



## Analyst Meeting Full Year 2006

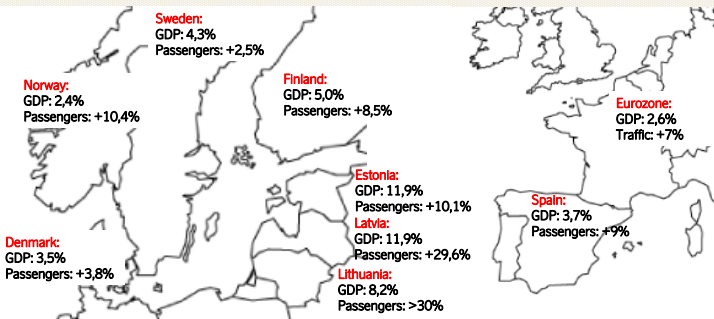
Stockholm and London, February 8-9



## Good growth in most SAS Group markets in 2006



- ▶ Good GDP and traffic growth in most markets
- ▶ Strongest traffic growth in Spain, Norway and the Baltics
- ▶ Strong growth also in Finland



SAS Group

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## Favorable Business Cycle, New Business Models, Good Cost/Capacity Control gave improved result



SAS Group MSEK	October-December 2006		January-December 2006	
	2006	Change	2006	Change
▶ Revenues	15 157	+665	60 777	+5 276
▶ EBITDAR	2 009	+679	6 616	+936
▶ EBIT	644	+565	1 273	+596
▶ EBT bef non-recurring items	735	<b>+507</b>	1 279	<b>+1 165</b>
▶ EBT including discontinued operations	<b>4 787</b>	<b>+4 214</b>	4 936	<b>+4 518</b>

SAS Group

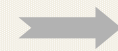
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## SAS Group's present platform



- ▶ Platform created
  - Cost
  - Business Models
  - Business Structure
  - More focus on core business



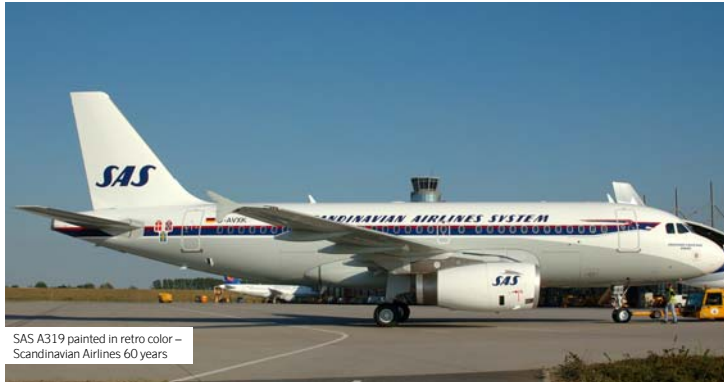
SAS Group more competitive but far from return targets

- ▶ From crisis/rescue phase to conceptually driven restructuring
  - Fill the profit gap

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SAS A319 painted in retro color – Scandinavian Airlines 60 years

Gunilla Berg  
CFO



## Strongest result improvement in SAS Scandinavian Airlines



MSEK	Oct-Dec		Jan-Dec	
	2006	Change	2006	Change
▶ SAS Scandinavian Airlines	743	+619	1 252	+1 626
▶ SAS Individually Branded Airlines	-5	+132	241	-23
▶ SAS Aviation Services	-35	-225	-111	-744
▶ Group eliminations, other	32	-19	-103	+306
<b>▶ EBT bef nonrecurring items</b>	<b>735</b>	<b>+507</b>	<b>1 279</b>	<b>+1 165</b>

Non-recurring and gains

▶ Capital gains	+ 4 277	+ 4 324
▶ Restructuring costs	- 32	- 337
▶ Impairment losses	- 146	- 146
▶ Other non recurring items	- 47	- 184

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## One offs in 2006



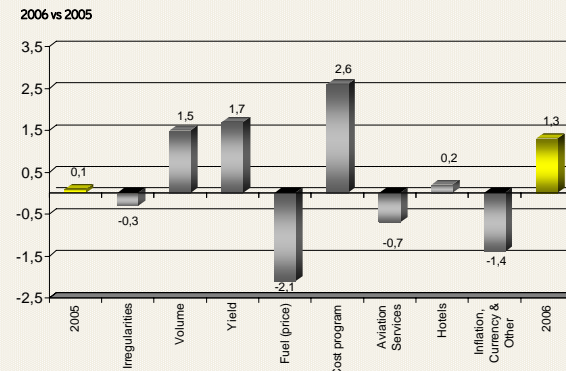
▶ Restructuring		▶ Impairments	
– SKB	74	– Aeroexchange	50
– Sola	147	– Ramp Snake	51
– STS	40	– Skyways	25
– SGS	50	– Club de Vacaciones	20
– Other	26	– Total	146
– Total	337		
		▶ Other	
		– SGS law suit (Norw)	84
		– SAS Cargo	100
		– Total	184

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## Number of measures and favorable business cycle contributed to the improved result



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## SAS Sverige strongest performer in SAS Scandinavian Airlines



Jan-Dec in MSEK	SAS Braathens		SAS Danmark		SAS Sverige		SAS International	
▶ Revenues	12 579	2,6%	10 924	6,4%	8 273	6,4%	7 805	0,9%
▶ EBITDAR	1 413	-339	975	+636	1 200	+829	898	+251
▶ EBT bef nonrec.	404	-226	182	+797	504	+842	169	+212

### Result drivers

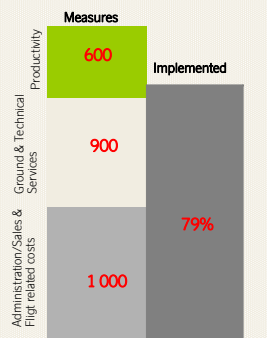
- ▶ Business Model
- ▶ Cost reductions
- ▶ Businss Cycle
- ▶ Capacity focus

## Result in SAS Individually Branded Airlines and Aviation Services



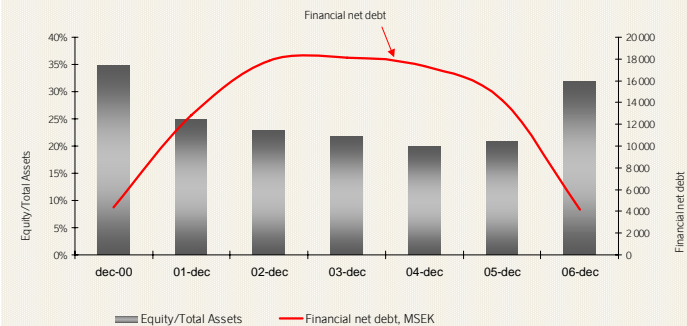
2006	Negative Result	Positive Result	Better vs Last Year
▶ Spanair	○	●	→
▶ Widerøe	○	●	→
▶ Blue1	●	○	→
▶ airBaltic	○	●	→
SAS Aviation Services			
▶ SGS	○	●	→
▶ STS	●	○	→
▶ SAS Cargo	○	●	→

