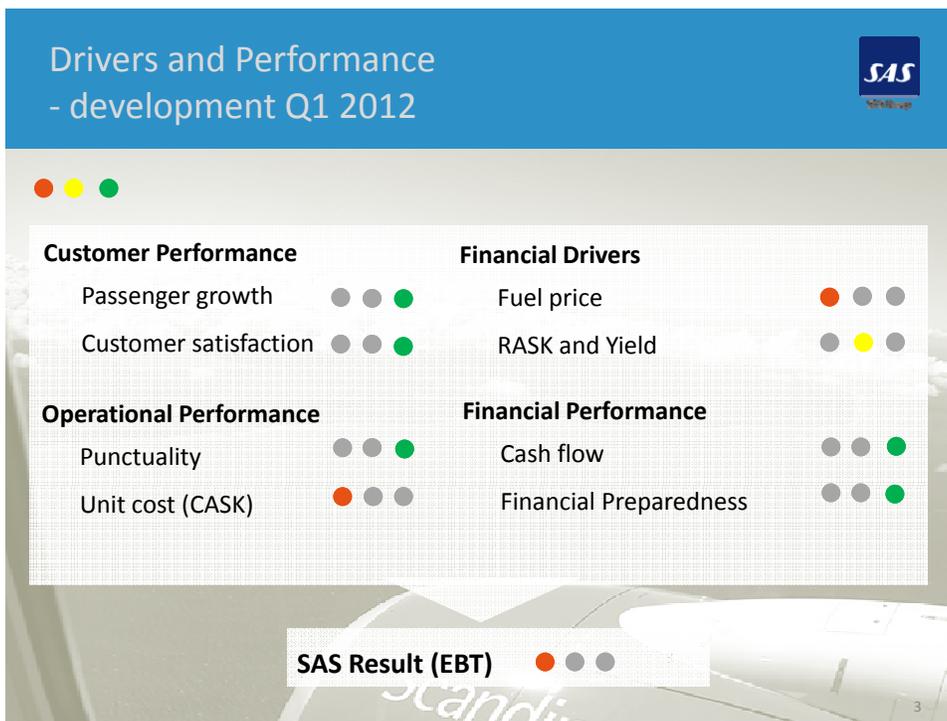


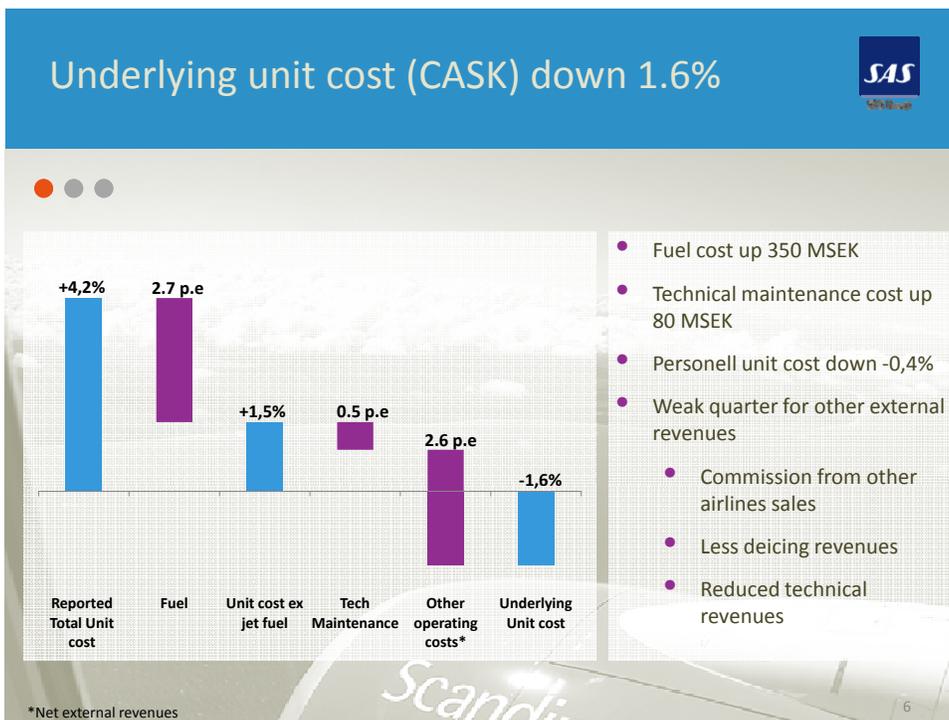
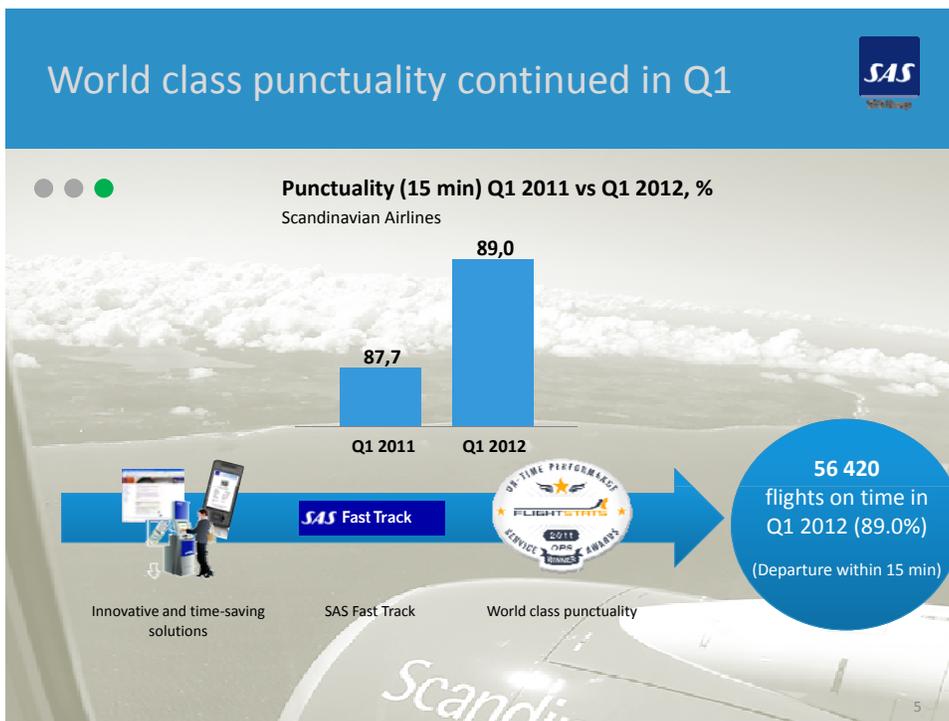


