



SAS AB Result Analyst Presentation Second Quarter 2002, August, 2002

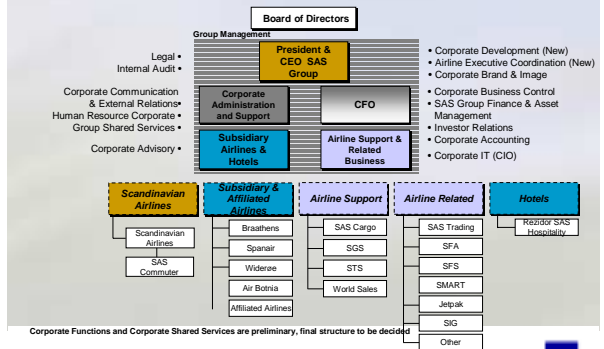
Important events of note 2nd Quarter

- ▶ New share issue of MSEK 200 completed
- ▶ Braathens and Scandinavian Airlines' integration
- ▶ Scandinavian Direct introduced – new fares structure, upgraded web site booking and check-in features
- ▶ New distribution strategy from 2003 – net prices
- ▶ Sale of SMART AB to Amadeus – gain of MSEK 800
- ▶ Scandinavian Airlines -new agreement with cabin crew

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SAS Group Organisation



2nd Quarter 2002 – according to set out plan, load factors better than expected

- ▶ 1st Quarter – weak - according to plan
- ▶ 2nd Quarter – according to plan – passenger load factors and yields better than expected
 - Short term improvement measures according to set out plan
 - Structural improvement measures initiated
 - Effects as from 2003
- ▶ Forecast for 2002 significantly upgraded

SAS Group Management fully staffed

- ▶ Gunilla Berg appointed new Chief Financial Officer – SAS Group
 - ▶ John S. Dueholm appointed Executive Vice President and responsible for Airline Support & Airline Related Businesses
- Group Management team:
- ▶ Jørgen Lindegaard President and CEO – The SAS Group
 - ▶ Gunnar Reitan – Deputy CEO and responsible for Subsidiary & Affiliated Airlines as well as Hotels
 - ▶ Gunilla Berg – Executive Vice President & CFO
 - ▶ John S. Dueholm Executive Vice President responsible for Airline Support & Airline Related Businesses
 - ▶ Bernhard Rikardsen Executive Vice President responsible for Corporate Administration & Support

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Group 2nd Quarter traffic development characterized by record cabin factors and stabilizing yields

- ▶ Total traffic increased by 26,9% vs. Q2 2001
 - Group passenger load factors at record levels
 - Scandinavian Airlines + 3,0 p.u. → 71,1%
 - Braathens + 4,1 p.u. → 59,9%
 - Spanair - 1,4 p.u. → 58,7%
- ▶ Yields up
 - Scandinavian Airlines +1%
 - Spanair +35%
 - Braathens +7%



Group 2nd Quarter positively affected by improved load factors and yields and significant uplift in Braathens result

MSEK	2 nd Q/02	2 nd Q/01	Change
▶ Revenue	17 768	13 811	+29%
▶ Operating result	1 354	167	n.m
▶ Pre tax profit	1 039	180	n.m



Significant uplift in 2nd Quarter after large losses 1st Quarter

Summary of income statement (MSEK)	Actual Q1	Actual Q2	First Half Q2
Operating revenues	13 775	17 868	31 643
Operating costs	13 191	14 620	27 811
EBITDAR	584	3 248	3 832
Operating lease cost external	878	1 050	1 928
EBITDA	-294	2 198	1 904
Contr from affiliated	-328	-12	-340
Depreciation	-651	-715	-1 366
Gain on sales	-133	-117	-250
EBIT	-1 406	1 354	-52
Net financial items	-40	-315	-355
EBT	-1 446	1 039	-407



1st half 2002 vs 2001

MSEK	1 st Half 2002	1 st Half 2001
▶ Revenue	31 643	25 948
▶ EBIT	-52	250
▶ EBT	-407	220
▶ EBT excl. cap gains	-157	220



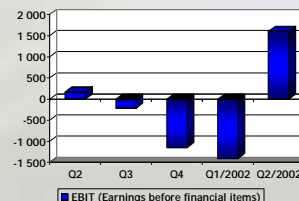
Statement of Income 1st Half 2002

JAN-JUN	2002	2001
MSEK		
Operating revenue	31 643	25 948
Personell costs	-10 706	-8 653
Other costs	-19 033	-15 975
Operating income bef. Depr.	1 904	1 320
Depreciation	-1 366	-1 141
Income from the sale of aircraft affiliated companies etc.	-590	71
Operating result	-52	250
Interest income and other items	-355	-30
Income before taxes	-407	220



SAS Group 2002 – Q2 positively affected by yield, load factors and unit costs

EBIT
MSEK million



- ▶ Q2/01 weak
- ▶ Q3/01 even weaker!
- ▶ Q4/01 a disaster
- ▶ Q1/02 loss carry forward from 2001
- ▶ Q2 strong seasonal effects and effects from improvement measures and yield



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EBITDAR up 59% 1st half
EBITDAR margin up, but CFROI down as capital increase

MSEK	2002	2001	Change
▶ Revenue	31 643	25 948	+22%
▶ EBITDAR	3 832	2 408	+59%
▶ EBITDAR margin	12%	9%	+3 p.u.
▶ CFROI	11%	15%	-4 p.u.



The SAS Group' improvement measures amounts to SEK 10 billion +

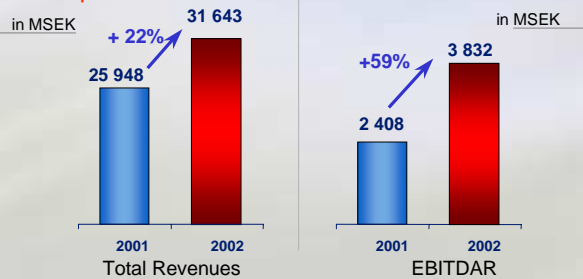
Short term measures = MSEK app. 6 400 (2002/03)

Structural measures = MSEK 4 000+ (2003/04)

- ▶ In addition structural measures in SAS group, other companies and synergies from acquisitions
- ▶ Fully implemented 2004 these measures will
 - Reduce unit costs by 20% in Scandinavian Airlines
 - Significantly improved cabin factors
 - Enable Scandinavian Airlines to manage lower prices
- ▶ Amended union agreements and reinstatement of capacity will further reduce unit costs by 5 p.e. to 25%
- ▶ Positive effects from excellent performing subsidiaries



Growth in revenues driven by acquisitions



Status improvement programs

	Gross full year effect	Effect 1H02
Short term measures		
Reductions in traffic system	500	250
Revenue enhancement	2 200	1 100
Cost reductions	2 400	600
Other business areas than SK	1 300	400
Total	Approx. 6 400	2 350
Structural measures		
Production	2 000	0
Management & adm, product, service, price concept and distribution	2 000	0
Total	Approx. 4 000	0
TOTAL ALL MEASURES	Approx. 10 400	0



Special items affecting first half 2002

	MSEK
▶ Eueopean Corporation Agreement (ECA)	-217
TOTAL	-217



Overview Group Result Improvement measures 2002/2003 – short term

Total group short term measures MSEK 6 400
 (Gross 2003 full year effect)