## SEK 2,5 bn cost measures 79% implemented

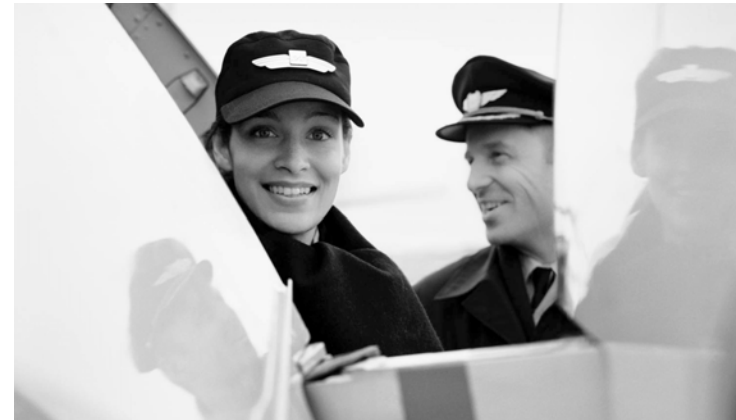
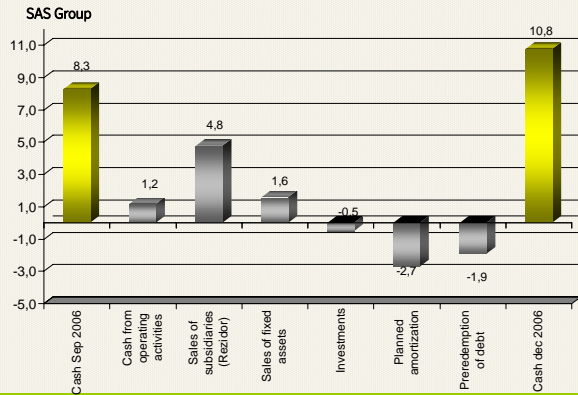


- ▶ 79% implemented in December 2006
- ▶ Result effect in 2006 – MSEK 1 000

## Financial gearing significantly up after hotel transaction and improved cash flows



Liquidity improved by SEK 2,5 bn  
-Amortization in Q4 of SEK 4,6 bn



Mats Jansson  
President & CEO



My current reflections:

### SAS Group strengths



- ▶ Brand market position
- ▶ Market position (Northern Europe)
- ▶ Network
- ▶ Customer base
- ▶ Business Structure
- ▶ Proud and competent work force



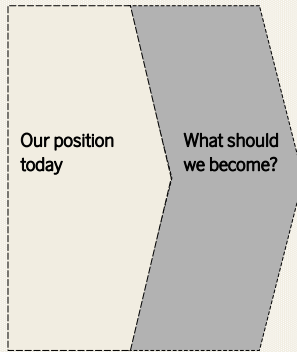
My current reflections:

### Necessary next steps



- ▶ We need a much clearer and distinct concept and customer offering (Business and Leisure)
- ▶ We need to continue to rationalize
- ▶ We need to grow
- ▶ We need to make a clearer definition of roles
  
- ▶ We need to reach return targets to satisfy
  - Shareholders
  - Future investments
  - Independence

## Current structure of "Strategy 2011"



- ▶ What should we offer?
- ▶ How should we behave?
- ▶ How should we be managed?
- ▶ What should be our result targets?

## Second phase in development of Business Models - Lots of news for the frequent business traveler

- ▶ Today 60-70% of our passengers travel for work purposes and are frequent flyers
  - These are our main customers
  - 30-40% private customers
- ▶ We launch a comprehensive program to improve for frequent travelers
  - More distinct product concepts
  - Lower prices in Economy Extra
  - Improved product quality and seamless flow at the airport
  - Increased award recognition



*A friendly and reliable airline that provides smooth and efficient traveling*



## More advantages for our main customers

- Fast Track Security to be introduced at more airports
- EuroBonus Gold members will receive added benefits
- Harmonized product on both Europe/Intrascand flights
- Economy Extra to be available at lower prices
- Improved product service feature
- ...much more



- **"It pays to be a loyal customer"**

### Innovative Travel Solutions



Simple web interface

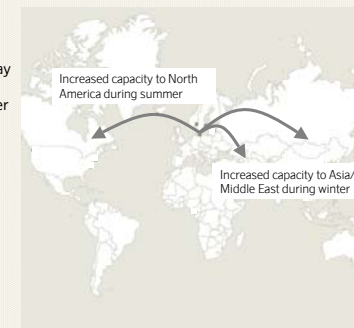


Mobile Solutions



## New strategic direction for intercontinental operations

- ▶ Traffic program with increased focus on the Scandinavian market
  - Seasonal destinations to be introduced
    - 2<sup>nd</sup> flight Copenhagen-New York from May (summer)
    - New! Stockholm-Bangkok from November (winter)
  - Doubled capacity from Stockholm but Copenhagen remains the largest hub
  - Beijing the gateway to China
    - Nonstop Stockholm-Beijing from March
- ▶ New developed concepts
  - SAS Business Sleeper on all aircraft from May
- ▶ More flexible price model for customers
  - Full flexibility and class combinability
  - World unique



## Sum up



### 2006

- ▶ Improved result due to
  - Strong market growth
  - New Business Models
  - Good cost control
  - Capacity focus
- ▶ Next phase initiated
  - Strategy 2011 to be presented in May
    - Conceptually driven restructuring
      - Both revenue and cost actions
    - Fill the profit GAP

### 2007 Outlook

- ▶ Currently no signs of weaker market
- ▶ Stable market growth in SAS Group markets
- ▶ Continued restructuring
- ▶ Uncertainties about strength of future growth, fuel prices, and competitive situation



Additional slides for further information

## Capacity, fuel, yield and load factor



SAS Group	2007
▶ Fuel costs (SEK, billion)	10,5
▶ ASK	up 5-7%
▶ Load factor	slightly up

Scandinavian Airlines Businesses	2007 vs 2006
▶ Yield	Positive 1 <sup>st</sup> Half, Stable 2 <sup>nd</sup> Half
▶ ASK	flat
▶ Load factor	slightly up

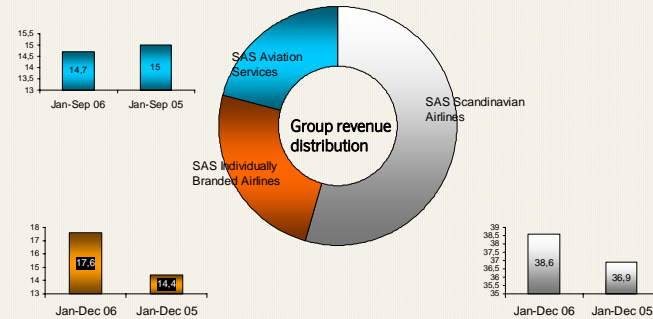
  

Capacity outlook	2007 vs 2006
▶ Scandinavian Airlines Denmark	+/- 0%
▶ SAS Braathens	+2%
▶ Scandinavian Airlines Sverige	+6%
▶ Scandinavian Airlines International	-4%
▶ Spanair	15%
▶ Blue1	20%
▶ Widerøe	-4%
▶ airBaltic	30%

