

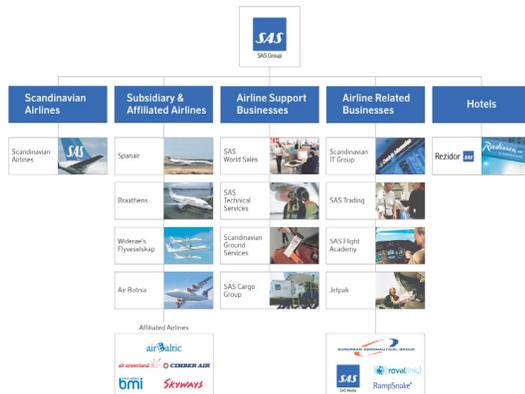


Teleconference Fiscal year 2002

Weak full year result but according to plan

- 1st Quarter – weak – according to plan
- 2nd Quarter – passenger load factors and yields better than expected
- 3rd and 4th Quarter – pressure on yields
 - Short term measures completed
 - Structural improvement measures under implementation
 - Additional structural measures to position group airlines to be introduced

The SAS Group five business areas as from Q4 2002

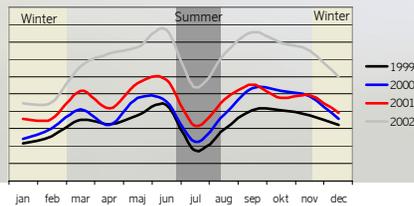


SAS Group statement of income

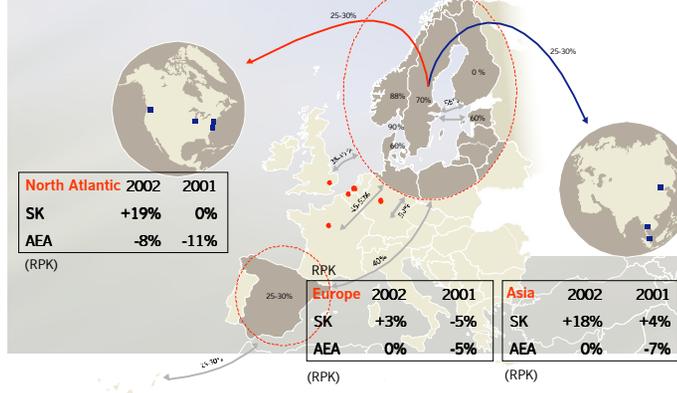
MSEK	2002	2001	Change
▶ Revenue	64 944	51 433	+26%
▶ EBITDAR	7 294	3 168	+130%
▶ EBT	-450	-1 140	+60%
▶ EBT excl. cap gains	-951	-2 282	+66%

The SAS Group seasonality pattern

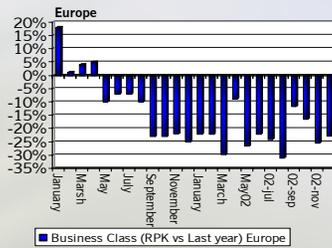
- January, February, July and December seasonally weak months
- Easter has a negative earnings effect by appr. 200-300 MSEK.
- Acquisition of Spanair has reduced seasonality slightly



In weak market the SAS Group has taken market shares vs. AEA



European routes Continued fall in Business Class



- Business class share Europe:
 - 26% in 2001
 - 21% in 2002



Yield development for Scandinavian Airlines the major challenge for group profitability

- Pressure on yield accelerated in 4th Quarter



Turnaround

- Short term measures fully completed
- Structural measures under implementation

Short term measures

- All activities implemented
- Result effect of 3 400 MSEK in 2002
- Short term measures will give full effect in 2003.

Structural measures – under implementation

- 22% of total activities are completed corresponding to 43% of the total effect in 2003
- Implementation so far ahead of plan



Improved balance between supply and demand

- ▶ Total traffic decreased by 3,2% vs. 2001
- ▶ Total capacity reduced by 8,5% vs. 2001
 - Group passenger load factors at record levels

2002 passenger load factors		
	Scandinavian Airlines	+ 3,5 p.u. → 68,1%
	Spanair	+0,9 p.u. → 61,0%
	Braathens	+ 7,0 p.u. → 57,8%
	Widerøe	+ 1,3 p.u. → 51,4%
	Air Botnia	+5,6 p.u. → 49,5%



Gunilla Berg

CFO



Group pretax profit (EBT) affected by one offs

MSEK	2002
▶ Pretax profit (ex. Cap gains & one offs)	-736
One offs	
▶ Swedish Aviation Authority	+570
▶ Cimber Air	-91
▶ Expo Investment	-157
▶ Restructuring costs	-537
▶ TOTAL one offs	-215
▶ Pre-tax (ex. gains)	-951
▶ Pre-tax (incl gains & one offs)	-450



Summary turnaround

	Gross full year effect	Annual
Short term measures		
Reductions in traffic system	500	500
Revenue enhancement	2 200	*
Cost reductions	2 400	1 700
Other business areas than SK	1 300	1 200
Total	Approx. 6 400	3 400 *

*) = Revenue enhancements of 2 200 comprising a supplementary charge of USD 4/passenger/flight and a general price increase of 5% are neutralized to a considerable extent by a negative passenger mix and higher insurance costs. The net result effect is therefore almost zero.

