

# RISING PASSENGER NUMBERS IN A WEAK QUARTER

## FEBRUARY 2016 – APRIL 2016

- Income before tax: MSEK 127 (355)
- Income before tax and nonrecurring items: MSEK -601 (-331)
- Revenue: MSEK 8,916 (9,403)
- Unit revenue (PASK) declined 11.5%<sup>1</sup>
- Unit cost (CASK) decreased 1.3%<sup>2</sup>
- EBIT margin: 2.7% (4.9%)
- Net income for the period: MSEK 171 (279)
- Earnings per common share: SEK 0.25 (0.58)
- The outlook for the full year 2015/2016 remains firm, see page 8.

1) Currency adjusted.

2) Currency adjusted and excluding jet fuel.

## NOVEMBER 2015 – APRIL 2016

- Income before tax: MSEK -182 (-481)
- Income before tax and nonrecurring items: MSEK -1,005 (-1,160)
- Revenue: MSEK 17,191 (17,774)
- Unit revenue (PASK) declined 10.8%<sup>1</sup>
- Unit cost (CASK) decreased 3.9%<sup>2</sup>
- EBIT margin: 0.3% (-1.1%)
- Net income for the period: MSEK -75 (-361)
- Earnings per common share: SEK -0.76 (-1.63)

## COMMENTS BY THE PRESIDENT AND CEO OF SAS:

“We close the book on a quarter that was unsatisfactory in terms of results. However, it is pleasing to note that the commercial strategy with a focus on frequent travelers is delivering results and increasing numbers of customers are choosing to fly with SAS, which is also reflected in the positive cash flow. Despite substantially reduced jet-fuel costs, we reported weaker results than last year. The weak results were primarily attributable to three factors: increased price pressure, technical maintenance costs and negative currency effects.

We are focusing on frequent travelers and are targeting our initiatives using innovation and increased digitization to strengthen loyalty in this target group. This has attracted 130,000 new EuroBonus members during the quarter and, at the same time, our new corporate program SAS Credits has gained almost 5,000 new customers compared with last year.

Our investment in new long-haul routes is appreciated by our customers and, overall, the bookings status for the summer looks stable. At the same time, we note that the European civil aviation landscape is undergoing rapid change. The market trend toward main growth in the leisure travel segment and an increasing price sensitivity with customers poses challenges for profitability in the industry. At present, SAS is the only airline that operates between Scandinavia and Europe where the flight crews are exclusively subject to Scandinavian employment terms.

Given this background, we have to continue to change to thereby ensure long-term competitiveness and a sustainable return for our shareholders,” says Rickard Gustafson, SAS President and CEO.

## INCOME AND KEY RATIOS

Key ratios (MSEK)	Q2	Q2	Q 1–2	Q 1–2	Rolling 12 months	Rolling 12 months
	Feb–Apr 2016	Feb–Apr 2015	Nov–Apr 2015–2016	Nov–Apr 2014–2015	May–Apr 2015–2016	May–Apr 2014–2015
Revenue	8,916	9,403	17,191	17,774	39,067	39,437
EBIT margin	2.7%	4.9%	0.3%	-1.1%	6.3%	1.2%
Income before tax and nonrecurring items	-601	-331	-1,005	-1,160	1,329	388
Income before tax, EBT	127	355	-182	-481	1,716	-175
Net income for the period	171	279	-75	-361	1,242	-168
Cash flow from operating activities	2,535	1,535	1,946	1,110	3,872	2,179

	Apr 30, 2016	Oct 31, 2015	Apr 30, 2015	Apr 30, 2014
Equity/assets ratio	15%	21%	14%	17%
Financial preparedness (target >20% of fixed costs)	40%	40%	34%	44%
Shareholders' equity per common share, SEK	3.04	8.10	2.15	5.22

# COMMENTS BY THE CEO

- **Income before tax and nonrecurring items was MSEK -601 (-331)**
- **The number of passengers increased by 109,000**
- **SAS's intercontinental traffic increased 22%**
- **The number of EuroBonus members increased by 130,000**
- **Decision taken to retain ground handling services at primary airports**

We close the book on a quarter that was unsatisfactory in terms of results. However, it is pleasing to note that the commercial strategy with a focus on frequent travelers is delivering results and increasing numbers of customers are choosing to fly with SAS, which is also reflected in the positive cash flow.

Despite substantially reduced jet-fuel costs, we reported weaker results than last year. The weak results were primarily attributable to three factors: increased price pressure, technical maintenance costs and negative currency effects of MSEK 463. Ever increasing competition means airlines are lowering ticket prices at a higher than expected rate. We also had increased costs in the quarter as part of increasing our production stability to enable us to live up to our customers' quality requirements. Compared with last year, revenue was negatively impacted by a weaker NOK and, in parallel, we no longer have positive effects from our USD hedging.

During the quarter, we persisted tirelessly with our initiatives to strengthen our customer offering and concurrently increase operational efficiency.

## COMMERCIAL SUCCESSES

SAS is focusing on frequent travelers and is targeting its initiatives using innovation and increased digitization to strengthen loyalty in this target group. This has attracted 130,000 new EuroBonus members during the quarter. In addition, our corporate program for SMEs, SAS Credits, has gained almost 5,000 new customers compared with last year.

Since autumn 2015, we have been expanding our intercontinental network, which is our single largest commercial initiative. In March, we opened new routes to Los Angeles and Boston, and the debut flight to Miami will depart in the autumn. We have taken delivery of our fourth, brand-new, Airbus A330E long-haul aircraft and the long-haul fleet has now been increased to 16 aircraft. In the autumn, we look forward to taking delivery of the first of a total of 30 Airbus A320neos. At the end of June, all in-service long-haul aircraft will have been upgraded as planned with new cabin interiors. The positive response to the new routes and increased frequencies as well as the cabin upgrades exceeded expectations which was one of the contributory factors to an increase in Business Class travel of about 20%. Altogether, more than 360,000 passengers flew on our long-haul routes, which was a record for a second quarter.

We are making the network and destinations more highly adapted to the season. In the spring, we launched four new routes: from Copenhagen to Kraków, Reykjavik and Vienna and between Stockholm and Gdansk. At the end of April, we also launched the SAS Go Light service concept, which is pared-down option adapted to European market trends.

Increasing numbers of frequent travelers desire somewhere to network and work when travelling. To meet this need, we can now offer our most frequent travelers access to a new and inspiring City Lounge in central Stockholm. We now offer SAS Lounges, Fast Track and self-service options for baggage on 75% of the 50 largest passenger routes. No other airline in Scandinavia can offer a comparable product.

To be able to offer each traveler an experience that is as relevant and tailored as possible, we have started the roll-out of iPads to all cabin

crew. These will facilitate more personal service in parallel with increasing efficiency. The iPad implementation forms part of our digital initiative, which will see us launch a new web and mobile platform as well as a new system aimed at creating world-class irregularity management. It is also pleasing that our IT investments and product improvements have been positively received by our customers and in several external customer surveys. We have won a number of awards, including: *Best Airline App in Europe*, *Best International Airline* and *Best Domestic Transport in Sweden*, *Best Airline in Norsk Kundebarmeter*, *Best Customer Service over Social Media* and we are now in the top level in the *Digital Leaders in Sweden* survey with a first place in the *Mobile Services* category.

## EFFICIENCY ENHANCEMENTS MAKING PROGRESS

The impact of cost measures amounted to MSEK 180 in the second quarter. The efficiency enhancements combined with increase in the average flying distance contributed to a 1.3% fall in the unit cost, excluding jet fuel, in the quarter. However, this improvement does not meet our own high ambitions. Since 2012, SAS has implemented cost measures of about SEK 4 billion and significantly streamlined operations. The plan for 2015-2017 was to implement measures resulting in a further SEK 2.1 billion. We have already implemented a large number of these measures, but to maintain continued high production stability and quality, we have chosen not to drive the measures forward at the pace originally planned, primarily with regard to technical maintenance and IT. Certain measures will now be deferred until 2018 and, accordingly, the effect this year will be SEK 0.7 billion compared with the previously announced SEK 1 billion.

Since May, SAS has been in final negotiations with Aviator about outsourcing ground handling at the airports in Gothenburg and Malmö. This is in line with our strategy for line stations in Scandinavia and the rest of the world. Over the last two years, we have implemented efficiency enhancements of MSEK 300 at our primary airports. SAS's digitization agenda means opportunities for further customer improvements, automation and increased flexibility in ground handling services. We have therefore made a judgement call that ground handling services at the primary airports will be best developed by SAS moving forward.

Another key area where we have increased production flexibility is our production together with business partners. In April, the first factory fresh CRJ900s entered service with our business partner CityJet. Wet-lease production is significantly more cost-efficient and enables us to open new routes, offer increased frequencies and, thereby better connections with our primary airports.

## OUTLOOK

Even if the second quarter was weak, our commercial investments have delivered results and the bookings status for the summer looks stable. We are keeping the outlook for 2015/2016, which is presented on page 8. At the same time, we note that the European civil aviation landscape is undergoing rapid change. The market trend toward main growth in the leisure travel segment and an increasing price sensitivity with customers poses challenges for profitability in the industry. At present, SAS is the only airline that operates between Scandinavia and Europe where the flight crews are exclusively subject to Scandinavian employment terms. Given this background, it is crucial that SAS and the labor unions reach consensus about the market trend and the challenges we are facing. It is decisive for SAS's long-term competitiveness that we continue our work with change at a high pace and identify solutions to adapt to the prevailing conditions in European civil aviation.

Stockholm, June 10, 2016

Rickard Gustafson  
President and CEO

# COMMENTS ON SAS'S FINANCIAL STATEMENTS

## MARKET AND TRAFFIC TRENDS

Following more stable capacity growth in 2015, as expected, competitive conditions intensified during the first six months of 2015/2016. Measured in the number of seats offered, capacity in the market increased 6.4%. The largest capacity growth was mainly seen on international routes to/from Scandinavia. At the same time, the total number of passengers in Scandinavia increased about 6.5%. Capacity increased 5.7% in the second quarter and the number of passengers rose 6.8%.