## More streamlined SAS Group structure after sale of Rezidor

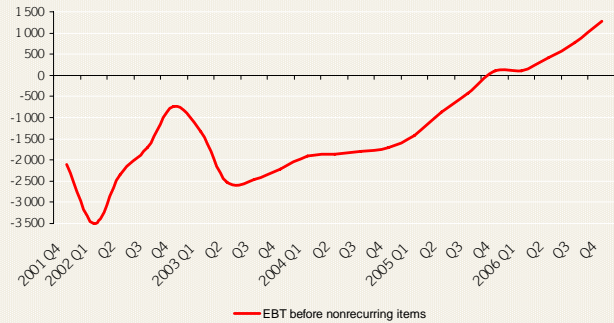


## Revenues growing the airline business areas



## SAS Group EBT trend on the right track

12 months rolling EBT before nonrecurring items, SAS Group

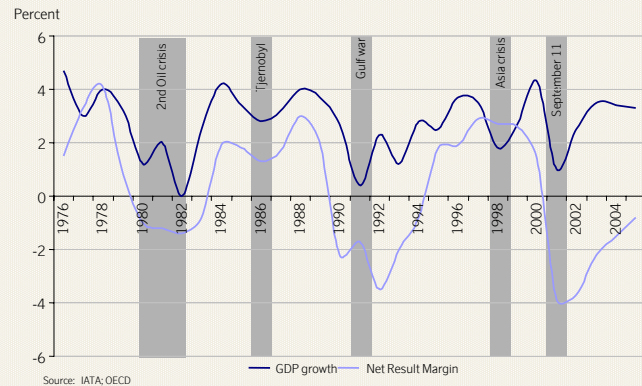


## New customer offer

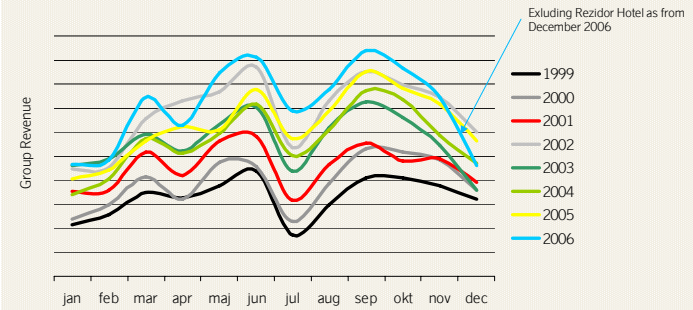
- ▶ Improved customer offer to frequent passengers
  - Harmonized product concept
  - Product differentiation to increase
  - B2B Corporate agreements
  - Brand positioning
- ▶ New product offer
  - Improved service in Business Class
  - Economy Flex becomes Economy Extra and gets more customer advantages
  - Same concept on both Europe/Intrascand flights
  - Fast Track Security to be introduced at more airports
  - Economy Extra to be available at lower prices
  - EuroBonus Gold members will receive complimentary food and beverage
  - Automatic check in for traveling in Economy
- ▶ Target
  - Customer Satisfaction index of 72 (today 66)
  - Capture revenue potential in market



## The airline industry has been dependant on the business cycle



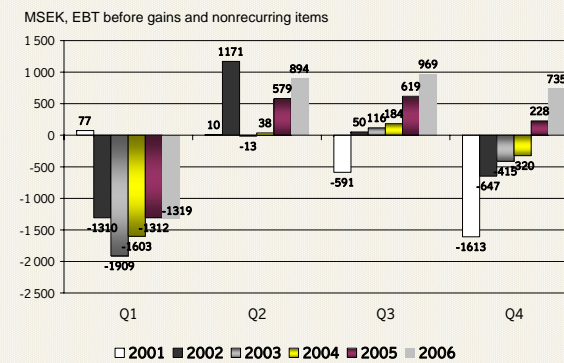
## Revenue seasonality pattern



## CFROI and EBITDAR improved

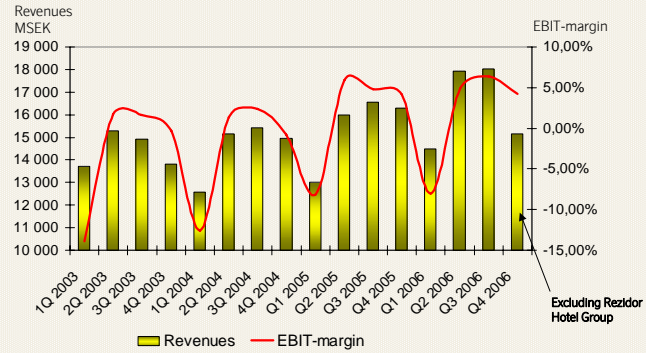
MSEK, Jan-Dec	2006	2005	
▶ Revenue	60 777	55 501	9,5%
▶ EBITDAR	6 616	5 680	+16,5%
▶ EBITDAR-margin	10,9%	10,2%	+0,7 p.p.
▶ CFROI	15%	13%	+2 p.p.

## Quarter result history SAS Group



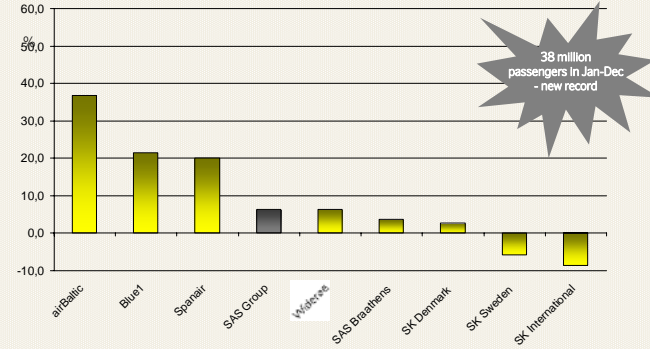


## Positive trend in EBIT-margin and revenues



## Strong growth in most Group airlines

Passenger growth in Jan-Dec 2006 vs 2005



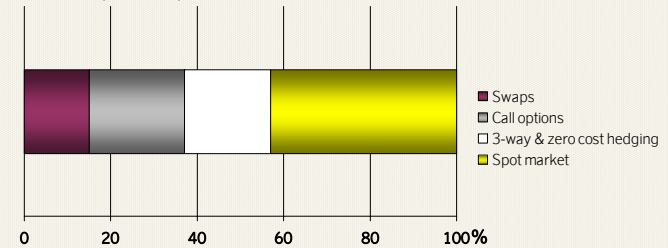
## Fuel costs SEK 10,5 billion in 2006 - expected to be 10,5 billion in 2007



- ▶ SAS Group strategy to offset jet fuel price
  - Policy to hedge 40-60% of expected consumption (12 months)
  - Yield management
  - Cost initiatives
- ▶ Current hedges
  - 57% Jan - Dec 07 capt at 766 USD/MT
    - Of which only appr 15 p.u. with swaps at 670 USD/MT

## Split down of SAS Group's fuel hedging during 2007

SAS Group consumption 2007



## Record high jet fuel prices



Average market prices:		SAS Group consumption
▶ 2000	297 USD/MT	
▶ 2001	245 USD/MT	
▶ 2002	233 USD/MT	
▶ 2003	282 USD/MT	
▶ 2004	399 USD/MT	
▶ 2005	568 USD/MT	1 980 million MT
▶ 2006	651 USD/MT	1 988 million MT
▶ Q1 2006	615 USD/MT	
▶ Q2 2006	692 USD/MT	
▶ Q3 2006	696 USD/MT	
▶ Q4 2006	603 USD/MT	

## Business areas



## SAS Scandinavian Airlines

## Significant result improvement in SAS Scandinavian Airlines

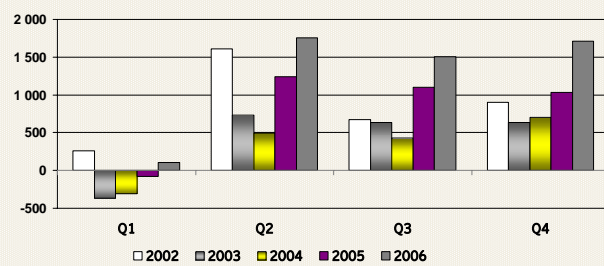


MSEK	October- December			January-December		
	2006	2005	Change	2006	2005	Change
▶ Revenues	9 832	9 616	+216	38 631	36 859	+1 772
▶ Operating expenses	-8 123	-8 581	+458	-33 555	-33 424	-131
▶ EBITDAR	1 709	1 035	+674	5 076	3 435	+1 641
▶ Lease	-536	-535	-1	-2 102	-1 927	-175
▶ EBITDA	1 173	500	+673	2 974	1 508	+1 466
▶ Depreciation	-285	-326	+41	-1 187	-1 346	+159
▶ Income from sales/affiliated	44	88	-44	116	455	-339
▶ EBIT	932	262	+670	1 903	617	+1 286
▶ EBT	773	135	+638	1 236	-39	+1 275
▶ EBT bef. nonrecurring items	743	124	619	1 252	-374	1 626