Whereas Subsidiaries & affiliates MSEK 1 300
 SAS Airline MSEK 5 100

¹⁾ Price increase of 5% nominal and introduction of surcharge of 4 USD/ pax/leg Offset by increased insurance cost and negative mix

Network reductions MSEK 500
 Revenue enhancements¹⁾ MSEK 2 200
 Cost reductions MSEK 2 400



Cash Flow by Business Area (EBITDA)

	(MSEK) January - June		
	2002	2001	
Scandinavian Airlines	+876	+739	
Subsidiary & aff. Airlines	+657	+174	
Airline related Businesses	+261	+304	
Rezidor SAS Hospitality	+24	+125	
Group eliminations	+86	-22	
EBITDA	+1 904	+1 320	+44%



Key airline profitability drivers 2nd Quarter 2002 vs 2001

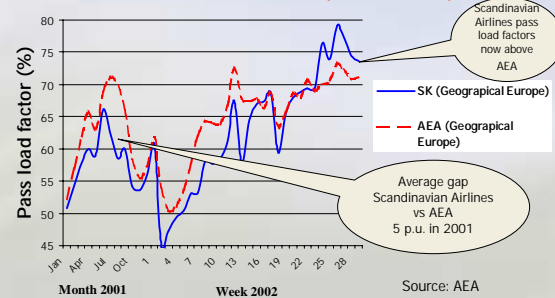
▶ Traffic growth (RPK)	up	0.2%
▶ Cabin Factor	up	3.0 p.u.
▶ Yields	up	0.7%
▶ Unit costs	down	0.9%



Scandinavian Airlines



Scandinavian Airlines passenger load factors above european competitors



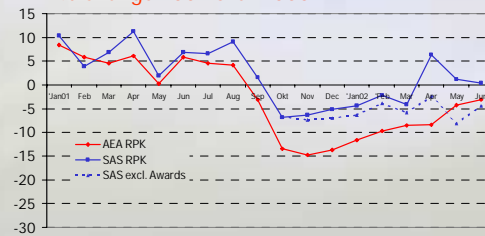
Key airline profitability drivers January-June 2002 vs 2001

▶ Traffic growth (RPK)	down	0.4%
▶ Cabin Factor	up	2.2 p.u.
▶ Yields	down	2.4%
▶ Unit costs	up	3.6%



Scandinavian Airlines has taken market shares, but pace has slowed

RPK % Change 2002 over 2000



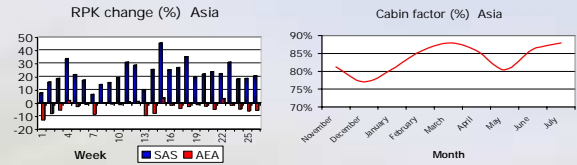
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Turnaround in Scandinavian Airlines well underway, but challenges lay ahead

	January – June	
	2002	2001
Passenger revenues	17 347	17 418
Other revenues	3 082	4 309
EBITDAR	+1 894	+1 750
EBITDA	+876	+739
Income before taxes	-569	-56

Solid performance on Asian routes with Airbus 340's



- ▶ Week 01-week 26:
 - SAS traffic up 21,7%
 - AEA traffic down -4,0%
- ▶ New capacity incremental growth in RPK
- ▶ Stable cabin factors

Passenger revenues mainly affected by yield and currency in 1 Half 2002

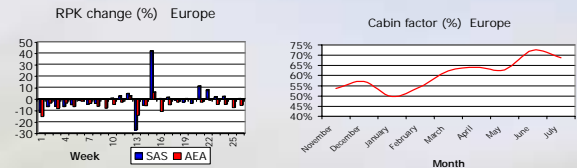
Revenues 17 347 MSEK (-0,4%)

Whereas

currency	+2,4%
volumes	-0,4%
yields	-2,4%

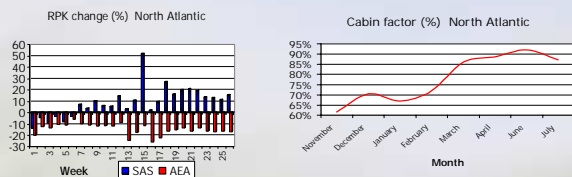
Price	+6,6%
Class mix	-7,2%
Other mix	-1,8%

In weak market SAS Airline gains market shares - Europe



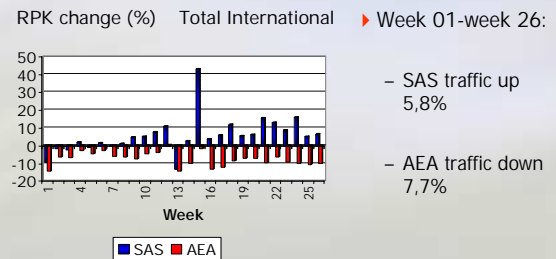
- ▶ Week 01-week 26:
 - SAS traffic down 0,3%
 - AEA traffic down 4,9%
- ▶ Cabin factor improved significantly in Q2
- ▶ Seasonal effect in Jan, Feb

SAS Airline gain market shares on North Atlantic



- ▶ Week 01-week 26:
 - SAS traffic up 10,0%
 - European airlines (AEA) traffic down 15,1%
- ▶ Airbus A340 introduced on New York March 1st
- Strong load factors during summer

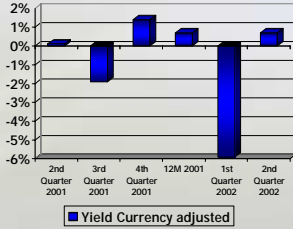
Traffic development SAS vs peers – Total International



- ▶ Week 01-week 26:
 - SAS traffic up 5,8%
 - AEA traffic down 7,7%

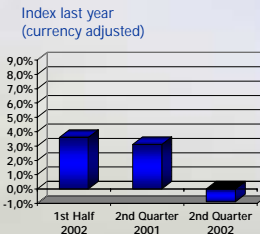
Increased yield in 2nd Quarter

2001-Q2 2002 Total system - currency adjusted



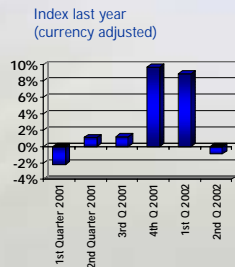
- ▶ Yields up 0,7% in 2nd Quarter 2002
 - Class mix negative
- ▶ Yields up 0,7% in 2001
 - Up 1,4% 4th Quarter
 - Down 1,9% 3rd Quarter
 - Flat 2nd Quarter
 - Up 5% 1st Quarter

Unit Cost down in 2nd Quarter



- ▶ Definition changed to ASK only
- ▶ Unit Cost down 0,9% 2nd Quarter 2002
- ▶ Unit Cost up 3,6% 1st Half 2002

Trend with increasing unit cost broken in 2nd Quarter as improvement measures start to give effect



- ▶ After a period of increases units costs are down in spite of weaker volumes (ASK)

All government insurance guarantees seized August 1, 2002

- ▶ Government guarantees in place until June 30nd 2002
- ▶ Danish Guarantee extended until July 31
- ▶ As from August 1 all SAS aircraft insured in the commercial insurance market
 - Costs neutral compared with guarantees
- ▶ Total insurance costs 8-10 times higher than prior to Sep 11