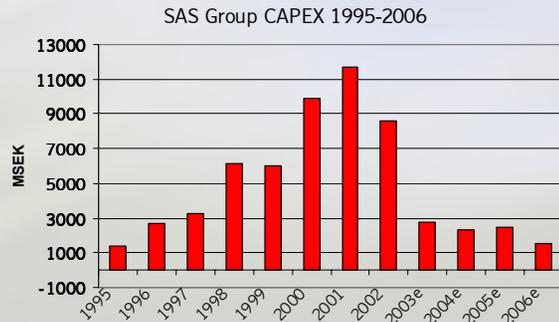
Structural measures		
Total	Approx. 6 400	0

TOTAL ALL MEASURES **Approx. 12 800** **3 400**

Group operating cash flow significantly improved

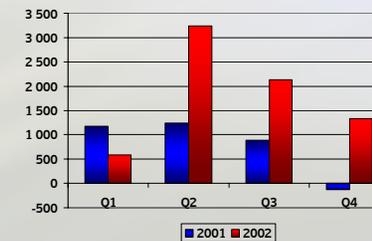
MSEK	January – December	2002	2001
Cash flow from operations		+1 818	-817
Change in working capital		+320	+467
Net financing from operations		+2 138	-350
Investments, advance payments		- 9 654	- 10 850
Acquisition/sale of subsidiaries (net)		+468	-826
Sales of fixed assets, etc.		+5 322	+8 382
Financing deficit/surplus		-1 726	-3 644
Changes in external financing, net		+785	+6 327

SAS Group entering CAPEX holiday as from 2003



SAS Group improved operating performance 2001/2002 EBITDAR

EBITDAR
MSEK million

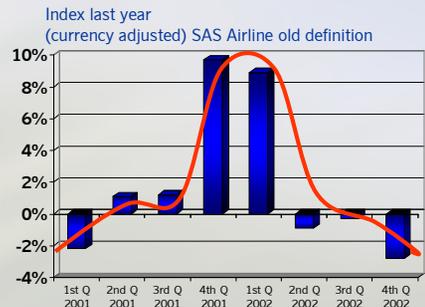


▶ EBITDAR in 2002 was 7 294 (3 168) MSEK

EBITDAR

- Scandin Airl. 3 315
- Braathens 1 694
- Spanair 984 MSEK
- Widerøe 453 MSEK
- Air Botnia 245 MSEK

Unit operating cost trend reversed



- ▶ Units costs are down in spite of weaker volumes (ASK) (-4%)
- ▶ Short term measures give effect
- ▶ Structural measures will impact 2003 going forward



Short term measures offset by pressure on revenues increased, insurance & pensions and inflationary effects

Change vs. 2001

MSEK	
EBT bef gains	+1 400
Whereof revenues	
Volume increase	500
Price increase	1 900
Class/routemix	-3 500
Total	-1 100
Whereof costs	
Short term measures	+1 700
Fuel & gover charges	+900
Maintenance	+400
Inflationary components	-1 100
Insurance/pensions	-1 000
Others incl currency effects	+1 600
Total	+2 500



Operating income - business area – EBIT

Business area	2002	2001	Change
Scandinavian Airlines	-68	-1049	+981
Subsidiary & aff. Airlines	+484	+49	+435
Airlines Support Businesses	+286	n/a	n/a
Airline Related Businesses	+134	+157	-23
Hotels	+102	+230	-128
Group eliminations	-256	-16	
EBIT	+682	-629	n.m
<hr/>			
SAS Airline, EBT (ex gains)	-1 184	-2 599	+1 415



Jørgen Lindegaard

CEO






Business Area Scandinavian Airlines

- SAS World Sales, SAS Technical Services and Scandinavian Ground Services moved to Airline Support Businesses.
- New P & L accounts reflects as from now the real costs and not only external costs
- Improvement programs on track, but challenges are still ahead
- Weak economic development and pressure on yield but significantly improved operating results

January – December	2002	2001
Passenger revenue	33 016	34 108
Other revenue	4 147	7 058
Operating revenue	37 163	41 166
EBITDAR	3 315	1 802
EBIT	-68	-1 049

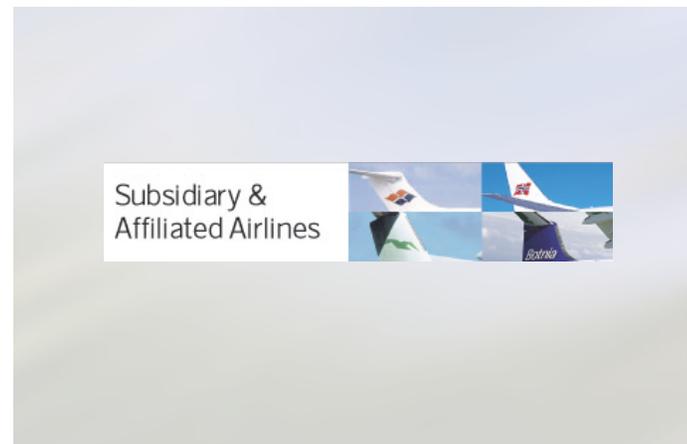


Contingency plan in case of Iraq war

- ▶ Implementation of plan as soon as conflicts start or when an escalation affect demand significantly
- ▶ Base case 10-15% capacity reduction
- ▶ Plan can be escalated in additional steps if market conditions weakens further
- ▶ Short lead times for reinstalling of capacity to capture revenues