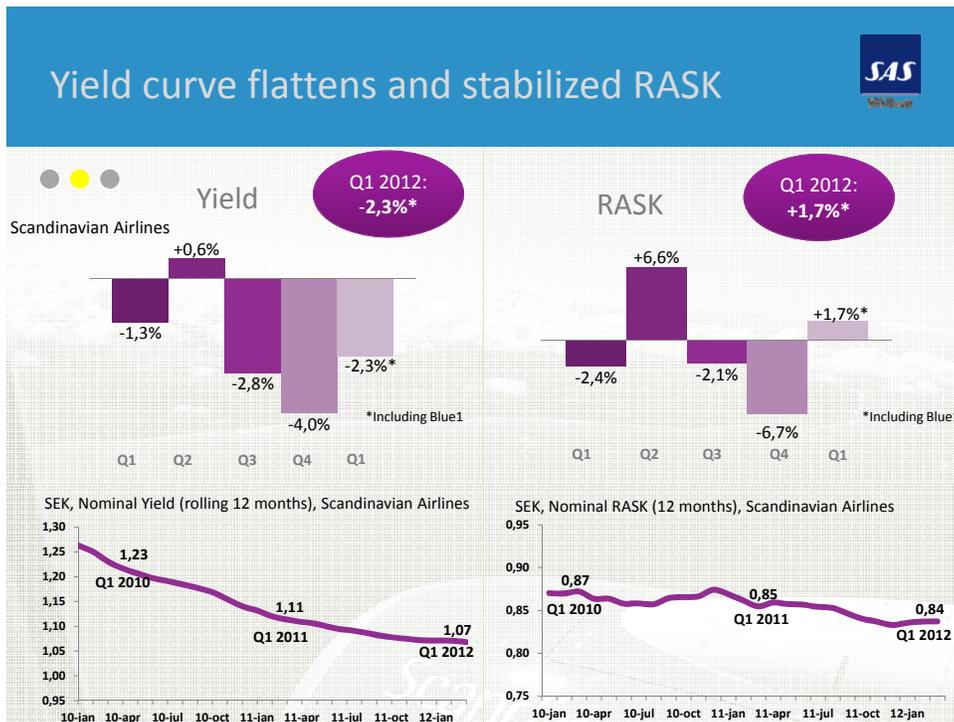
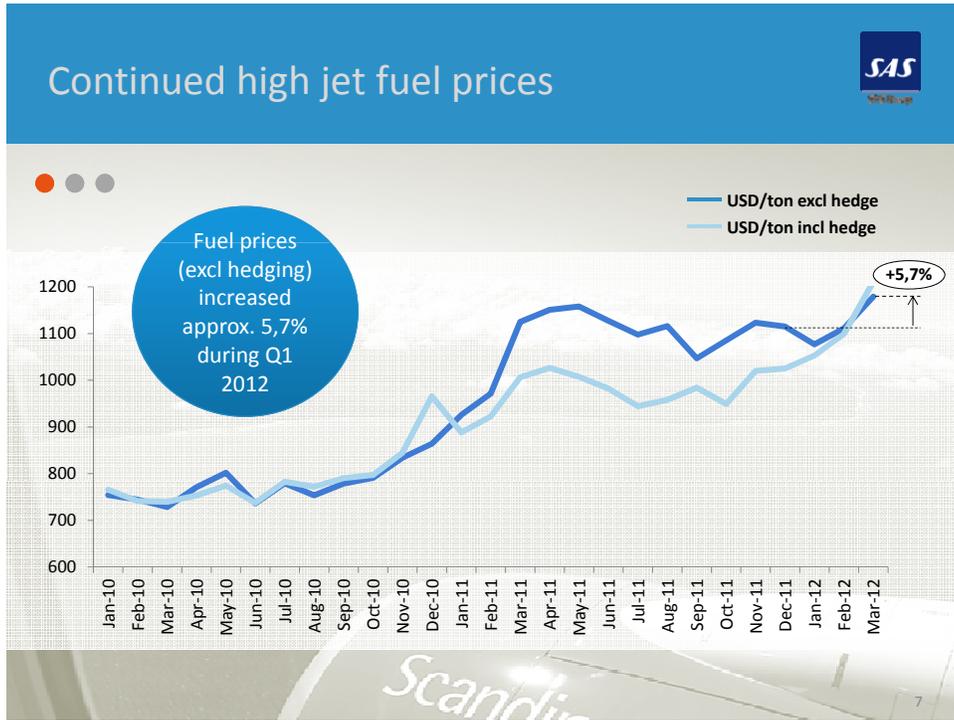
Q1
A weak quarter as expected due to challenging market conditions

- Challenging market situation
  - Uncertain business cycle development
  - Continued competitive market
  - Slightly reduced yield pressure
  - Continued high fuel prices
- Continued good revenue growth
  - Passenger growth +323 000
  - RASK improved by 1,7%
- Accelerated 4Excellence, SEK 5 billion under implementation
- EBT before non-recurring items MSEK -1,049
  - Cash flow from operating activities MSEK 1,215

**Strong cash flow generation and good cash position at SEK 3,7 billion**







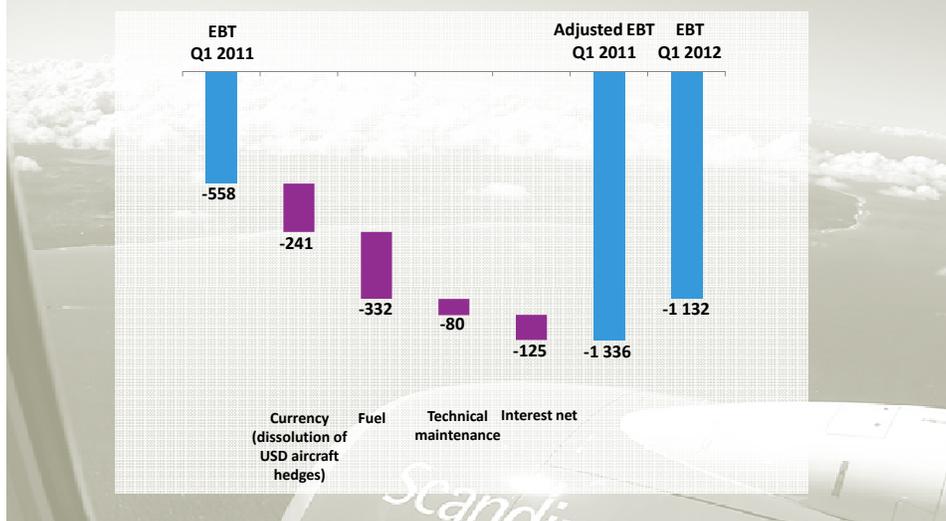
## Negative result as expected but last year affected by currency gain



