



Teleconference Full Year 2006

Stockholm, February 8



Favorable Business Cycle, New Business Models,
Good Cost/Capacity Control gave improved result



SAS Group MSEK	October-December		January-December	
	2006	Change	2006	Change
▶ Revenues	15 157	+665	60 777	+5 276
▶ EBITDAR	2 009	+679	6 616	+936
▶ EBIT	644	+565	1 273	+596
▶ EBT bef non-recurring items	735	+507	1 279	+1 165
▶ EBT including discontinued operations	4 787	+4 214	4 936	+4 518

SAS Group

2



SAS Group's present platform



- ▶ Platform created
 - Cost
 - Business Models
 - Business Structure
 - More focus on core business

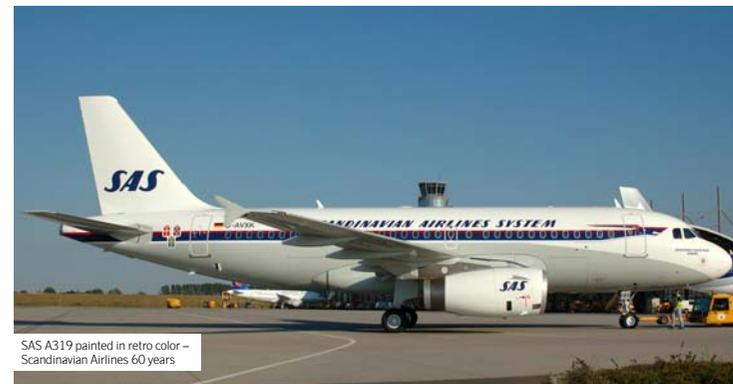


SAS Group more competitive but far from return targets

- ▶ From crisis/rescue phase to conceptually driven restructuring
 - Fill the profit gap

SAS Group

3



SAS A319 painted in retro color –
Scandinavian Airlines 60 years

Gunilla Berg
CFO



Strongest result improvement in SAS Scandinavian Airlines



MSEK	2006	Oct-Dec Change	2006	Jan-Dec Change
▶ SAS Scandinavian Airlines	743	+619	1 252	+1 626
▶ SAS Individually Branded Airlines	-5	+132	241	-23
▶ SAS Aviation Services	-35	-225	-111	-744
▶ Group eliminations, other	32	-19	-103	+306
▶ EBT bef nonrecurring items	735	+507	1 279	+1 165
Non-recurring and gains				
▶ Capital gains	+ 4 277		+ 4 324	
▶ Restructuring costs	- 32		- 337	
▶ Impairment losses	- 146		- 146	
▶ Other non recurring items	- 47		- 184	

SAS Sverige strongest performer in SAS Scandinavian Airlines



Jan-Dec in MSEK	SAS Braathens		SAS Danmark		SAS Sverige		SAS International	
▶ Revenues	12 579	2,6%	10 924	6,4%	8 273	6,4%	7 805	0,9%
▶ EBITDAR	1 413	-339	975	+636	1 200	+829	898	+251
▶ EBT bef nonrec.	404	-226	182	+797	504	+842	169	+212

Result drivers

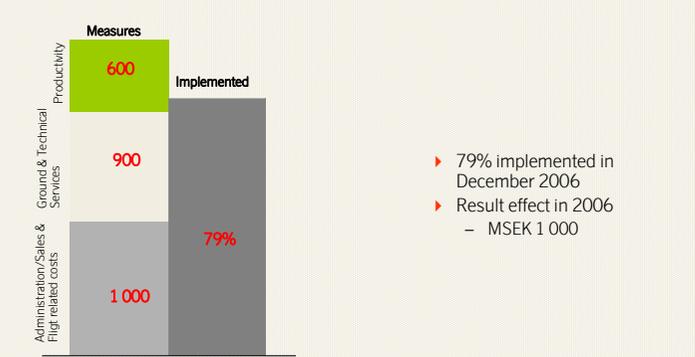
- ▶ Business Model
- ▶ Cost reductions
- ▶ Business Cycle
- ▶ Capacity focus