## EBITDAR up 1 709 MSEK in 4<sup>th</sup> Quarter



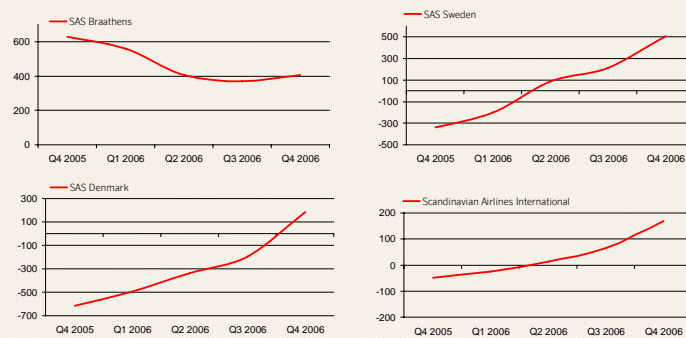
EBITDAR, Scandinavian Airlines  
MSEK



## Positive result development in all Scandinavian Airlines companies



EBT before nonrecurring items (12 months rolling)



## Strong improvement in SAS Denmark SAS Braathens better than last year in Q4



SAS Denmark	Oct-Dec 2006		Jan-Dec 2006	
	2006	Change	2006	Change
Total revenues	2 830	+221	10 924	+661
EBITDAR	392	+337	975	+636
EBT bef nonrec items	193	+379	182	+797

SAS Braathens	Oct-Dec 2006		Jan-Dec 2006	
	2006	Change	2006	Change
Total revenues	3 213	+22	12 579	+321
EBITDAR	507	+17	1 413	-339
EBT bef nonrec items	241	+36	404	-226

### Jan-Dec

- ▶ Solid traffic development
  - No of pass up 2,8%
  - Cabin factor up 5,6 p.u. to 72,1%
  - Yield up 5,7%
  - Unit cost marginally up adj for fuel

### Jan-Dec

- ▶ Stable traffic but lower yield
  - No of pass up 3,8%
  - Cabin factor up 2,5 p.u. to 68,8%
  - Yield down 2,2%
  - Unit cost down 0,4% adj for fuel

## SAS Sweden EBT improved MSEK 842 SAS International in black figures



SAS Sweden	Oct-Dec 2006		Jan-Dec 2006	
	2006	Change	2006	Change
Total revenues	2 313	+218	8 273	+496
EBITDAR	490	+309	1 201	+829
EBT bef nonrec items	329	+293	504	+842

### Jan-Dec

- ▶ Capacity adjusted to demand
  - Cabin factor up 3,5 p.u. to 69,9%
  - Yield up 7,6%
  - Unit cost down 3,3% adjusted for fuel
- ▶ Signs of reduced overcapacity in the market

SAS International	Oct-Dec 2006		Jan-Dec 2006	
	2006	Change	2006	Change
Total revenues	1 871	-59	7 805	+69
EBITDAR	235	+92	898	+251
EBT bef nonrec items	64	+104	169	+217

### Jan-Dec

- ▶ Development as expected in Jan-Dec
  - Cabin factor at 82,8%
  - Yield up 13,9%
  - Unit cost up 2,0% adjusted for fuel
- ▶ Flat beds being installed and product improvements in Economy Extra

## Strongest improvements in Sweden and Denmark



Jan-Dec in MSEK	SAS Scandinavian Airlines Denmark		SAS Braathens Scandinavian Airlines		SAS Scandinavian Airlines Sweden		SAS Scandinavian Airlines International	
	2006	%	2005	%	2006	%	2005	%
Revenues	10 924	6,4%	12 579	2,6%	8 273	6,4%	7 805	0,9%
EBITDAR	976	+636	1 413	-339	1 201	+829	898	+251
EBT bef nonrec.	182	+797	404	-226	504	+842	169	+217
Oct-Dec in MSEK								
Revenues	2 830	8,5%	3 213	0,7%	2 313	10,4%	1 871	-3,1%
EBITDAR	392	+337	507	+17	490	+309	235	+92
EBT bef nonrec.	193	+379	241	+36	329	+293	64	+104

## Key airline profitability drivers improving

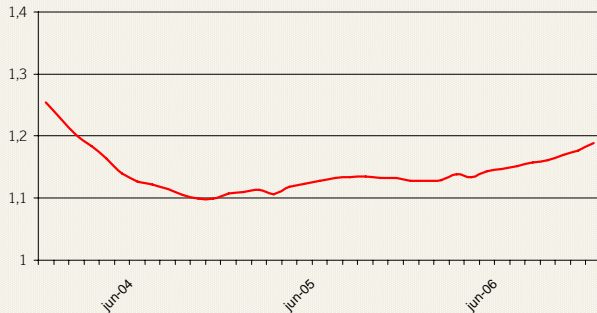


	2006 vs 2005 October-December		2006 vs 2005 January-December	
	Change	%	Change	%
▶ Traffic (RPK)	down	4,2%	down	0,8%
▶ Cabin Factor	down	0,8 p.u.	up	2,3 p.u.
▶ Yields (RPK)	up	15,4%	up	6,7%
▶ Yields (ASK)	up	7,4%	up	10,7%
▶ Total unit costs	up	3,3%	up	5,2%
– Fuel adjusted unit cost	down	0,3%	up	0,8%

## Yield is improving – up 6,7% in 2006



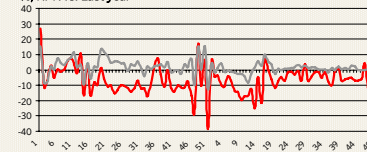
SAS Scandinavian Airlines  
12-months rolling



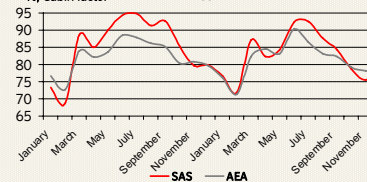
## North Atlantic cabin factor above AEA



% RPK vs. Last year



% Cabin factor

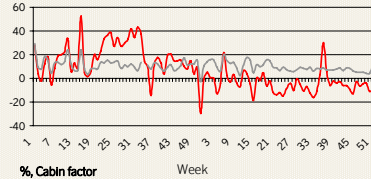


- ▶ Daily departures to/from New York, Washington DC, Chicago, Seattle from Copenhagen
- ▶ Second flight to/from New York to be introduced in May 2007
- ▶ Daily departures to/from New York and Chicago from Stockholm
- ▶ Positive mix
- ▶ Traffic in Jan-Dec 2006:
  - European airlines (AEA) traffic up 0,7%
  - SAS traffic down 7,3%

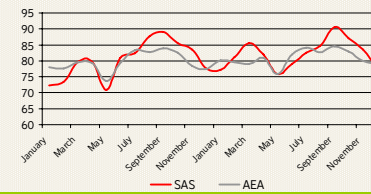
## Stockholm-Beijing to be introduced on Asian routes



% RPK vs. Last year



% Cabin factor



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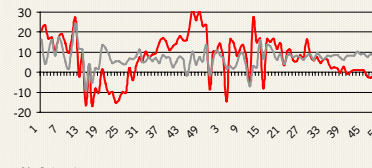