(MSEK)	Jan-Mar 2012	Share of revenue	Jan-Mar 2011	Share of revenue
<b>Total operating revenue</b>	<b>9,591</b>		<b>9,313</b>	
Payroll expenses	- 3,374	35.2%	- 3,268	35.1%
Fuel	- 2,080	21.7%	- 1,748	18.8%
Government charges	- 988	10.3%	- 949	10.2%
Other operating expenses	- 3,131	32.6%	- 2,893	31.1%
<b>Total operating expenses</b>	<b>- 9,573</b>	<b>99.8%</b>	<b>- 8,858</b>	<b>95.1%</b>
<b>EBITDAR before non-recurring items</b>	<b>18</b>	<b>0.2%</b>	<b>455</b>	<b>4.9%</b>
Leasing costs, aircraft	- 367	3.8%	- 391	4.2%
Depreciation	- 421	4.4%	- 414	4.4%
Share of income in affiliated companies	- 14	0.1%	- 9	0.1%
<b>EBIT before non-recurring items</b>	<b>- 784</b>	<b>-8.2%</b>	<b>-359</b>	<b>-3.9%</b>
Financial items	- 265	2.8%	-150	1.6%
<b>EBT before non-recurring items</b>	<b>- 1,049</b>	<b>-10.9%</b>	<b>-509</b>	<b>-5.5%</b>
Non-recurring items	- 83	0.9%	-49	0.5%
<b>EBT</b>	<b>- 1,132</b>	<b>-11.8%</b>	<b>-558</b>	<b>-0.6%</b>

9

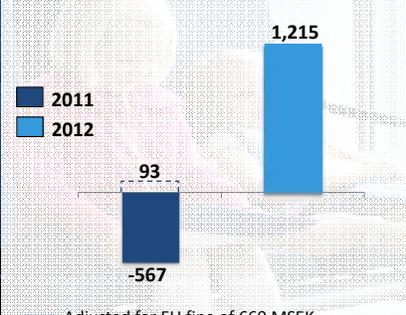
## First quarter seasonally weak



## Strong cash flow driven by improved working capital



### Strong cash flow from operating activities, MSEK



Year	Cash flow from operating activities (MSEK)
2011	-567
2012	1,215

Adjusted for EU fine of 660 MSEK

- Strong working capital affected by
  - Sales campaigns
  - Attractive leisure offering
  - Internal focus on working capital

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## Continued strong financial preparedness



### Financial preparedness Q1, SEK billion



Category	Value (SEK billion)
Cash	3.7
Credit facilities	4.9
<b>Total</b>	<b>8.6</b>

- SEK 8.6 billion in total financial preparedness
- SEK 4.9 billion credit facilities
- SEK 3.7 billion cash
- Good financial preparedness
  - Further improved by property transaction

12

New strategy 4Excellence is starting to provide effects 



SEK 1,5 bn Revenue activities

- Improved route result vs 2011
- New airport design being rolled out
- Eurobonus members continues to grow

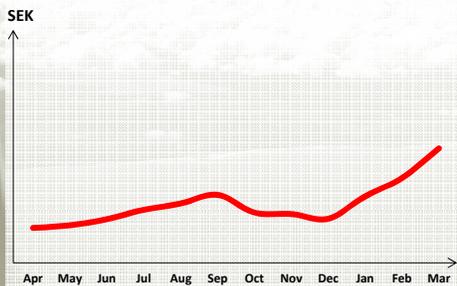
SEK 3,5 bn Cost activities

- New distribution platform implemented
- SEK 1 billion union agreements secured and 300 FTE admin reduction on track
- Sale of properties completed

13

 Positive trend in underlying route result driven by commercial activities 

Example Denmark – Europe Route Result



- New fleet - A320/B737NG
- Improved product offering
  - SMART PASS
  - Complimentary Coffee/Tea
- Successful market campaigns
- New & retained corporate agreements
- New Eurobonus Partners and Code Share Partners
- New routes
  - 27 short haul destinations
  - Shanghai

14



New design being rolled out –this is Malmö Airport before

15



Malmö Airport after

16



**EuroBonus 20 years on April 27**  
- largest loyalty program in Scandinavia continue to grow

**SAS**

- Loyalty program
  - **2.8 million** EuroBonus members
  - **51 000** new EuroBonus members in Q1 2012 (1,8%)
- Corporate program
  - **28.000** members in SAS Credits
  - **1 350** new SAS Credit members in Q1 2012 (4,8%)

**New Partnerships**



**Increased attractiveness**

**10 for 1\***

**Norway Domestic**



\*) Variations apply

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**Largest IT project in SAS history**

**SAS**

- Initiated 2006 to reduce distribution cost and modernize IT platform
- Amadeus selected as vendor in 2008
- The change includes SAS reservations- and e-commerce systems as well as ground handling
- Largest IT project in SAS history
- More than 20 systems replaced
- Main implementation completed in February 2012 with almost no disturbances

- Reduced distribution cost
- Reduced IT complexity
- Will enable SAS to further modernize IT systems and improved customer service

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## Union negotiations and admin cost reduction on track



- Negotiations with all of SAS unions secures EBT effects of SEK 1 billion in 2012-2013
  - Agreements signed with majority of unions affecting
    - Salaries
    - Early retirement
    - Pensions
    - Productivity
- Since February 2012 administration cost reduction of 300 FTE in process
  - In end March 2012, 50% is in final completion



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## Sale of offices and airside properties release MSEK 450 in capital Q2



### 6 properties sold to Swedavia

- Part of strategy to reduce capital employed and focus on core business
- Total value of MSEK 1,775 sold
- Release capital and cash MSEK 450
- Capital gain MSEK 350 to be booked in Q2



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## 2012 Outlook – Increased challenges ahead



- The global economic climate is unpredictable
  - Continued capacity increase in the market
  - Continued Yield pressure
- Uncertainty regarding fuel prices
- Accelerated 4Excellence
  - SEK 5 billion in total measures – of which SEK 2 billion in 2012
- 2012 – a challenging year
  - Earnings effects from 4Excellence to come in the second half of 2012
  - SAS passenger growth expected 5-7%
  - Capacity up 5%

Due to uncertainties no earnings forecast will be provided for the full year 2012

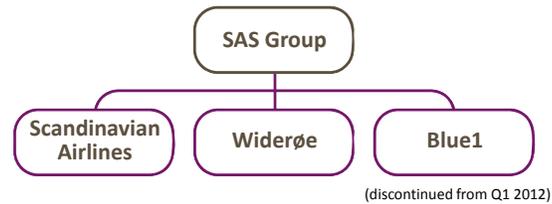
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Thank you!