In the first half of 2015/2016, SAS increased scheduled traffic by 8.7% and by 7.9% in the second quarter. The increase was driven primarily by three new long-haul routes and raised frequencies on existing routes. Furthermore, SAS increased production of seasonal destinations, mainly to southern Europe, which also contributed to SAS's total traffic growth. Demand in the Swedish market remained strong. Despite a weaker performance in the oil industry, demand in Norway as a whole continued to trend positively, while competition became intensified in Denmark at the same time as demand trended more weakly.

Unit revenue (PASK) declined 10.8% over the first six months and 11.5% in the second quarter. Unit revenue was impacted to a great extent by the increased production on SAS's long-haul routes. Further details on the traffic trend for SAS are available on page 18.

## EARNINGS ANALYSIS FEBRUARY – APRIL 2016

SAS's operating income was MSEK 240 (458). Income before tax totaled MSEK 127 (355) and income after tax amounted to MSEK 171 (279). The exchange-rate trend had a negative impact on revenue of MSEK -291 and a negative effect on operating expenses of MSEK -138. Accordingly, for the quarter, the exchange-rate trend had a negative impact on operating income of MSEK -429 and including net financial items a negative impact of MSEK -463.

Revenue for SAS amounted to MSEK 8,916 (9,403). After adjustment for currency effects, revenue was MSEK 196 lower year-on-year. Currency-adjusted passenger revenue decreased 2.0%, primarily due to a lower yield. Charter revenue (currency adjusted) rose 3.3%, which was attributable to higher volumes year-on-year. Currency adjusted freight revenue declined 4.7%, mainly due to continued overcapacity in the market and lower prices.

SAS's total capacity (ASK) increased 10.2%, primarily attributable to the increase in intercontinental traffic. This contributed to a decrease in the unit cost (CASK) adjusted for currency and jet fuel of 1.3%. However, this improvement does not meet SAS's own exacting goals. Payroll expenses amounted to MSEK -2,311 (-2,439). After adjustment for currency, payroll expenses declined 2.0% year-on-year. Other operating expenses amounted to MSEK -5,429 (-6,135). These expenses largely comprise jet fuel, which amounted to MSEK -1,497 (-2,299). Adjusted for currency, jet-fuel costs declined 34.8%. The falling price of oil had a positive effect of MSEK 568 and hedge effects (including the effect of time value) had a positive impact of MSEK 323 year-on-year. Technical maintenance costs, which are included in other operating expenses, amounted to MSEK -926 (-609). This increase was mainly attributable to more extensive maintenance, return requirements on leased aircraft and changed assessments for future engine maintenance.

During the period, the implementation of the ongoing restructuring program resulted in cost reductions of about MSEK 180.

Leasing costs amounted to MSEK -706 (-662). Adjusted for currency effects, leasing costs increased 6.8%. Net financial items for

SAS amounted to MSEK -113 (-103), of which net interest expense was MSEK -101 (-126).

Total nonrecurring items comprised restructuring costs, capital gains/losses and other nonrecurring items. Restructuring costs totaled MSEK -11 (-12). Capital gains amounted to MSEK 84 (698) and pertained to aircraft transactions of MSEK 80 (18). The preceding year also included the sale of slot pairs for MSEK 678 and buildings for MSEK 2. Other nonrecurring items totaled MSEK 655 (0), which comprised the repayment of fines from 2010 as a result of the European Commission not appealing the European Court of Justice's ruling on the global air cargo cartel.

## EARNINGS ANALYSIS NOVEMBER 2015 – APRIL 2016

SAS's operating income before tax totaled MSEK 54 (-199). Income before tax amounted to MSEK -182 (-481) and income after tax was MSEK -75 (-361). The exchange-rate trend had a negative impact on revenue of MSEK -369 and a negative effect on operating expenses of MSEK -506. Accordingly, the exchange-rate trend had a negative impact on operating income of MSEK -875 for the first six months.

Revenue for SAS amounted to MSEK 17,191 (17,774). After adjustment for currency effects, revenue was MSEK 214 lower year-on-year. Currency-adjusted passenger revenue decreased 0.6%, primarily due to a lower yield. Charter revenue (currency adjusted) was 4.2% lower, which was attributable to lower volumes. Currency adjusted freight revenue declined 3.3%. The main reason was the continued overcapacity in the market.

SAS's total capacity (ASK) increased 10.7%, primarily attributable to the increase in intercontinental traffic. This contributed to a decrease in the unit cost (CASK) adjusted for currency and jet fuel of 3.9%. However, this improvement does not meet SAS's own exacting goals. Payroll expenses amounted to MSEK -4,645 (-4,917). After adjustment for currency, payroll expenses declined 2.5% year-on-year. Other operating expenses amounted to MSEK -10,598 (-11,803). These expenses largely comprise jet fuel, which amounted to MSEK -2,725 (-4,322). Adjusted for currency, jet-fuel costs declined 40.5%. The falling price of oil had a positive effect of MSEK 1,264, currency had a negative effect of MSEK -258, volume a negative effect of MSEK -251 and hedge effects (including the effect of time value) had a positive impact of MSEK 706 year-on-year. Technical maintenance costs, which are included in other operating expenses, amounted to MSEK -1,623 (-1,258). This increase was mainly attributable to more extensive maintenance, return requirements on leased aircraft and changed assessments for future engine maintenance.

During the period, the implementation of the ongoing restructuring program resulted in cost reductions of about MSEK 335.

Leasing costs amounted to MSEK -1,406 (-1,263). Adjusted for currency effects, leasing costs increased 5.2%. Net financial items for SAS amounted to MSEK -237 (-285), of which net interest expense was MSEK -214 (-278).

Total nonrecurring items comprised restructuring costs, capital gains/losses and other nonrecurring items. Restructuring costs totaled MSEK -11 (-12). Capital gains amounted to MSEK 179 (710) and pertained to aircraft transactions of MSEK 175 (18). The preceding year also included the sale of slot pairs for MSEK 678 and buildings for MSEK 2. Other nonrecurring items totaled MSEK 655 (-19), which comprised the repayment of fines from 2010 as a result of the European Commission not appealing the European Court of Justice's ruling on the global air cargo cartel.

## FINANCIAL POSITION

Cash and cash equivalents were MSEK 9,121 (7,362) at April 30, 2016. SAS also had unutilized contracted credit facilities amounting to MSEK 2,742 (2,699). Financial preparedness amounted to 40% (34%) of the Group's fixed costs.

The SAS Group's interest-bearing liabilities increased MSEK 248 compared with October 31, 2015 and amounted to MSEK 9,993 on the closing date. New loans amounted to MSEK 453 and repayments amounted to MSEK 510. The change in gross financial debt since the start of the year was also attributable to a negative trend in the market value of financial derivatives of slightly more than MSEK 600 and a positive effect from currency revaluations of slightly less than MSEK 300.

In 2014, SAS issued a convertible bond loan, which was valued at MSEK 1,462 on April 30, 2016. During the first quarter of the year, bonds were converted to 1,082,551 common shares, corresponding to a nominal amount of MSEK 26.

During the first six months, net financial receivables increased MSEK 456 to MSEK 1,182 on the closing date. The increase was mainly attributable to positive cash flow of almost SEK 1 billion and the negative effect from the revaluation of financial derivatives of about MSEK 500.

At April 30, 2016, the equity/assets ratio was 15% (14%) and the adjusted equity/assets ratio was 9% (9%). Since October 31, 2015, the equity/assets ratio has declined 6% and equity has decreased by MSEK 1,660. The primary reason for this is the market valuation of cash-flow hedges and the defined-benefit pension plans that had a total negative impact on equity of MSEK 1,234.

The adjusted debt/equity ratio amounted to 3.76 (3.75). The adjusted ratios take into account leasing costs.

For the balance sheet; refer to page 10.

## CASH-FLOW STATEMENT

Cash flow from operating activities, before changes in working capital, amounted to MSEK 306 (-571) in the first six months of the fiscal year. The positive trend was attributable to improved earnings, which were partially due to the repayment of the fine from the EU of MSEK 655.

The change in working capital amounted to MSEK 1,640 (1,681) and was at the same level as last year. The six-month positive trend was mainly due to the seasonal increase in unearned transportation revenue in the second quarter of the fiscal year.

Investments totaled MSEK 3,095 (1,207) of which MSEK 2,960 (1,056) pertained to aircraft. These include delivery payments for two new Airbus A330Es that were immediately divested on the basis of a sale and leaseback agreement and the acquisition of two Boeing 737s, one Airbus A321 and one Airbus A340 that were previously under operating leases. Other investments mainly comprise aircraft modifications, capitalized expenditures for engine maintenance and advance payments to Airbus.

Blue1 was divested in November, which had a negative impact of MSEK 2 on the Group's cash and cash equivalents.

The sale of three Boeing 717s, six MD-90s and the sale and leaseback of the two Airbus A330Es and one Airbus A321, which were acquired during the period, generated MSEK 2,391. In addition,

MSEK 105 was received as the remaining portion of the purchase consideration for the slot pairs at London Heathrow that were sold in the preceding fiscal year.

Cash flow before financing activities was MSEK 1,519 (335).

New loans for the first half of the year amounted to MSEK 453 (255), while repayments totaled MSEK 510 (1,836). In addition, cash flow from financing activities was impacted by the realization of financial derivatives, which generated substantial positive effects in the preceding year.

Cash flow for the six-month period totaled MSEK 924 (-55)

Cash and cash equivalents amounted to MSEK 9,121 according to the balance sheet, compared with MSEK 8,198 at October 31, 2015.

For the cash-flow statement; refer to page 11.

## SEASONAL VARIATIONS

Demand, measured as revenue passenger kilometers (RPK), in SAS's markets is seasonally low from November to April and at its peak from May to October. However, the share of advance bookings is greatest from January to May, which has a positive effect on working capital.

Seasonal fluctuations in demand impact cash flow and earnings differently. Passenger revenue is recognized when customers actually travel, while cash flow is positively impacted during months in which bookings increase. This means increased revenue in the high-traffic months from May to October. Since a substantial share of an airline's costs is fixed, earnings are impacted by fluctuations in revenue levels.

