenger yield | ↓ -2.3% | ↓ -2.7% | ↑ +1.8% | ↑ +3.1% | ↓ -0.7% |
| Total unit revenue (RASK) | ↑ +1.7% | → +0.3% | ↑ +3.6% | ↑ +6.0% | ↑ +2.2% |
| Total unit cost (excluding fuel) | ↑ +1.5% | ↓ -4.0% | ↓ -6.1% | ↓ -11.8% | ↓ -4.0% |

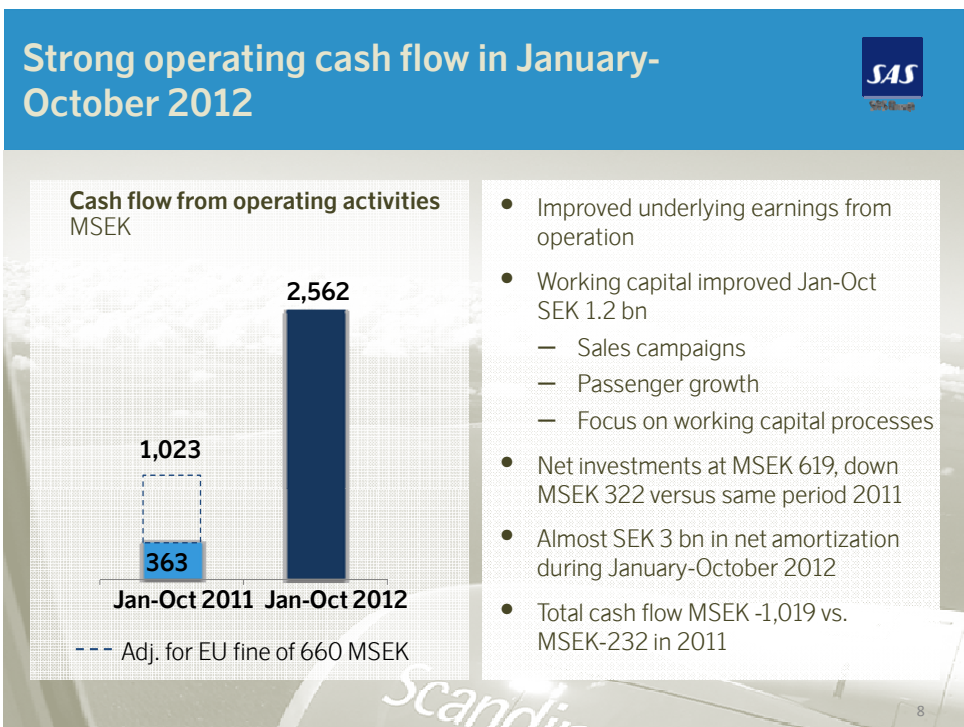
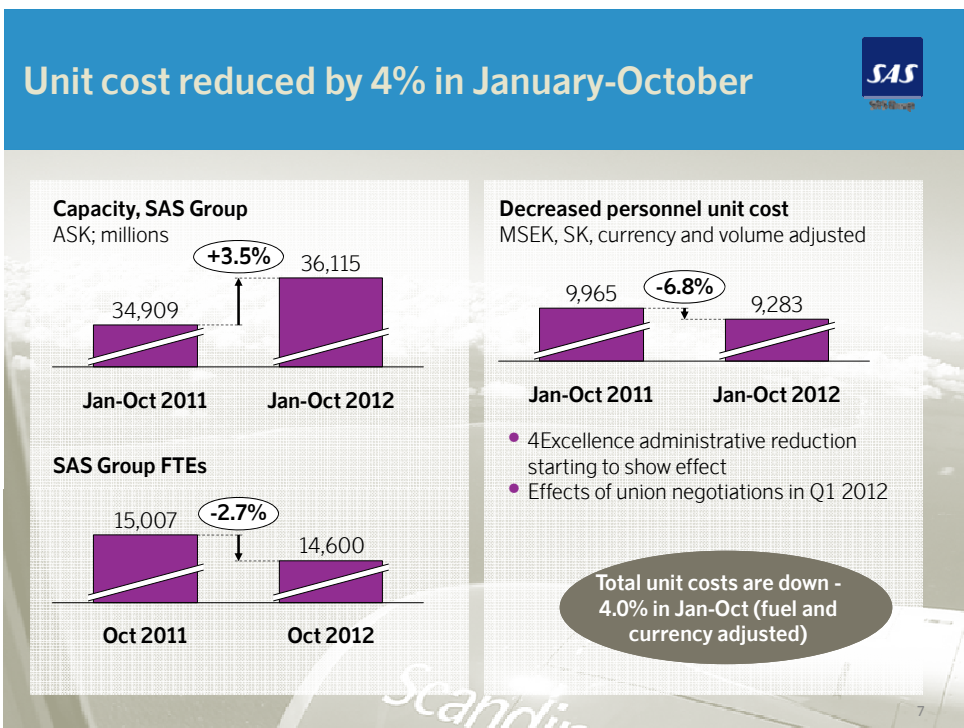
* Including Blue1 from March 2012