- ▶ Scandinavian Airlines serving Bangkok, Beijing, Shanghai and Tokyo
- ▶ Bangkok-Singapore closed in March
- ▶ SAS Business Sleeper being installed
  - ▶ Positive mix between Economy and Business Class
- ▶ Good development in Economy Extra
- ▶ Cabin factor higher than AEA
- ▶ Traffic in Jan-Dec 2006:
  - AEA traffic up 9,9%
  - SAS traffic down 4,9% due to reduced capacity

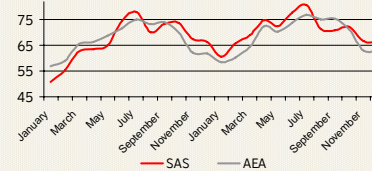
## Passenger load factor above AEA on European routes



% RPK vs. Last year



% Cabin factor



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- ▶ New Business Models a success
  - ▶ Cabin factor above AEA average since September 2005
- ▶ Strong performance on UK, Netherlands, Finland and Italy
- ▶ New non stop destinations from Stockholm during spring 2007
- ▶ Traffic Jan-Dec 2006:
  - AEA traffic up 7,0%
  - SAS traffic up 5,2% albeit capacity has been reduced by 0,9%

## ECA agreement expires in 2007



- ▶ Tri-party Joint Venture agreement with BMI, Lufthansa and SAS signed November 9, 1999
- ▶ In effect from January 1, 2000
- ▶ Main scope: To integrate the parties scheduled pass. transport to/ from London/ Manchester
- ▶ Negative result effect 2001: MSEK 335
- ▶ Negative result effect 2002: MSEK 418
- ▶ Negative result effect 2003: MSEK 244
- ▶ Negative result effect 2004: MSEK 134
- ▶ Negative result effect 2005: MSEK 415
- ▶ Negative result effect 2006: MSEK 415
  - Result effect 1<sup>st</sup> Quarter 2006: MSEK -130 (-64)
  - Result effect 2<sup>nd</sup> Quarter 2006: MSEK -47 (-207)
  - Result effect 3<sup>rd</sup> Quarter 2006: MSEK -98 (-92)
  - Result effect 4<sup>th</sup> Quarter 2006: MSEK -159 (-52)

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SAS Individually Branded Airlines



## Strong top line in SAS Individually Branded Airlines



MSEK	October-December			January-December		
	2006	2005	Change	2006	2005	Change
▶ Revenues	4 162	3 731	+431	17 592	14 352	+3 240
▶ Operating expenses	-3 712	-3 440	-272	-15 466	-12 432	-3 034
▶ EBITDAR	450	291	159	2 126	1 920	+206
▶ Lease	-356	-315	-41	-1 484	-1 247	-237
▶ EBITDA	94	-24	+118	642	673	-31
▶ Depreciation	-99	-76	-23	-340	-312	-28
▶ Income from affiliated	-12	11	-23	43	54	-11
▶ EBIT	-17	-89	+72	345	415	-70
▶ EBT	-59	-119	+60	187	279	-92
▶ EBT before nonrecurring items and capital gains	-5	-137	132	241	264	-23

## Strong growth in Blue1, airBaltic, Spanair Widerøe improved in Q4



Jan-Dec in MSEK	Spanair		widerøe Member of the SAS Group		Blue1		airBaltic	
Revenues	11 012	19,5%	2 941	3,9%	2 018	18,4%	1 551	28,1%
EBITDAR	1 417	+11	291	-43	154	-54	212	+102
EBT bef nonrec.	96	+49	22	-39	-18	-80	49	+24
Oct-Dec in MSEK								
Revenues	2 449	+9,6%	738	+3,4%	545	19,5%	399	3,4%
EBITDAR	240	+42	82	+49	61	+12	47	+13
EBT bef nonrec.	-70	+48	18	+56	18	+4	5	-2

## Spanair and Widerøe show better result in Q4



Spanair	Oct-Dec 2006		Jan-Dec 2006		widerøe	Oct-Dec 2006		Jan-Dec 2006	
	Change	2006	Change	2006		Change	2006	Change	2006
Total revenues	2 449	9,6%	11 012	19,5%	Total revenues	738	3,4%	2 941	3,9%
EBITDAR	240	+42	1 417	+11	EBITDAR	82	+49	291	-43
EBT, bef nonrec items	-70	+48	96	+49	EBT, bef nonrec items	18	+56	22	-39

- ▶ Strong traffic development in Jan-Dec
  - ▶ No. of pass. up 20,0%
  - ▶ Cabin factor up 4,4 p.u. to 66,6%
  - ▶ Yield was up 5,0%
- ▶ Strong performance in business segment

- ▶ Stable traffic development
  - ▶ No of pass up 6,3%
  - ▶ Cabin factor up 2,8 p.u. to 57,0%
  - ▶ Yield was up 1,0%
- ▶ Cost reductions of MSEK 200 being implemented

## Blue1 and airBaltic gain market shares



Blue1	Oct-Dec 2006		Jan-Dec 2006		airBaltic	Oct-Dec 2006		Jan-Dec 2006	
	Change	2006	Change	2006		Change	2006	Change	2006
Total revenues	545	20%	2 018	18%	Total revenues	399	3%	1 551	28%
EBITDAR	61	+12	154	-54	EBITDAR	47	+13	212	+102
EBT, bef nonrec items	18	+4	-18	-80	EBT, bef nonrec items	5	-2	48	24

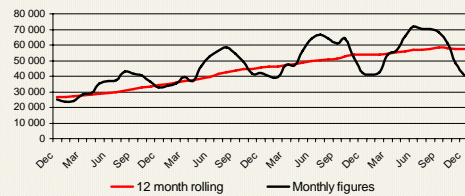
- ▶ Strong traffic figures
  - ▶ No of pass up 21,8%
  - ▶ Cabin factor up 2,5 p.u. to 66,6%
- ▶ Start up cost for European expansion
- ▶ 10 new international destinations introduced from Helsinki

- ▶ Strong traffic development in Jan-Dec
  - ▶ No of pass up 36,8%
  - ▶ Cabin factor up 3,7 p.u. to 60,6%
- ▶ New destinations introduced East of Baltic
- ▶ airBaltic successfully competes with Ryanair and Easyjet

## Estonian Air shows solid growth

- ▶ The SAS Group holds 49% in Estonian Air
- ▶ Estonian Air number of passengers up 7% in 2006
  - ▶ Q4 growth lower due to one aircraft being maintained
- ▶ Competitive cost position
- ▶ Increasing charter operation

Number of passengers Estonian Air



## SAS Aviation Services



## SAS Aviation Services

MSEK	October-December			January-December		
	2006	2005	Change	2006	2005	Change
▶ Revenues	3 787	3 863	-76	14 746	14 964	-218
▶ Operating expenses	-3 713	-3 630	-83	-14 768	-13 953	-815
▶ EBITDA	74	233	-159	-22	1 011	-1 033
▶ Depreciation	-121	-102	-19	-358	-419	61
▶ EBIT	-48	142	-190	-417	603	-1 020
▶ EBT	-83	120	-203	-527	502	-1 029
▶ EBT bef nonrec items	-35	190	-225	-111	633	-744

## STS and SGS affected by lower prices

### Jan-Dec in MSEK

	SAS SAS Technical Services	SAS SAS Ground Services	SAS Cargo	SAS SAS Flight Academy
Revenues	4 896 -5,2%	5 867 -5,1%	3 648 10,3%	441 -1,3%
EBT, bef nonrec.	-249 -523	43 -185	99 +32	40 -1