As traffic is lower in the November to April period, the first and second quarters are seasonally the weakest quarters in terms of earnings. However, cash flow from operating activities is seasonally weak in the first and third quarters.

## FINANCIAL TARGETS

The SAS Group's overriding goal is to create value for its shareholders. To reach this goal, SAS pursues three strategic priorities to meet trends and industry developments, ensure competitiveness and provide the prerequisites for long-term sustainable profitability.

SAS is affected by the economic trend in Europe, the exchange-rate trend, jet-fuel prices and the extensive changes to the European airline industry with intensified competition as a result of increases expected in market capacity from 2016. Given the inherent uncertainty of these external factors, SAS, in line with numerous other airlines, has chosen not to specify targets for profitability or its equity/assets ratio. However, SAS has a target for financial preparedness which is to exceed 20% of annual fixed costs.

## EVENTS AFTER APRIL 30, 2016

- SAS decided to retain ground handling services at primary airports and to initiate final negotiations with Aviator about the outsourcing of ground handling at the line stations in Gothenburg and Malmö.
- SAS and the cabin crew unions in Norway and Sweden signed new collective agreements.
- SAS signed letters of intent for the financing of seven Airbus A320s.
- SAS and the pilot associations in Norway signed new collective agreements.

# STRATEGIC PRIORITIES FOR SAS

To strengthen its competitiveness and to meet the challenges in the industry, we are implementing a number of measures within three strategic priority areas:

1. Win Scandinavia's frequent travelers
2. Establish an efficient platform
3. Secure the right capabilities

## WIN SCANDINAVIA'S FREQUENT TRAVELERS

SAS's product is designed with a focus on frequent travelers to, from and within Scandinavia. The most frequent travelers are also the people with the greatest demands on their travel experience. This benefits all our customers and based on this target group, we have introduced the following service concepts: SAS Go, SAS Plus and SAS Business. Following a positive test period, the service concept was complemented in April with SAS Go Light, which is a pared-down option adapted to European market trends.

SAS's EuroBonus program is at the core of establishing a closer relationship with customers, while simultaneously setting SAS apart from the competition. The number of EuroBonus members increased by 130,000 during the first quarter and now totals 4.4 million. The share of revenue from EuroBonus members rose 1.4 percentage points year-on-year and is now over 50%. We are gradually renewing the digital platform for EuroBonus, which will improve the customer experience on our website. This is part of our digital investment of approximately SEK 0.5 billion, aimed at making life easier for frequent travelers. The number of customers in our corporate program SAS Credits has increased by almost 5,000 year-on-year.

We are making the network and destinations more highly adapted to the season. In the spring we launched four new permanent routes: Stockholm-Gdansk and Copenhagen to Kraków, Reykjavik and Vienna. By phasing in new CRJ900s with our business partner CityJet, we have strengthened and improved our regional network with increased frequencies and, accordingly, better connections with our primary airports.

Our intercontinental investment is continuing as planned. In March, we opened routes between Stockholm and Los Angeles as well as Copenhagen and Boston, which were well-received by our customers. Our debut flight to Miami takes off in September. In addition, from the end of June, all of our long-haul aircraft will be upgraded with our new cabin interiors, which are considered by many to be the best in Europe. The positive response from business travelers to the new routes and increased frequencies as well as the cabin upgrades exceeded expectations which was one of the contributory factors to an increase in Business Class travel of about 20%, which should be compared with the 12% increase in the number of seats offered in Business Class. All told, record numbers of travelers flew on our long-haul routes during the quarter.

Increasing numbers of frequent travelers desire somewhere to network and work when travelling. We can now offer our most frequent travelers access to a new and inspiring City Lounge in central Stockholm. In February and March 2016, we decided to open Café Lounges at the airports in Malmö and Luleå. These strengthen our product on the ground and more Café Lounges are planned for Scandinavia.

Product investments are appreciated by our customers, which is reflected in continued high levels of customer satisfaction. Furthermore, SAS's product improvements have been positively received in several external customer surveys recently. SAS received awards as the best domestic airline and best domestic transport at the Business Travel Awards in Sweden, best airline in Norsk Kundebarometer and

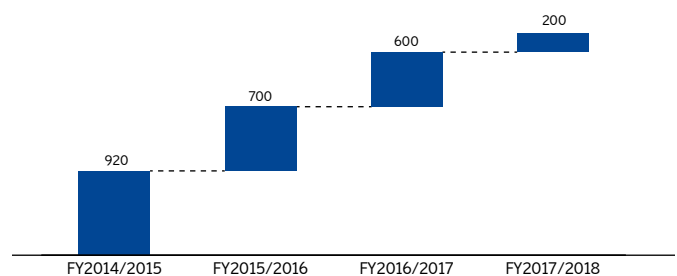
the airline that provides the best service to its customers in ServiceScore's annual survey. Recently, SAS also received this year's award for best customer service in social media in the Swedish Digital Awards. SAS was also rated among the very best in the consulting firm BearingPoint's survey and list of Digital Leaders in Sweden, with first place in the mobile services category.

## ESTABLISH AN EFFICIENT PLATFORM

Since 2012, SAS has implemented cost measures of about SEK 4 billion and significantly streamlined operations. The plan for 2015–2017 was to implement measures resulting in a further SEK 2.1 billion. We have already implemented a large number of these measures, but to maintain continued high production stability and quality, we have chosen not to drive the measures forward at the pace originally planned, primarily with regard to technical maintenance and IT. The impact of certain measures will now first apply from 2018 and, therefore, the effects in 2015/2016 will be about SEK 0.7 billion instead of SEK 1 billion..

## UPDATED EFFECTS FROM COST MEASURES<sup>1</sup>

MSEK



1) Including SEK 0.3 billion from the restructuring program launched in November 2012.

## Measures with earnings impact in 2015/2016

SAS's production model is based on producing the majority of traffic for the larger traffic flows under SAS's own traffic license based on a homogeneous aircraft fleet, while smaller flows and regional traffic are managed via business partners (wet lease). Wet-lease-based production (including Cimber) accounts for about 8% of capacity. In spring 2016, our business partner CityJet gradually started flights with six, brand new, Bombardier CRJ900s and by the end of the year, eight aircraft will have entered service. The production is significantly more cost-efficient and concurrently reduces the complexity of our own production. We now have only two aircraft types under our own traffic license for traffic in Europe.

We are also investing in the aircraft fleet to strengthen the customer experience, enhance operational efficiency and reduce environmental impact. Since autumn 2015, four Airbus A330Es have been delivered. The first Airbus A320neo aircraft of a total order of 30 aircraft are scheduled for delivery in the autumn.

Since May 2016, SAS has been in final negotiations with Aviator about the outsourcing of ground handling at the airports in Gothenburg and Malmö. This is in line with our strategy for line stations in Scandinavia and the rest of the world. Over the last two years, we have implemented efficiency enhancements of MSEK 300 at our primary airports and SAS's digitization agenda means opportunities for further customer improvements, automation and increased flexibility in ground handling services. We have therefore made a judgement call that ground handling services at the primary airports will be best developed under our own wing moving forward.

Within technical maintenance, a new IT system has been implemented for all technical operations and this system will play a key role

in further simplification and streamlining of our work methods. In addition, the outsourcing of Base Maintenance in Stockholm and Oslo will also generate an earnings impact. In addition, we can realize cost savings by selling spare parts and through lower costs for maintenance outside Scandinavia. We have now introduced Lean and achieved tangible results. For example, we improved the process in Oslo so that the time an aircraft is out of service due to unplanned maintenance has decreased significantly and corresponding Lean programs will be implemented in Copenhagen and Stockholm.

At the same time, we note that the European civil aviation landscape is undergoing rapid change. The market trend toward main growth in the leisure travel segment and an increasing price sensitivity with customers poses challenges for profitability in the industry. At present, SAS is the only airline that operates between Scandinavia and Europe where the flight crews are exclusively subject to Scandinavian employment terms. Given this background, it is crucial that SAS and the labor unions reach consensus about the market trend and the challenges we are facing.

It is decisive for SAS's long-term competitiveness that we continue our work with change at a high pace and identify solutions to adapt us to the prevailing conditions in European civil aviation.

#### **Restructuring costs**

The cost measures for 2015–2017 resulted in restructuring costs of a total of SEK 1.5 billion in the 2013/2014 and 2014/2015 fiscal years. No restructuring costs arose during the first six months of 2015/2016.

#### **SECURE THE RIGHT CAPABILITIES**

Over the last few years, SAS has undergone major structural changes to meet increasing competition, which set new requirements for leadership and competence within SAS. To create the right preconditions for our employees and to attract new talents, we have identified four focus areas that we concentrate on: *strengthen employee commit-*

*ment, develop leadership, secure talent supply and create an attractive workplace.*

SAS conducts regular measurements of employee satisfaction and commitment in the organization. The last measurement was carried out in 2016 and shows a positive trend among employees throughout the organization, which is positive.

SAS is strengthening its leadership through a number of measures and initiatives as part of identifying a shared consensus regarding the market trends and to tackle the challenges we are facing. Leadership training has improved, pursers have been trained in leadership and a mentor program has been rolled out to strengthen networking and contributing to a culture whereby managers have a structured approach to their involvement in the development of employees. Another initiative is the *Forum 50* network, where key individuals from various parts of operations meet to increase business understanding and to create an open dialog between employees and Group Management in a more open format.

SAS's compiled competence has been mapped in a people review process to manage talent supply and ensure that the company has the right skills in both the short and long term. The process has identified talents and many employees have now been given new positions or increased responsibility. In parallel, all senior managers have worked actively to identify one or two internal successors to thereby secure an efficient succession and promote internal movement.

SAS's latest survey also shows increased pride in working for SAS and that the company's has become more attractive as a workplace. The survey was conducted by Universum, which measures Norwegian university students views regarding workplaces and where SAS was the ninth most attractive workplace in spring 2016. SAS has also focused on reducing long-term sick leave, which has resulted in the figure now being 4.0%. The reduction has been achieved by identifying challenges and initiating measures as well as by ensuring rehabilitation and online courses are in place.