Result in SAS Individually Branded Airlines and Aviation Services



2006	Negative Result	Positive Result	Better vs Last Year
▶ Spanair	○	●	→
▶ Widerøe	○	●	→
▶ Blue1	●	○	→
▶ airBaltic	○	●	→
SAS Aviation Services			
▶ SGS	○	●	→
▶ STS	●	○	→
▶ SAS Cargo	○	●	→

SEK 2,5 bn cost measures 79% implemented



- ▶ 79% implemented in December 2006
- ▶ Result effect in 2006 – MSEK 1 000



Mats Jansson
President & CEO



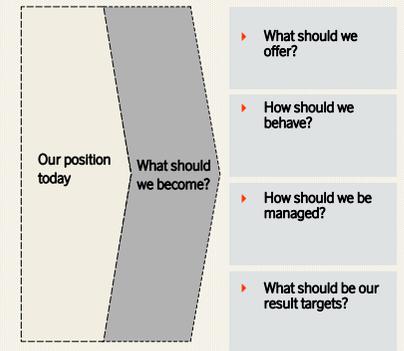
My current reflections:
Necessary next steps



- ▶ We need a much clearer and distinct concept and customer offering (Business and Leisure)
- ▶ We need to continue to rationalize
- ▶ We need to grow
- ▶ We need to make a clearer definition of roles

- ▶ We need to reach return targets to satisfy
 - Shareholders
 - Future investments
 - Independence

Strategy 2011



Second phase in development of Business Models - Lots of news for the frequent business traveler



- ▶ Today 60-70% of our passengers travel for work purposes and are frequent flyers
 - These are our main customers
 - 30-40% private customers

- ▶ We launch a comprehensive program to improve for frequent travelers
 - More distinct product concepts
 - Lower prices in Economy Extra
 - Improved product quality and seamless flow at the airport
 - Increased award recognition



"It pays to be a loyal customer"

- Fast Track Security to be introduced at more airports
- EuroBonus Gold members will always receive food and beverage
- Harmonized product on both Europe/Intrascand flights
- Economy Extra to be available at lower prices
- Improved product service feature
- ...much more

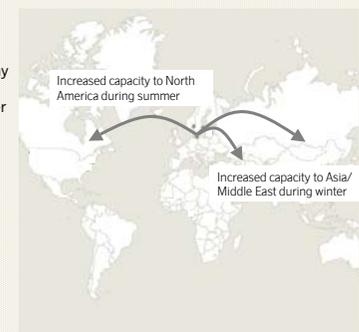
A friendly and reliable airline that provides smooth and efficient traveling



New strategic direction for intercontinental operations



- ▶ Traffic program with increased focus on the Scandinavian market
 - Seasonal destinations to be introduced
 - 2nd flight Copenhagen-New York from May (summer)
 - New! Stockholm-Bangkok from November (winter)
 - Doubled capacity from Stockholm but Copenhagen remains the largest hub
 - Beijing the gateway to China
 - Nonstop Stockholm-Beijing from March
- ▶ New developed concepts
 - SAS Business Sleeper on all aircraft from May
- ▶ More flexible price model for customers
 - Full flexibility and class combinability
 - World unique



Sum up



2006

- ▶ Improved result due to
 - Strong market growth
 - New Business Models
 - Good cost control
 - Capacity focus

- ▶ Next phase initiated
 - Strategy 2011 to be presented in May
 - Conceptually driven restructuring
 - Both revenue and cost actions
 - Fill the profit GAP

2007 Outlook

- ▶ Currently no signs of weaker market
- ▶ Stable market growth in SAS Group markets
- ▶ Continued restructuring
- ▶ Uncertainties about strength of future growth, fuel prices, and competitive situation