## Financial update

## SAS Group Balance Sheet



MSEK	30 Dec 06	31 Dec 05
Liquid funds	10 803	8 684
Aircraft, spare parts	12 713	16 207
Other assets	27 648	33 125
<b>Total assets</b>	<b>51 164</b>	<b>58 016</b>
Operating liabilities	14 825	15 981
Interest-bearing liabilities	16 478	26 337
Deferred tax	3 473	3 617
Equity	16 388	12 081
<b>Total liabilities and equity</b>	<b>51 164</b>	<b>58 016</b>
<b>Financial net debt</b>	<b>4 134</b>	<b>14 228</b>

## Strong cash flow in Q4



SEK, billion	Oct-Dec 2006	Jan-Dec 2006
▶ Cash flow from operations	1,1	2,5
▶ Change in working capital	0,1	0,5
▶ <b>Net financing from operations</b>	<b>1,2</b>	<b>3,0</b>
▶ Investments, adv. payments	-0,5	-2,3
▶ Acquisitions/sale of subsidiaries (net)	4,8	4,8
▶ Sale of fixed assets etc.	1,6	4,1
▶ <b>Financing deficit/surplus</b>	<b>7,1</b>	<b>9,6</b>
▶ Change in external financing	-4,6	-7,4
▶ <b>Cash flow from the period</b>	<b>2,5</b>	<b>2,1</b>
▶ <b>Financial net debt</b>		<b>4,1</b>
▶ <b>Available funds</b>		<b>16,1</b>

## Very limited CAPEX



Firm Aircraft Orders	Total	2007
Airbus A319	2	2
Boeing 737	2	2
<b>Number of aircraft</b>	<b>4</b>	<b>4</b>
<b>CAPEX (MUSD)</b>	<b>109</b>	<b>109</b>

▶ Other investments appr MSEK 1 500 /year

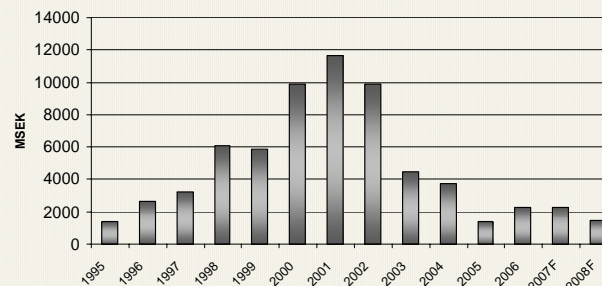


## SAS Group has more than SEK 16 bn in available funds



	Dec 06	Dec 05	Change
<b>Liquid Funds MSEK</b>	<b>10 804</b>	<b>8 684</b>	<b>+2 120</b>
<b>Available Credit Facilities:</b>			
Revolving Credit Facility (MEUR 366)	3 312	2 829	+483
Bi-lateral Facilities	1 500	2096	-596
Others	524	321	+203
<b>Total Available Facilities</b>	<b>5 336</b>	<b>5 246</b>	<b>+90</b>
<b>Total Available Funds</b>	<b>16 140</b>	<b>13 930</b>	<b>+2 210</b>
▶ Available facilities	MSEK 5 336		
▶ Utilized facilities	MSEK 184		
▶ Total facilities	MSEK 5 520		
▶ The Revolving Credit Facility renewed, maturity in June 2010			
▶ Improved terms and conditions			

## SAS Group CAPEX holiday continues

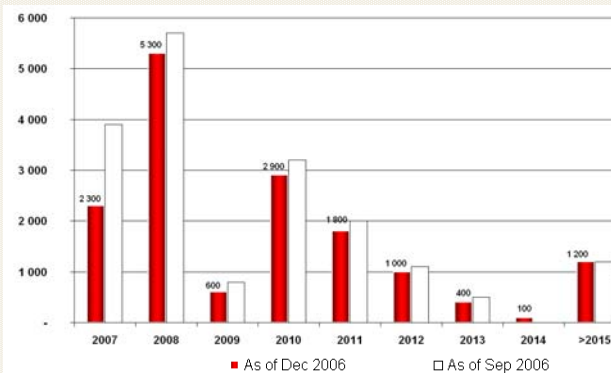


## Strong improvement in gearing in 2006



Key figures	Dec 06	Dec 05	Target
▶ Equity/assets ratio (solidity)	32%	21%	>30%
▶ Financial net debt/ equity	25%	118%	<50%
▶ Fin. net debt+7*Oplease/ equity	168%	290%	<100%
▶ Consolidation coming years			
▶ Low investments			
▶ Improved cash flow from operations			

## Amortization profile of interest bearing liabilities



## Development of Financial Net Debt in 2006



MSEK

▶ Financial Net Debt Dec 05	-14 200
– Cash flow from operating activities	+3 000
– Sale of subsidiaries	+4 800
– Sale of aircraft and properties	+4 100
– Investments	-2 300
– <u>Deconsolidation, currency &amp; other</u>	+500
▶ Financial Net Debt Dec 06	-4 100

## SAS Group Financial Net January – December 2006



(MSEK)	06-12-31	05-12-31	Difference
Interest net and others	- 931	- 961	+ 30
Exchange rate differences	-3	-12	+ 9
Financial net	- 934	- 973	+ 39

## SAS Group Financial Net October – December 2006



(MSEK)	Q4-2006	Q4-2005	Difference
Interest net and others	- 211	- 157	-54
Exchange rate differences	- 14	- 1	- 13
Financial net	- 225	- 158	-67

## Development and Breakdown of the Financial Net Debt 2006 vs 2005



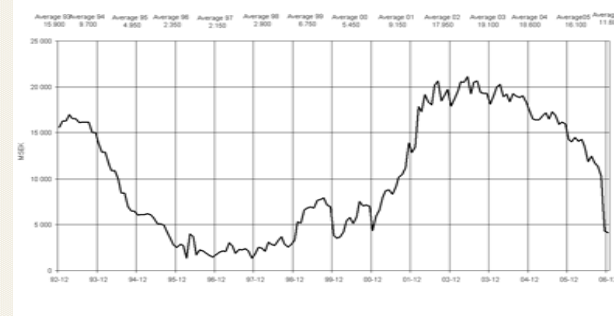
(MSEK)	061231	051231	Difference
Cash	10 803	8 684	+ 2119
Other interest bearing assets	1 541	3 425	-1 884
Interest bearing liabilities	- 16 478	-26 337	+ 9 859
Financial Net debt	- 4134	-14 228	+ 10 094

## Development and Breakdown of the Financial Net Debt in Q4

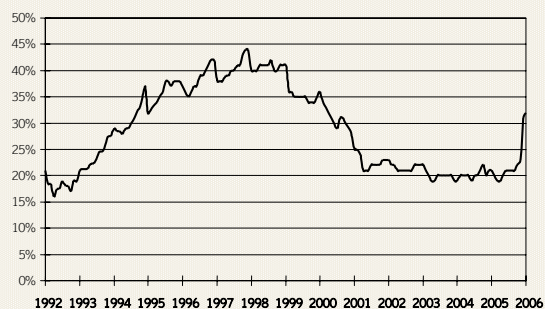


(MSEK)	061231	060930	Difference
Cash	10 803	8 327	+ 2 476
Other interest bearing assets	1 541	2 029	- 488
Interest bearing liabilities	- 16 478	-21 807	+ 5 329
Financial Net debt	- 4 134	-11 451	+ 7 317

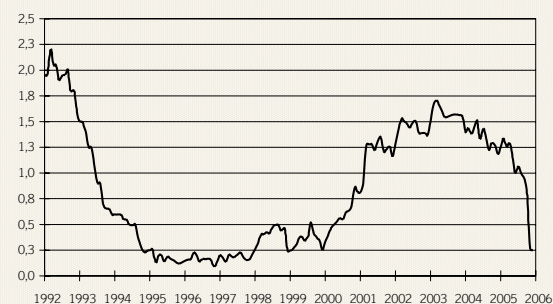
## Development of the Financial Net Debt