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## The SAS Group's business structure (reporting segments as from Q1 2011)



## Appendices



- 🔍 Fleet & productivity
- 🔍 Unit revenue (yield & RASK) & Unit cost
- 🔍 Traffic
- 🔍 Financial update
- 🔍 Currency & Fuel

# Modernization of fleet well in progress



<b>SAS main</b>	 <b>Airbus A330/340-300</b> Scandinavian Airlines	 <b>Airbus A319/A320/A321</b> Scandinavian Airlines	 <b>Boeing 737-600/700/800</b> Scandinavian Airlines
<b>SAS being phased out, no later than 2013/2014</b>	 <b>Boeing 737-400/500</b> Scandinavian Airlines	 <b>MD-82/87</b> Scandinavian Airlines	
<b>Widerøe &amp; Blue1</b>	 <b>deHavilland Q 100/300/400NG</b> Scandinavian Airlines	 <b>Boeing 717</b> Scandinavian Airlines	

3% increased short-haul production 2012 with one aircraft less in operation

The SAS Group recently signed additional three A320 on lease. In total, SAS is phasing in 30 modern aircraft that will completely replace older generations until 2013-2014.

# SAS Group fleet – March 2012



Aircraft Type	Age	Owned	Leased	Total	Leased out	Order
Airbus A330/340	9,6	5	6	11	0	
Airbus A321/A320/A319	8,2	4	10	14	0	30
Boeing 737 Classic	18,8	0	10	10	0	
Boeing 737 NG	10,9	23	45	68	0	
Boeing 717	11,6	0	9	9	0	
Douglas MD-80-series	22,3	27	11	38	0	
Douglas MD-90-series	-	8	0	8	8	
Avro RJ-85	-	0	5	5	0	
deHavilland Q-series	14,3	34	10	44	0	
Bombardier CRJ900 NG	2,8	12	0	12	0	
<b>Total</b>	<b>12,9</b>	<b>113</b>	<b>106</b>	<b>219</b>	<b>8</b>	<b>30</b>

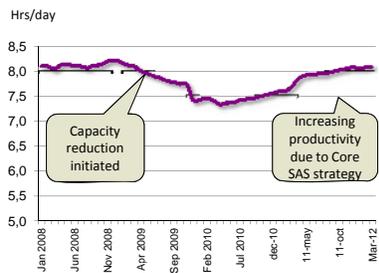
Split per Airline						
SAS Scandinavian Airlines (incl Blue1)				173	8	30
Wideroe				38		
Leased out Aircraft				8		
<b>Total</b>				<b>219</b>	<b>8</b>	<b>30</b>

\*In addition SAS wet leases the following Aircraft: four CRJ for SAS in Denmark, two ATR and four S2000 for Blue1 in Finland.

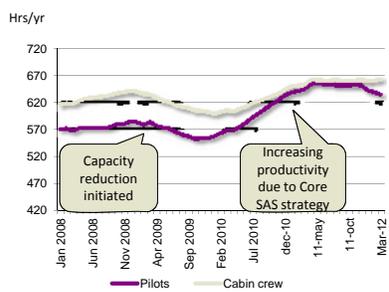
# Productivity is improving



**Scandinavian Airlines**  
**Aircraft utilization (12 months rolling)**



**Scandinavian Airlines**  
**Cabin, pilot utilization (12 months rolling)**



Block hours, 12 months rolling, March 2012	Aircraft, hours/day	Pilots, hours/year	Cabin, hours/year
Scandinavian Airlines (incl. Blue1)	8.1	633	661
Widerøe	6.7	455	474
Blue1	7.4	625	709

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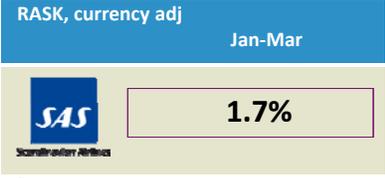
# Appendices



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

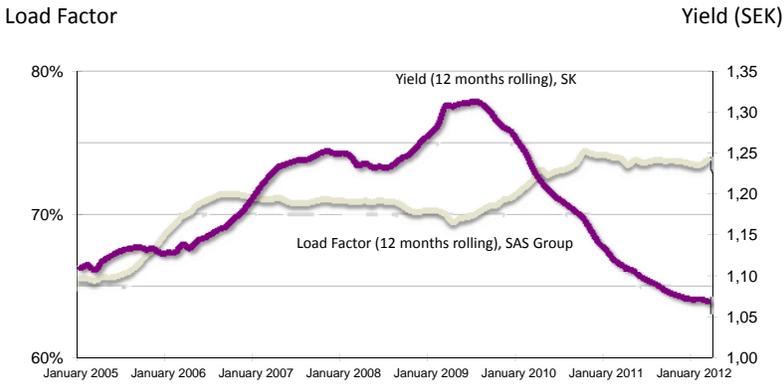
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# Yield and RASK development

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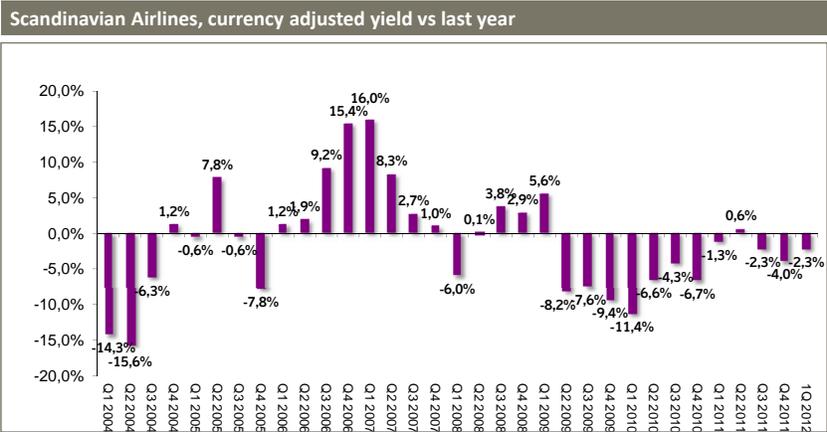
# Yield at record low levels, but load factor at historic high