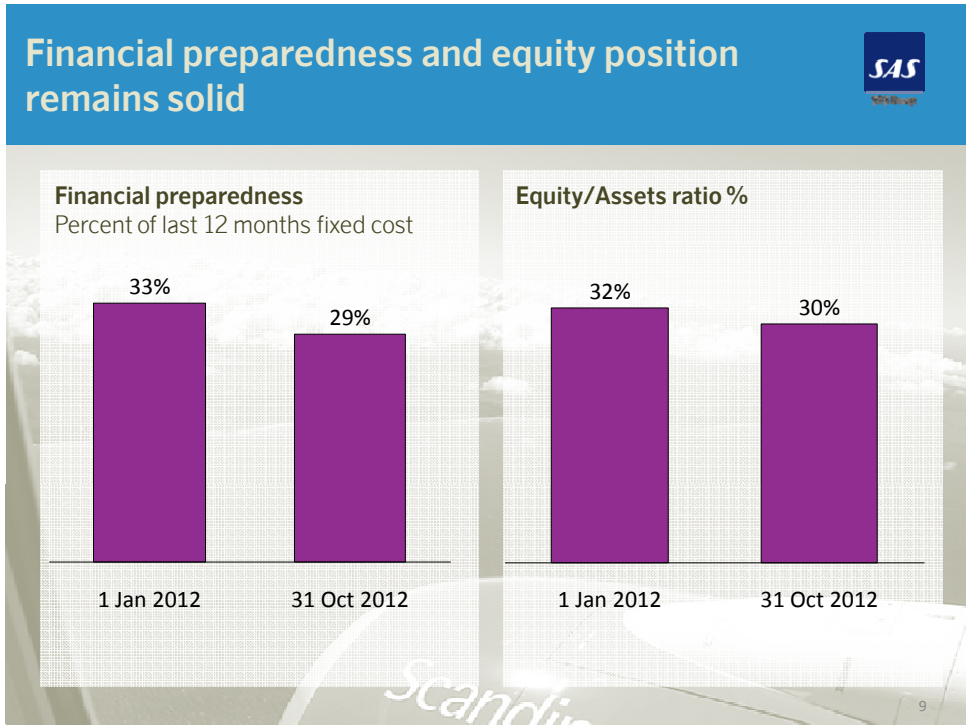
5

Good top line development driven by improved load factor while increasing capacity

6











4Excellence Next Generation (4XNG)




The key strengths in SAS are the foundation for the future SAS




-  • Europe's most punctual major airline for three consecutive years 2009-2011
-  • Strong network and timetable with more than 150 non-stop routes with >255,000 yearly departures
-  • Largest frequent flyer program in Scandinavia, 2.8m members
-  • Strong product & service delivery
 - Mobile solutions
 - On-ground products (e.g. Fast Track)
-  • Strong brand

- SAS Group is #1 in the Nordics with 28m passengers
- SAS position in the corporate market is especially strong with a market share of approximately 55%
- Profitable leisure expansion during summer 2012