Case	ASK Change (%)
Case 1	-10,0%
Case 2	-15,0%
Case 3	-25,0%



Subsidiary & Affiliated Airlines

Significant better earnings in Subsidiary & Affiliated Airlines 2002 vs 2001

Jan-Dec in MSEK			 Member of the SAS Group	
Revenues	6 514* 1,5%	7 370 6,2%	2 603 20,8%	1 025 14,5%
EBITDAR	984* 16,7%	1 694 169%	453 22%	245 90%
EBT	-155* 65,6%	806 n.m	82 4%	83 n.m

* = Spanair accumulated figures for the period March-December



Subsidiary & Affiliated Airlines

Spanair's unit costs in line with low cost airlines, but full service product

- ▶ Spanair ready to join Star Alliance as from April 2003
- ▶ Improved mix
 - ▶ Shift from low yield to high yield markets
- ▶ Key Operating data:
 - Total Aircraft utiliz 9,2 hrs/ day
 - Cabin Crew 860 hrs/year

- ▶ Cost reductions
- ▶ Capacity reductions
- ▶ Unit cost in line with low costs carriers





Subsidiary & Affiliated Airlines

Braathens – Strong performance

- 8% fall in the Norwegian domestic market 2002 vs. 2001
- Cabin factor in 2002 on scheduled traffic up 7,0 p.u. To 57,8%
- CFROI 23%

January – December	2002	2001
Passenger revenue	6 039	5 791
Other revenue	1 311	1 146
Operating revenue	7 370	6 937
EBITDAR	1 694	630
EBT	806	-375



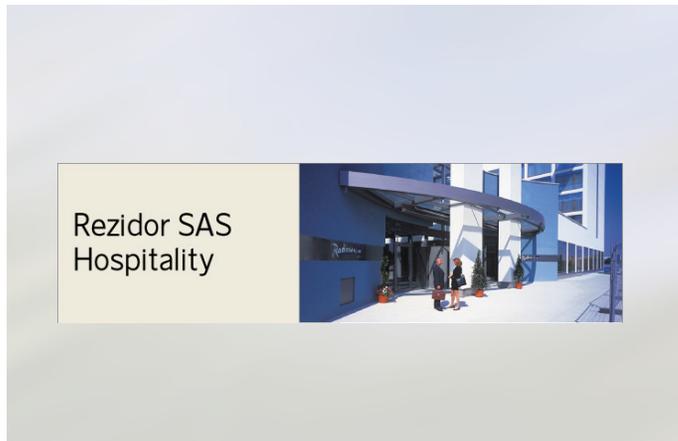
Subsidiary & Affiliated Airlines

Air Botnia significantly improved result

- Turnaround well under way
- New nonstop route Helsinki-Brussel introduced as from Q4

January – December	2002	2001
Passenger revenue	1 022	974
Other revenue	3	0
Operating revenue	1 025	974
EBITDAR	245	129
EBT	83	-33





REZIDOR 


SAS Group



REZIDOR SAS Hospitality – negatively affected by weaker markets

in MSEK

	Jan-Dec 2002	Jan-Dec 2001	Change
Revenues	3 570	3 510	+1,7%
Operating result	186	274	-32,1%
Adjusted EBITDA	220	265	-17,0%
Pre tax profit Including gains	85	208	-59,1%

REZIDOR 


SAS Group

Summary & Outlook 2003


SAS Group

Sum up – 4th Quarter 2002

- ▶ Yields and revenues under pressure
- ▶ Significant improved EBITDAR
- ▶ Unit cost show downward trend
- ▶ Market position unchanged
- ▶ Forceful measures in process
 - Short term measures completed
 - Structural under implementation 2003 - 2005



The Board of Directors

Assessment for full year 2003:

- ▶ Economic environment challenging
- ▶ Continued pressure on yield expected
Turnaround according to plan – effects in 2003
- ▶ Greater uncertainty regarding geopolitical situation



Why do we believe we will succeed?

- ▶ Most ambitious Turnaround introduced
- ▶ Additional structural measures in process
- ▶ Group portfolio of airlines => new possibilities



- ▶ Increased transparency – who delivers?
- ▶ Industry restructuring



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Press seminar presentation Hamburg, 2002	English
Analyst Material Q3-2002	English
Finansrapport, Stockholm	English
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Press conference Q3-2002, Stockholm 2002-11-12	English
Reader SAS Multi brand concept	English
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