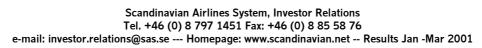




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| SAS Group  |  |
|--|--|
| Events of note 1st Quarter   |  |
| <ul><li>Jörgen Lindegaard President &amp; CEO as from<br/>May 8, 2001</li><li>SAS Cargo to be incorporated 2001</li></ul>                            |  |
| <ul><li>Proposal of single SAS share submitted to<br/>Parlaments</li></ul>   |  |
|  |  |
| SAS RATU  STAR ALLIANCE MEMBER \$\frac{1}{2}^2 \cdot \frac{5.45}{2001.05.11}   |  |
|  |  |
| SAS new organization SAS Group will react swifter in the marketplace   |  |
| Board of Directors  Strategic Focus Areas - CEO  |  |
| CEO Strategic Focus Area - HR HR Communications Relation CEO Strategic Focus Area - HR HR Communications Relations                                   |  |
| Airline Commercial Airline Operations CFO  |  |
| Strategic Focus Area - Airline Commercial Airline Operations - Shareholder Value/  + Customer Relations - Operational Excellence + Finance & Capital |  |
| Alliances & Partnerships     Corporate Business Control     Information Technology     Capabilities  |  |
|  |  |
|  |  |
| The new organization- SAS Group shorter lines of command   |  |
| Board of Directors   |  |
| Corporate Airline Commercial Airline Commercial CFO  |  |





# SAS Group

# Continued growth in revenues - EBITDAR doubled 1st Quarter





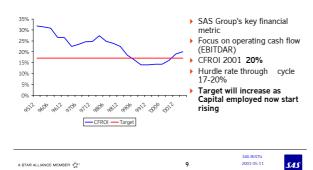
SAS Group

# EBITDAR levels up 101% 1st Quarter

| 1 <sup>st</sup> Quarter | Change                 | 12 months rolling                        | Change   |
|-------------------------|------------------------|--|--|
| 12 137                  | +12,8%                 | 48 921                                   | +10,2%   |
| 1 214                   | +101%                  | 6 268                                    | +45,7%   |
| -37                     | n.m.                   | 1 484                                    | +40,5%   |
| 57                      | n.m.                   | 1 612                                    | +223%  |
|                         | 12 137<br>1 214<br>-37 | 12 137 +12,8%<br>1 214 +101%<br>-37 n.m. | 1st Quarter     Change     rolling       12 137     +12,8%     48 921       1 214     +101%     6 268       -37     n.m.     1 484 |

#### SAS Group

### CFROI - passed hurdle rate of 20%



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# SAS Group ROCE (m-b) - affected by large increases in aircraft surplus values 25% ▶ Affected by strong USD 20% ▶ SAS market based ROCE 2001 **20**% ▶ Hurdle rate through 10% >12% cycle મેળું પણ, પંહા, પંહા, પંહા, પંચા, A STAR ALLIANCE MEMBER SAS Group **EBITDAR** and **EBITDAR** margins 1995-2001 SAS A STAR ALLIANCE MEMBER **SAS Group** Proposed dividend 2000 approved by AGM's Local currency Dividend Yield SAS Danmark A/S 3,80 SAS Norge ASA 4,20 SAS Sverige AB 4,50 4,50 4,7% Average level (SEK)

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SAS IR/STU 2001-05-11

#### SAS Group

## Combined Earnings Per Share

| in | SE | K |
|----|----|---|
|----|----|---|

|               | 1 <sup>st</sup> Quarter 2001 | 1 <sup>st</sup> Quarter 2000 |
|---------------|------------------------------|------------------------------|
| EPS           | 0,09                         | -1,40                        |
| Cash Earnings | 0,91                         | -0,64                        |

A STAR ALLIANCE MEMBER 🖫 13 2001-05-11 50

#### SAS Group

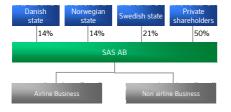
# Current equity structure is not optimal from a capital market point of view



♦ Individual market capitalisation too low to attract strong investors'

