



SAS Group Analyst meeting



Stockholm, May 9, 2001

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www.scandinavian.net



SAS Group

1st Quarter – highlights

The Marketplace

- ▶ Impact from weaker U.S. Economy
- SAS
- ▶ Strong January/ February
 - Good traffic growth
 - Stronger Business Class
- ▶ March weaker than expected
- ▶ Capacity adjustments announced April 9
- ▶ Hotel business as planned
- ▶ Maintained outlook for Full Year 2001

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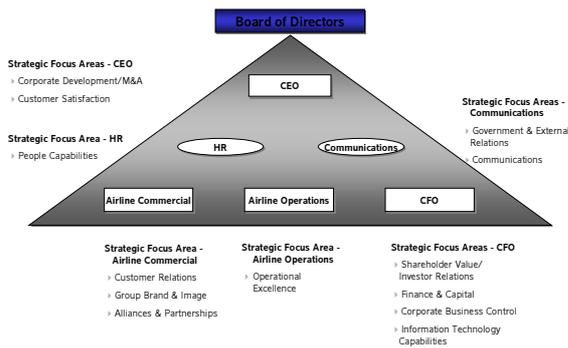
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Events of note 1st Quarter

- ▶ Jörgen Lindegaard President & CEO as from May 8, 2001
- ▶ SAS Cargo to be incorporated 2001
- ▶ Proposal of single SAS share submitted to Parlements

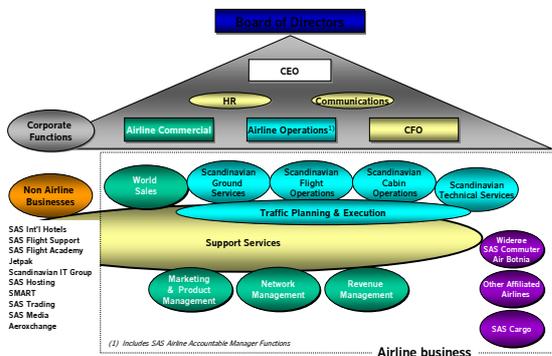
SAS new organization will react swifter in the marketplace

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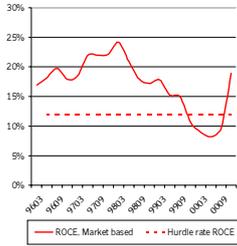
The new organization- shorter lines of command

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Scandinavian Airlines System, Investor Relations
 Tel. +46 (0) 8 797 1451 Fax: +46 (0) 8 85 58 76
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ROCE (m-b) - affected by large increases in aircraft surplus values SAS Group



- ▶ Affected by strong USD
- ▶ SAS market based ROCE 2001 20%
- ▶ Hurdle rate through cycle >12%

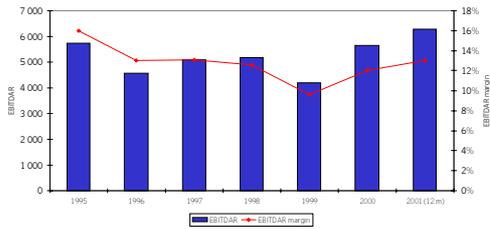
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EBITDAR and EBITDAR margins 1995-2001 SAS Group



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Proposed dividend 2000 approved by AGM's SAS Group

Local currency Dividend Yield

SAS Danmark A/S	3,80	
SAS Norge ASA	4,20	
SAS Sverige AB	4,50	
Average level (SEK)	4,50	4,7%

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Combined Earnings Per Share

in SEK

	1 st Quarter 2001	1 st Quarter 2000
EPS	0,09	-1,40
Cash Earnings	0,91	-0,64

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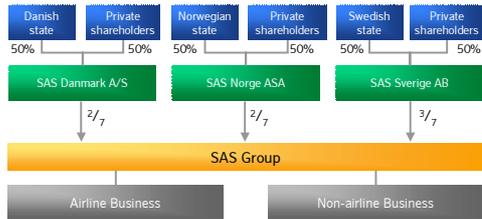
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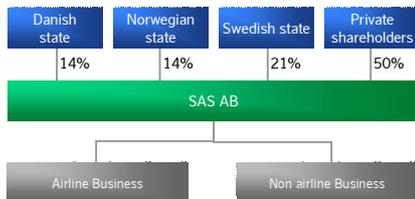
Current equity structure is not optimal from a capital market point of view



◆ Individual market capitalisation too low to attract strong investors' interest

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A single share will enhance interface with the capital market