# RISKS AND UNCERTAINTIES

SAS works strategically to refine and improve its risk management. Risk management includes identifying both new risks and known risks, such as changes in jet-fuel prices or exchange rates. SAS monitors general risks centrally, while portions of risk management are conducted in the operations and include identification, action plans and policies. For further information about risk management at SAS, refer to the most recently published annual report.

## CURRENCY AND FUEL HEDGING

Financial risks pertaining to changes in exchange rates and fuel prices, are hedged with derivatives, which aim to counter short-term negative fluctuations and provide scope for adapting operations to long-term changes in levels. Another aim of SAS's hedging strategy is to enable SAS to act quickly when changes in exchange rates and fuel prices are advantageous.

The policy for jet-fuel hedging states that fuel should be hedged at an interval of 40–80% of anticipated volumes for the coming 12 months. The policy also allows hedging up to 50% of the anticipated volumes for the period, 12 to 18 months.

As of April 30, 2016, the hedging of SAS's future jet-fuel consumption for the remainder of the fiscal year was primarily conducted through swaps. The hedging ratio for the next 12 months amounts to 68% and about 15% has been hedged for the next six-month period. Under current plans for flight capacity, the cost of jet fuel during the 2015/2016 fiscal year is expected to be in line with the table below, taking into account different prices and USD rates and including jet-fuel hedging.

The cost of jet fuel in the statement of income does not include the effects from SAS's USD currency hedging. The effects from SAS's currency hedging are recognized in profit or loss under "Other operating expenses," since SAS's currency hedging is performed separately and is not linked specifically to its jet-fuel purchases.

For foreign currency, the policy is to hedge 40–80%. At April 30, 2016, SAS had hedged 60% of its anticipated USD deficit for the next 12 months. SAS has hedged the USD deficit using forward contracts. In terms of NOK, which is SAS's largest surplus currency, 60% was hedged for the next 12 months. Based on the currency exposure for 2014/2015, a weakening of the NOK against the SEK of 1% would generate a negative earnings impact of MSEK 65, excluding hedge effects. A weakening of the USD against the SEK of 1% would generate a positive earnings impact of MSEK 108, excluding hedge effects.

### HEDGING OF JET FUEL

Hedge level (max price)	May–July 2016	Aug–Oct 2016	Nov 2016 –Jan 2017	Feb 2017 –Apr 2017	Maj–Jul 2017
USD 401–500/tonne	–	–	62%	47%	31%
USD 501–600/tonne	70%	91%	–	–	–

### VULNERABILITY MATRIX, JET-FUEL COST NOVEMBER 2015 TO OCTOBER 2016, SEK BILLIONS<sup>1</sup>

Market price	Exchange rate SEK/USD				
	6.00	7.00	8.00	9.00	10.00
USD 300/tonne	5.3	5.7	6.1	6.5	7.0
USD 400/tonne	5.3	5.7	6.2	6.6	7.0
USD 600/tonne	5.4	5.9	6.3	6.8	7.2
USD 800/tonne	5.5	6.0	6.5	6.9	7.4
USD 1,000/tonne	5.6	6.1	6.5	7.0	7.5

1) SAS's current hedging contracts for jet fuel at April 30, 2016 were taken into account.

## LEGAL ISSUES

The European Commission's decision in November 2010 found SAS and many other airlines guilty of participating in a global air cargo cartel and ordered SAS to pay a fine of MEUR 70.2. SAS appealed the decision in January 2011 and in December 2015, the General Court of the European Court of Justice annulled the European Commission's decision including the MEUR 70.2 fine. The European Court of Justice's ruling has entered force and the MEUR 70.2 fine was repaid to SAS at the beginning of March 2016, and has been recognized as a nonrecurring item in the second quarter of the 2015/2016 fiscal year. The European Commission could make a new decision in relation to this matter and SAS has received indications that the European Commission could do so. SAS has no insight into and is unable to influence the exact timing of any new decision or its formulation.

As a consequence of the European Commission's decision in the cargo investigation in November 2010, SAS and other airlines fined by the Commission are involved in various civil lawsuits initiated by cargo customers in countries including the UK, the Netherlands, Germany and Norway. SAS is evaluating the impact that a legally binding ruling from the European Court of Justice could have on the ongoing actions for damages. SAS contests its responsibility in all of these legal processes. Unfavorable outcomes in these disputes could have a significantly negative financial impact on SAS. Further lawsuits by cargo customers cannot be ruled out and no provisions have been made.

The SAS pilot associations have filed a lawsuit against SAS with the Swedish Labour Court claiming damages for breach of collective agreements. No financial damages were specified in the summons application. The dispute pertains to a large group of pilots employed at the Stockholm base but who worked out of the Copenhagen base, and the calculation and coordination of the rights to Swedish and Danish pension benefits of these pilots on changing bases. SAS contests all claims. In an intermediate judgement, announced on February 3, 2016, the Swedish Labour Court rejected the pilot associations' claim that the Court should confirm that SAS had breached collective agreements. This means that the pilot associations' grounds for claiming damages have been limited. The pilot associations have withdrawn their action in the Swedish Labour Court and what remains is to determine how to apportion the parties' litigation costs.

A group of former Braathens cabin crew have, through the Parat trade union, initiated a legal process against SAS at a general court in Norway with a claim for correction of a work time factor (part-time percentage) in the calculation of pension rights in the occupational pension plan in accordance with the Norwegian Occupational Pensions Act. The summons application contains no specified demand for compensation. SAS contests the claim. SAS won the initial case, however the judgement has been appealed by the counterparty. The financial exposure is difficult to quantify, but SAS considers the risk of a negative outcome to be limited and no provisions have been made.

A large number of former cabin crew of SAS in Denmark are pursuing a class action against SAS at a Danish court, demanding additional payments from SAS to the Pension Improvements Fund for Cabin Crew (the CAU fund) citing that the CAU fund is a defined-benefit supplementary plan. The financial exposure is difficult to quantify, but SAS, which disputes the claim, considers the risk of a negative outcome to be limited and no provisions have been made.

# OUTLOOK FOR 2015/2016

Capacity growth in Scandinavia is expected to increase about 5–6% in 2015/2016 and lead to more intense competition. At the same time, SAS is continuing its focused efforts on strengthening competitiveness through product investments and efficiency measures. In 2015/2016, SAS plans to increase capacity on the intercontinental routes by 25%. Growth will be through expansion of the long-haul fleet and increased resource utilization, which will increase the average flight distance and, as a consequence, SAS expects this to result in a lower unit cost and a lower unit revenue during the fiscal year. Jet-fuel costs were significantly lower in the first six months of 2015/2016 than in the year-earlier period. However, the decrease in jet-fuel costs will successively subside during the remainder of the fiscal year. Even if the second quarter has been demanding, the bookings status for the summer looks stable and the commercial investments have been positively received by customers.

*In total, SAS expects to be able to deliver a positive income before tax and nonrecurring items for the 2015/2016 fiscal year. The outlook is based on no unexpected events occurring.*

The outlook is based on the following preconditions at April 30, 2016:

- SAS plans to increase scheduled capacity (ASK) by about 10% in 2015/2016 with the largest increase in the winter. Excluding intercontinental expansion, capacity growth is about 1%.
- A significantly lower PASK and unit cost in 2015/2016 compared with 2014/2015 as a result of the above capacity increase.
- Earnings impact from efficiency-enhancement measures amounting to about SEK 0.7 billion in 2015/2016.
- Net investments are expected to amount to about SEK 2 billion in 2015/2016.



# STATEMENT OF INCOME

## STATEMENT OF INCOME INCLUDING STATEMENT OF OTHER COMPREHENSIVE INCOME

MSEK	Note	Q2		Q1–Q2		Rolling	Rolling
		Feb–Apr 2016	Feb–Apr 2015	Nov–Apr 2015–2016	Nov–Apr 2014–2015	12 months May–Apr 2015–2016	12 months May–Apr 2014–2015
Revenue	2	8,916	9,403	17,191	17,774	39,067	39,437
Payroll expenses <sup>1</sup>		-2,311	-2,439	-4,645	-4,917	-9,350	-10,168
Other operating expenses <sup>2</sup>	3	-5,429	-6,135	-10,598	-11,803	-23,353	-25,651
Leasing costs for aircraft <sup>3</sup>		-706	-662	-1,406	-1,263	-2,736	-2,405
Depreciation, amortization and impairment <sup>4</sup>		-312	-405	-653	-687	-1,432	-1,463
Share of income in affiliated companies		-2	-2	-14	-12	35	29
Income from sale of shares in subsidiaries, affiliated companies and operations		4	0	4	11	-7	12
Income from the sale of aircraft, buildings and slot pairs		80	698	175	698	254	692
<b>Operating income</b>		<b>240</b>	<b>458</b>	<b>54</b>	<b>-199</b>	<b>2,478</b>	<b>483</b>
Income from other securities holdings		0	0	1	3	-302	-45
Financial revenue		32	41	54	63	115	115
Financial expenses		-145	-144	-291	-348	-575	-728
<b>Income before tax</b>		<b>127</b>	<b>355</b>	<b>-182</b>	<b>-481</b>	<b>1,716</b>	<b>-175</b>
Tax		44	-76	107	120	-474	7
<b>Net income for the period</b>		<b>171</b>	<b>279</b>	<b>-75</b>	<b>-361</b>	<b>1,242</b>	<b>-168</b>
<b>Other comprehensive income</b>							
<i>Items that may later be reversed to net income:</i>							
Exchange-rate differences in translation of foreign operations, net after tax		-2	191	-25	105	-307	185
Cash-flow hedges – hedging reserve, net after tax		497	420	-519	590	-181	883
<i>Items that will not be reversed to net income:</i>							
Revaluations of defined-benefit pension plans, net after tax		-480	-559	-715	-483	-157	-1,562
<b>Total other comprehensive income, net after tax</b>		<b>15</b>	<b>52</b>	<b>-1,259</b>	<b>212</b>	<b>-645</b>	<b>-494</b>
<b>Total comprehensive income</b>		<b>186</b>	<b>331</b>	<b>-1,334</b>	<b>-149</b>	<b>597</b>	<b>-662</b>
Net income for the period attributable to:							
Parent Company shareholders		171	278	-75	-360	1,241	-175
Non-controlling interests		0	1	0	-1	1	7
Earnings per common share (SEK) <sup>5</sup>		0.25	0.58	-0.76	-1.63	2.71	-1.60
Earnings per common share after dilution (SEK) <sup>5</sup>		0.24	0.51	-0.76	-1.63	2.37	-1.60

1) Includes restructuring costs and other nonrecurring items of MSEK 3 (12) during the February–April period, MSEK 3 (12) during the November–April period and MSEK 121 (388) during the May–April period.

