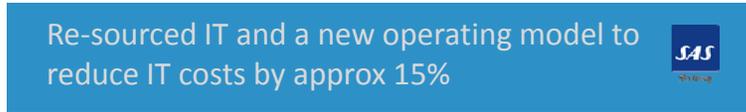
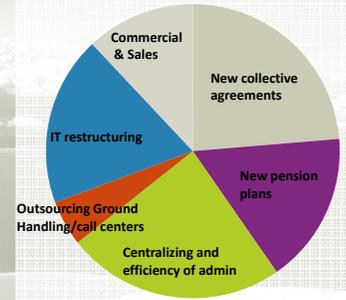




Implementation of 4Excellence Next Generation to reduce total costs by SEK 3 bn

- New collective agreements
 - New planning schedules implemented in Q2
- New pension plans
 - To be gradually implemented until year end
- Significant cost saving expected from tendering IT services
- About half of FTE reductions to be implemented before the summer within admin
- Outsourcing initiative to reduce fixed cost base



Re-sourced IT and a new operating model to reduce IT costs by approx 15%

- Reduce cost** - Implement a **lean and cost efficient** IT delivery at a **market adjusted cost level** with TATA as a new IT supplier
- Flexible cost base** - Increase the relative proportion of the **flexible cost base** to the total cost for the SAS group
- Reduce complexity** - **Simplify** SAS organization and simplify supplier and application landscape

Re-sourcing of SAS' largest IT contract

- Cost decrease by applying competition to existing contract
- Enable cost variability and cost control in new agreement structure

Increased outsourcing scope and a new operating model for IT

- Further leverage economies of scale in outsourcing
- Manage complexity of a multi-sourced external supply
- IT organization shift focus to business service and development



We are on track to deliver 50% of the financial effects in the current fiscal year

Incremental EBIT effects
SEK billion



SAS new service offer on European routes



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1982 BUSINESSMAN'S AIRLINE

2013 MAKES TRAVEL EASIER FOR YOU

1982 BUSINESSMAN'S AIRLINE

2013 MAKES TRAVEL EASIER FOR YOU

WiFi

EAST TRACK

IN-TIME PERFORMANCE

2013

2013

SAS invests in its product - Two product offerings



SAS Go

SAS Plus

2013 News and updates



50 new routes in 2013

NEW ROUTE SAN FRANCISCO

Onboard refresh with new seats on shorthaul

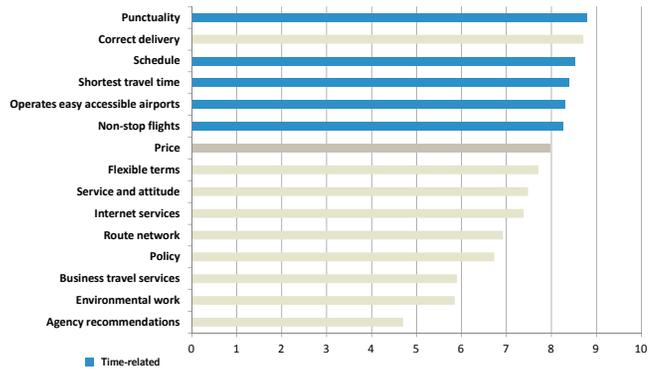
Fast track

Design refresh

Scandinavian

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Time related factors are most important for frequent travelers



Decision Criteria: Air-T
 Adresser: 2011, T - Travel days per year - 11-40 Days, T - Travel days per year - 40-80 days
 Data source: Nordic 30open domestic

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Our new customer offering



	SAS Go	SAS Plus
Ticket Flexibility	Change against fee	Changeable
Refundable		✓
Reserved seat at booking		✓
Lounge		✓
Fast Track		✓
Coffee & Tea	✓	✓
Breakfast	✓*	✓
Food & Beverages	For purchase	Included
Baggage	1 bag á 23 kg	2 bags á 23kg
Priority Baggage Int'l		✓
Eurobonus points	100%	200%