#### SAS Group

# A single share will enhance interface with the capital market



 $\ensuremath{\mathsf{SAS'}}$  operations will remain unchanged as an effect of the unification





| Transaction structure   | 2                                    |                    |
|---|--------------------------------------|--------------------|
| <ul> <li>SAS AB makes public offers for<br/>SAS Danmark A/S, SAS Norge ASA</li> </ul>                 | New share structure                  | Market             |
| and SAS Sverige AB in exchange<br>for new shares in SAS AB  | shares (m) Par v                     | value <sup>1</sup> |
| <ul> <li>Exchange ratio is 1:1</li> </ul>   | SAS Danmark 47.0 DKK10 E             | (bn)<br>DKK4.1     |
| <ul> <li>SAS AB domiciled in Sweden</li> <li>Listings on all Scandinavian stock</li> </ul>            | A/S<br>SAS Norge 47.0 NOK10 N        | NOK4.3             |
| exchanges   | ASA                                  |                    |
| <ul> <li>Offer recommended by SAS Boards<br/>of Directors</li> </ul>                                  | SAS Sverige 70.5 SEK10 S<br>AB       | SEK7.2             |
| <ul> <li>UBS Warburg and Morgan Stanley</li> </ul>  | SAS AB 164.5 SEK10 SE<br>Note:       | EK17.1             |
| Dean Witter have delivered fairness<br>opinions which confirm the                                     | 1 Bloomberg as of 25 April 2001      |                    |
| conditions of the deal  |                                      |                    |
| <ul> <li>The exchange offers will i.a. be<br/>conditional on 90% acceptances</li> </ul>               |                                      |                    |
|   | SAS IR/STU                           |                    |
| A STAR ALLIANCE MEMBER 🛣  | 16                                   | <i>5A5</i>         |
|   |                                      |                    |
|   |                                      |                    |
|   |                                      |                    |
|   |                                      |                    |
|   |                                      |                    |
|   |                                      |                    |
| Historic volumes trac   | SAS (                                | Group              |
|   |                                      |                    |
| OWOne month weekly average volume   | e traded — 1 January 1999 – to date  |                    |
| 5,000   | Λ                                    |                    |
| 4,000   |                                      |                    |
| SE 3,000  |                                      |                    |
| % 3,000<br>% 2,000<br>000 1,000   | Is have                              |                    |
| © 1,000<br>0  |                                      | •                  |
| Jan-99 Jun-99 Nov-99  | Apr-00 Sep-00 Feb-01                 |                    |
| — SAS Danmark — SAS No  | orge - SAS Sverige - SAS Group       |                    |
| <ul> <li>The three holding company structure<br/>liquidity in the SAS shares</li> </ul>               | e nas significantly limited the      |                    |
| <ul> <li>The creation of a single SAS share s<br/>significantly which will benefit all sha</li> </ul> | hould enhance its relative liquidity |                    |
| greater interest from institutional in  |                                      | •                  |
|   | SAS IR/STU                           |                    |
| A STAR ALLIANCE MEMBER 🚜 -  | 17                                   | <i>5A5</i>         |
|   |                                      |                    |
|   |                                      |                    |
|   |                                      |                    |
|   |                                      |                    |
|   |                                      |                    |
|   |                                      |                    |
|   | SAS (                                | Group              |
| but above unification   | n will incresse                      |                    |
| but share unificatio  |                                      |                    |
| weightings in in majo   | or indices                           |                    |
|   |                                      |                    |
| <ul> <li>SAS AB is expected to be inc</li> </ul>  | luded in the following indices       |                    |
| <ul> <li>Affärsvärlden's General Ir</li> </ul>  |                                      |                    |
| — OMX Stockholm Index (fr   | •                                    |                    |
|   | registered shares in Denmark)        |                    |
| <ul><li>— Oslo General Index (regis</li><li>— MSCI (free float)</li></ul>                             | tereu siiares iii Norway)            |                    |
| — FTSE Europe ex-UK (free   | float)                               |                    |
| — STOXX (free float)  | •                                    |                    |
|   |                                      |                    |
|   |                                      |                    |
|   | SAS IR/STU                           |                    |
| A STAR ALLIANCE MEMBER 🟂  | 18                                   | <i>5A5</i>         |
|   |                                      |                    |