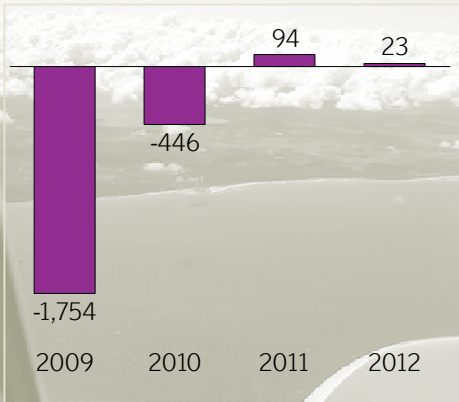


11

However, there are three challenges that must be addressed




Group EBT before non-recurring items
Bn SEK



| Year | Group EBT before non-recurring items (Bn SEK) |
|------|---|
| 2009 | -1,754 |
| 2010 | -446 |
| 2011 | 94 |
| 2012 | 23 |


Key challenges







- 1 Excellence 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 would 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




12

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




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

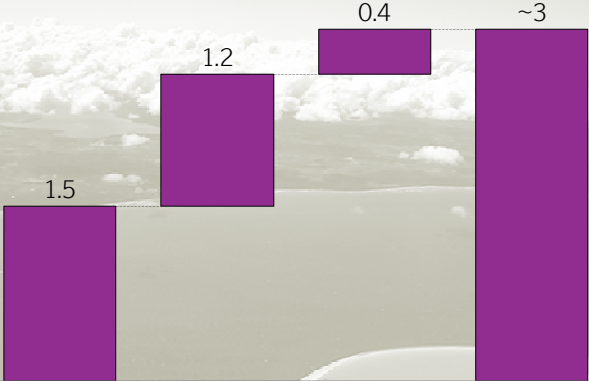
SEK ~3 bn
EBIT
effects in
plan
(~90%
labor-
related)



50% of the financial effects to come already in current fiscal year




Incremental EBIT effects
SEK billion



| Fiscal Year | Incremental EBIT (SEK billion) |
|--------------|--------------------------------|
| FY 12/13 | 1.5 |
| FY 13/14 | 1.2 |
| FY 14/15 | 0.4 |
| Total | ~3 |

- Restructuring cost and one-off implementation costs will be approximately SEK 1.5 billion (whereof ~0.9 bn included in total non-recurring items of 1.3 bn in fiscal year 2012)
- The 4XNG plan is self-financing and requires no new capital