Unit Cost

2nd Quarter 2002 vs 2001

MSEK

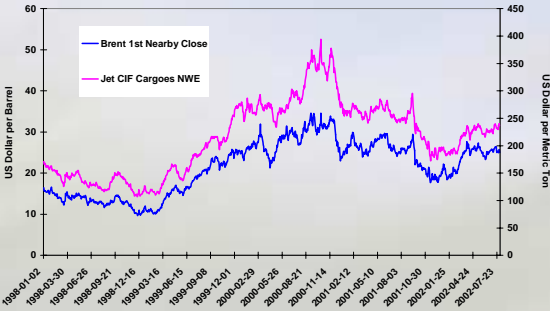
	Adjusted APR-JUN 02	APR-JUN 02	Var. %	Share of total var %
Commissions	617	556	-9,9%	-0,7%
Fuel	993	842	-15,2%	-1,8%
Government charges	946	967	2,2%	0,3%
Personnel	3 321	3 574	7,6%	3,1%
Other oper. net costs	2 362	2 229	-5,6%	-1,6%
TOTAL	8 239	8 168	-0,9%	-0,9%

Volume = average decrease in ASK: -4.1%

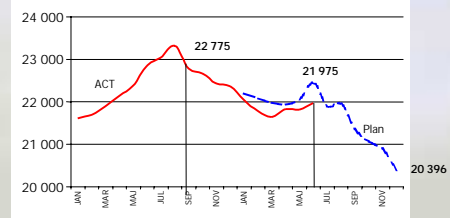
ECA –European cooperation agreement

- ▶ Tri-party Joint Venture agreement with BMI, Lufthansa and SAS signed November 9, 1999
- ▶ In effect from January 1, 2000
- ▶ Main scope: To integrate the parties scheduled pass. transport to/ from London/ Manchester
- ▶ Negative result effect 2001: MSEK 335
- ▶ Effect Q1 2002 minus MSEK 113
- ▶ Effect Q2 2002 minus MSEK 104

Spread has narrowed between Brent Crude vs. Jet Fuel



Personell reductions well according to plan full year effect 2003

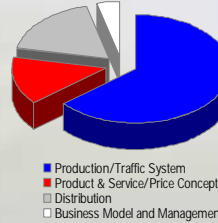


Current outlook 2002 lowered by MSEK 200 vs 1st Quarter

- ▶ Average rates:
 - ▶ 2000 270 USD/MT
 - ▶ 2001 255 USD/MT
 - ▶ Q1 2002 189 USD/MT
 - ▶ Q2 2002 224 USD/MT

- Current hedging ratio Next 12 months 45%
- ▶ Estimate Full year 2002 MSEK 3 400 (vs 3 600)
(Based on current levels)

Structural improvement measures with 4 000 MSEK effect from 2003>



- ▶ 5 areas of focus
 - Production concept
 - Product & services
 - Distribution
 - Management & Administrations
 - Price concept

Status short term Result Improvement measures – 600 MSEK effect H1 2002

In process/ implementation	MSEK 1 900
Additional measures	MSEK 500
Total	MSEK 2 400

Result effects	2003 MSEK 2400
	2002 MSEK 1700

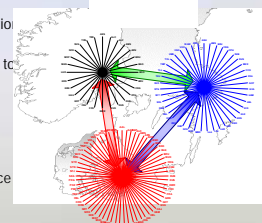
Estimated distribution:

- 1st Quarter 200-300
- 2nd Quarter 300-400
- 3rd Quarter 400-500
- 4th Quarter 600-700

Changes in production process has a potential of MSEK 2 000 in savings

New production philosophy = Restructuring and improving aircraft rotation

- ▶ Improved aircraft utilization rates
 - ABH/ Block hour up from 7,5 to 9 hrs.
 - Legs/ a/c up
- ▶ Improved capacity utilization
 - +5 p.u. on average
- ▶ Aircraft turn around
- ▶ Utilize peak/ off peak for maintenance
- ▶ Aircraft/ crew overnights reduced to minimum
- ▶ Pilot hours up from less than 500 hrs to 600hrs per annum



Significant flight crew and a/c productivity improvements in pipeline 2002-2003

	Current	Short-term target 2003/04	Change
Cockpit crew utilization (BLH/pilot/year)	490	600	+20%
Cabin Crew utilization	530	600	+13%
Aircraft utilization (BLH/type)	8,22	8,42	+4-5%
Legs /ac/day	6,70	6,87	+2,5%
Aircraft night stops	800	500	+60%

Marketplace is characterized by many campaigns and price initiatives from SAS

SAS Summerfares from € 165

Birmingham Bonus! Scandinavia from €96 return incl. tax! Free Tivoli tickets!

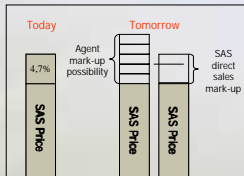
SAS Family Fares from € 193 per person return

Try the Scandinavian Way

Musik i det dagligt
SAS till London till 895,-

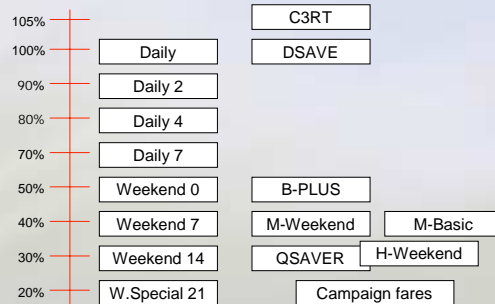
- ▶ SAS offer to London from Scandinavia 895,-
 - Highly successful
 - Excess capacity sold + 60 000 bookings so far!

Scandinavian Airlines' new net pricing concept as from 2003



- Net price concept to be introduced 1 January 2003
- Prices lowered with same amount as commissions
- Agent will set their own price to the customer
- Markup can vary from channel to channel
- Introduction of service fees in SAS' direct channels
- Introduction of new agent program

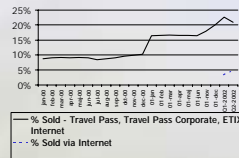
New price concept



Scandinavian Direct in service as from June 1, 2002

- ▶ One service class – new price concept
 - ▶ A new, easier and more intelligent way of travelling with SAS
- Feedback from customers generally positive
 - ▶ In particular related to
 1. Improved booking/ check in (via internet)
 2. Improved boarding process
- ▶ Customer Survey completed late June -
 - ▶ Focus on rapid initial customer feedback in order to be able to amend product concept if necessary
 - ▶ 30% of customers travel at a lower price
 - ▶ Small negative yield impact - as expected

Electronic Channels steady at 21%



- ▶ Total volume E-channels in Q2 MSEK 2 011
- ▶ 20,9% of total passenger sales in Q2
- ▶ New web site launched in May



Management & administration



- ▶ New structure
 - Result oriented management
 - Clearer targets
- ▶ World Sales and Scandinavian Ground Services to be separated from SAS Airline
 - Significant synergies to be released



Weak charter market 2nd Quarter offset by cost reductions and strong yield improvements

MSEK April-June 2002

Passenger revenue	1 123
Other revenues	718
Operating revenues	1 841
EBITDAR	263
EBIT	-43
Income before taxes	-70

- ▶ Spanish market generally weak
- ▶ Significantly increased yield - 27,2% Jan-June
 - ▶ Closure of intercontinental traffic
 - ▶ Focus on high yield markets
 - ▶ Price increases in Spanish market