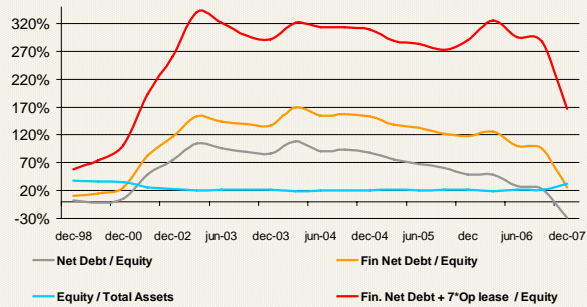
## Development of the Equity/Asset ratio



## Financial Net Debt/Equity ratio development



## Gearing ratios improved in 2006



## Sum up – credit position



- ▶ Solid liquidity of MSEK 10 803
  - ▶ Substantial Committed credit facilities of MSEK 5 336
- ▶ Limited CAPEX coming years
  - ▶ MD 80 next aircraft to be replaced – after 2012
- ▶ No financial covenance on debt on the balance sheet
- ▶ Consolidation of balance sheet will continue coming years
- ▶ Positive cash flow from operations and loss carry forward will limit tax payments going forward

## APPENDICES

- Traffic Data
- Yield
- Unit cost
- Fleet
- Financial key figures



## Yield development 2006 vs 2005



### SAS Scandinavian Airlines Total Scheduled

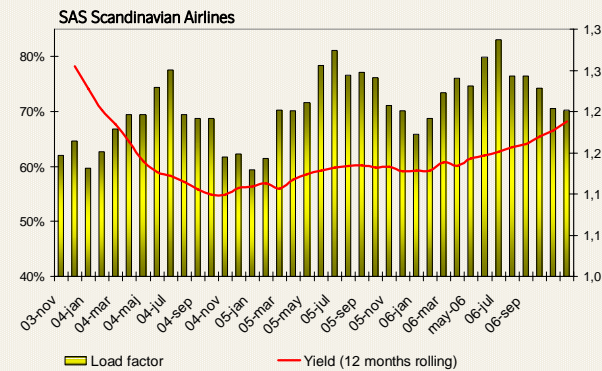
Jan-Dec	2006	2005	Change
Yield (öre/RPK)	114,9	107,5	6,9%
Currency adj. yield	114,9	107,6	6,7%
Oct-Dec	2006	2005	Change
Yield (öre/RPK)	125,6	113,9	10,3%
Currency adj. yield	125,6	108,9	15,4%

## Yield development 2006 vs 2005 SAS Individually Branded Airlines

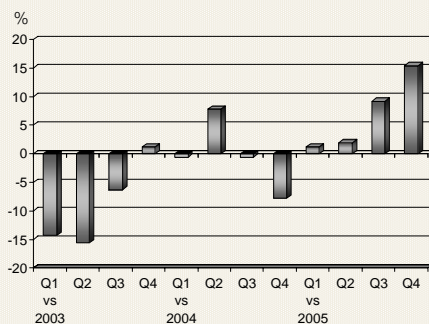


Yield, local currency	Oct-Dec	Jan-Dec
Spanair	5,0%	5,0%
widerøe Member of the SAS Group	7,6%	1,0%
Blue	-27,3%	-24,7%
airBaltic	-0,2%	3,1%

## Improved yield and load factor



## Yield development – SAS Scandinavian Airlines



- ▶ Yields down 9,1% in 2004
- ▶ Yields down 0,3 in 2005
- ▶ Yield up 1,2% in Q1 2006
- ▶ Yield up 1,9% in Q2 2006
- ▶ Yield up 9,2% in Q3 2006
- ▶ Yield up 15,4% in Q4 2006

## Passenger yield 2006



### SAS Scandinavian Airlines

Route Sector	Nom. yield	Curr. effect	Adj. Yield
Intercontinental	114	100	114
Europe	106	98	104
Intrascandinavia	100	99	99
Denmark	109	98	107
Norway	101	100	101
Sweden	117	99	116
<b>SAS Scandinavian Airlines</b>	<b>107</b>	<b>100</b>	<b>107</b>

## Passenger yield October- December 2006



### SAS Scandinavian Airlines

Route Sector	Nom. yield	Curr. effect	Adj. Yield
Intercontinental	111	105	116
Europe	114	103	117
Intrascandinavia	109	104	114
Denmark	106	102	109
Norway	101	108	108
Sweden	112	100	112
<b>SAS Scandinavian Airlines</b>	<b>110</b>	<b>105</b>	<b>115</b>

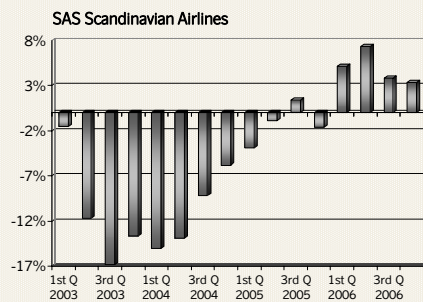
## Break down of SAS Scandinavian Airlines Unit Cost



Volume, curr and method adjusted	Oct-Dec 05	Oct-Dec 06	Var%	Share of total var %
Cost analysis				
Personnel	-1 798	-1 917	6,6%	1,5%
Fuel	-1 987	-1 665	20,1%	3,6%
Gov. Charges	-882	-847	-3,9%	-0,5%
Selling cost	-140	-66	52,9%	-1,0%
Ground Services	1 335	-1 238	7,2%	-1,3%
Technical	-879	-919	4,6%	0,5%
Other operating costs	-786	-817	4,0%	0,4%
<b>TOTAL OPERATING EXPENSES</b>	<b>-7 206</b>	<b>-7 469</b>	<b>3,6%</b>	<b>3,4%</b>
Aircraft costs	505	499	1,1%	-0,1%
<b>ADJUSTED EBIT</b>	<b>-7 711</b>	<b>-7 968</b>	<b>3,3%</b>	<b>3,3%</b>

Volume, curr and method adjusted	Jan-Dec 05	Jan-Dec 06	Var%	Share of total var %
Cost analysis				
Personnel	-7 496	-7 770	3,7%	0,9%
Fuel	5 507	-6 883	25,0%	4,4%
Gov. Charges	-3 727	-3 540	5,0%	-0,6%
Selling cost	596	-473	-20,6%	-0,4%
Ground Services	5 299	-4 962	6,4%	-1,1%
Technical	-3 792	-3 825	0,9%	0,1%
Other operating costs	-2 679	-3 271	22,1%	1,9%
<b>TOTAL OPERATING EXPENSES</b>	<b>-29 096</b>	<b>-30 724</b>	<b>5,6%</b>	<b>5,2%</b>
Aircraft costs	-2 049	-2 028	-1,0%	-0,1%
<b>ADJUSTED EBIT</b>	<b>-31 144</b>	<b>-32 752</b>	<b>5,2%</b>	<b>5,2%</b>

## Unit cost slightly up



- ▶ Unit cost down 10,9% in 2004
- ▶ Unit cost down 1,7% in 2005
- ▶ Unit cost up 5,2% in Jan-Sep
- ▶ Unit cost up 3,8% in 3<sup>rd</sup> Quarter
- ▶ Unit cost up 3,3% in Q4
  - Adjusted for fuel, unit cost was down 0,3%