30

# Yield development - Quarterly

Scandinavian Airlines

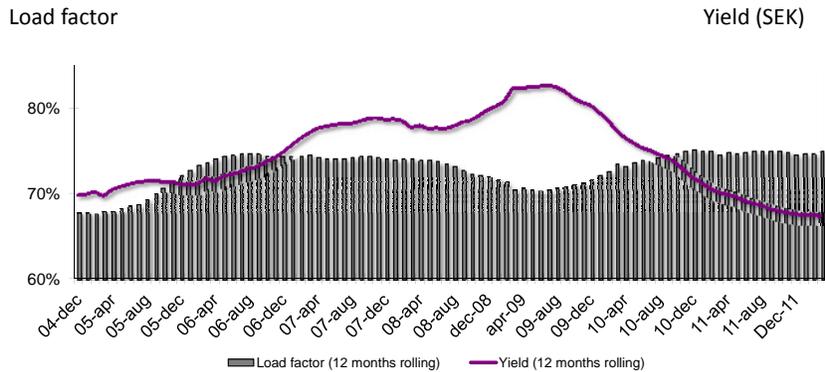



Note: Inclusive of Blue1 operations from Q1 2012

31

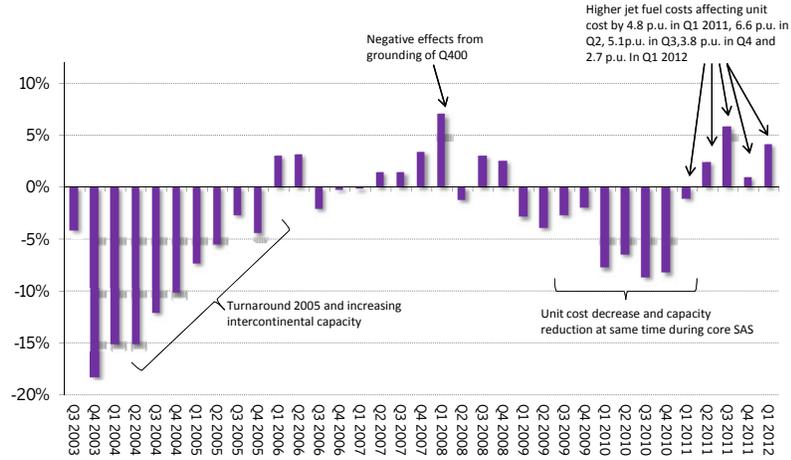
# Scandinavian Airlines

– Continued pressure on yields

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Scandinavian Airlines  
**Total unit cost development**  
 - up in Q1 ex fuel due to one off items and external sales

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**Unit cost development excluding jet fuel**



Scandinavian Airlines,  
 Currency adjusted quarterly change vs. last year excluding jet fuel



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Scandinavian Airlines

## Breakdown of unit cost in Q1 2012



Scandinavian Airlines, currency adjusted

Unit cost breakdown	Jan-Mar 2012	Jan-Mar 2011	Var, %	Share of total var, %
Payroll expenses	-3 000	-3 011	-0.4%	-0.1%
Jet fuel	-1 973	-1 734	13.7%	3.0%
Government user fees	-914	-900	1.5%	0.2%
Selling and distribution costs	-523	-600	-13.0%	-1.0%
Handling costs	-386	-419	-7.9%	-0.4%
Technical aircraft maint.	-587	-549	6.9%	0.5%
Other operating expenses <sup>1</sup>	-119	87	-	2.6%
<b>Total operating expenses</b>	<b>-7 501</b>	<b>-7 128</b>	<b>5.2%</b>	<b>4.7%</b>
Leasing costs for aircraft	-359	-397	-9.6%	-0.5%
Depreciation	-383	-387	-1.1%	-0.1%
<b>Adjusted EBIT</b>	<b>-8 243</b>	<b>-7 913</b>	<b>4.2%</b>	<b>4.2%</b>

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## Appendices

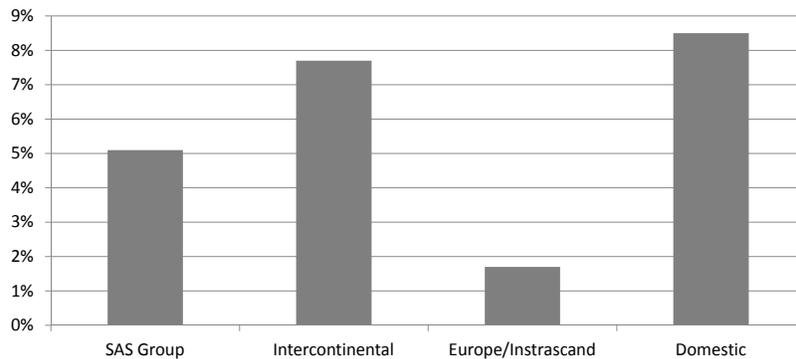


- Fleet & productivity
- Unit revenue (yield & RASK) & Unit cost
- Traffic and capacity outlook
- Financial update
- Currency & Fuel

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## Strongest traffic growth on domestic routes

RPK Jan-Mar 2012 vs 2011, SAS Group



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## ASK outlook 2012

Scheduled	2012 vs 2011
SAS Group	+5%
Scandinavian Airlines (incl. Blue1)	+4 to 5%
Widerøe	+8%

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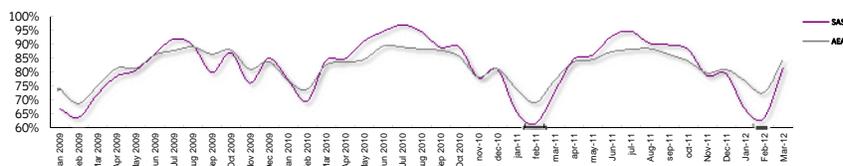
## North Atlantic

SAS increasing market shares



- Traffic development January – March 2012
  - SK traffic up 17.8
  - AEA traffic up 6.1%
- Increased traffic a result of more frequencies and new route
- SAS improved load factors during Q1 2012 vs Q1 2011
- SAS load factors lower than the AEA during Q1 2012