Subsidiary & Affiliated Airlines



Spanair ready to join STAR Full member as from 2003



Income Subsidiary & Affiliates Airlines – Braathens and Spanair fully consolidated

	January - June	
(MSEK)	2002	2001
Passenger revenues	5 886	1 213
Other revenues	1 863	312
Operating revenues	7 749	1 525
Operating expences	-6 183	-1 274
EBITDAR	+1 566	+251
EBITDA	657	174
Income before taxes	+65*	+126

* = Includes Spanair as affiliated company Nov/Dec 2001 because of change of financial year



Spanair's unit cost in line with european low cost carriers

- ▶ Long-haul operations closed in March 2002
- ▶ Improved mix
 - ▶ Shift from low yield to high yield markets
- ▶ Key Operating data:
 - Total Aircraft utiliz 9,2 hrs/ day
 - Cabin Crew 900 hrs/year
- ▶ Cost reductions
- ▶ Capacity reductions
- ▶ Unit cost in line with low costs carriers
- ▶ Positive operating profit for 2002



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Strong performance in Braathens during first half of 2002

- ▶ Fully consolidated in the SAS Group 2002
- ▶ New route schedule from April 2 and full effect of large capacity and cost cuts late 2001 gave significant improvements.



Strong turnaround for Air Botnia

Air Botnia

- ▶ Strong performance and increased traffic (RPK) by 41,2%.
- ▶ Strengthened market position
- ▶ Jan – June 2002
- ▶ Total Revenues MSEK 537 (+16%)
- ▶ EBITDAR MSEK 144 (+140%)
- ▶ EBITDA MSEK 67 (415%)
- ▶ EBT MSEK 60

Air Botnia



Braathens – adequate return on capital expected for 2002

January-June	2002	2001
Passenger Revenue	2 992	2 867
Other Revenues	580	551
Operating Revenues	3 572	3 418
EBITDAR	+870	+299
EBITDAR-margin	24,3%	8,7%
Income before taxes	+444	-191



Airline Related Businesses



Widerøe's –best 1st Half result ever

- ▶ Increased traffic by 14,8% in Q2 and good performance.

Jan – June 2002

- ▶ Total Revenues MSEK 1 277 (+20%)
- ▶ EBITDAR MSEK 234 (+10%)
- ▶ EBITDA MSEK 169 (+10%)
- ▶ EBT MSEK 68 (+10%)



Income Business Area Airline Related Business EBITDA down 14%

MSEK	January - June	
	2002	2001
Operating revenues	4 341	3 467
Operating expences	-4 080	-3 163
EBITDA	261	304
Income before taxes	36	114



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SAS Cargo Weak demand and yield under pressure



	January-June	
	2002	2001
Total revenue	1 304	1 298
Cargo yield, SEK/ton km	2,35	2,42
Employees	1 106	1 182

SAS Cargo



SMART – agreement with Amadeus to sell for appr. 1 000 MSEK

Transaction subject to government Approval.



- ▶ Positive effect on cash flow and net debt 950 MSEK.
- ▶ Gain on sale 800 MSEK.

	January-June	
	2002	2001
Total Revenues	248	326
EBITDA	42	89
Profit before taxes	11	95

www.smart.se

SMART



Scandinavian IT Group



One of Scandinavia's largest IT companies, with a turnover of 2 463 MSEK in 2001 and a total of more than 1300 employees in three countries



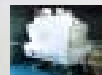
	January-June	
	2002	2001
Total Revenues	1 108	1 230
EBITDA	106	143
Profit before taxes	43	68

www.scandinavianIT.com

Scandinavian IT Group
Customer driven - Airline focused - Technology based



SAS Flight Academy – EBITDA flat 2002 vs. 2001



Training centers for pilots and other personell. 35% of revenues outside SAS in 2001.



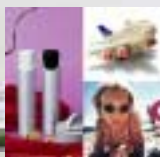
	January-June	
	2002	2001
Total Revenues	328	319
EBITDA	81	83
Profit before taxes	29	40

www.sasflightacademy.com



SAS Trading – turn around in progress

EURO SHOP



SAS Trading is a business in the SAS Group and a operator within Travel Retail. SAS Trading had 658 employees at year end 2001. In 2001 SAS Trading lost its concessions for duty free sales and operation of stores at Swedish airports.

	January-June	
	2002	2001
Total Revenues	1 074	1 109
EBITDA	20	-6
Profit before taxes	-4	-26

www.scandinavian.net



Jetpak



Jetpak is one of the fastest growing companies withing expresslogistic in the Nordic countries. The company is 100% owned by SAS Group and has 151 employees

	January-June	
	2002	2001
Total Revenues	181	181
EBITDA	-6	+12
Profit before taxes	-10	+9

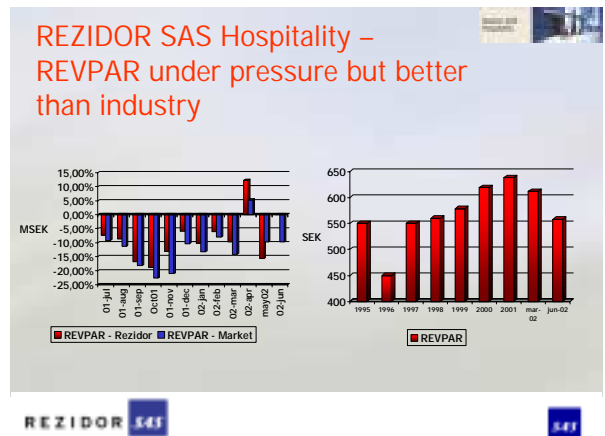
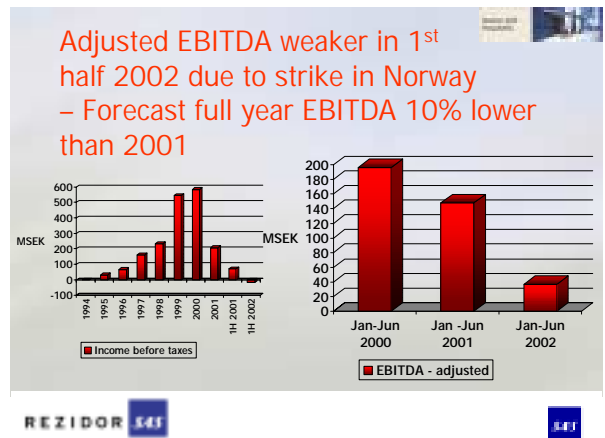
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REZIDOR SAS Hospitality – negatively affected by weaker markets

in MSEK

	Jan-Jun 2002	Jan-Jun 2001	Change
Revenues	1 624	1 679	-3,3%
Operating result	37	148	-
Adjusted EBITDA	-58	30	-
Pre tax profit Including gains	-26	+58	-

REZIDOR SAS



Radisson SAS current growth strategy

- ▶ Expansion in existing home markets – Scandinavia, Finland, Germany
- ▶ Extend home markets to UK, France, Benelux & Poland
- ▶ Expand in capitals & other important cities - e.g. Athens, Barcelona, Cairo, Rome, Zagreb...
- ▶ Extend into leisure & resorts
- ▶ Focus on airport hotels