SAS Group





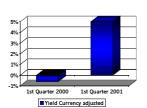




|  | SAS Airlin                           | ne       |      |
|--|--------------------------------------|----------|------|
| Sharp increase in pas                      |                                      | s        |      |
| growth trend in Busin                      |                                      |          |      |
| RPK Business Class                         | Passenger load factor                | _        |      |
| 1998-2001                                  | total system 1995-2001               |          |      |
| Year on Year values                        | Moving 12 months values              | _        |      |
| 25%  |                                      | _        |      |
| 10%  |                                      |          |      |
| 0%   |                                      | _        |      |
| -10% - 15% AANYS JUL AANSS JUL JANS 1      | N JA 30% JA 60% JA 60% JA 30% JA 30% |          |      |
|  | SAS IR/STU                           |          |      |
| A STAR ALLIANCE MEMBER 📆 -                 | 22 2001-05-11                        | SAS      |      |
|  |                                      |          |      |
|  |                                      |          |      |
|  |                                      |          |      |
|  |                                      |          |      |
|  | SAS A                                | irline   |      |
|  |                                      | ii iiile |      |
| Key profitability drive                    | ers                                  | _        |      |
|  |                                      | _        | <br> |
| ▶ Traffic                                  |                                      | _        |      |
| growth (RPK)                               | up 6%                                | _        |      |
| ▶ Business Class (RPK-C                    | ) up <b>9</b> %                      |          |      |
| ▶ Cabin factor                             | up 1,3 p.u.                          | _        |      |
| ▶ Yields                                   | up 5,0%                              |          |      |
| Unit costs                                 | down 3,3%                            | _        |      |
| <b>▶</b> EBITDAR                           | up 101%                              |          |      |
|  | \$A\$ IR/\$TU 23 2001-05-11          | -        |      |
| A STAR ALLIANCE MEMBER 💥 -                 | 23 2001-05-11                        | SAS      |      |
|  |                                      |          |      |
|  |                                      |          |      |
|  |                                      |          |      |
|  |                                      |          |      |
|  | SAS Air                              | rline    |      |
| Passenger Revenue                          |                                      | illic    |      |
| vs Last Year                               | Allalysis                            | _        |      |
| VS Last Teal                               |                                      |          |      |
| Revenue 8 095                              | +14,8%                               | _        |      |
|  |                                      | _        |      |
| <ul><li>▶ Volume</li><li>▶ Yield</li></ul> | +6,5%                                |          |      |
|  | +5,0%                                | _        |      |
| ▶ Currency                                 | +3,2%                                |          |      |
|  |                                      | _        |      |
|  |                                      |          |      |
|  | SAS IR/STU                           |          |      |



# Yields sharply up 1st Quarter 2001 Total system - currency adjusted



- ▶ Yields up 5,0% overall
- ▶ Up 4% on Intercontinental routes and European routes
- ▶ Up 11% on Norwegian domestic
- Up 5% on Swedish domestic

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### SAS Airline

# Unit cost reductions in line with plan Index Last Year

- 0% 11% 12% 22% 33% 33% 1st Quarter 2000 1st Quarter 2001
- ▶ Decrease of 3,2%
- ▶ Improved productivity
- ▶ Result improvement program completed

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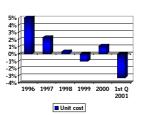
2001-05-1

**SAS Airline** 

SAS

# Unit cost development an historic review 1996-2001

Index Last Year



- Large increases 1996-1997
- ▶ Flat 1998
- ▶ Improvements 1999
- Improvements 2000 (excl fuel costs)
- Continued down 1st Quarter 2001

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# Unit costs will decrease going forward

#### SAS Airline



- ▶ Targets
  - Down 2-3% 2001
  - Down 10% accumulated over 2-3 years
- Affected by
- Continous improvements
- Distribution / cost of sales
- Fleet structure

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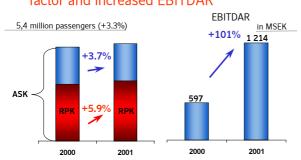
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# Improved passenger load factor and increased EBITDAR