2) Includes restructuring costs and other nonrecurring items of MSEK -647 (-) during the February–April period, MSEK -647 (19) during the November–April period and MSEK -564 (641) during the May–April period. In March 2016, a fine of MSEK 655 was refunded by the EU.

3) Includes restructuring costs of MSEK - (-) during the February–April period, MSEK - (-) during the November–April period and MSEK - (67) during the May–April period.

4) Includes restructuring costs and other nonrecurring items of MSEK - (-) during the February–April period, MSEK - (-) during the November–April period and MSEK - (123) during the April–May period.

5) Earnings per common share are calculated as net income for the period attributable to Parent Company shareholders less preference share dividends in relation to 330,082,551 (329,000,000) common shares outstanding during the February–April period, 329,721,701 (329,000,000) common shares outstanding during the November–April period and 329,360,850 (329,000,000) common shares outstanding during the May–April period.

SAS has no option or share programs. Convertible bond loans only have a dilution effect if conversion of the loans to common shares would result in lower earnings per share. At the balance-sheet date, there was one convertible bond loan of MSEK 1,574, covering 65,536,095 shares.

## INCOME BEFORE TAX AND NONRECURRING ITEMS

MSEK	Q2		Q1–Q2		Rolling	Rolling
	Feb–Apr 2016	Feb–Apr 2015	Nov–Apr 2015–2016	Nov–Apr 2014–2015	12 months May–Apr 2015–2016	12 months May–Apr 2014–2015
Income before tax	127	355	-182	-481	1,716	-175
Impairment	0	0	0	0	314	52
Restructuring costs	11	12	11	12	176	1,126
Capital gains/losses	-84	-698	-179	-710	-258	-708
Other nonrecurring items	-655	0	-655	19	-619	93
<b>Income before tax and nonrecurring items</b>	<b>-601</b>	<b>-331</b>	<b>-1,005</b>	<b>-1,160</b>	<b>1,329</b>	<b>388</b>

# BALANCE SHEET

## CONDENSED BALANCE SHEET

MSEK	Apr 30, 2016	Oct 31, 2015	Apr 30, 2015	Apr 30, 2014
Intangible assets	1,853	1,798	1,897	1,863
Tangible fixed assets	9,497	9,596	9,362	9,374
Financial fixed assets	6,839	7,118	7,314	7,913
<b>Total fixed assets</b>	<b>18,189</b>	<b>18,512</b>	<b>18,573</b>	<b>19,150</b>
Other current assets	285	345	344	361
Current receivables	3,370	3,211	4,260	3,400
Cash and cash equivalents <sup>1</sup>	9,121	8,198	7,362	8,881
<b>Total current assets</b>	<b>12,776</b>	<b>11,754</b>	<b>11,966</b>	<b>12,642</b>
<b>Total assets</b>	<b>30,965</b>	<b>30,266</b>	<b>30,539</b>	<b>31,792</b>
Shareholders' equity <sup>2</sup>	4,679	6,339	4,408	5,416
Long-term liabilities	9,355	10,275	10,634	9,572
Current liabilities	16,931	13,652	15,497	16,804
<b>Total shareholders' equity and liabilities</b>	<b>30,965</b>	<b>30,266</b>	<b>30,539</b>	<b>31,792</b>
Shareholders' equity per common share (SEK) <sup>3</sup>	3.04	8.10	2.15	5.22
Interest-bearing assets	14,833	14,839	13,275	15,166
Interest-bearing liabilities	9,993	9,745	10,259	12,251

1) At April 30, 2016, including receivables from other financial institutions, MSEK 2,078 (1,724).

2) Including non-controlling interests.

3) Total shareholders' equity attributable to Parent Company shareholders excluding total preference share capital in relation to the 330,082,551 (329,000,000) common shares outstanding. The SAS Group has not carried out any buyback programs.

## SPECIFICATION OF FINANCIAL NET DEBT APRIL 30, 2016

	According to balance sheet	Of which, finan- cial net debt
Financial fixed assets	6,839	1,691
Current receivables	3,370	363
Cash and cash equivalents	9,121	9,121
Long-term liabilities	9,355	7,285
Current liabilities	16,931	2,708
Financial net debt		-1,182

## CONDENSED CHANGES IN SHAREHOLDERS' EQUITY

MSEK	Share capital <sup>1</sup>	Other con- tributed capital <sup>2</sup>	Hedging reserves	Transla- tion reserve	Retained earnings <sup>3</sup>	Total shareholders' equity attributable to Parent Company shareholders	Non controlling interests	Total share- holders' capital
Opening shareholders' equity in accordance with approved balance sheet, November 1, 2014	6,754	494	290	-109	-2,549	4,880	27	4,907
Preference share dividend					-350	-350		-350
Other contributed capital		-167			167	0		0
Comprehensive income, November–April			591	31	-770	-148	-1	-149
Closing balance, April 30, 2015	6,754	327	881	-78	-3,502	4,382	26	4,408
Non-controlling interests					26	26	-26	0
Comprehensive income, May–October			337	-208	1,802	1,931		1,931
Closing balance, October 31, 2015	6,754	327	1,218	-286	-1,674	6,339	0	6,339
Conversion of convertible bond loan	22				2	24		24
Preference share dividend					-350	-350		-350
Comprehensive income, November–April			-519	-25	-790	-1,334		-1,334
<b>Closing balance, April 30, 2016</b>	<b>6,776</b>	<b>327</b>	<b>699</b>	<b>-311</b>	<b>-2,812</b>	<b>4,679</b>	<b>0</b>	<b>4,679</b>

1) Number of shares in SAS AB: 330,082,551 (329,000,000) common shares with a quotient value of SEK 20.10 and 7,000,000 preference shares with a quotient value of SEK 20.10.

2) The amount comprises share premium reserves and the equity share of convertible loans.

3) No dividends were paid on common shares for 2014/2015.

# CASH-FLOW STATEMENT

## CONDENSED CASH-FLOW STATEMENT

MSEK	Q2	Q2	Q1-Q2	Q1-Q2	Rolling 12 months	Rolling 12 months
	Feb–Apr 2016	Feb–Apr 2015	Nov–Apr 2015–2016	Nov–Apr 2014–2015	May–Apr 2015–2016	May–Apr 2014–2015
Income before tax	127	355	-182	-481	1,716	-175
Depreciation, amortization and impairment	312	405	653	687	1,432	1,463
Income from sale of aircraft, buildings and shares	-84	-698	-179	-710	-258	-708
Adjustment for other items not included in the cash flow, etc.	46	-78	14	-69	622	965
Tax paid	0	0	0	2	-1	0
<b>Cash flow from operations before change in working capital</b>	<b>401</b>	<b>-16</b>	<b>306</b>	<b>-571</b>	<b>3,511</b>	<b>1,545</b>
Change in working capital	2,134	1,551	1,640	1,681	361	634
<b>Cash flow from operating activities</b>	<b>2,535</b>	<b>1,535</b>	<b>1,946</b>	<b>1,110</b>	<b>3,872</b>	<b>2,179</b>
Investments including advance payments to aircraft manufacturers	-1,673	-727	-3,095	-1,207	-6,134	-2,148
Acquisition of shares	0	0	0	0	0	-687
Acquisition of subsidiaries	0	-5	0	-5	-55	-5
Sale of shares	0	0	0	0	0	688
Sale of subsidiaries and operations	9	0	-2	10	-2	10
Sale of fixed assets, etc.	1,376	525	2,670	427	5,426	1,357
<b>Cash flow before financing activities</b>	<b>2,247</b>	<b>1,328</b>	<b>1,519</b>	<b>335</b>	<b>3,107</b>	<b>1,394</b>
Dividend on preference shares	-88	-88	-175	-175	-350	-350
External financing, net	-477	-987	-420	-215	-992	-2,563
<b>Cash flow for the period</b>	<b>1,682</b>	<b>253</b>	<b>924</b>	<b>-55</b>	<b>1,765</b>	<b>-1,519</b>
Translation difference in cash and cash equivalents	-1	1	-1	0	-6	0
<b>Change in cash and cash equivalents according to the balance sheet</b>	<b>1,681</b>	<b>254</b>	<b>923</b>	<b>-55</b>	<b>1,759</b>	<b>-1,519</b>
Cash flow from operating activities per common share (SEK)	7.68	4.67	5.90	3.37	11.76	6.62

## FINANCIAL KEY RATIOS

	Apr 30, 2016	Oct 31, 2015	Apr 30, 2015	Apr 30, 2014
Return on shareholder's equity after tax, 12-month rolling	23%	18%	-3%	55%
Return on invested capital, 12-month rolling	13%	12%	4%	10%
Financial preparedness (target >20% of fixed costs)	40%	40%	34%	44%
Equity/assets ratio	15%	21%	14%	17%
Adjusted equity/assets ratio	9%	13%	9%	12%
Financial net debt, MSEK	-1,182	-726	303	1,549
Debt/equity ratio	-0.25	-0.11	0.07	0.29
Adjusted debt/equity ratio	3.76	2.65	3.75	2.70
Interest-coverage ratio	4.0	3.2	0.8	2.2

# PARENT COMPANY SAS AB

The number of common and preference shareholders in SAS AB amounted to 61,731 at April 30, 2016. SAS AB paid a shareholders' contribution in April 2015 of a total of SEK 7 billion to the SAS Consortium's parent companies: SAS Danmark A/S, SAS Norge AS and SAS Sverige AB. Thereafter, these companies paid capital contributions of SEK 12 billion to the Consortium. In the first quarter of 2015/2016, shares outstanding increased by 1,082,551 common shares due to conversions of SAS's convertible bond loan. The average number of employees amounted to 4 (5). An expense of MSEK 63 pertaining to guarantee commitments was charged to earnings for the year.