REZIDOR SAS

SAS

Clear targets to reduce indebtness 2004

Current situation

- ▶ Loss situation and peak in investments and acquisitions
- ▶ Key figures Q2/02 vs Q2/01
 - Solidity: 22% (25%)
 - Net debt/ equity 0,82 (0,22)
 - Adj net debt to equity 1,60 (0,55)
- ▶ Financial position adequate, to be safeguarded
- ▶ Clear targets introduced

Net debt to peak in 2002

- ▶ Targets 2004
 - Solidity > 30%
 - Net debt/ equity < 50%
 - Adj net debt/ equity < 150%
- ▶ Surplus values in fleet reduced after Sep 11
- ▶ Release of main assets:
 - Properties
 - Non-core subs

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Financials

Currency Effects

January-June 2002 vs 2001

Total revenues & costs:

(Total +100 MSEK)

Major approx. effects:

USD	-49
DKK	-20
NOK	+143
EUR	+3
Asian curr.	-7
All others	+30

Forward cover costs:

(Total +13 MSEK)

2001	+53
2002	+29

Working capital:

(Total +132 MSEK)

2001	-62
2002	+70

Financial items:

(Total -124 MSEK)

2001	+107
2002	-17

Grand total +84 MSEK

Scandinavian Airlines

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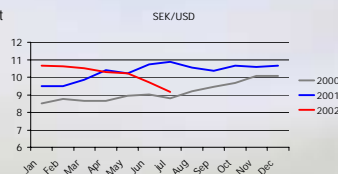
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Weaker USD set to affect second half positively if current levels remains

- ▶ Negative Effect on 1st half 2002 -49 MSEK

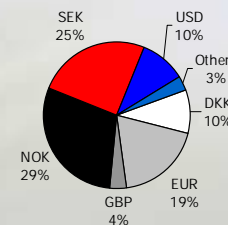
- ▶ Positive effect on 2nd Quarter +40 MSEK

- ▶ Potential positive effect if levels remain

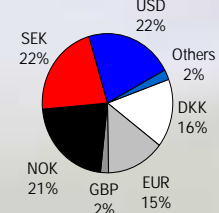


Expected currency distribution in the SAS Group 2002

Revenues



Costs



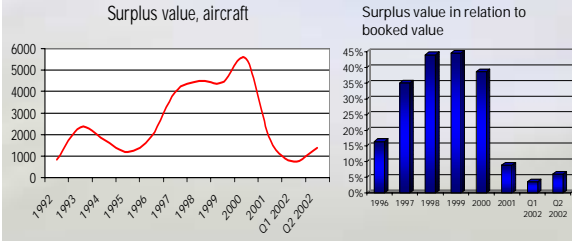
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Considerable surplus values despite reduced aircraft prices



Outlook – operating key figures - year 2002

- ▶ Growth expectations reduced
- ▶ Further capacity adjustments planned

Key figure	Group	SAS Airline
ASK	-9%	-4%
Frequencies		-8%
RPK	-2%	+2%
Passenger yield (currency adjusted)	n.m.	flat
Unit costs	n.m.	significantly down

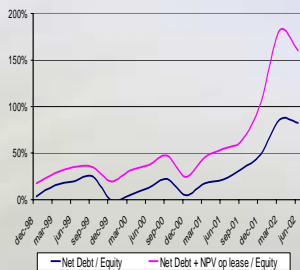
Outlook 2002

July figures includes all airlines in Group

- ▶ Group improved passenger load factor by 2,5 p.u.
- ▶ Scandinavian Airlines improved load factor by 1,8 p.u.

	Passenger-traffic (RPK)	Seat capacity (ASK)	Cabin-factor
SAS Group Total	-8,9%	-12,1%	71,7%
Intercontinental	-13,0%	-17,3%	
Europe	-6,6%	-10,7%	
Domestic and Intrasandinavian	-7,2%	-9,0%	

Gearing levels has peaked and in line with industry average



- ▶ Leverage to peak during 2002
- ▶ Moody's Baa3 Stable Investment grade rating

April-June figures includes all airlines in Group

- ▶ Group improved passenger load factor by 2,8 p.u.

	Passenger-traffic (RPK)	Seat capacity (ASK)	Cabin-factor
SAS Group Total	-5,5%	-9,4%	67,8%
Intercontinental	-2,5%	-12,1%	
Europe	-7,1%	-10,3%	
Domestic and Intrasandinavian	-6,3%	-5,7%	

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The Board of Directors

Assessment for full year 2002:

- ▶ Yield and load factors better than expected
- ▶ Result improvement measures take effect according to plan
- ▶ Forecast from February 12 upgraded
 - SAS Pre-tax profit before gains positive
 - Gains on sale at least 350 MSEK.

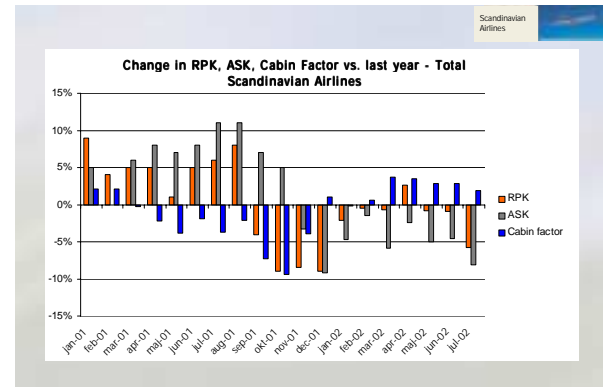


APPENDICES



Sum up – 1st Half 2002

- ▶ Balance between supply and demand
- ▶ Improved load factors and yields
- ▶ Scandinavian Airline has forceful measures in process
 - Short term 2002/2003
 - Structural 2003/2004
- ▶ Braathens significant positive result
- ▶ Spanair positive operating result
- ▶ Significant upgrade of group full year forecast



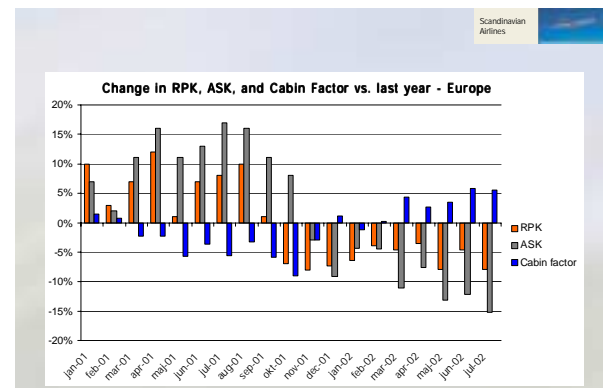
The SAS Group's overall target for profitability and growth within 2-3 years

Return on capital: minimum 20% CFROI

Top line growth: 6 % annually

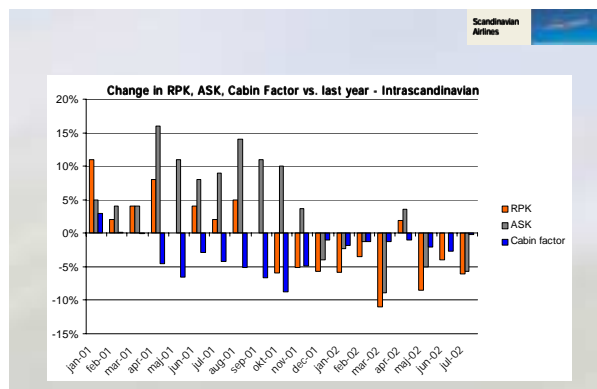
Pre-tax earnings SEK 5-6 bn within 2-3 years