Lounge upgrades



Appendices



- 🔵 **Fleet & productivity**
- 🔵 Unit revenue (yield & RASK) & Unit cost
- 🔵 Traffic & capacity outlook
- 🔵 Financial update
- 🔵 Currency & Fuel

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Modernization of fleet well in progress



SAS main aircraft

		
Airbus A330/340-300 Scandinavian Airlines	Airbus A319/A320/A321 Scandinavian Airlines	Boeing 737-600/700/800 Scandinavian Airlines

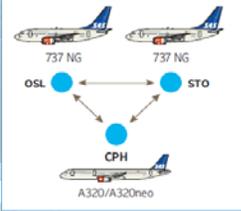
SAS aircraft being phased out

- MD80 and Boeing 737 Classic to be phased out by 2013 and 2014

Aircraft being phased in - no capex until 2016

- SAS is phasing in 30 leased modern aircraft that will completely replace older generation aircraft 2012-2014

One aircraft type per base from 2014



A320 and B737 on lease



25

SAS Group fleet – April 2013

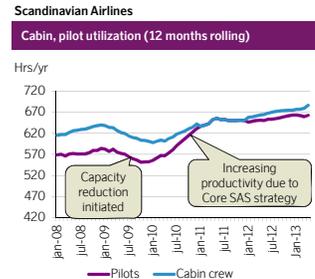
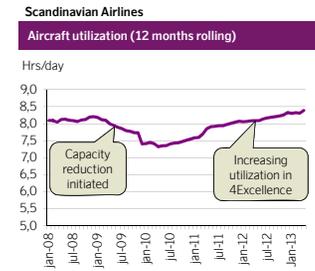


Aircraft Type	Age	Owned	Leased	Total	Leased out	Order
Airbus A330/340	10.9	5	6	11	0	
Airbus A321/A320/A319	9.1	4	14	18	0	30
Boeing 737 Classic	19.9	0	8	8	0	
Boeing 737 NG	11.3	23	56	79	0	
Boeing 717	12.7	3	6	9	0	
Douglas MD-80-series	22.5	16	-	16	0	
Douglas MD-90-series	-	8	0	8	8	
Avro RJ-85	-	0	1	1	1	
deHavilland Q-series	14.9	29	13	42	0	
Bombardier CRJ900 NG	3.9	12	0	12	0	
Total	12.4	100	104	204	9	30

*In addition SAS wet leases the following Aircraft: four CRJ200, four ATR and four S2000.

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Productivity development

Block hours, 12 months rolling, Apr 2013	Aircraft, hours/day	Pilots, hours/year	Cabin, hours/year
Scandinavian Airlines	8.4	663	686
Widerøe	6.7	485	490

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Appendices



-  Fleet & productivity
-  **Unit revenue (yield & RASK) & unit cost**
-  Traffic & capacity outlook
-  Financial update
-  Currency & Fuel

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Yield and RASK development



Yield, SEK Currency adj			Yield, SEK Currency adj		
Q2	Nov-Apr	Q2	Nov-Apr	Q2	Nov-Apr
2.7%	2.2%*	3.7%	1.9%	-0.3%	0.1%

RASK, SEK currency adj			RASK, SEK currency adj		
Q2	Nov-Apr	Q2	Nov-Apr	Q2	Nov-Apr
-1.3%	-0.4%	-0.3%	0.1%	-0.3%	0.1%

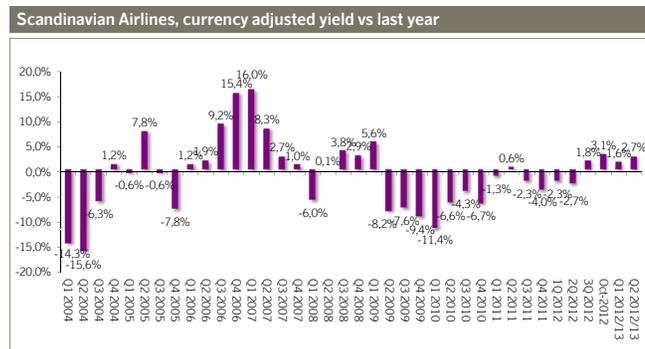
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Stabilizing yield, with strong load factor



