

A very encouraging 2nd Quarter

- ▶ Breaking trend in Business Class
- ▶ Passenger load factors sharply up
- ▶ Strong underlying cost development - unit costs down exempt Jet Fuel
- ▶ SAS International Hotels develops well

- ▶ Promising trading conditions

Strong traffic growth and Business Class recovery 2nd Quarter

- ▶ Improved traffic growth (RPK) **up 8%**
- ▶ Business Class (RPK-C) **up 5%**
- ▶ Sharply improved cabin factor **up 4.9 p.u.**
- ▶ Yields **up 0,4%**

- ▶ **EBITDAR** **up 20%**

Financial results - 1st Half 2000

MSEK	2000	1999	Change
Revenue	22 104	20 965	+5%
Op. inc. bef. depr.	1 239	993	+25%
Gain on sales	289	443	
Pre-tax profit	732	496	+48%

Financial results - 2nd Quarter 2000

MSEK	2000	1999	Change
Revenue	11 799	11 260	+5%
Op. inc. bef. depr.	1 184	924	+28%
Gain on sales	276	46	
Pre-tax profit	1 029	507	+103%

Positive underlying unit cost development

- ▶ Unit costs up 1.2%
- ▶ Fuel Costs up MSEK 712 vs 1999
- ▶ Jet fuel impact unit costs negatively by 3.8 p.u.

- ▶ Underlying unit cost base down 2.6%

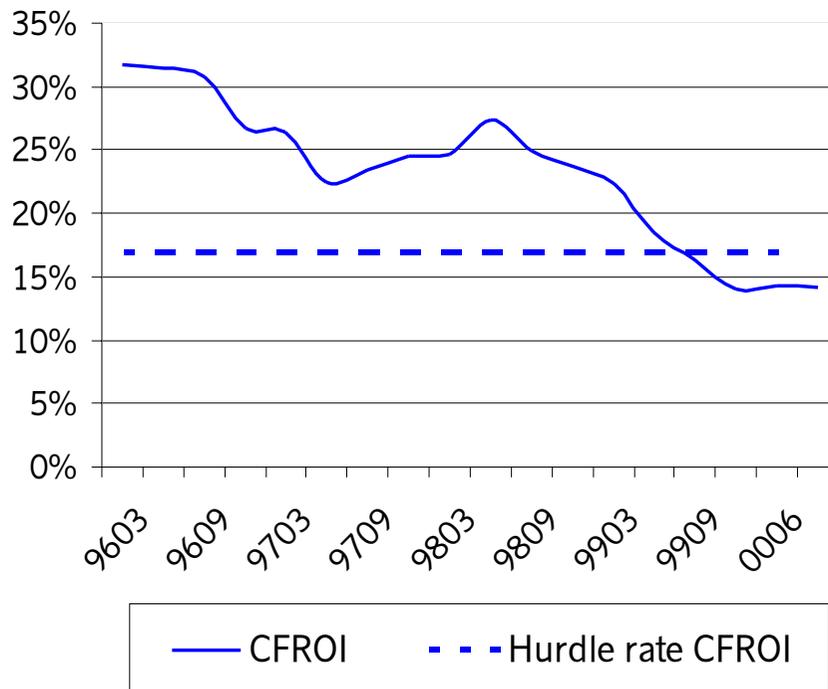
Business highlights - 1st Half

- ▶ Increased traffic growth - Business Class recovery
- ▶ Modest capacity increase
- ▶ Improved passenger load factors
- ▶ Strengthened home market position
- ▶ Strengthened position in Business Class segment
- ▶ Result improvement program as planned