### Load factor



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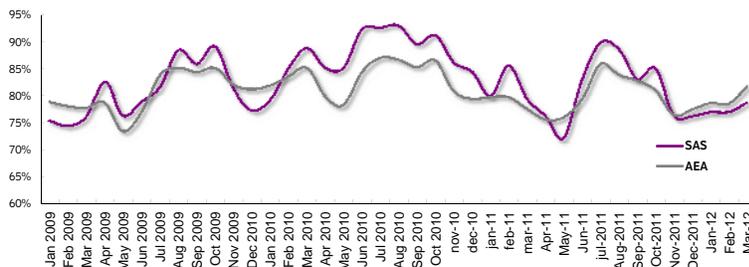
## Slower growth on Asian routes

– SAS load factors lower than 2010 but above AEA



- Scandinavian Airlines serving Bangkok, Beijing and Tokyo from Copenhagen
- Copenhagen-Shanghai opened in March 2012
- Traffic development January-March 2012:
  - AEA traffic up 5.6%
  - SAS traffic down 2.5%

### Load factor



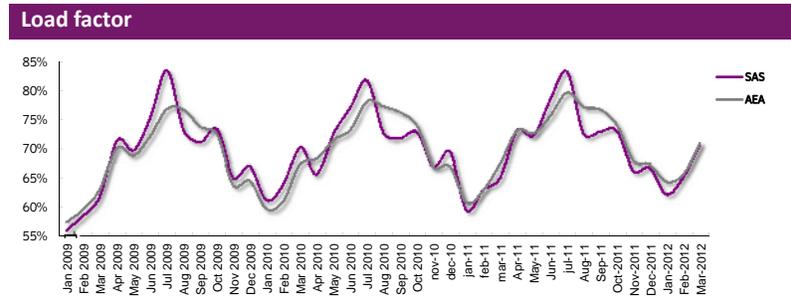
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# Cross border European routes

- Strong growth to/from Sweden and Norway

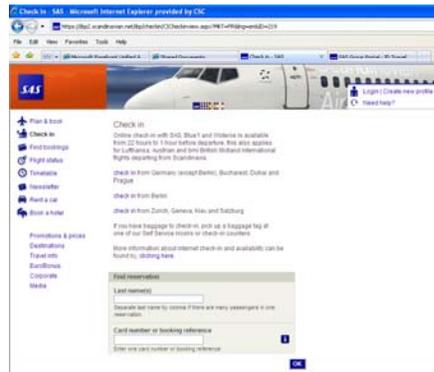
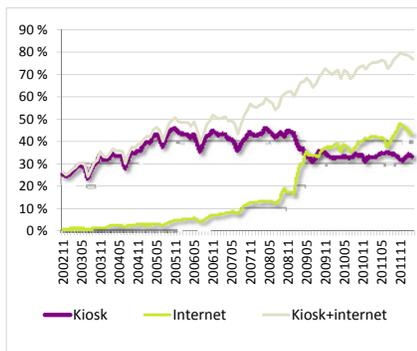


- 28 new routes to be launched in 2012
- Traffic development January-December 2011:
  - AEA traffic up 7.3%
  - SAS traffic up 7.1%
- SAS load factor improving more than the AEA



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# Internet check-in is the most commonly used check-in option by SAS' customers

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## Appendices



- 🔍 Fleet & productivity
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## Negative result but strong cash flow generation during Q1 2012



Result, MSEK	Jan-Mar 2012	Jan-Mar 2011
Revenues	9,591	9,313
EBT bef. non-recurring items	-1,049	-509
EBT	-1,132	-558
Cash flow from operations	1,215	-567

Cash flow from operations amounted to MSEK +1,215

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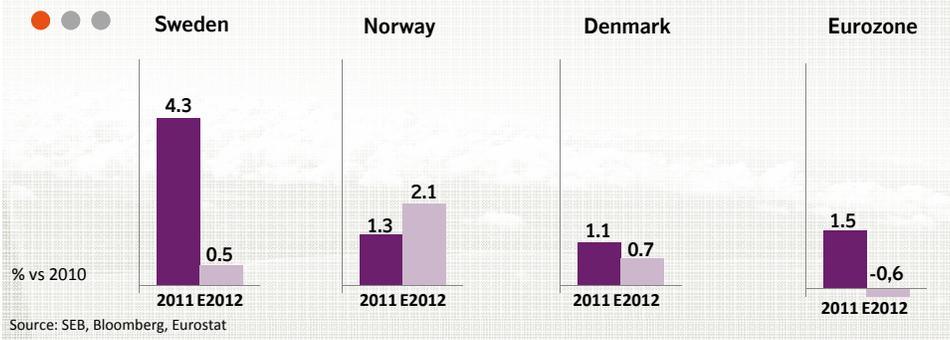
## Sum up - Good growth and improved RASK - unit cost affected by increased maintenance cost



SAS Group	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012
Traffic (RPK)	↑ +3.4%	↑ +13.3%	↑ +4.7%	↑ +0.9%	↑ +5.1%
Passenger load factor	↓ -2.5 p.u.	↑ +0.7 p.u.	→ +0.0 p.u.	↓ -1.5 p.u.	↑ +2.0 p.u.
<b>Scandinavian Airlines</b>					
Passenger yield	↓ -1.3%	↑ +0.6%*	↓ -2.8%	↓ -4.0%	↓ -2.3%
Total unit revenue (RASK)	↓ -2.4%	↑ +6.6%*	↓ -2.1%	↓ -6.7%	↑ +1.7%
Total unit cost (excluding fuel)	↓ -7.1%	↓ -5.1%**	→ +0.9%	↓ -3.5%	↑ +1.5%

\* Underlying yield, excluding positive effects from revaluation of EuroBonus liability.  
\*\* Excluding write down of aircraft

## GDP slowdown also in Scandinavia -but still increased demand

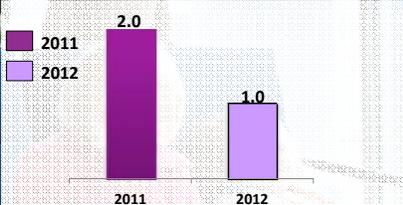



- Business travel demand expected to increase 2012
  - Slightly fewer have travel restrictions in place, 34% (35%)
  - Average travel budget (up 2%)
  - 40% have Buy of the Day policy

## Good financial position and limited CAPEX in 2012



### CAPEX (Aircraft and other), SEK billion



- SEK 0.4 billion of investments in Q1
  - SEK 0.1 billion aircraft/ SEK 0.1 billion engines/ SEK 0.2 billion IT and other
- Further asset sales in 2012
  - Aircraft and other of approximately SEK 0.5 billion