## CONDENSED STATEMENT OF INCOME

MSEK	Q1–Q2	Q1–Q2
	Nov–Apr 2015–2016	Nov–Apr 2014–2015
Revenue	5	0
Payroll expenses	-15	-17
Other operating expenses	-81	-19
<b>Operating income before amortization and depreciation</b>	<b>-91</b>	<b>-36</b>
Amortization and depreciation	0	0
<b>Operating income</b>	<b>-91</b>	<b>-36</b>
Income from participations in Group companies	0	0
Income from other securities holdings	1	2
Net financial items	-18	-41
<b>Income before tax</b>	<b>-108</b>	<b>-75</b>
Tax	20	34
<b>Net income for the period</b>	<b>-88</b>	<b>-41</b>
Net income for the period attributable to:		
Parent Company shareholders	-88	-41

Net income for the period also corresponds with total comprehensive income.

## CONDENSED BALANCE SHEET

MSEK	Apr 30, 2016	Oct 31, 2015	Apr 30, 2015
Financial fixed assets	14,789	14,828	12,392
Other current assets	958	1,174	4,483
Cash and cash equivalents	0	1	0
<b>Total assets</b>	<b>15,747</b>	<b>16,003</b>	<b>16,875</b>
Shareholders' equity	12,365	12,779	12,240
Long-term liabilities	2,993	3,003	3,405
Current liabilities	389	221	1,230
<b>Total shareholders' equity and liabilities</b>	<b>15,747</b>	<b>16,003</b>	<b>16,875</b>

## CHANGES IN SHAREHOLDERS' EQUITY

MSEK	Share capital <sup>1</sup>	Restricted reserves	Unrestricted equity <sup>2</sup>	Total equity
Opening balance, November 1, 2015	6,754	306	5,719	12,779
Conversion of convertible bond loan	22		2	24
Preference share dividend			-350	-350
Net income for the period			-88	-88
<b>Shareholders' equity, April 30, 2016</b>	<b>6,776</b>	<b>306</b>	<b>5,283</b>	<b>12,365</b>

1) Number of shares: 330,082,551 common shares with a quotient value of SEK 20.10 and 7,000,000 preference shares with a quotient value of SEK 20.10.

2) No dividends were paid on common shares for 2014/2015.

# NOTES

## NOTE 1 ACCOUNTING POLICIES AND FINANCIAL STATEMENTS

This interim report for the SAS Group was prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The interim report for the Parent Company was prepared in accordance with the Swedish Annual Accounts Act and RFR 2.

A number of amendments of standards, new interpretations and new standards took effect for fiscal years beginning November 1,

2015 that are not deemed to have material relevance in the preparation of this financial report, meaning that the SAS Group continued to apply the same accounting policies as in its Annual Report for 2014/2015.

## NOTE 2 REVENUE

	Q2	Q2	Q1–Q2	Q1–Q2	Rolling 12 months	Rolling 12 months
	Feb–Apr 2016	Feb–Apr 2015	Nov–Apr 2015–2016	Nov–Apr 2014–2015	May–Apr 2015–2016	May–Apr 2014–2015
Passenger revenue	6,956	7,339	13,225	13,612	30,109	30,090
Charter	216	217	413	448	1,707	1,907
Mail and freight	305	326	638	654	1,249	1,298
Other traffic revenue	564	489	1,074	1,029	2,111	2,022
Other operating revenue	875	1,032	1,841	2,031	3,891	4,120
<b>Total</b>	<b>8,916</b>	<b>9,403</b>	<b>17,191</b>	<b>17,774</b>	<b>39,067</b>	<b>39,437</b>

## NOTE 3 OTHER OPERATING EXPENSES

	Q2	Q2	Q1–Q2	Q1–Q2	Rolling 12 months	Rolling 12 months
	Feb–Apr 2016	Feb–Apr 2015	Nov–Apr 2015–2016	Nov–Apr 2014–2015	May–Apr 2015–2016	May–Apr 2014–2015
Selling and distribution costs	-618	-632	-1,153	-1,170	-2,501	-2,354
Jet fuel	-1,497	-2,299	-2,725	-4,322	-6,833	-9,313
Government user fees	-977	-993	-1,888	-1,876	-4,099	-4,055
Catering costs	-204	-189	-395	-367	-864	-799
Handling costs	-641	-507	-1,148	-912	-2,234	-1,835
Technical aircraft maintenance	-926	-609	-1,623	-1,258	-3,122	-2,492
Computer and tele-communications costs	-332	-313	-661	-548	-1,272	-1,118
Other	-234	-593	-1,005	-1,350	-2,428	-3,685
<b>Total</b>	<b>-5,429</b>	<b>-6,135</b>	<b>-10,598</b>	<b>-11,803</b>	<b>-23,353</b>	<b>-25,651</b>

**NOTE 4** QUARTERLY BREAKDOWN**STATEMENT OF INCOME**

MSEK	2013–2014				2014–2015				2015–2016		
	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year	Q1	Q2
	Feb–Apr	May–Jul	Aug–Oct	Nov–Oct	Nov–Jan	Feb–Apr	May–Jul	Aug–Oct	Nov–Oct	Nov–Jan	Feb–Apr
Revenue	8,472	10,697	10,966	38,006	8,371	9,403	10,973	10,903	39,650	8,275	8,916
Payroll expenses	-2,484	-2,495	-2,756	-9,181	-2,478	-2,439	-2,386	-2,319	-9,622	-2,334	-2,311
Other operating expenses	-5,828	-6,413	-7,435	-25,122	-5,668	-6,135	-6,503	-6,252	-24,558	-5,169	-5,429
Leasing costs for aircraft	-500	-525	-617	-2,127	-601	-662	-659	-671	-2,593	-700	-706
Depreciation, amortization and impairment	-338	-354	-422	-1,443	-282	-405	-343	-436	-1,466	-341	-312
Share of income in affiliated companies	1	24	17	30	-10	-2	25	24	37	-12	-2
Income from sale of shares in subsidiaries, affiliated companies and operations	4	0	1	6	11	0	0	-11	0	0	4
Income from the sale of aircraft, buildings and slot pairs	12	-2	-4	-16	0	698	35	44	777	95	80
<b>Operating income</b>	<b>-661</b>	<b>932</b>	<b>-250</b>	<b>153</b>	<b>-657</b>	<b>458</b>	<b>1,142</b>	<b>1,282</b>	<b>2,225</b>	<b>-186</b>	<b>240</b>
Income from other securities holdings	0	1	-49	-43	3	0	0	-303	-300	1	0
Financial revenue	25	28	24	102	22	41	30	31	124	22	32
Financial expenses	-442	-205	-175	-1,130	-204	-144	-141	-143	-632	-146	-145
<b>Income before tax</b>	<b>-1,078</b>	<b>756</b>	<b>-450</b>	<b>-918</b>	<b>-836</b>	<b>355</b>	<b>1,031</b>	<b>867</b>	<b>1,417</b>	<b>-309</b>	<b>127</b>
Tax	278	-260	147	199	196	-76	-231	-350	-461	63	44
<b>Net income for the period</b>	<b>-800</b>	<b>496</b>	<b>-303</b>	<b>-719</b>	<b>-640</b>	<b>279</b>	<b>800</b>	<b>517</b>	<b>956</b>	<b>-246</b>	<b>171</b>
Attributable to:											
Parent Company shareholders	-806	494	-309	-736	-638	278	799	517	956	-246	171
Non-controlling interests	6	2	6	17	-2	1	1	0	0	0	0

**EARNINGS-RELATED KEY RATIOS AND AVERAGE NUMBER OF EMPLOYEES**

MSEK	Q1	Q1	Q2	Q2	Q3	Q3	Q4	Q4	Rolling 12 months	Rolling 12 months
	Nov–Jan 2015–2016	Nov–Jan 2014–2015	Feb–Apr 2016	Feb–Apr 2015	May–Jul 2015	May–Jul 2014	Aug–Oct 2015	Aug–Oct 2014	May–Apr 2015–2016	May–Apr 2014–2015
Revenue	8,275	8,371	8,916	9,403	10,973	10,697	10,903	10,966	39,067	39,437
EBITDAR	772	225	1,176	829	2,084	1,789	2,332	775	6,364	3,618
EBITDAR margin	9.3%	2.7%	13.2%	8.8%	19.0%	16.7%	21.4%	7.1%	16.3%	9.2%
EBIT	-186	-657	240	458	1,142	932	1,282	-250	2,478	483
EBIT margin	-2.2%	-7.8%	2.7%	4.9%	10.4%	8.7%	11.8%	-2.3%	6.3%	1.2%
Income before tax and nonrecurring items	-404	-829	-601	-331	996	759	1,338	789	1,329	388
Income before tax	-309	-836	127	355	1,031	756	867	-450	1,716	-175
Net income for the period	-246	-640	171	279	800	496	517	-303	1,242	-168
Earnings per common share (SEK)	-1.01	-2.21	0.25	0.58	2.16	1.24	1.31	-1.21	2.71	-1.60
Cash flow before financing activities	-728	-993	2,247	1,328	415	235	1,173	824	3,107	1,394
Average number of employees (FTEs)	10,932	11,484	10,339	11,172	11,329	12,548	11,167	12,262	10,942	11,866

**NOTE 5 FINANCIAL ASSETS AND LIABILITIES****FAIR VALUES AND CARRYING AMOUNTS OF FINANCIAL ASSETS AND LIABILITIES**

MSEK	Apr 30, 2016		Oct 31, 2015	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Financial assets at fair value	324	324	444	444
Financial assets held for trading	8,292	8,292	6,629	6,629
Other assets	2,559	2,559	3,398	3,398
<b>Total</b>	<b>11,175</b>	<b>11,175</b>	<b>10,471</b>	<b>10,471</b>
<b>Financial liabilities</b>				
Financial liabilities at fair value	737	737	136	136
Financial liabilities held for trading	51	51	19	19
Financial liabilities at amortized cost	9,205	8,949	9,590	8,820
<b>Total</b>	<b>9,993</b>	<b>9,737</b>	<b>9,745</b>	<b>8,975</b>

Fair value is generally determined by using official market quotes. When market quotes are not available, the fair value is determined using generally accepted valuation methods, such as discounted future cash flows based on observable market inputs.