- ▶ The most important prerequisite for achieving the goal is to make Scandinavian Airlines profitable



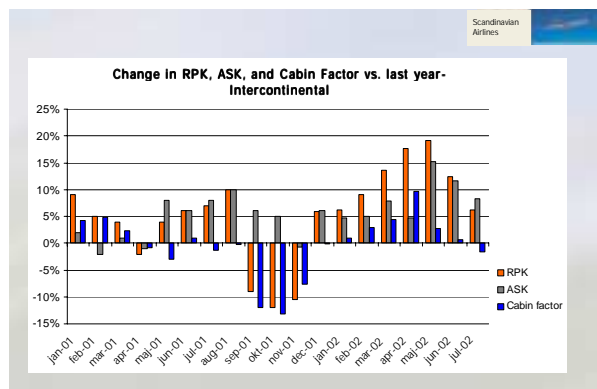
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Traffic and Yield 2nd Quarter 2002 vs 2001

Scandinavian Airlines Total Scheduled	2002	2001	Index variance
Production (mill ASK)	8 773	9 144	96
Traffic (mill RPK)	6 240	6 227	100
Cabin factor (%)	71.1	68.1	+3.0
Yield (öre/RPK)	151.9	149.7	101
Currency adj. yield	151.9	150.8	101



Traffic and Yield January-June 2002 vs 2001

Wideroe	2002	2001	Index variance
Production (mill ASK)	393	354	111
Traffic (mill RPK)	199	183	109
Cabin factor (%)	50.7	51.6	-0.9
Yield *)			103

*) local currency

Traffic and Yield January-June 2002 vs 2001

Scandinavian Airlines Total Scheduled	2002	2001	Index variance
Production (mill ASK)	17 061	17 701	96
Traffic (mill RPK)	11 468	11 513	100
Cabin factor (%)	67.2	65.0	+2.2
Yield (öre/RPK)	151.3	151.3	100
Currency adj. yield	151.3	155.0	98

Traffic and Yield 2nd Quarter 2002 vs 2001

Wideroe	2002	2001	Index variance
Production (mill ASK)	203	173	117
Traffic (mill RPK)	107	93	115
Cabin factor (%)	52.7	53.8	-1.1
Yield *)			102

*) local currency

Traffic and Yield January-June 2002 vs 2001

Spanair (Total scheduled)	2002	2001	Index variance
Production (mill ASK)	3 246	4 647	70
Traffic (mill RPK)	1 914	2 682	71
Cabin factor (%)	59.0	57.7	+1.3
Yield *)			127

*) local currency



Traffic and Yield 2nd Quarter 2002 vs 2001

Spanair (Charter)	2002	2001	Index variance
Production (mill ASK)	1 268	1 232	103
Traffic (mill RPK)	1 077	1 091	99
Cabin factor (%)	84.9	88.6	-3.6
Yield *)			108

*) local currency



Traffic and Yield 2nd Quarter 2002 vs 2001

Spanair (Total scheduled)	2002	2001	Index variance
Production (mill ASK)	1 686	2 483	68
Traffic (mill RPK)	989	1 491	66
Cabin factor (%)	58.7	60.1	-1.4
Yield *)			135

*) local currency



Traffic and Yield January-June 2002 vs 2001

Braathens (Total scheduled)	2002	2001	Index variance
Production (mill ASK)	2 220	2 672	83
Traffic (mill RPK)	1 242	1 358	92
Cabin factor (%)	55.9	50.8	+5.1
Yield			107

*) local currency



Traffic and Yield January-June 2002 vs 2001

Spanair (Charter)	2002	2001	Index variance
Production (mill ASK)	2 238	2 300	97
Traffic (mill RPK)	1 949	2 064	94
Cabin factor (%)	87.1	89.8	-2.7
Yield *)			106

*) local currency



Traffic and Yield 2nd Quarter 2002 vs 2001

Braathens (Total scheduled)	2002	2001	Index variance
Production (mill ASK)	1 197	1 329	90
Traffic (mill RPK)	717	741	97
Cabin factor (%)	59.9	55.8	+4.1
Yield			107

*) local currency



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Traffic and Yield January-June 2002 vs 2001

Air Botnia	2002	2001	Index variance
Production (mill ASK)	320	279	115
Traffic (mill RPK)	162	125	130
Cabin factor (%)	50.5	44.6	+5.9
Yield			90

*) local currency



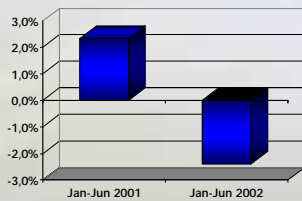
Passenger Yield January-June 2002 vs 2001

Route Sector	Nominal yield	Currency effect	Adjusted yield
SAS Airline	100	98	97
Intercontinental	95	99	94
Europe	99	98	97
Intrascandinavian	105	97	102
Denmark/Greenland	109	98	107
Norway	132	94	124
Sweden	104	100	104



Yield Development January - June 2002 vs 2001

(currency adjusted)



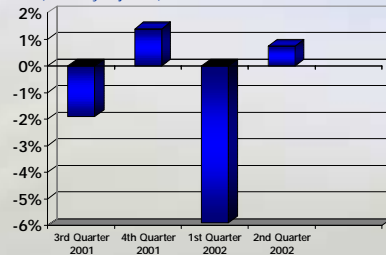
Passenger Yield 2nd Quarter 2002 vs 2001

Route Sector	Nominal yield	Currency effect	Adjusted yield
Scandinavian Airlines	101	99	100
Intercontinental	93	102	95
Europe	100	100	100
Intrascandinavian	105	98	103
Denmark/Greenland	104	100	103
Norway	141	95	134
Sweden	108	100	108



Yield Development 2001-2002

(currency adjusted)



Yields are under pressure from negative class mix /price mix



Unit Cost worsened by 3,6% but improved in Q2 January - June 2002 vs 2001

MSEK

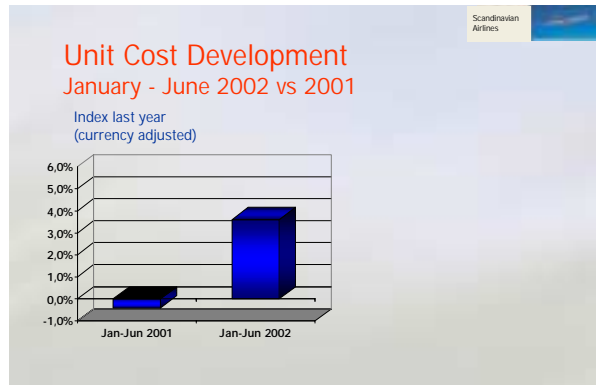
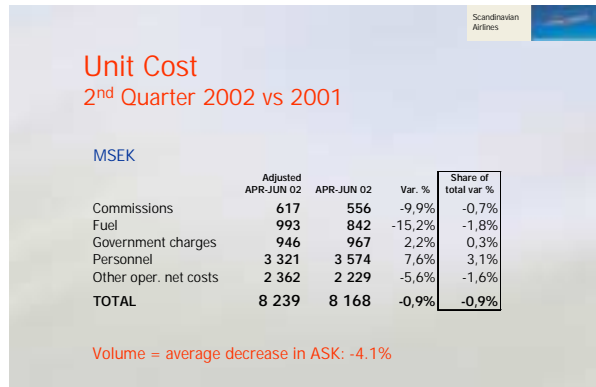
	Adjusted JAN-JUN 02	JAN-JUN 02	Var. %	Share of total var %
Commissions	1 163	1 044	-10,2%	-0,8%
Fuel	2 028	1 587	-21,7%	-2,8%
Government charges	1 864	1 862	-0,1%	0,0%
Personnel	6 401	7 086	10,7%	4,3%
Other oper. net costs	4 366	4 815	10,3%	2,8%
TOTAL	15 822	16 394	3,6%	3,6%