SAS' operations will remain unchanged as an effect of the unification

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Transaction structure

- ◆ SAS AB makes public offers for SAS Danmark A/S, SAS Norge ASA and SAS Sverige AB in exchange for new shares in SAS AB
- ◆ Exchange ratio is 1:1
- ◆ SAS AB domiciled in Sweden
- ◆ Listings on all Scandinavian stock exchanges
- ◆ Offer recommended by SAS Boards of Directors
- ◆ UBS Warburg and Morgan Stanley Dean Witter have delivered fairness opinions which confirm the conditions of the deal
- ◆ The exchange offers will i.a. be conditional on 90% acceptances

New share structure

	No. of outs. shares (m)	Par value	Market value ¹ (bn)
SAS Danmark A/S	47.0	DKK10	DKK4.1
SAS Norge ASA	47.0	NOK10	NOK4.3
SAS Sverige AB	70.5	SEK10	SEK7.2
SAS AB	164.5	SEK10	SEK17.1

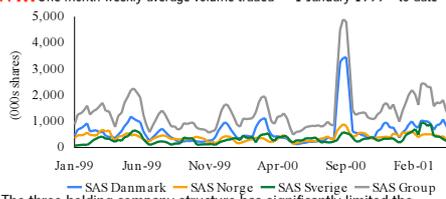
Note:
1 Bloomberg as of 25 April 2001



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Historic volumes traded have been low...

One month weekly average volume traded — 1 January 1999 – to date



- ▶ The three holding company structure has significantly limited the liquidity in the SAS shares
- ▶ The creation of a single SAS share should enhance its relative liquidity significantly which will benefit all shareholders in SAS as it will open for greater interest from institutional investors



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...but share unification will increase weightings in in major indices

- ◆ SAS AB is expected to be included in the following indices
 - Affärsvärlden's General Index (full market value)
 - OMX Stockholm Index (free float)
 - Copenhagen KFX Index (registered shares in Denmark)
 - Oslo General Index (registered shares in Norway)
 - MSCI (free float)
 - FTSE Europe ex-UK (free float)
 - STOXX (free float)



SAS Airline

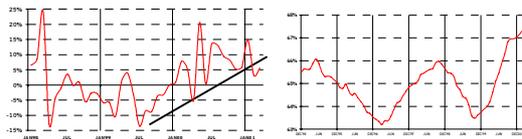
Sharp increase in passenger load factors - growth trend in Business Class

RPK Business Class 1998-2001

Passenger load factor total system 1995-2001

Year on Year values

Moving 12 months values



SAS Airline

Key profitability drivers

- ▶ Traffic growth (RPK) up 6%
- ▶ Business Class (RPK-C) up 9%
- ▶ Cabin factor up 1,3 p.u.
- ▶ Yields up 5,0%
- ▶ Unit costs down 3,3%
- ▶ EBITDAR up 101%



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Passenger Revenue Analysis vs Last Year

- ▶ Revenue 8 095 +14,8%
- ▶ Volume +6,5%
- ▶ Yield +5,0%
- ▶ Currency +3,2%



Unit costs will decrease going forward

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- ▶ Targets
 - Down 2-3% 2001
 - Down 10% accumulated over 2-3 years
- ▶ Affected by
 - Continuous improvements
 - Distribution / cost of sales
 - Fleet structure

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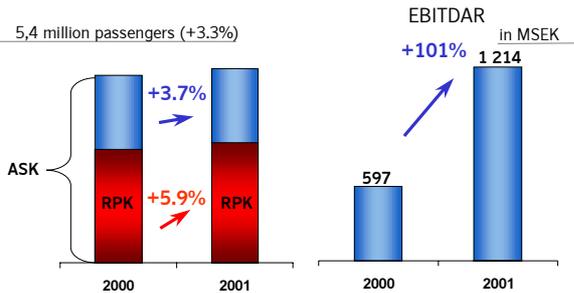
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Improved passenger load factor and increased EBITDAR

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Result Improvement Program 1999/00

- ▶ MSEK 2450 achieved as of 4th quarter 2000
- ▶ Residual implemented in Business Plans 2001

Area	Achived effect vs. 1998
Cargo	90 MSEK
Catering & In-flight service	300 MSEK
IT & communications	200 MSEK
Distribution & Electronic channels	635 MSEK
Air crew	445 MSEK
Ground handling	270 MSEK
Technical maintenance	235 MSEK
Overhead & other	275 MSEK
Total	2450 MSEK

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Airline operations

Cargo business -
Incorporated during 2001

- ▶ Cargo contribution 2001 (2000) -13%
- ▶ MSEK 170 (MSEK 195)

January-March 2001

- ▶ Revenue ton-km down 1,7%
- ▶ Revenue up 1,7%

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Product and market news

- ▶ Travel Air Pass launched
 - 38 countries and 206 cities
- ▶ Eurobonus wind Freddie Award for 5th consecutive year
- ▶ New and improved service on domestic flights
 - Fully automated boarding routines
- ▶ New customer friendly check in machines
- ▶ New mobile check-in machines
 - Brings the check in to the customer
- ▶ New tableware with Scandinavian design

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Airline operations

SAS partnerships
MSEK 1000 in synergies 2000



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SAS International Hotels's profitability is on track adjusted for property sales

in MSEK

	1st Q 2001	1st Q 2000	Change
Revenues	791	696	13,6%
Operating result	33	47	-30%
Pre tax profit	-3	9	n.m.