### Debt maturities 2012, SEK billion



#### Remaining 2012

- To be handled through;
  - New secured financing
  - capacity released from maturities
  - other capital market & asset sales

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## Summary of the SAS Group's balance sheet



MSEK	31 Mar 2012	31 Dec 2011	31 Mar 2011
Aircraft and Spare parts	13 304	13 234	13 914
Other non interest-bearing assets	8 760	8 275	8 158
Interest-bearing assets	13 586	13 868	14 975
Cash and cash equivalents	3 660	3 808	6 689
<b>Total Assets</b>	<b>39 310</b>	<b>39 185</b>	<b>43 736</b>
Total shareholders' equity <sup>1</sup>	11 487	12 433	14 515
Deferred tax	1 748	2 154	2 236
Other interest-bearing liabilities	12 586	13 338	13 843
Operating liabilities	13 489	11 260	13 142
<b>Total shareholders' equity and liabilities</b>	<b>39 310</b>	<b>39 185</b>	<b>43 736</b>

<sup>1</sup> Including minority interests

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## Overview of available funds – March 2012



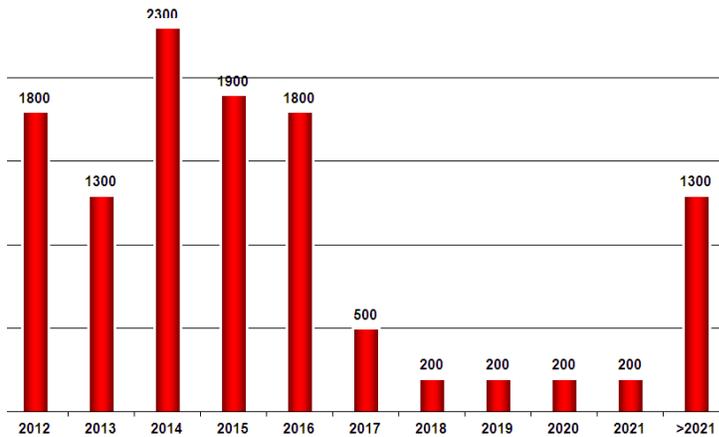
Available funds, SEK billion	Mar 2012	Maturity
<b>Liquid funds</b>	<b>3.7</b>	
<b>Undrawn portion of credit facilities</b>		
Revolving Credit Facility, MEUR 366 (total SEK 3.3bn)	3.2	Jun 2013
Revolving Credit Facility, MUSD 95 (total SEK 0.7 bn)	0.0	Apr 2013
Credit Facility, MUSD 125 & 74 (total SEK 1.4 bn)	0.4	Jan 2016 & Oct 2017
Bi-lateral Revolving Credit Facilities (total SEK 1.3 bn)	1.3	Jun 2013
Others	0.0	2012
<b>Total undrawn credit facilities</b>	<b>4.9</b>	
<b>Total available funds</b>	<b>8.6</b>	
<b>Total credit facilities</b>	<b>6.5</b>	
<b>Drawn portion of credit facilities</b>	<b>1.6</b>	
<b>Undrawn portion of credit facilities</b>	<b>4.9</b>	

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## Improved financial flexibility

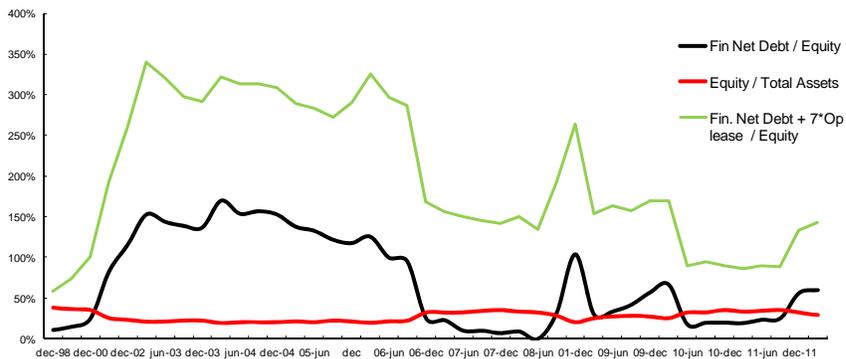


Scheduled amortization profile, SEK billion



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## Gearing ratios impacted by Spanair write down

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## SAS Group

Financial Net January - March



MSEK	Jan-Mar 2012	Jan-Mar 2011	Difference
Interest net and others	-281	-150	-131
Exchange rate differences	+16	-3	+19
<b>Financial net</b>	<b>-265</b>	<b>-153</b>	<b>-112</b>

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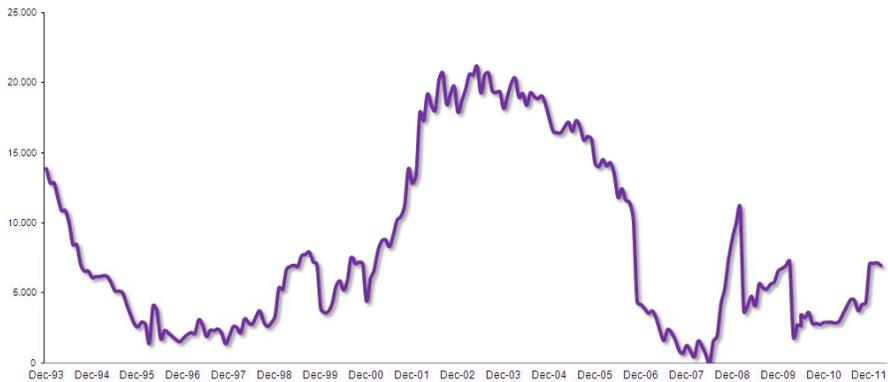
## Development and Break Down of Financial Net Debt



MSEK	2012-03-31	2011-03-31	Difference
Cash	3 660	3 808	-148
Other interest bearing assets	2 036	2 513	-477
Interest bearing liabilities	-12 586	-13 338	+752
<b>Financial net debt</b>	<b>-6 890</b>	<b>-7 017</b>	<b>+127</b>