The Group's financial assets and liabilities are measured at fair value as stated below:

Level 1: Financial instruments for which fair value is based on observable (unadjusted) quoted prices in active markets for identical assets and liabilities. This category includes mainly treasury bills and standardized derivatives, where the quoted price is used in the

valuation. Cash and bank balances are categorized as level 1.

Level 2: Financial instruments for which fair value is based on valuation models that utilize other observable data for the asset or liability other than the quoted prices included within level 1, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Financial instruments for which fair value is based on valuation models, whereby significant input is based on unobservable data. At present, SAS has no financial assets or liabilities where the valuation is essentially based on unobservable data.

**FAIR VALUE HIERARCHY**

MSEK	Apr 30, 2016			Oct 31, 2015		
	Level 1	Level 2	Total	Level 1	Level 2	Total
<b>Financial assets</b>						
Financial assets at fair value	-	324	324	-	444	444
Financial assets held for trading	5,218	3,074	8,292	3,480	3,149	6,629
<b>Total</b>	<b>5,218</b>	<b>3,398</b>	<b>8,616</b>	<b>3,480</b>	<b>3,593</b>	<b>7,073</b>
<b>Financial liabilities</b>						
Financial liabilities at fair value	-	737	737	-	136	136
Financial liabilities held for trading	-	51	51	-	19	19
<b>Total</b>	<b>0</b>	<b>788</b>	<b>788</b>	<b>0</b>	<b>155</b>	<b>155</b>

The Board of Directors and President hereby assure that this interim report provides a true and fair overview of the performance of the Parent Company's and the Group's operations, financial position and earnings, and describes the significant risks and uncertainty factors to which the Parent Company and the companies included in the Group are exposed.

Stockholm, June 10, 2016

Fritz H. Schur  
*Chairman of the Board*

Jacob Wallenberg  
*First Vice Chairman*

Dag Mejdell  
*Second Vice Chairman*

Monica Caneman  
*Board member*

Lars-Johan Jarnheimer  
*Board member*

Berit Svendsen  
*Board member*

Sanna Suvanto-Harsaae  
*Board member*

Carsten Dilling  
*Board member*

Jens Lippestad  
*Board member*

Sven Cahier  
*Board member*

Bo Nielsen  
*Board member*

Rickard Gustafson  
*President and CEO*



# AUDITORS' REVIEW REPORT

## INTRODUCTION

We have conducted a review of the financial information in the condensed (interim report) for SAS AB (publ) at April 30, 2016, and the six-month period ending on that date. The Board of Directors and the President are responsible for preparing and presenting this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express an opinion on this interim report based on our review.

## APPROACH AND SCOPE OF THE REVIEW

We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is sub-

stantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA) and Generally Accepted Auditing Standards. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant circumstances that might have been identified in an audit. The opinion is based on a review and, accordingly, does not have the same level of assurance as an opinion based on an audit.

## OPINION

Based on our review, no circumstances have come to our attention that cause us to believe that the interim report is not prepared, in all material aspects, in accordance with IAS 34 and the Swedish Annual Accounts Act for the Group, and in accordance with the Swedish Annual Accounts Act for the Parent Company.

Stockholm, June 10, 2016  
PricewaterhouseCoopers AB

Bo Hjalmarsson  
*Authorized Public Accountant and Principal Auditor*

Eva Medbrant  
*Authorized Public Accountant*

# TRAFFIC DATA INFORMATION

## SCHEDULED PASSENGER TRAFFIC, YIELD, PASK AND UNIT COST FOR SAS

	Feb–Apr 2016	Feb–Apr 2015	Year-on-year change	Nov–Apr 2015–2016	Nov–Apr 2014–2015	Year-on-year change
Number of passengers (000)	6,547	6,438	+1.7%	12,397	12,083	+2.6%
RPK, Revenue Passenger Kilometers (mill)	7,424	6,882	+7.9%	13,854	12,750	+8.7%
ASK, Available Seat Kilometers (mill)	10,875	9,818	+10.8%	20,450	18,345	+11.5%
Load factor	68.3%	70.1%	-1.8 <sup>1</sup>	67.7%	69.5%	-1.8 <sup>1</sup>
Passenger yield (currency-adjusted)	0.94	1.03	-9.2%	0.95	1.04	-8.5%
Unit revenue, PASK (currency-adjusted)	0.64	0.72	-11.5%	0.65	0.73	-10.8%

## TOTAL TRAFFIC (SCHEDULED AND CHARTER TRAFFIC) FOR SAS

	Feb–Apr 2016	Feb–Apr 2015	Year-on-year change	Nov–Apr 2015–2016	Nov–Apr 2014–2015	Year-on-year change
Number of passengers (000)	6,687	6,574	+1.7%	12,663	12,355	+2.5%
RPK, Revenue Passenger Kilometers (mill)	7,820	7,286	+7.3%	14,675	13,604	+7.9%
ASK, Available Seat Kilometers (mill)	11,302	10,257	+10.2%	21,334	19,276	+10.7%
Load factor	69.2%	71.0%	-1.8 <sup>1</sup>	68.8%	70.6%	-1.8 <sup>1</sup>
Total unit cost (CASK), (currency-adjusted)	0.76	0.86	-11.6%	0.76	0.90	-15.1%
Unit cost (CASK) excluding jet fuel (currency-adjusted)	0.62	0.63	-1.3%	0.63	0.66	-3.9%

## SCHEDULED TRAFFIC TREND FOR SAS BY ROUTE SECTOR

	Feb–Apr 2016 vs. Feb–Apr 2015		Nov–Apr 2015–2016 vs. Nov–Apr 2014–2015	
	Traffic (RPK)	Capacity (ASK)	Traffic (RPK)	Capacity (ASK)
Intercontinental	+22.2%	+30.9%	+19.7%	+26.2%
Europe/Intra-Scandinavia	+1.6%	+2.8%	+3.9%	+6.2%
Domestic	+0.2%	+1.6%	+1.6%	+2.0%

## SCHEDULED DESTINATIONS AND FREQUENCIES FOR SAS

	Feb–Apr 2016	Feb–Apr 2015	Year-on-year change	Nov–Apr 2015–2016	Nov–Apr 2014–2015	Year-on-year change
Number of destinations	107	104	+2.9%	108	104	+3.8%
Number of daily departures	827	830	-0.5%	781	771	+1.3%
No. of departures per destination/day	7.7	8.0	-3.2%	7.2	7.4	-2.4%

## PRODUCTIVITY

	Apr 2016	Apr 2015	Year-on-year change	Oct 2015	Oct 2014	Year-on-year change
<b>Block hours, rolling 12 months</b>						
Aircraft	9.1	8.8	+3.3%	8.8	9.0	-1.6%
Cabin crew	783	761	+2.8%	762	762	+0.0%
Pilots	701	679	+3.4%	688	685	+0.4%
<b>Environmental impact</b>						
CO <sub>2</sub> emissions per passenger kilometer, grams	Feb-Apr 2016	Feb-Apr 2015	Year-on-year change	Nov-Apr 2015–2016	Nov-Apr 2014–2015	Year-on-year change
	107.9	108.1	-0.2%	109.0	109.3	-0.3%

1) Figures in percentage points.

# AIRCRAFT FLEET

## THE SAS AIRCRAFT FLEET AT APRIL 30, 2016

Aircraft in service under SAS's (SK) own traffic license	Age	Owned	Leased	Total	On purchase order	On lease order
Airbus A330/A340/A350	10.9	8	8	16	8	
Airbus A319/A320/A321	11.2	6	19	25	30	
Boeing 737 NG	13.2	17	65	82		
<b>Total</b>	<b>12.6</b>	<b>31</b>	<b>92</b>	<b>123</b>	<b>38</b>	<b>0</b>

Aircraft in service under a traffic license other than SAS's (SK)	Age	Owned	Wet leased	Total	On wet lease order
Bombardier CRJ900	4.8	11	6	17	6
Boeing 737 NG	10.7		1	1	
ATR-72	2.5		15	15	
<b>Total</b>	<b>3.9</b>	<b>11</b>	<b>22</b>	<b>33</b>	<b>6</b>