#### SAS Airline



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**SAS Airline** 

### **Result Improvement Program 1999/00**

- MSEK 2450 achieved as of 4th quarter 2000
- ▶ Residual implemented in Business Plans 2001

| Area                               | Achived effect vs. 1998 |
|------------------------------------|-------------------------|
| Cargo                              | 90 MSEK                 |
| Catering &In-flight service        | 300 MSEK                |
| IT & communications                | 200 MSEK                |
| Distribution & Electronic channels | 635 MSEK                |
| Air crew                           | 445 MSEK                |
| Ground handling                    | 270 MSEK                |
| Technical maintenance              | 235 MSEK                |
| Overhead & other                   | 275 MSEK                |
| Total                              | 2450 MSEK               |

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#### SAS Airline

### Intercontinental routes strong in Business Class



First A 340-300 in service as from August 2001

- ▶ Washington D.C added as from May 2001
- Strong growth in Economy Class for most Asian destinations
- Weaker development in Economy Class on North Atlantic – impact from weaker U.S. Economy

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### Product news Intercontinental flights



- ▶ Three classes
  - Economy Extra added
- Individual entertainment system for all seats
  - Films, audio, games etc.
- Well beeing concept introduced
- Food, drinks, physical activity, work/ sleep comfort

  In-flight buffet service
- Greater flexibility in choice
- Sandwiches, fruits, expresso machine

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#### **SAS Airline**

#### European routes - continued well 1999- April 2001



▶ Traffic up 6,5%

33

- ▶ Balanced growth Economy Class/ Business Class
- Routes to Germany, Russia, Belgium, Finland stronger

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# Danish routes affected by aircraft introductory problems 1999 - April 2001 Passenger load factor ▶ Continued capacity reductions ▶ Passenger load factor improved year on year Introductory problems deHavilland Q400 - Danish domestic A STAR ALLIANCE MEMBER 🕏 SAS Airline Norwegian domestic routes positive signs noted 1999 – April 2001 ▶ Total market up 1% Passenger load factor SAS Traffic up 4,1% ▶ Negative mix ▶ Strong yield ▶ SAS Gain market shares - Up from 42% to 43% SAS A STAR ALLIANCE MEMBER Airline operations **Swedish domestic** routes slightly weaker Total market up 4% SAS traffic up 6% Positive mix Stronger yield Boeing 737-800 introduced 08MAY SAS IR/STU 2001-05-11 A STAR ALLIANCE MEMBER

Scandinavian Airlines System, Investor Relations

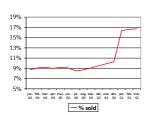
|   |                      | Airline ope              | rations      |  |
|---|----------------------|--------------------------|--------------|--|
| Cargo business -<br>Incorporated durin                                    | g 2001               |                          |              |  |
| <ul><li>Cargo contribution 2</li><li>MSEK 170 (MSEK 19</li></ul>          |                      | -13%                     |              |  |
| January-March 2001  |                      |                          |              |  |
|   |                      |                          |              |  |
| <ul><li>Revenue ton-km</li><li>Revenue</li></ul>                          |                      | own 1,7%<br>p 1,7%       |              |  |
|   | 37                   | SAS IR/STU<br>2001-05-11 | SAS          |  |
|   |                      |                          |              |  |
|   |                      |                          |              |  |
|   |                      |                          |              |  |
| Product and marke   | et news              |                          |              |  |
| ▶ Travel Air Pass launche   |                      |                          |              |  |
| <ul><li>– 38 countries and 206</li><li>▶ Eurobonus wind Freddie</li></ul> |                      | h consecutive            | <b>:</b>     |  |
| year<br>▶ New and improved serv   |                      | ic flights               |              |  |
| <ul><li>Fully automated board</li><li>New customer friendly</li></ul>     |                      | ines                     |              |  |
| <ul><li>New mobile check-in m</li><li>Brings the check in to</li></ul>    |                      |                          |              |  |
| ▶ New tableware with Sca  |                      | ign                      |              |  |
| A STAR ALLIANCE MEMBER 🟂  | 38                   | SAS IR/STU<br>2001-05-11 | SAS          |  |
|   |                      |                          |              |  |
|   |                      |                          |              |  |
|   |                      |                          |              |  |
| SAS partnerships  |                      | Airline ope              | rations      |  |
| MSEK 1000 in syr  | nergies 20           | 00                       |              |  |
| air <b>3</b> altic  | <b>⊚</b> ⊔           | ufthansa<br>AIR CANADA I | <b>a</b> .   |  |
| SKYWAYS   | # UNITED             | AIR CARADA               | <del>.</del> |  |
| 545   | <b>STrusi</b>        | A SYA                    |              |  |
| Widerge CIMBER AIR  | ANA                  |                          | ish Midland  |  |
| Spanair   | ORE AIRLINES         | ALBTRIAN                 | AIRLINES >   |  |
|   | MEXICANA Ñ<br>AIR NE | AMBETTÄUSTI<br>W ZEALAND | RALIA        |  |
| A STAR ALLIANCE MEMBER 🔆  | 39                   | SAS IR/STU<br>2001-05-11 | SAS          |  |