Volume = average decrease in ASK: -3,6%



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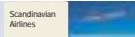



Revenue

January-June 2002 vs 2001

MSEK	JAN-JUN02	JAN-JUN01	curr adj 01
Passenger revenues	17 347	17 418	17 842
Cargo revenues *)	0	856	881
Other traffic revenues **)	941	522	539
Other revenues	2 141	2 931	2 980
TOTAL REVENUE	20 429	21 727	22 242

*) Not included in SAS Airline from June 2001
 **) Included internal revenue due to sold belly capacity from July 2001

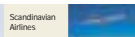





Revenue

2nd Quarter 2002 vs 2001

MSEK	JAN-JUN02	JAN-JUN01	curr adj 01
Passenger revenues	9 481	9 322	9 392
Cargo revenues *)	0	344	345
Other traffic revenues **)	521	280	284
Other revenues	1 089	1 799	1 803
TOTAL REVENUE	11 091	11 745	11 823

*) Not included in SAS Airline from June 2001
 **) Included internal revenue due to sold belly capacity from July 2001

Operating Costs January-June 2002 vs 2001

Scandinavian
Airlines

MSEK	JAN-JUN02	JAN-JUN01*)	curr adj 01
Personnel costs	7 086	6 749	6 920
Leasing costs (aircraft)	1 018	1 011	1 037
Sales costs	1 044	1 188	1 207
Fuel	1 587	2 046	2 104
Governmental charges	1 862	1 902	1 943
Meal costs	748	823	839
Handling costs	881	907	923
Maintenance costs	945	1 307	1 310
IT and Communication	744	788	803
Other Costs	3 638	4 267	4 209
TOTAL COSTS	19 553	20 988	21 295

*) SAS Cargo is included in SAS Airline until May 2001



Currency Effects April-June 2002 vs 2001

MSEK	APR-JUN
Total revenues	+123
Total costs	-31
Forward cover costs & working cap.	+134
Income before depr.	+226
Financial items	-165
Income before tax	+61



Operating Costs 2nd Quarter 2002 vs 2001

Scandinavian
Airlines

MSEK	APR-JUN02	APR-JUN01*)	curr adj 01
Personnel costs	3 574	3 531	3 582
Leasing costs (aircraft)	503	536	520
Sales costs	556	642	643
Fuel	842	1 074	1 035
Governmental charges	967	985	990
Meal costs	397	436	439
Handling costs	442	464	465
Maintenance costs	421	695	683
IT and Communication	367	392	390
Other Costs	1 691	2 636	2 525
TOTAL COSTS	9 760	11 391	11 272

*) SAS Cargo is included in SAS Airline until May 2001



Currency Effects January-June 2002 vs 2001

MSEK	JAN-JUN
Total revenues	+515
Total costs	-415
Forward cover costs & working cap.	+108
Income before depr.	+208
Financial items	-124
Income before tax	+84



Currency Effects January-June 2002 vs 2001

MSEK	JAN-JUN
Total revenues	+666
Total costs	-563
Forward cover costs & working cap.	+127
Income before depr.	+230
Financial items	-71
Income before tax	+159



Currency Effects April-June 2002 vs 2001

MSEK	APR-JUN
Total revenues	+78
Total costs	+4
Forward cover costs & working cap.	+115
Income before depr.	+197
Financial items	-217
Income before tax	-20



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Currency Effects

January-June 2002 vs 2001

Total revenues & costs: (Total +100 MSEK)		Working capital: (Total +132 MSEK)	
Major approx. effects:			
USD	-49	2001	-62
DKK	-20	2002	+70
NOK	+143	Financial items: (Total -124 MSEK)	
EUR	+3	2001	+107
Asian curr.	-7	2002	-17
All others	+30	Grand total +84 MSEK	
Forward cover costs: (Total +13 MSEK)			
2001	+53		
2002	+29		



Passenger Revenue Analysis

January-June 2002 vs 2001

▶ Revenues	17 347 MSEK	- 0.4%
▶ Volume		- 0.4%
▶ Yields		- 2.4%
▶ Currency		+2.4%



Currency Effects

April-June 2002 vs 2001

Total revenues & costs: (Total +82 MSEK)		Working capital: (Total +152 MSEK)	
Major approx. effects:			
USD	+40	2001	+9
DKK	-1	2002	+161
NOK	+63	Financial items: (Total -217 MSEK)	
EUR	0	2001	+77
Asian curr.	-12	2002	-140
All others	-8	Grand total -20 MSEK	
Forward cover costs: (Total -37 MSEK)			
2001	+27		
2002	-10		



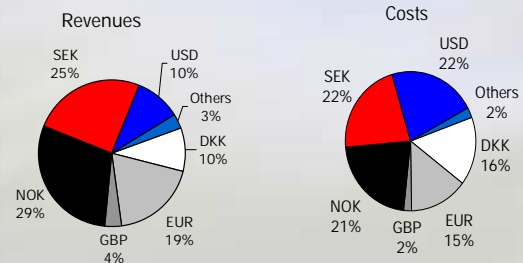
Passenger Revenue Analysis

2nd Quarter 2002 vs 2001

▶ Revenues	9 480 MSEK	+ 1.7%
▶ Volume		+ 0.2%
▶ Yields		+ 0.7%
▶ Currency		+ 0.8%



Expected currency distribution in the SAS Group 2002



Passenger Revenue Analysis

June 2002 vs 2001

▶ Revenues	3 340 MSEK	- 0.6%
▶ Volume		- 0.9%
▶ Yields		+ 0.7%
▶ Currency		- 0.3%

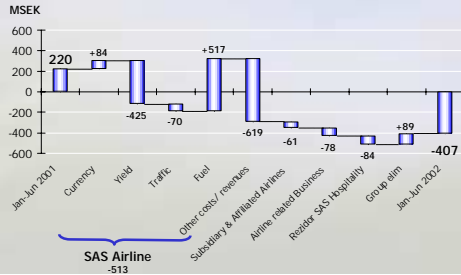


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SAS Group

Development of Income before Taxes
January-June 2002



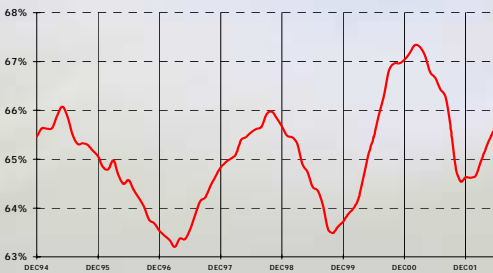
Balance Sheet

MSEK	30JUN02	30JUN01
Liquid funds	9 736	12 220
Other interest-bearing assets	7 281	7 187
Aircraft	26 033	16 224
Other assets	25 104	24 221
Total assets	68 154	59 852
Operating liabilities	20 683	15 444
Interest-bearing liabilities	28 160	22 292
Subordinated debenture loan	892	874
Deferred tax	3 781	3 992
Minority interests	-104	268
Equity	14 742	16 982
Total liabilities and equity	68 154	59 852
Net debt	12 035	3 759