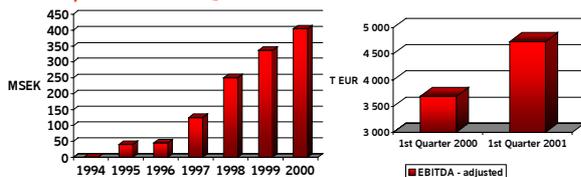
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Radisson SAS Hotels adjusted EBITDA up 28% 1st Quarter 2001



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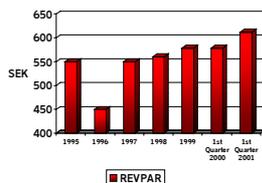
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Continuously improved REVPAR



- ▶ Second key gauge for operating hotels
- ▶ REVPAR continuously improved since 1996
- ▶ REVPAR SEK 612 (Q1-01) vs SEK 578 (Q1-00)



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SIH implied value from current transactions



- ▶ Hilton's acquisition of Scandic equals EV/EBITDA multiple of 11x based on 2000/2001E
- ▶ Implied equity value SIH
 - MSEK 5 500- 5 700



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SAS International Hotels forecast for 2001

- ▶ Growth strategy
 - In existing home markets
 - Extended market
 - Capital cities
 - Leisure & resorts
 - Airport hotels
 - Multiple brands
- ▶ Improved REVPAR levels
- ▶ EBITDA growth of 20%





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Airline operations

Non-airline businesses and affiliates

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Other Business Areas 1st Quarter

Business area	Operations	Sales (MSEK)	EBT (MSEK)	Sales outside SAS, %
SAS Cargo	Freight traffic	526	n.a.	n.a.
SAS Trading	Travel retail	509	-7	99
Scandinavian IT Group	Travel related IT (reservations etc)	605	29	3
Widerøe's Flyveselskap	Norwegian regional air traffic	513	19	99
Air Botnia	Finnish regional air traffic	225	-3	
SAS Flight Academy	Flight training	154	20	28
SMART	Electronic trading and distribution of travel	173	58	100

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SMART



Northern Europe's leading provider of electronic travel services
Amadeus is main partner

Ownership structure:
95% SAS
5% Amadeus

Total Revenues MSEK 584
Pre Tax Profit MSEK 37

www.smart.se

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Airline operations

SAS Flight Academy



- ▶ One of the World's leading training centers for pilots and other personell
- ▶ 38% of revenues outside SAS

Total Revenues MSEK 606
Pre Tax Profit MSEK 92

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Airline operations

Scandinavian IT Group



One of Scandinavia's largest IT companies, with a turnover of about 1900 million DKK and a total of more than 1200 employees in three countries



Total Revenues MSEK 2121
Pre Tax Profit MSEK 61

www.scandinavianIT.com

Scandinavian IT Group
Customer driven - Airline focused - Technology based

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British Midland transaction completed



- ▶ SAS sold 20% to Lufthansa
- ▶ Sales proceed 91,3 MGBP
- ▶ Joint Ventures with Lufthansa

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Spanair an important complement to SAS traffic system



www.spanair.es

- ▶ Second largest scheduled carrier in Spain
- ▶ 14% of Madrid Barajas slots
- ▶ 5 million passengers a year
- ▶ 125 ESP Billion in revenues
- ▶ Ownership structure:
 - 51% Teinver
 - 49% SAS

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Airline operations

Widerøe's flyveselskap



- ▶ Norway's largest regional airline
- ▶ Fully consolidated in SAS 2000

- Full Year 2000:
- ▶ Total Revenues MSEK 1 851
 - ▶ Pre Tax Profit MSEK 56

www.wideroe.no



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Outlook 2001



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SAS Airline

April figures – capacity adjustments but no change in growth plan

- ▶ Continued positive passenger mix
- ▶ Business Class +4,8% - Economy Class +4,3%

	Passenger-traffic (RPK)	Seat capacity (ASK)	Cabin-factor
SAS Total	+4,4%	+8,3%	-2,4 p.u.
Intercontinental	-1,9%	-0,8%	
Europe	+11,5%	+15,6%	
Domestic and Intrasandinavian	+3,9%	+8,8%	



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