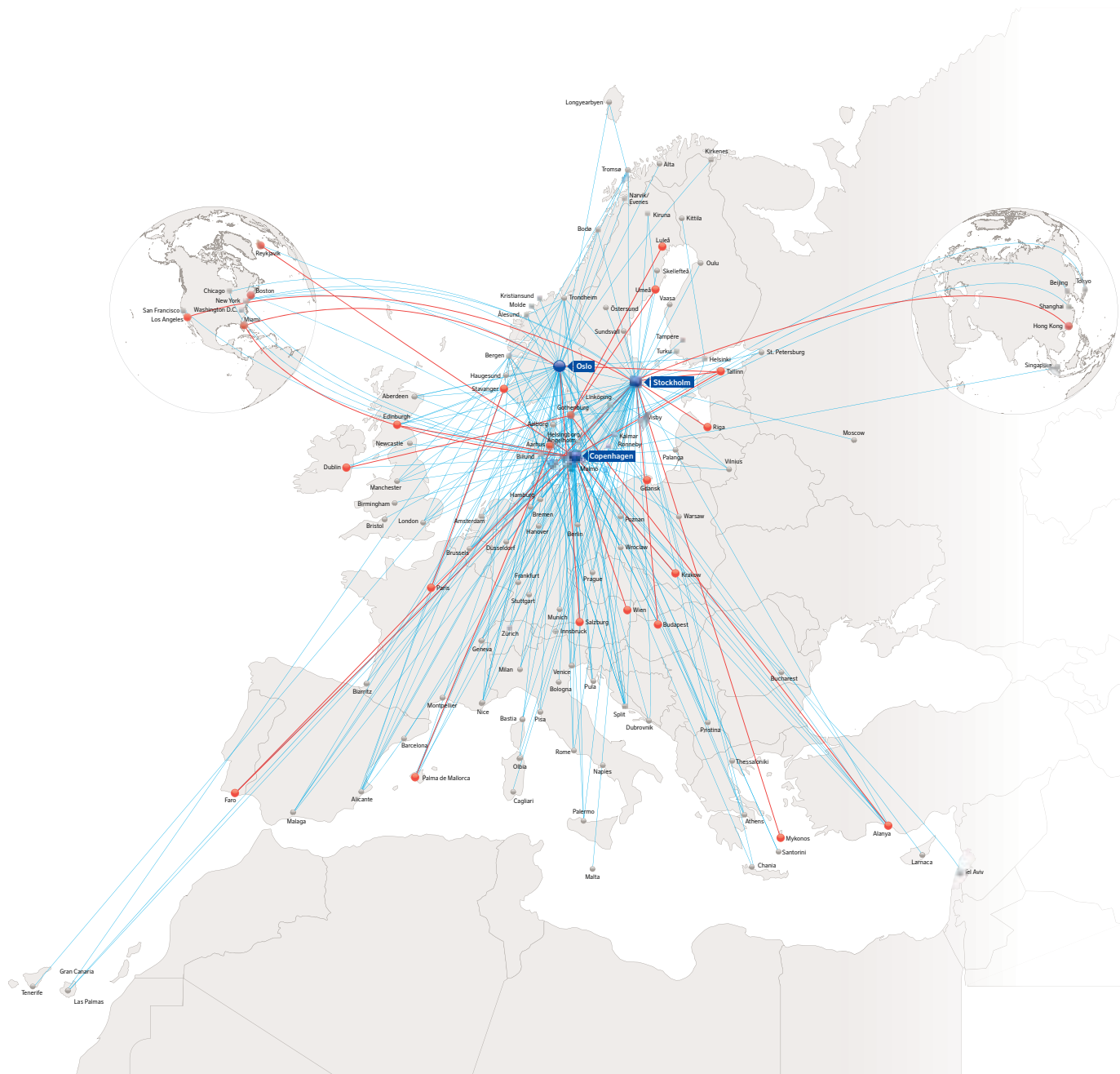
Total SAS in-service aircraft fleet	Age	Owned	Leased	Total	On purchase order	On wet lease order
<b>Total</b>	<b>10.8</b>	<b>42</b>	<b>114</b>	<b>156</b>	<b>38</b>	<b>6</b>

Aircraft to be phased out	Age	Owned	Leased	Total	Leased out	Parked
McDonnell Douglas MD-90	19.4	2		2	2	
Bombardier Q400	8.3		1	1	1	
Bombardier CRJ900	7.2	1		1		1
<b>Total</b>	<b>13.6</b>	<b>3</b>	<b>1</b>	<b>4</b>	<b>3</b>	<b>1</b>

Aircraft on firm order 2016–2021 at April 30, 2016	2016	2017	2018	2019	2020	2021
Airbus A320neo	4	11	7	8		
Airbus A350				1	2	5

# SAS DESTINATIONS

— Existing routes — New routes for 2015 and 2016



# DEFINITIONS & CONCEPTS

**Adjusted debt/equity ratio** – Financial net debt plus capitalized leasing costs (x7) in relation to equity.

**Adjusted equity/assets ratio** – Equity divided by total capital plus 7 times the annual operating leasing cost.

**ASK, Available Seat Kilometers** – The total number of seats available for passengers multiplied by the number of kilometers which they are flown.

**CAPEX (Capital Expenditure)** – Future payments for aircraft on firm order.

**Capital employed** – Total capital according to the balance sheet less non-interest-bearing liabilities.

**Capitalized leasing costs (x7)** – The annual operating lease costs for aircraft multiplied by seven.

**Debt/equity ratio** – Financial net debt in relation to equity.

**Earnings per common share (EPS)** – Net income for the period attributable to Parent Company shareholders less preference-share dividends in relation to the average number of common shares outstanding.

**EBIT** – Operating income.

**EBIT margin** – EBIT divided by total revenue.

**EBITDA** – Operating income before tax, net financial items, income from the sale of fixed assets, share of income in affiliated companies, and depreciation and amortization.

**EBITDAR** – Operating income before tax, net financial items, income from the sale of fixed assets, share of income in affiliated companies, depreciation and amortization, and leasing costs for aircraft.

**EBITDAR margin** – EBITDAR divided by total revenue.

**Equity/assets ratio** – Equity in relation to total assets.

**Equity method** – Shares in affiliated companies are taken up at the SAS Group's share of equity, taking acquired surplus and deficit values into account.

**Financial net debt** – Interest-bearing liabilities less interest-bearing

assets excluding net pension funds.

**Financial preparedness** – Cash and cash equivalents and unutilized credit facilities/fixed costs.

**FTE** – Full Time Equivalent.

**Interest-coverage ratio** – Operating income plus financial income in relation to financial expenses.

**Load factor** – RPK divided by ASK. Describes the capacity utilization of available seats. Also called occupancy rate.

**PASK, unit revenue** – Passenger revenue divided by ASK (scheduled).

**Return on Capital Employed (ROCE)** – Operating income plus financial income in relation to average capital employed.

**Return on Invested Capital (ROIC)** – EBIT plus the standard interest portion corresponding to 33% of operating leasing costs after subtracting dividends to shareholders in relation to average shareholders' equity, net financial debt and capitalized operating lease obligations (times 7).

**Return on shareholders' equity** – Net income for the period attributable to shareholders in the Parent Company in relation to average equity excluding non-controlling interests.

**RPK, Revenue Passenger Kilometers** – Number of paying passengers multiplied by the distance they are flown in kilometers.

**Sale and leaseback** – Sale of an asset (aircraft, building, etc.) that is then leased back.

**Unit cost, CASK** – Total operating expenses for airline operations including aircraft leasing cost and total depreciation less other non-traffic-related revenue per total ASK (scheduled and charter).

**Yield** – passenger revenue divided by RPK (scheduled).

*A more detailed list of definitions & concepts is available at [www.sasgroup.net](http://www.sasgroup.net) under Investor relations/Financial data/*

*SAS is Scandinavia's leading airline and has an attractive offering to frequent travelers. SAS offers more than 800 flights daily and more than 28 million passengers travelled with SAS to almost 120 destinations in Europe, the US and Asia in 2014/2015. Membership in Star Alliance™ provides SAS's customers with access to a far-reaching network and smooth connections. Altogether, Star Alliance offers more than 18,500 daily departures to 1,321 destinations in 193 countries around the world. In addition to airline operations, activities at SAS*

*include ground handling services (SAS Ground Handling), technical maintenance (SAS Technical) and air cargo services (SAS Cargo).*

*SAS AB is the Parent Company of SAS and is listed on the stock exchanges in Stockholm (primary listing), Copenhagen and Oslo. The majority of the operations and assets are directly owned by the SAS Consortium with the exception of SAS Cargo and SAS Ground Handling, which are directly owned by the Parent Company SAS AB.*

# IMPORTANT EVENTS

## EVENTS AFTER APRIL 30, 2016

- SAS decided to retain ground handling services at primary airports and to initiate final negotiations with Aviator about the outsourcing of ground handling at the line stations in Gothenburg and Malmö.
- SAS and the cabin crew unions in Norway and Sweden signed new collective agreements.
- SAS signed letters of intent for the financing of seven Airbus A320s.
- SAS and the pilot associations in Norway signed new collective agreements.

## SECOND QUARTER OF 2015/2016

- SAS's Annual Report contained an updated dividend policy for the common share, stipulating that SAS is to pay dividends of SEK 50 per year to preference shareholders, with a quarterly payment of SEK 12.50 per preference share in accordance with the terms and conditions of the issue of preference shares.
- The European Commission announced that it will not appeal the European Court of Justice's judgement to annul the European Commission's fines of MEUR 70.2 in 2010. However, the European Commission can make a new decision in relation to this matter.
- The AGM resolved to pay a maximum dividend to preference shareholders over the period until the next AGM of SEK 50 per preference share. The AGM resolved not to pay a dividend to holders of common shares for the 2014/2015 fiscal year. Berit Svendsen was elected as a new member of the Board.
- SAS opened two new long-haul routes: Stockholm-Los Angeles and Copenhagen-Boston.

## FIRST QUARTER 2015/2016

- SAS completed the sale of Blue1 to CityJet. From spring 2016, CityJet will operate regional jet services on behalf of SAS using eight,

brand new, Bombardier CRJ900s.

- SAS decided to open Café Lounges at Malmö and Luleå airports.
- The European Court of Justice annulled the European Commission's MEUR 70.2 fine from 2010. However, the European Commission could decide to appeal this ruling.
- Mattias Forsberg took office as Executive Vice President and CIO on January 1, 2016.
- SAS completed the financing of PDPs for five Airbus aircraft.
- Following conversion of SAS's convertible bond loan, the number of common shares issued for SAS AB increased 1,082,551 to 330,082,551.

## FINANCIAL CALENDAR

Q3 Interim Report, 2016 (May–July)	September 8, 2016
Q4 Interim Report, 2016 (August–October)	December 13, 2016
Annual Report 2015/2016	February 1, 2017
2017 Annual General Meeting	February 22, 2017
Q1 Interim Report, 2017 (November–January)	March 8, 2017
Q2 Interim Report, 2017 (February–April)	June 21, 2017
Q3 Interim Report, 2017 (May–July)	September 5, 2017
Q4 Interim Report, 2017 (August–October)	December 12, 2017

All reports are available in English and Swedish and can be ordered online at: [www.sasgroup.net](http://www.sasgroup.net) or from: [investor.relations@sas.se](mailto:investor.relations@sas.se)

SAS's monthly traffic data information is normally issued on the fifth business day of the following month. A complete financial calendar can be found at: [www.sasgroup.net](http://www.sasgroup.net) under Investor Relations

For further definitions, refer to the Annual Report, or [www.sas-](http://www.sas-)

[www.sasgroup.net](http://www.sasgroup.net), under Investor Relations/Financial data/Financial definitions.

## PRESS/INVESTOR RELATIONS

Telephone conference, 10:00 a.m., June 10, 2016.  
Presentation in Stockholm, 8:30 a.m., June 13, 2016.

SAS discloses this information pursuant to the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. The information was provided for publication on June 10, 2016, at 8:00 a.m.