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Quarterly yield development



Note: Including Blue1 from March 2012

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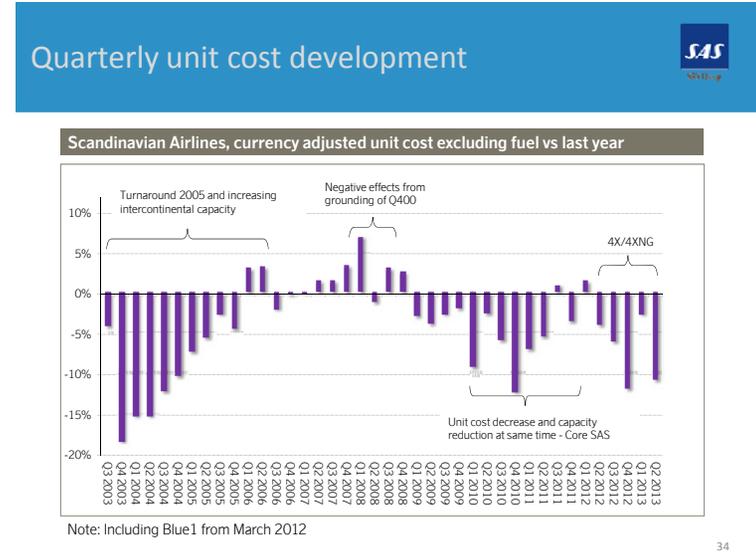
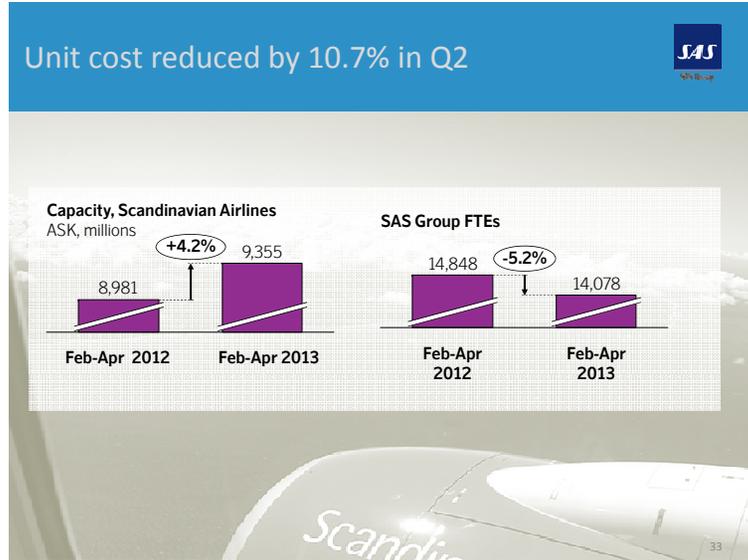
Key drivers point in the right direction



	Q2'12	Q3'12	Oct' 12	Q1 2012/13	Q2 2012/13
SAS Group					
Traffic (RPK)	↑ +5.9%	↑ +7.6%	↑ +5.4%	↑ +4.3%	↑ +1.0%
Passenger load factor	↑ +1.0 p.u.	↑ +1.5 p.u.	↓ -1.0 p.u.	↓ -0.3 p.u.	↓ -2.3 p.u.
Scandinavian Airlines*					
Passenger yield	↓ -2.7%	↑ +1.8%	↑ +3.1%	↑ +1.6%	↑ +2.7%
Total unit revenue (RASK)	↑ +0.3%	↑ +3.6%	↑ +6.0%	↑ +0.6%	↓ -1.3%
Total unit cost (excluding fuel)	↓ -4.0%	↓ -6.1%	↓ -11.8%	↓ -2.7%	↓ -10.7%