#### SAS Airline

# Electronic Channels - volumes up 17% 1st Quarter 2001





- Products: Travel Pass -Travel Pass Corporate (TPC), E-TIX, Internet
- Total volume E-channels MSEK 1 400
- ▶ 17% of total passenger sales vs 9% Last Year
- ▶ Target: more than 20% by end 2001

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#### Non airline businesses

SAS with new Nordic online marketplace for travel - online during summer 2001



SIH

Business Area SAS International Hotels





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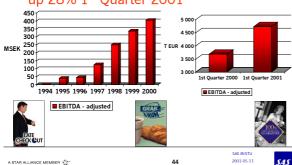
SAS International Hotels's profitability is on track adjusted for property sales

| IN MSEK          | 1 <sup>st</sup> Q<br>2001 | 1 <sup>st</sup> Q<br>2000 | Change |
|------------------|---------------------------|---------------------------|--------|
| Revenues         | 791                       | 696                       | 13,6%  |
| Operating result | 33                        | 47                        | -30%   |
| Pre tax profit   | -3                        | 9                         | n.m.   |
|                  |                           |                           |        |
|                  |                           |                           |        |

Radissons

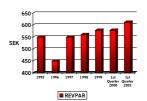
SAS





SIH

## **Continuously improved REVPAR**



- Second key gauge for operating hotels
- REVPAR continuously improved since 1996
- REVPAR SEK 612 (Q1-01) vs SEK 578 (Q1-00)



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|  |   |                          | SIH     |  |
|--|---|--------------------------|---------|--|
| SIH implied value from transactions  | n curren  | τ                        |         |  |
| The state of the s | Scandic<br>EV/EBIT<br>11x bas<br>2000/2<br>Implied<br>SIH | TDA multiple<br>sed on   | of      |  |
| Radisson sas   | 46  | SAS IR/STU<br>2001-05-11 | SAS     |  |
| SAS International Hot  | els   | SI                       | Н       |  |
| forecast for 2001  |   |                          |         |  |
| <ul> <li>Growth strategy</li> <li>In exsisting home markets</li> <li>Extended market</li> <li>Capital cities</li> <li>Leisure &amp; resorts</li> <li>Airport hotels</li> <li>Multiple brands</li> <li>Improved REVPAR levels</li> <li>EBITDA growth of 20%</li> </ul>  | , j   |                          |         |  |
| Radisson   | 47  | SAS IR/STU<br>2001-05-11 | SAS     |  |
|  |   | Airline oper             | rations |  |
|  |   |                          |         |  |
|  |   |                          |         |  |
| Non-airline business   | es and a  | ffiliates                |         |  |
|  |   |                          |         |  |
|  |   |                          |         |  |
|  |   | SAS IR/STU               |         |  |
| A STAR ALLIANCE MEMBER $\sqrt[4]{2}$   | 48  | 2001-05-11               | SAS     |  |