Other highlights in 2nd Quarter

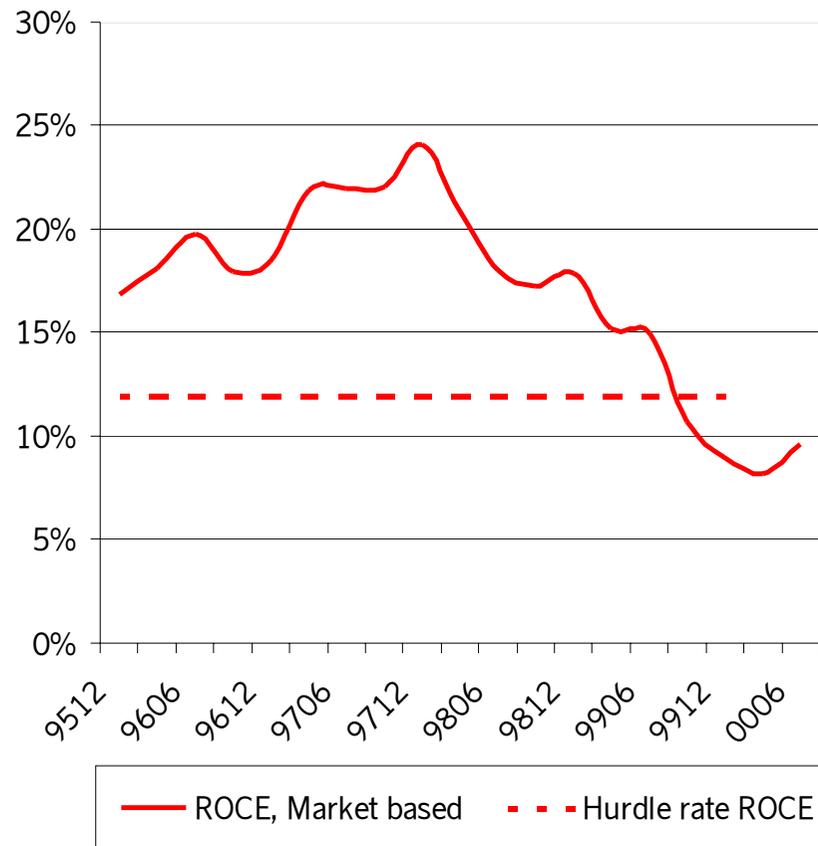
- ▶ Air Botnia out of the "red"
- ▶ Successful turn-a-round in Norwegian regional carrier Widerøe
- ▶ British Midland develops Joint Venture with SAS and Lufthansa
- ▶ Spanair - strengthened position on Madrid

CFROI - approaching set hurdle rate



- ▶ SAS Group's key financial metric
- ▶ Focus on operating cash flow (EBITDAR)
- ▶ CFROI H1/2000 **15%**
- ▶ Hurdle rate through cycle >17-20%

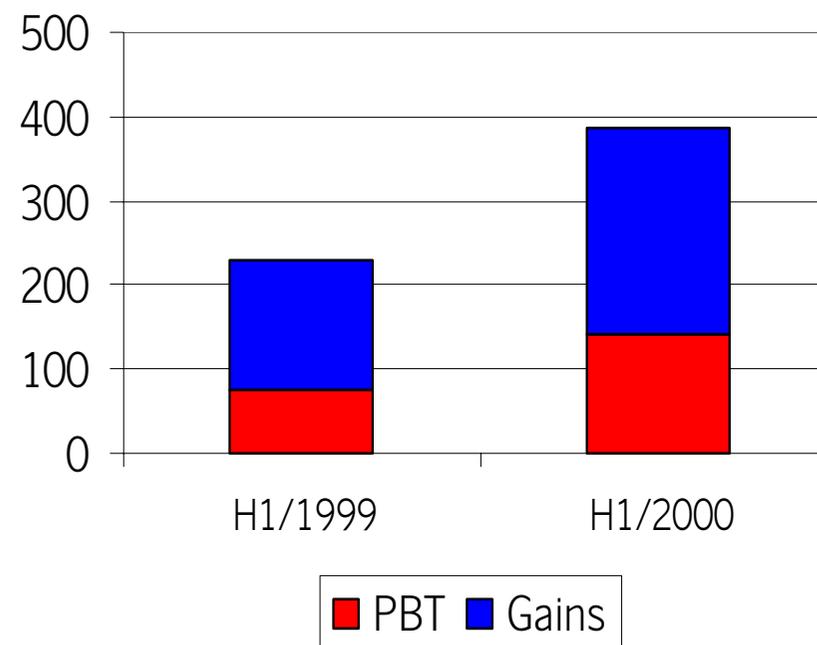
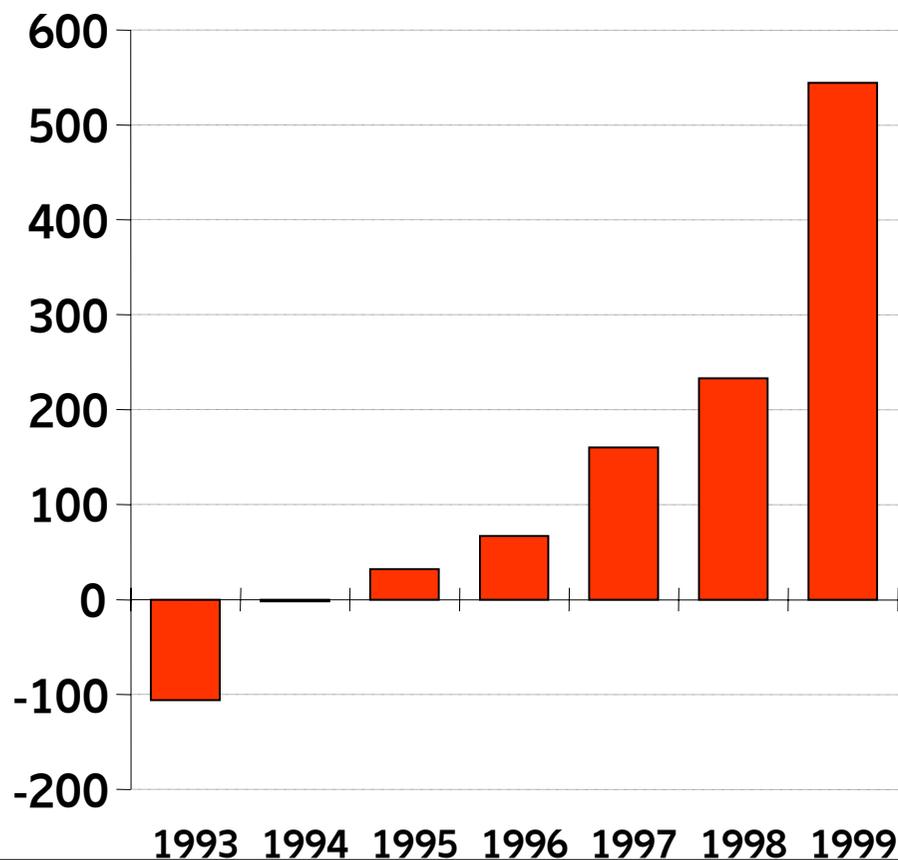
ROCE - passed through the bottom of the cycle