* Including Blue1 from March 2012

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Breakdown of unit cost, Nov 2012 - Apr 2013

Scandinavian Airlines, SEK, currency adjusted

Unit cost breakdown	Nov 2012 - Apr 2013	Nov 2011 - Apr 2012	Var, %	Share of total var, %
Payroll expenses	-4,952	-6,024	-17.8%	-6.5%
Jet fuel	-3,973	-4,001	-0.7%	-0.2%
Government user fees	-1,807	-1,834	-1.5%	-0.2%
Selling and distribution costs	-1,120	-1,042	7.5%	0.5%
Handling costs	-760	-773	-1.8%	-0.1%
Technical aircraft maint.	-1,153	-1,123	2.7%	0.2%
Other operating expenses	-354	-220	61.2%	0.8%
Total operating expenses	-14,119	-15,018	-6.0%	-5.4%
Leasing costs for aircraft	-800	-757	5.6%	0.3%
Depreciation	-760	-776	-2.1%	-0.1%
Adjusted EBIT	-15,679	-16,551	-5.3%	-5.3%¹

¹ Excluding changes in pension conditions that reduces payroll expenses by MSEK 450 during Q2, the adjusted EBIT unit cost was down 2.5%

Breakdown of unit cost, Q2

Scandinavian Airlines, SEK, currency adjusted

Unit cost breakdown	Feb-Apr 2013	Feb-Apr 2012	Var, %	Share of total var, %
Payroll expenses	-2,159	-2,994	-27.9%	-9.9%
Jet fuel	-2,047	-2,123	-3.6%	-0.9%
Government user fees	-935	-949	-1.5%	-0.2%
Selling and distribution costs	-544	-534	1.7%	0.1%
Handling costs	-389	-383	1.4%	0.1%
Technical aircraft maint.	-572	-545	4.9%	0.3%
Other operating expenses	-259	-160	61.5%	1.2%
Total operating expenses	-6,903	-7,689	-10.2%	-9.3%
Leasing costs for aircraft	-413	-358	15.4%	0.7%
Depreciation	-377	-400	-5.7%	-0.3%
Adjusted EBIT	-7,693	-8,446	-8.9%	-8.9%¹

¹ Excluding changes in pension conditions that reduces payroll expenses by MSEK 450 during Q2, the adjusted EBIT unit cost was down 3.6%

Appendices



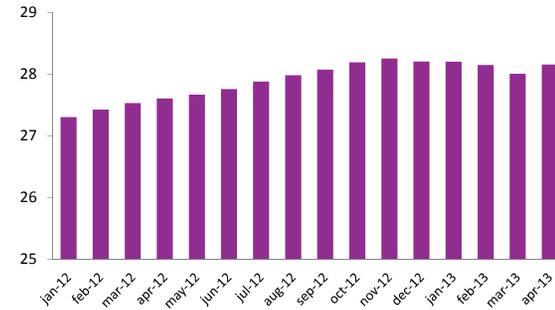
- Fleet & productivity
- Unit revenue (yield & RASK) & Unit cost
- Traffic and capacity outlook**
- Financial update
- Currency & Fuel

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SAS Group in a stable growth



Scheduled passenger SAS Group, 12 months rolling (Million)