# Other Business Areas 1st Quarter

| Business area          | Operations  | Sales<br>(MSEK) | EBT<br>(MSEK) | Sales outside<br>SAS, % |
|------------------------|---|-----------------|---------------|-------------------------|
| SAS Cargo              | Freight traffic   | 526             | n.a.          | n.a.                    |
| SAS Trading            | Travel retail   | 509             | -7            | 99                      |
| Scandinavian IT Group  |   | 605             | 29            | 3                       |
| Widerøe's Flyveselskap | (reservations etc)<br>Norwegian regional air<br>traffic | 513             | 19            |                         |
| Air Botnia             | Finnishregional air traffic                             | 225             | -3            | 99                      |
| SAS Flight Academy     | Flight training   | 154             | 20            | 28                      |
| SMART                  | Electronic trading and distribution of travel           | 173             | 58            | 100                     |
|                        |   |                 |               |                         |

|                        |    | SAS IR/STU |   |
|------------------------|----|------------|---|
| STAR ALLIANCE MEMBER 🐒 | 49 | 2001-05-11 | S |

#### Airline operations

### **SMART**



Norhern Europe's leading provider of electronic travel services Amadeus is main partner

Ownership structure: 95% SAS 5% Amadeus

Total Revenues MSEK 584 Pre Tax Profit MSEK 37

#### www.smart.se

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#### Airline operations

# **SAS Flight Academy**





- ▶ One of the World's leading training centers for pilots and other personell
- ▶ 38% of revenues outside SAS

Total Revenues MSEK 606 Pre Tax Profit MSEK 92

www.sasfa.com

51

SAS IR/STU 2001-05-11



| Airline | operations |
|---------|------------|
|---------|------------|

|  | Scand | linavi | an I1 | ۲ Gr | oup |
|--|-------|--------|-------|------|-----|
|--|-------|--------|-------|------|-----|



One of Scandinavia's largest IT companies, with a turnover of about 1900 million DKK and a total of more than 1200 employees in three countries



Total Revenues MSEK 2121 Pre Tax Profit MSEK 61

www.scandinavianIT.com

Scandinavian IT Group Customer driven - Airline focused - Technology based

A STAR ALLIANCE MEMBER 🕏



#### Airline operations

### **British Midland transaction** completed



- SAS sold 20% to Lufthansa
- ▶ Sales proceed 91,3 MGBP
- ▶ Joint Ventures with Lufthansa

A STAR ALLIANCE MEMBER

53

SAS

#### Airline operations

### Spanair an important complement to **SAS** traffic system



www.spanair.es

- ▶ Second largest scheduled carrier in Spain
- ▶ 14% of Madrid Barajas slots
- ▶ 5 million passengers a year

  125 ESP Billion in
- revenues Ownership structure:51% Teinver

  - 49% SAS

54

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SAS IR/STU 2001-05-11





#### Airline operations

# Widerøe's flyveselskap



- Norway's largest regional airline
- Fully consolidated in SAS 2000

#### Full Year 2000:

- ▶ Total Revenues MSEK 1 851
- Pre Tax Profit MSEK 56

#### www.wideroe.no

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5

AS IR/STU 001-05-11

# SAS

### Outlook 2001

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SAS I

545

#### **SAS Airline**

# April figures – capacity adjustments but no change in growth plan

- ▶ Continued positive passenger mix
- ▶ Business Class +4,8% Economy Class +4,3%

|                                   | Passenger-    | Seat capacity | Cabin-    |
|-----------------------------------|---------------|---------------|-----------|
|                                   | traffic (RPK) | (ASK)         | factor    |
| SAS Total                         | +4,4%         | +8,3%         | -2,4 p.u. |
| Intercontinental                  | -1,9%         | -0,8%         |           |
| Europe                            | +11,5%        | +15,6%        |           |
| Domestic and<br>Intrascandinavian | +3,9%         | +8,8%         |           |

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SAS IR/STU 2001-05-11

SAS







# **SAS Airline** Outlook operating key figures - year 2001 ▶ Weaker growth ▶ Preparedness for capacity adjustments ▶ Unit costs down 2001 Up approx 6% Frequencies Up 1-2% Up approx. 6-7% Up 2-3% RPK Passenger yield (currency adjusted) Down 3% Unit costs A STAR ALLIANCE MEMBER 🕏 SAS Group The Board of Directors Assessment for full year 2001: Weaker economies in main markets Increased uncertainty in traffic development ▶ SAS Capacity adjustments announced ▶ Fair balance between supply an demand in main markets Lower unit costs ▶ Forecast as from February 13, 2001 remains unchanged A STAR ALLIANCE MEMBER



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