Passenger load factor

1995-2002

Moving 12 months values



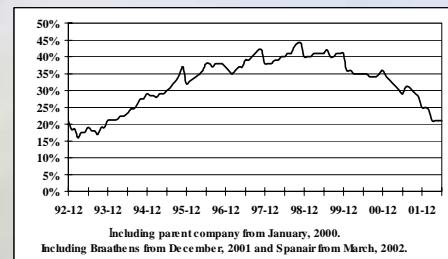
Changes in Financial Position

MSEK	January - June 2002	January - June 2001
Cash flow from operations	+1 326	+499
Change in working capital	+891	-36
Net financing from operations	+2 217	+463
Investments, advance payments	-5 357	-3 643
Acquisition of subsidiaries	-1 064	0
Sales of fixed assets, etc.	+1 608	+1 550
Financing surplus	-2 596	-1 630
Changes in external financing, net	+670	+5 625

Financials and aircraft fleet data

The SAS Group

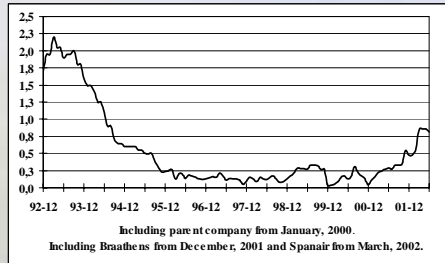
Equity / Assets Ratio 9212-0206



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The SAS Group Net Debt / Equity Ratio 9212-0206



Firm Order CAPEX MUSD 918

Aircraft Orders

	Total	2002	2003	2004	2005
CAPEX (MUSD)	918	415	220	200	83
Aircraft on order	28	13	7	5	3
Airbus A340/330	4				
Airbus A320/321	12				
Boeing 737	5				
deHavilland Q400	<u>7</u>				
	28				



Development of net debt 9112-0206



Firm Order CAPEX MUSD 770

Aircraft Orders

	Total	2002	2003	2004	2005
CAPEX (MUSD)	768	375	145	165	83
Aircraft on order	22	12	3	4	3
Airbus A340/330	4				
Airbus A320/321	9				
Boeing 737	5				
deHavilland Q400	<u>4</u>				
	22				



Airbus aircraft are being phased in

Aircraft in Traffic	30June02
Airbus A340-300	7
Airbus A321-200	3
Boeing 767-300	9
MD-81/82/83	49
MD-87	15
MD-90	8
Boeing 737-600	30
Boeing 737-700	6
Boeing 737-800	14
de Havilland Q400	27
Fokker F50	4
TOTAL in traffic	172

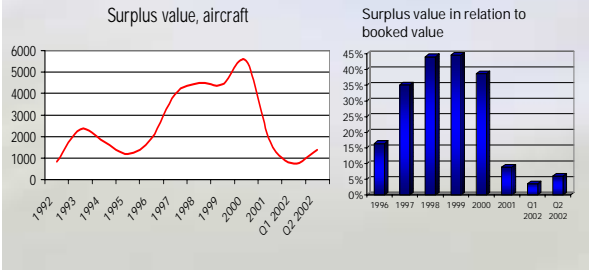


Type of Aircraft Deliveries Firm Orders

2002 H2
2 A330, 5 A321, 1 B737, 4 Q400
2003
1 A330, 2 B737
2004
1 A330, 3 A321
2005
1 A321, 2 B737



Considerable surplus values despite reduced aircraft prices



SAS Group Financial Net January – June 2002

(MSEK)	02-06-30	01-06-30	Difference
Interest net and others	-369	-141	-228
Exchange rate differences	+39	+110	-71
Financial net	-330	-31	-299
(in % p.a. of average net debt)	-6,1%	-1,9%	-4,2%



SAS financial position adequate



- ▶ Equity MSEK 14 742
- ▶ Equity ratio 22%
- ▶ Net debt MSEK 12,035
- ▶ Net debt/ equity 82%



SAS Group - Development and Break Down of Net Debt 020630

(MSEK)	02-06-30	01-06-30	Difference
Cash	9 736	12 220	-2 484
Other interest bearing assets	7 281	7 187	+94
Interest bearing liabilities	-29 052	-23 166	-5 886
Net debt	-12 035	-3 759	-8 276



Committed Credit Facilities of MSEK 8,600

	MSEK
Liquid Funds 30/6-02	9,700
<u>Available Credit Facilities:</u>	
Revolving Credit Facility (MUSD 700)	3,700
Aircraft Finance Lease Facility	3,700
Bi-lateral Facilities	1,200
Total Available Facilities	8,600



The SAS Group - Gross interest income/expenses on liquidity and debt

(MSEK)	0201-06
Average interest-bearing assets	16 725
Interest income	429
Return (% p.a.)	5,1%
Average gross debt	-27 495
Interest expenses and others	-798
Interest cost (% p.a.)	-5,8%
Average net debt	-10 775
Interest net and others	-369
Interest net (% p.a.)	-6,8%
Exchange rate differences	+39
Exchange rate differences (% p.a.)	0,7%
Financial net	-330
Financial net (% p.a.)	-6,1%



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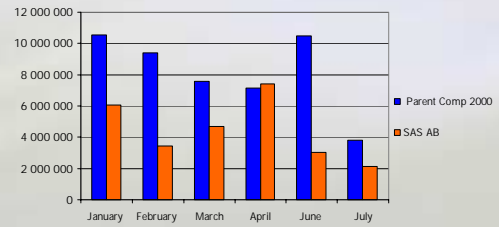
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SAS share



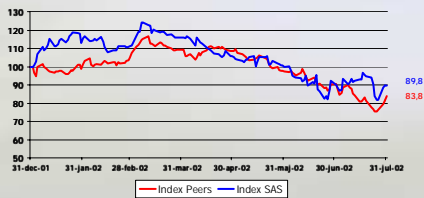
Weak volume in industry downturn SAS AB

Number of shares traded in SAS per month



SAS share price vs. Peers 2000-Jul 2002

SAS Market Capitalization vs. European Peers* measured in SEK
(Rebase 28 DEC 2001)

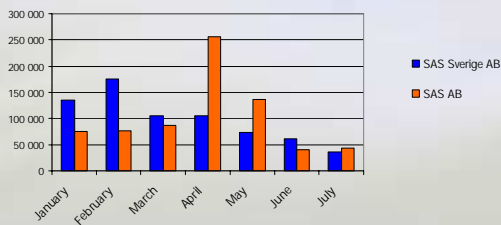


* Peers: Alitalia, Air France, British Airways, Finnair, KLM, Lufthansa & Ryanair



Increased volume in SAS AB vs SAS Sverige AB

Average daily number of shares traded in Stockholm per month



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