



Positive Q3, improving cash flow - but quarter characterized by many one-off items



Improving market conditions

- Improving demand but still challenging markets
- Business and Economy extra is growing on intercontinental routes and major business destinations from Norway and Sweden
- Unit revenue, RASK, stable - Record load factors continue to mitigate yield fall

EBT before non-recurring items MSEK 387

Positive accumulated cash flow from operating activities

Result negatively affected by non-recurring items of MSEK 1,411

Core SAS strategy on track

- Customer satisfaction index improved
- SEK 2.6bn cost savings implemented since year end
- Unit cost down 8.7%¹ in third quarter

¹ Scandinavian Airlines, currency adjusted

Significantly improved result despite falling revenues

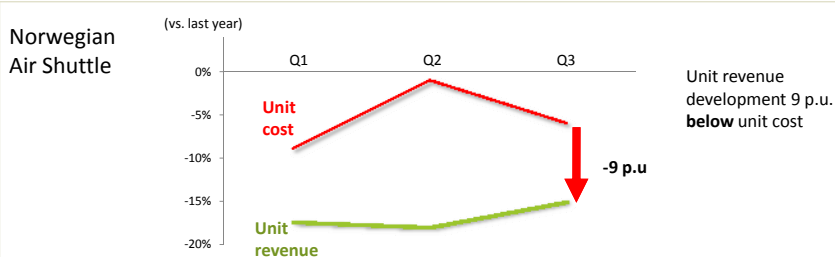
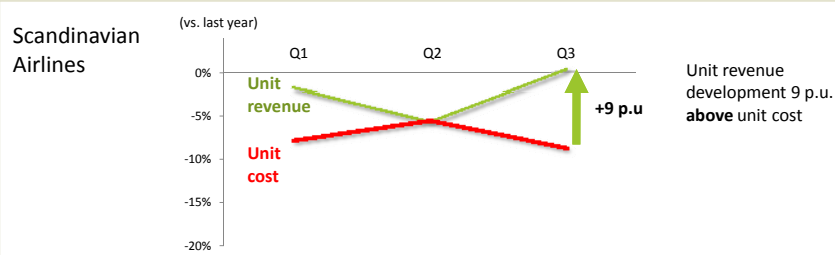


Result development (MSEK)	Jul-Sep 2010	Jul-Sep 2009
Revenues	10,690	11,076
EBT	-1,024	114
EBT before non-recurring items in continuing operations	387	37
Margin	3,6%	0,3%



3

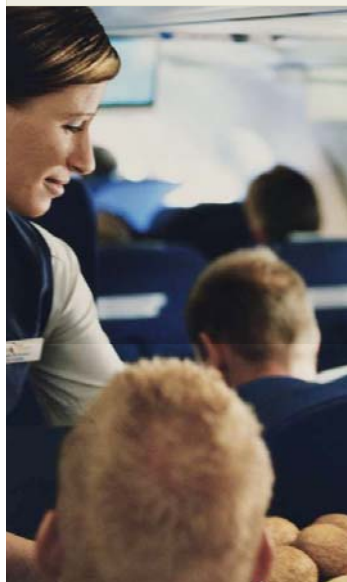
Key profitability drivers continue positive trend



Figures according to interim reports, unit revenue is RASK.

4

Service quality improving despite cost program - thanks to our professional staff

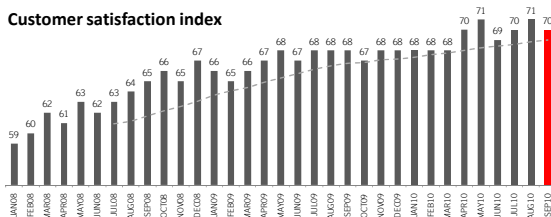


In particular factors related to:

- staff service
- time saving products
- price worthiness

has showed impressive progress during the last years, when asking our frequent flyers.

Customer satisfaction index



SAS was the most punctual airline in the world during the third quarter¹

5

Through the implementation of Core SAS SAS is positioned for profitable growth

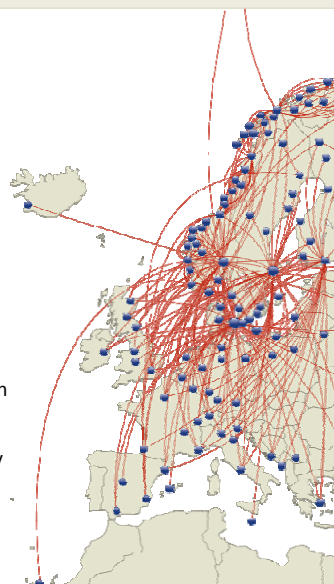


2 new longhaul routes
150 new European frequencies

- SAS**
- Reduced unit cost
 - World class quality
 - Increased customer satisfaction index
 - Focus on business travelers
 - Extensive partner network

- Market**
- Recovery especially in longhaul and business travel
 - Estimated annual market growth 4-6%