This is what future SAS will look like

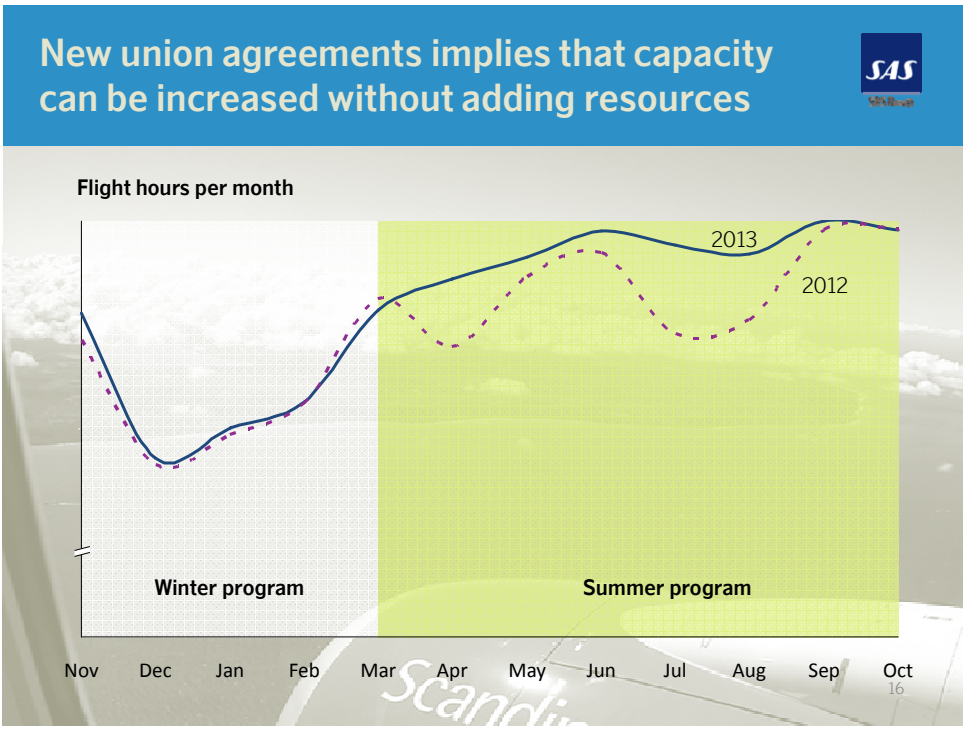


| | | |
|--|---|--|
| Administrative locations |  3 administrative locations |  Administration centralized in SE |
| Divestments and consolidation |    |  |
| No. of employees |  ~15,000 |  ~9,000 |
| Distribution of entire workforce in Scandinavia |  30%  34%  36% |  38%  31%  31% |
| Next generation fleet |  80% |  100% |




Next 737NG aircraft delivered December 14th


15



New capacity makes it possible to launch 45 new routes in 2013



- 38 new routes launched in 2012
- July network profitability in 2012 was all-time-high
- In addition to 2012, 45 new routes will be opened in 2013
 - 11 routes from Sweden
 - 17 routes from Norway
 - 10 routes from Denmark
 - 7 routes from and within Finland



Our plan will create and accelerate profitable growth



Profitable growth



Growth through fleet expansion

Growth through Optimization

Implementing 4Excellence Next Generation

Create a platform for profitability

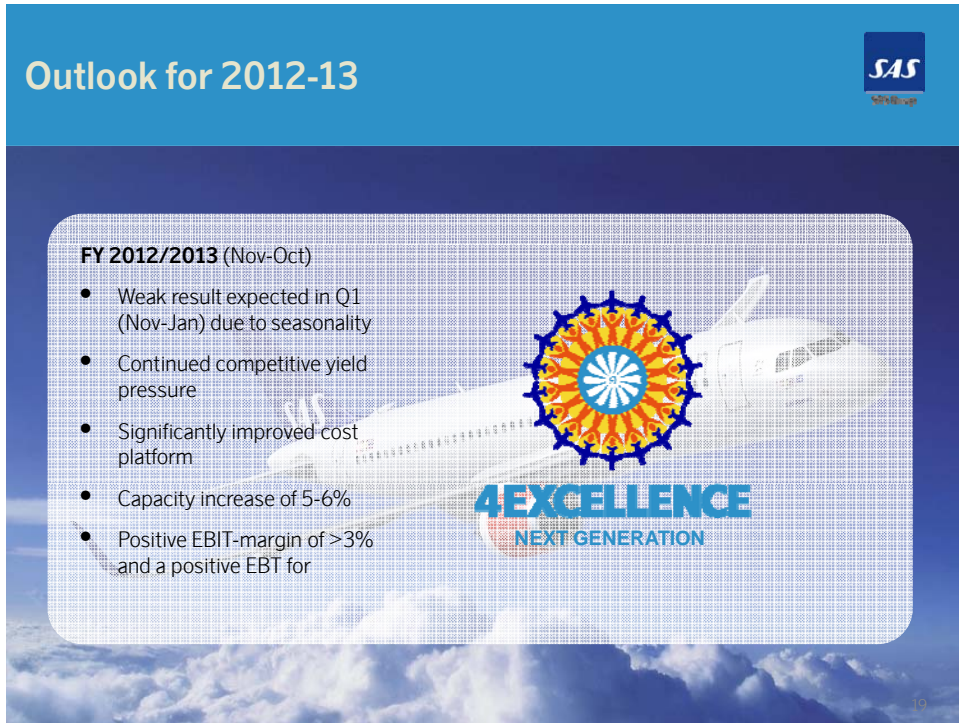
2012-2013
2013-2014
2015

Outlook for 2012-13



FY 2012/2013 (Nov-Oct)

- Weak result expected in Q1 (Nov-Jan) due to seasonality
- Continued competitive yield pressure
- Significantly improved cost platform
- Capacity increase of 5-6%
- Positive EBIT-margin of >3% and a positive EBT for



Thank you!