ASK outlook for financial year 2012/13



ASK outlook for November 2012 – October 2013

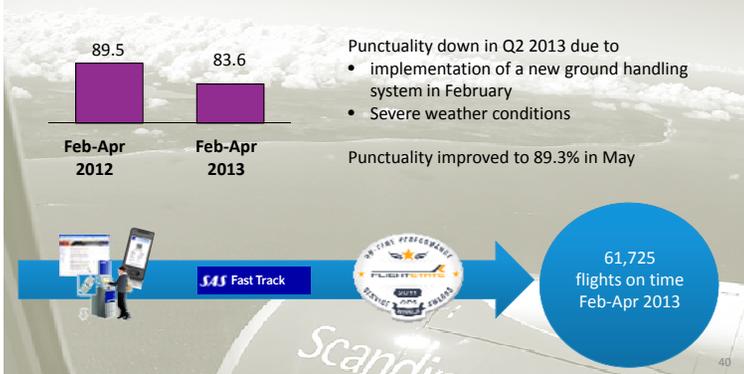
Scheduled	Financial year 2012/13 vs 2011/12
SAS Group	+5-6%
Scandinavian Airlines	+5-6%
Widerøe	6-8%

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Punctuality of 83.6% in Q2



Punctuality (15 min) Feb-Apr 2012/13 vs Feb-Apr 2011/12, %
Scandinavian Airlines



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Appendices



- Fleet & productivity
- Unit revenue (yield & RASK) & Unit cost
- Traffic & capacity outlook
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Financial targets



		Long term: FY 14/15	
NEW	Profitability EBIT %	>8%	1
NEW	Equity ratio Equity/Assets, %	>35%	2
NEW	Financial preparedness Cash & unutilized credit facilities / Fixed cost	>20% (70 days)	3

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Overview of credit facilities – April 2013



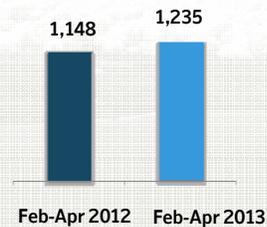
Available funds, SEK billion	Apr 2013	Maturity
Undrawn portion of credit facilities		
Revolving Credit Facility, SEK 2.7 bn	2.7	Mar 2015
Credit Facility, MUSD 125 & 65	0.0	Jan 2016, Oct 2017
Credit Facility, MUSD 68	0.3	Sep 2021
Others (MUSD 122)	0.0	Oct 2019
Total undrawn credit facilities	3.0	
Total credit facilities	5.2	
Drawn portion of credit facilities	2.2	
Undrawn portion of credit facilities	3.0	

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Positive cash flow in Q2 2012/13



Cash flow from operating activities
MSEK



- Improved cash flow from operation
- Working capital up MSEK 200 versus last year
- Net investments at MSEK 264
 - Free cash flow at MSEK 971
- Remaining amortization until October 2013 at approximately SEK 0.3 billion

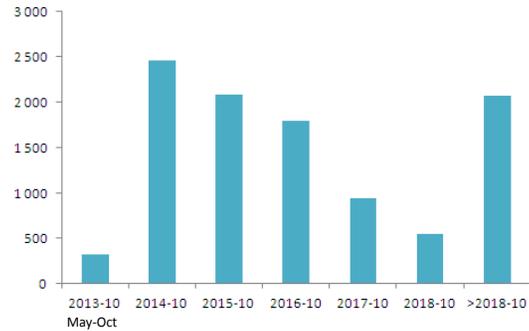
Scandinavian

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Amortization profile

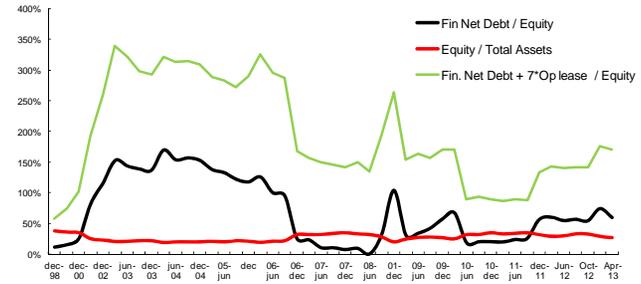


Scheduled amortization profile as of 30 April 2013, MSEK



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Gearing ratios



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SAS Group

Financial Net November-April



MSEK	Nov12-Apr13	Nov11-Apr12	Difference
Interest net and others	-469	-512	+43
Exchange rate differences	+6	+15	-9
Financial net	-463	-497	+34