- ▶ SAS market based ROCE H1/2000 **10%**
- ▶ Hurdle rate through cycle **>12%**

Continued strong development

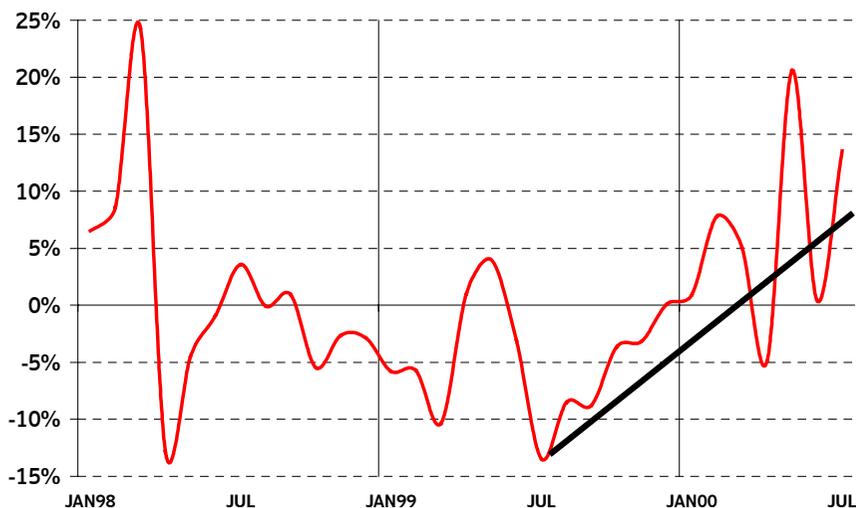
Income before taxes (MSEK)