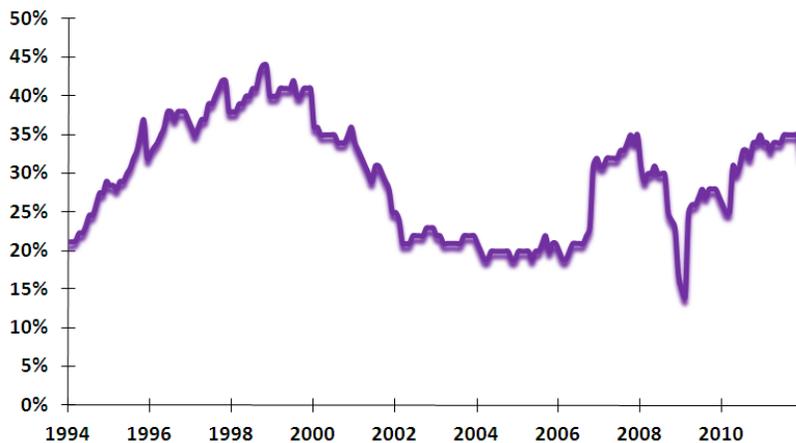
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## Development of financial net debt 1993-2012

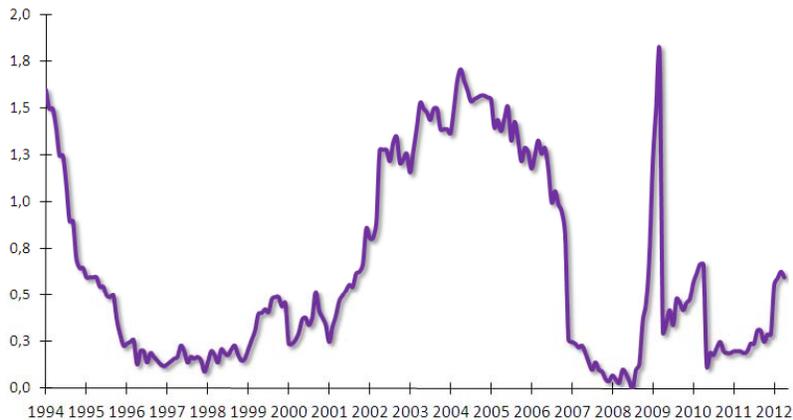
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## Equity / Assets Ratio 1993-2012



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## Financial Net Debt / Equity Ratio 1993-2012



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## Development of the financial net debt

during Jan-Mar 2012



SEK billion	
Financial net debt December 2011	-7.0
Investments	-0.4
Sales	0.0
Cash flow from operating activities	+1.2
Currency and others	-0.7
<b>Financial net debt March 2012</b>	<b>-6.9</b>

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## Appendices



- Fleet & productivity
- Unit revenue (yield & RASK) & Unit cost
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## Breakdown of currency effects SAS Group

2012 vs 2011



Total revenues & costs currency effects		Jan-Mar
Total revenues & costs	USD	-53
	DKK	0
	NOK	35
	EUR	0
	Asian currencies	15
	All others	4
	<b>Total</b>	<b>1</b>
Forward cover costs	2011	95
	2012	-63
	<b>Difference</b>	<b>-158</b>
Working capital	2011	-12
	2012	-51
	<b>Difference</b>	<b>-39</b>
Financial items	2011	-3
	2012	16
	<b>Difference</b>	<b>19</b>
<b>Total currency effects</b>		<b>-177</b>

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## Changes in currency exchange rates

affected the result by MSEK – 177 in Jan-Mar 2012 vs Jan-Mar 2011



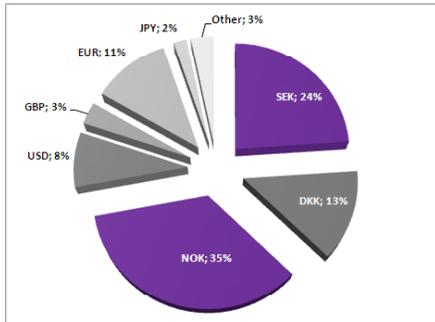
Currency effects MSEK on SAS Group 2012 vs 2011		Jan-Mar 2012
<ul style="list-style-type: none"> <li>Minor currency effects in Q1 due to relatively stable currency exchange rates</li> <li></li> <li></li> <li></li> </ul>	Total revenue	129
	Total costs	-128
	Forward cover costs & working capital	-197
	<b>Income before depreciation</b>	<b>-196</b>
	Financial items	19
	Income before tax	-177

60

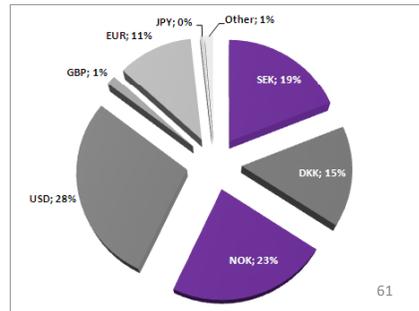
# Currency distribution in the SAS Group 2011



## Revenues



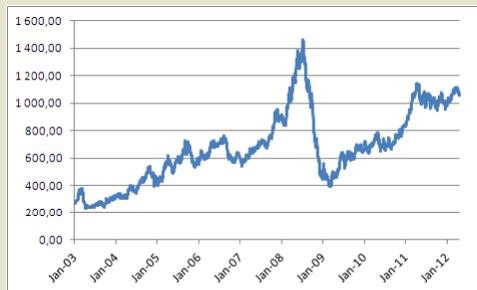
## Expenses



# Most fuel hedging done as options



## Jet fuel, spot price development, USD



## Current hedges

- 49% of the consumption hedged for next 12 months
- Only swaps and options
- Value of hedging portfolio on 31 March at MUSD 22

## Amended policy to offset fuel price volatility

- Hedging 40-70% of expected consumption (12 months rolling)
- Up to 18 months hedging allowed
- Yield management
- Cost initiatives

## SAS hedging position

- mostly options



SAS Group's jet fuel hedging portfolio	Q2 2012	Q3 2012	Q4 2012	Q1 2013
Jet fuel hedging proportion	50%	49%	48%	50%

SAS Group's jet costs in 2011 (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 6.6 bn	SEK 7.5 bn	SEK 8.4 bn	SEK 9.3 bn
1 000 USD/MT	SEK 7.5 bn	SEK 8.5 bn	SEK 9.6 bn	SEK 10.7 bn
1 200 USD/MT	SEK 8.1 bn	SEK 9.2 bn	SEK 10.4 bn	SEK 11.6 bn
1 400 USD/MT	SEK 8.7 bn	SEK 10.0 bn	SEK 11.3 bn	SEK 12.7 bn

63



64