## Block hours overview

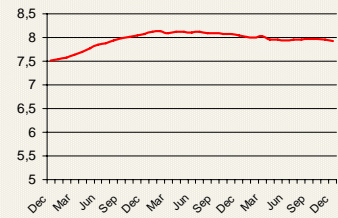


12 months rolling Jan 06 -Dec 06	Air craft/day	Pilots/year	Cabin/year
SAS Scandinavian Airlines	7,9	547	628
Spanair	8,8	741	798
Widerøe	6,8	447	429
Blue1	8,2	635	638
airBaltic	9,1	820	757

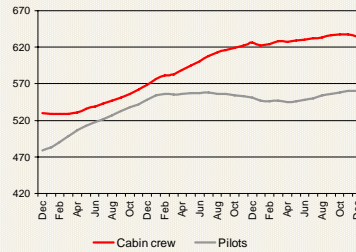
## Key productivity ratios – SAS Scandinavian Airlines



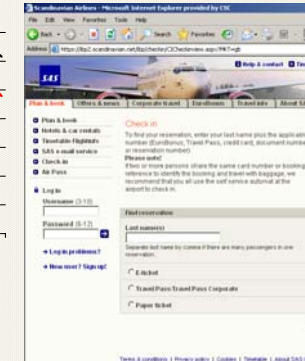
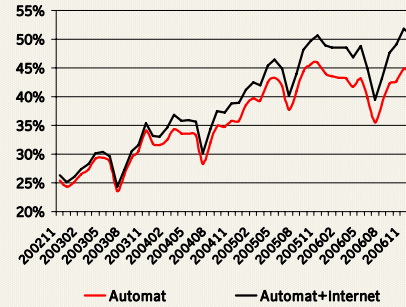
Aircraft utilization (12 months rolling)



Cabin, pilot utilization (12 month rolling)



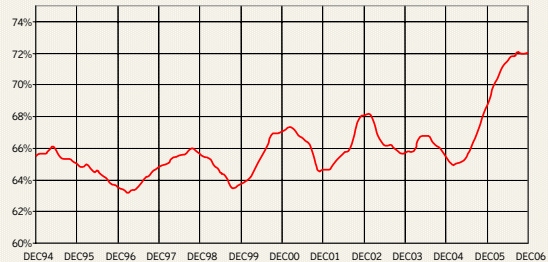
## Self Service check in above 50% Internet check in over 5%



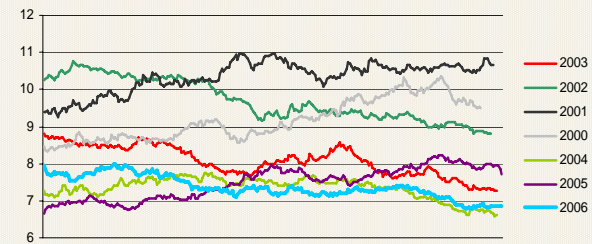
## Long term passenger cabin factor trend positive



Moving 12 months values



## USD gradually weaker during 2006



Currency effect – SAS Group  
January-December 2006 vs 2005



MSEK	Jan-Dec
Total revenues	-1
Total costs	+28
<u>Forward cover costs &amp; working cap.</u>	<u>-3</u>
Income before depr.	+24
<u>Financial items</u>	<u>+21</u>
Income before tax	+45

Currency effect – SAS Group  
January-December 2006 vs 2005



<b>Total revenues &amp; costs:</b> (Total +27 MSEK)		<b>Working capital:</b> (Total +151 MSEK)	
Major approx. effects:		2005 -190	
USD	+56	2006	-39
DKK	-5	<b>Financial items:</b> (Total +21 MSEK)	
NOK	-2	2005	-22
EUR	-7	2006	-1
Asian curr.	-16	<b>Grand total +45 MSEK</b>	
All others	+1		
<b>Forward cover costs:</b> (Total -154 MSEK)			
2005	+197		
2006	+43		

Currency effect – SAS Group  
October-December 2006 vs 2005



MSEK	Oct-Dec
Total revenues	-678
Total costs	+805
<u>Forward cover costs &amp; working cap.</u>	<u>-96</u>
Income before depr.	+31
<u>Financial items</u>	<u>-16</u>
Income before tax	+15

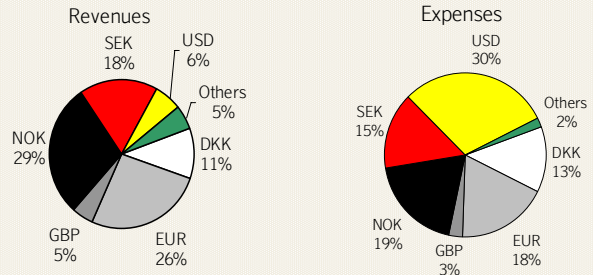
Currency effect – SAS Group  
October-December 2006 vs 2005



<b>Total revenues &amp; costs:</b> (Total +127 MSEK)		<b>Working capital:</b> (Total +75 MSEK)	
Major approx. effects:		2005 -47	
USD	+311	2006	+28
DKK	+13	<b>Financial items:</b> (Total -16 MSEK)	
NOK	-133	2005	+4
EUR	-22	2006	-12
Asian curr.	-31	<b>Grand total +15 MSEK</b>	
All others	-11		
<b>Forward cover costs:</b> (Total -171 MSEK)			
2005	+134		
2006	-37		



## Currency distribution in the SAS Group 2006



## SAS Group fleet – December 2006

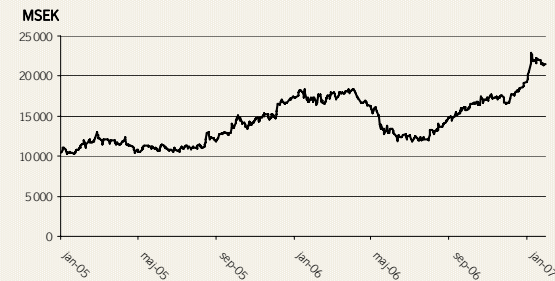


SAS Group fleet	Average age	Owned	Leased	Total	Leased out	On order
Airbus A330/A340	4,6	5	6	11		
Airbus A321/A320/A319	3,9	4	27	31		2
Boeing 737-serien	9,1	20	63	83	4	2
Boeing 717 (MD-95)	5,5		5	5		
Douglas MD-80-serien	17,5	13	69	82	2	
Douglas MD-90-serien	9,9	8		8	3	
Avro RJ-85/100	5,2		9	9		
Fokker F50	17,1		14	14		
deHavilland Q-serien	9,0	17	36	53		
SAAB 2000	9,6		5	5	5	
<b>Total</b>	<b>10,9</b>	<b>67</b>	<b>234</b>	<b>301</b>	<b>14</b>	<b>4</b>
SAS Scandinavian Airlines	10,7			180	9	4
Spanair	11,0			59		
Wideroe	11,5			29		
Blue1	6,8			17	5	
airBaltic	15,1			16		
<b>Total</b>	<b>10,9</b>			<b>301</b>	<b>14</b>	<b>4</b>

## SAS share



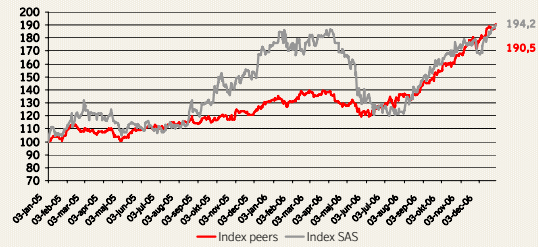
## Development of the SAS Group's Market Capitalization



## SAS Share vs Peers Index



**SAS Market Capitalization vs. European Peers measured in SEK**  
(December 31, 2004 - December 31, 2006)



\* Peers: Alitalia, Air France, British Airways, Easyjet, Finnair, Lufthansa & Ryanair

## Number of trades shares increased slightly in 2006



**Number of shares traded in SAS per month**