MSEK	Feb13-Apr13	Feb12-Apr12	Difference
Interest net and others	-230	-281	+51
Exchange rate differences	+10	+29	-19
Financial net	-220	-252	+32

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Development and Break Down

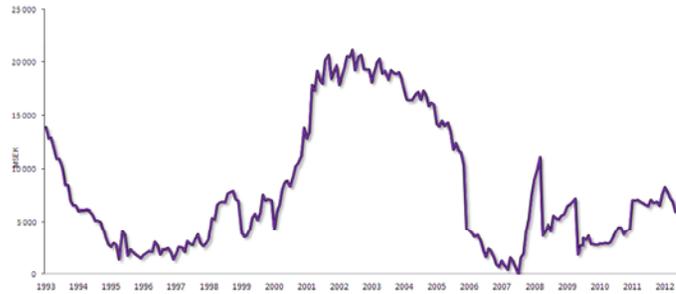
Financial Net Debt



MSEK	30 Apr 2013	31 Oct 2012	Difference
Cash	3,061	2,789	-272
Other interest bearing assets	1,516	1,549	-33
Interest bearing liabilities	-10,534	-10,887	+353
Financial net debt	-5,957	-6,549	+592

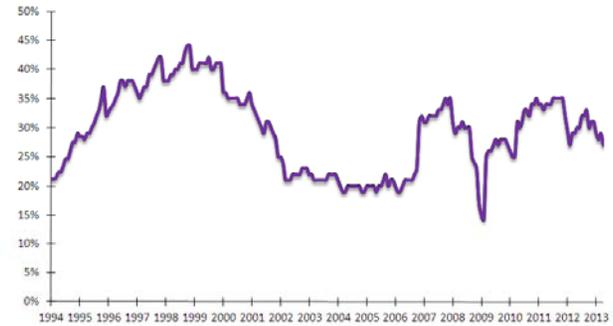
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Development of financial net debt
1993-2013

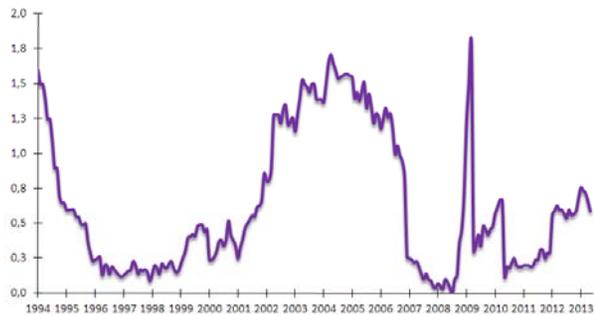
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Equity / Assets Ratio
1993-2013

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Financial Net Debt / Equity Ratio
1993-2013

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Development of the financial net debt
Oct 2012-Apr 2013




Appendices



- ▶ Fleet & productivity
- ▶ Unit revenue (yield & RASK) & Unit cost
- ▶ Traffic & capacity outlook
- ▶ Financial update
- ▶ **Currency & Fuel**

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Breakdown of currency effects SAS Group



Total revenues & costs currency effects		Feb-Apr 2013 vs LY	Nov 2012-Apr 2013 vs LY
Total revenues & costs	USD	72	127
	DKK	6	28
	NOK	-48	-53
	EUR	3	16
	Asian currencies	-25	-34
	All others	-18	-18
Total	-10	66	
Forward cover costs	2012	-24	66
	2013	-21	-72
	Difference	3	-138
Working capital	2012	-7	-49
	2013	9	-4
	Difference	16	45
Financial items	2012	29	15
	2013	10	6
	Difference	-19	-9
Total currency effects		-10	-36