Increased passenger load factors and growth trend in Business Class

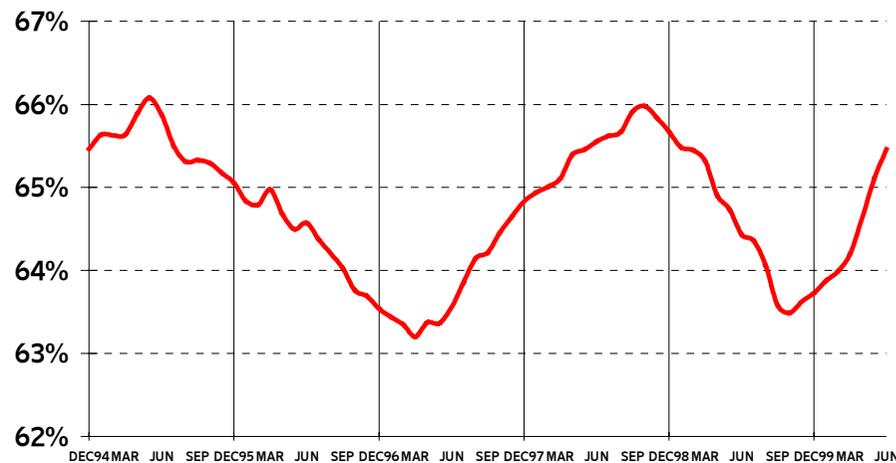
RPK Business Class 1998-2000

Year on Year values



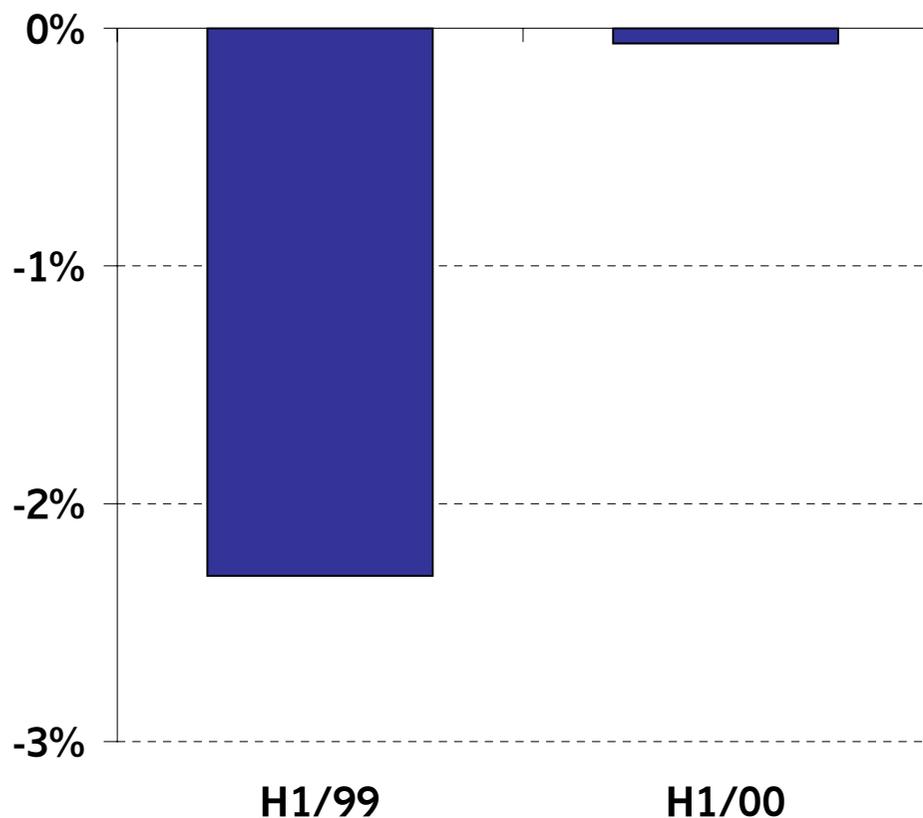
Passenger load factor total system 1995-2000

Moving 12 months values



Yields marginally up in 2nd Quarter

Total system - currency adjusted



- ▶ Overall yields up 0,4% in Q2
- ▶ Overall yields down 0,1% in H1
- ▶ Growth in Business Class but still negative mix
- ▶ Continued yield pressure in Economy Class

Creation of a Cargo limited company under evaluation

- ▶ New Global Cargo has been initiated
- ▶ Creation of a new SAS Cargo limited company in progress

1st Half 2000

- ▶ Revenue tonnes up 6%
- ▶ Revenues up 8%

Slightly increased unit cost

January - June 2000 vs 1999

	Adjusted H1/99	H1/00	Var. %	Share of total var %
Commissions	1 089	1 049	3.7%	0.3%
Fuel	1 130	1 699	(50.4%)	(3.8%)
Government charges	1 751	1 690	3.5%	0.4%
Personnel	6 546	6 493	0.8%	0.4%
Other oper. net costs	4 628	4 392	5.1%	1.6%
TOTAL	15 144	15 323	(1.2%)	(1.2%)

Volume = average growth in ASK and RPK = 4,1%

Result Improvement Program 1999/00

- ▶ MSEK 1550 achieved as of 2nd quarter 2000
- ▶ Target by early 2001: 3 000 MSEK

Area	Targeted effect vs. 1998
Cargo	100 MSEK
Catering & In-flight service	300 MSEK
IT & communications	250 MSEK
Distribution & Electronic channels	815 MSEK
Air crew	610 MSEK
Ground handling	300 MSEK
Technical maintenance	310 MSEK
Overhead & other	360 MSEK
Total	3045 MSEK

The Board of Directors

Assessment for full year 2000:

- ▶ Full year forecast from February 17 maintained
- ▶ Reduced unit cost except jet fuel
- ▶ Jet fuel expense estimated at MSEK 3500 for 2000 as a whole
- ▶ Income before taxes ex gains - around MSEK 1000