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Changes in currency exchange rates

affected the result by MSEK -36 in Nov 2012-Apr 2013 vs Nov 2011-Apr 2012



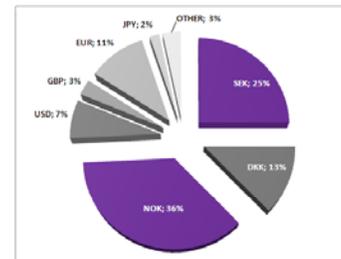
Currency effects MSEK on SAS Group 2012-13 vs 2011-12		Feb-Apr 13	Nov 12-Apr 13
<ul style="list-style-type: none"> ▶ Negative impact on revenue due to the stronger SEK ▶ Positive impact on other operating costs due to the stronger SEK 	Total revenue	-296	-435
	Total costs	286	501
	Forward cover costs & working capital	19	-93
	Income before depreciation	9	-27
	Financial items	-19	-9
	Income before tax	-10	-36

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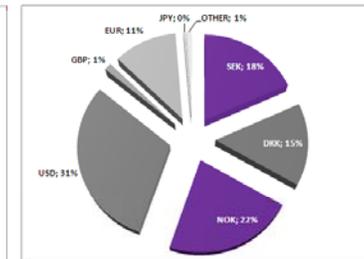
Currency distribution in SAS Group Jan-Oct 2012



Revenue

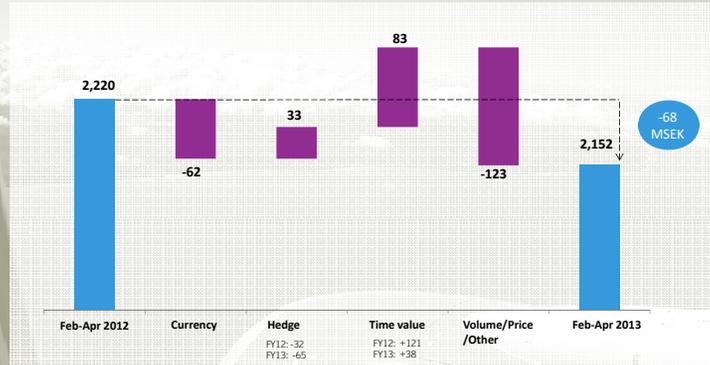


Expenses



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Fuel cost decrease due to lower prices and currency



Feb-Apr 2012 Currency Hedge
 FY12: -32
 FY13: -65

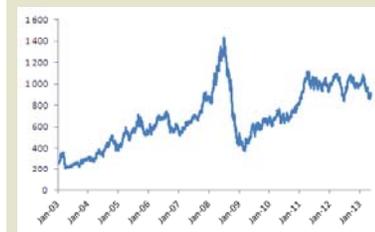
Time value Volume/Price/Other Feb-Apr 2013

FY12: +121
 FY13: +38

95% of fuel consumption hedged – limited fuel price exposure



Jet fuel, spot price development, USD



Current hedges

- 49% of the consumption hedged for next 12 months – within policy
- 95% of consumption hedged during May – October 2013
- SAS exposure to higher fuel prices limited in May-Oct 2013
 - Call options enables SAS to benefit from lower fuel prices

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SAS hedging position



SAS Group's jet fuel hedging portfolio

	May-Jul 2013	Aug-Oct 2013	Nov-Jan 2014	Feb-Apr 2014
Jet fuel hedging proportion	89%	100%	4%	3%

SAS Group's jet fuel costs in 2012/13 (annual average values)

	5.0 SEK/USD	6.0 SEK/USD	7.0 SEK/USD	8.0 SEK/USD
Market price				
800 USD/MT	SEK 7.3 bn	SEK 7.9 bn	SEK 8.5 bn	SEK 9.2 bn
1,000 USD/MT	SEK 7.9 bn	SEK 8.7 bn	SEK 9.4 bn	SEK 10.1 bn
1,200 USD/MT	SEK 8.0 bn	SEK 8.8 bn	SEK 9.6 bn	SEK 10.3 bn
1,400 USD/MT	SEK 8.3 bn	SEK 9.1 bn	SEK 9.9 bn	SEK 10.7 bn

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