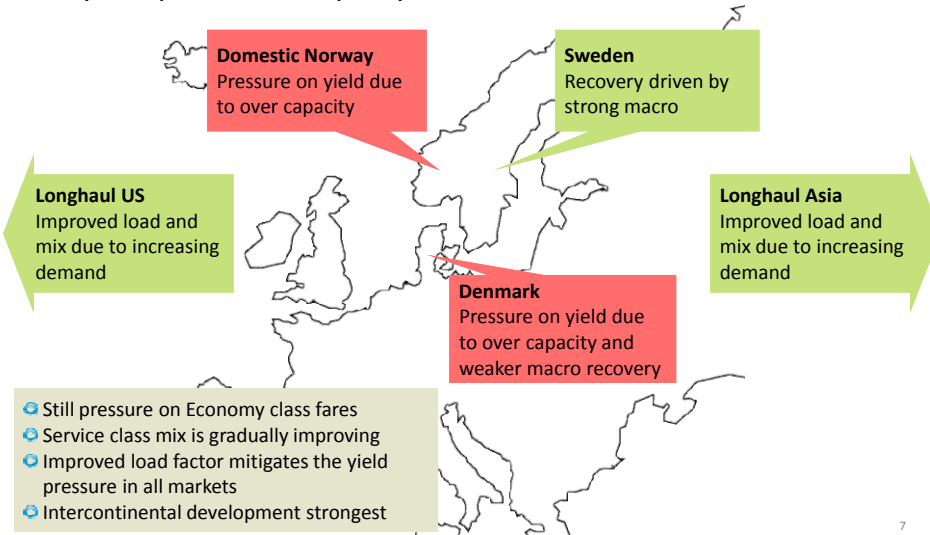
- Drivers:**
- Profitable expansion – the expansion to strengthen SAS long term profitability position
 - The routes to strengthen SAS home market position
 - Expansion is primarily based on "business" destinations
 - A combination of own capacity and partners to be used



Regional differences in market recovery



Summary of competitive situation in primary markets



SAS to participate in market growth

- SAS capacity to increase 4-6% annually starting Q4 2010



	Estimated annual growth	
Domestic	3-4%	Matured market
Intrascandinavian	3%	Matured market, increase transfer
European majors	4%	Matured market, still potential
European minors	5%	Recovery
Scandinavia – US	5%	Recovery
Scandinavia – Asia	9%	Emerging markets






Mats Lönnqvist
CFO SAS Group



9

Improving operational result driven by cost reductions and based on a stable financial platform



Yield pressure offset by improved load factor

Unit revenue, RASK, improvement of 0.4%¹

- Passenger yield down
- Load factor up
- Improving cargo yield

Core SAS cost savings program of SEK 7.8bn on track

8.7%¹ unit cost reduction

- 81% of the total cost savings have been implemented
- 83% of FTE reduction completed
- Remaining earnings effect of ~2.9bn SEK during 2010-12

Stable financial platform

27% of revenue in financial preparedness

- SEK 10.9bn in total financial preparedness
- SEK 14.0bn in equity
- 32% Equity ratio

¹Currency adjusted for Scandinavian Airlines compared to the same period in 2009. RASK adjusted for positive non-periodic items. Reported RASK in Q3 was +3.2%

Positive development in load factor – but still pressure on yield and RASK



SAS Group	Jan-Mar 2010	Apr-Jun 2010	Jul-Sep 2010
Traffic (RPK)	↓ -1.3%	↓ -6.3%	↑ +5.4%
Load factor	↑ +6.3 p.u.	↑ +1.8p.u.	↑ +2.2 p.u.
Scandinavian Airlines			
Yield ¹	↓ -11.4%	↓ -6.6%	↓ -4.3%
Unit revenue, RASK ¹	↓ -1.7%	↓ -5.6%	→ +0.4%
Unit cost ²	↓ -7.8%	↓ -5.5%	↓ -8.7%

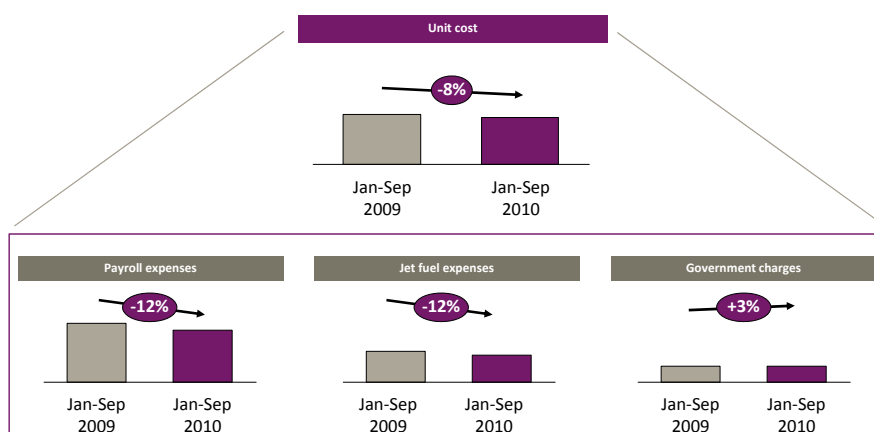
¹ Adjusted for currency, RASK adjusted for positive non-periodic items in Q3. Reported RASK in Q3 was +3.2%.
² Adjusted for currency.
 All figures compared to same periods in 2009

11

Unit cost reduction visible in most areas - Still increasing government charges



Currency adjusted unit cost, Scandinavian Airlines



12

Positive result of MSEK 387 before non-recurring items



(MSEK)	Jul-Sep 2010	Jul-Sep 2009	Jan-Sep 2010
Total operating revenue	10,690	11,076	30,164
Payroll expenses	-3,041	-3,767	-9,825
Fuel	-1,824	-2,119	-4,885
Government charges	-1,079	-1,096	-3,128
Other operating expenses	-3,259	-3,022	-9,700
Total operating expenses	-9,203	-10,005	-27,538
Leasing costs, aircraft	-444	-464	-1,343
Depreciation	-425	-409	-1,259
Other	-230	-161	-717
EBT before non-recurring items	387	37	-693
Non-recurring items	-1,411	76	-1,903
EBT	-1,024	114	-2,596

Non-recurring items excluded above EBT

13

Q3 affected by substantial one-off items

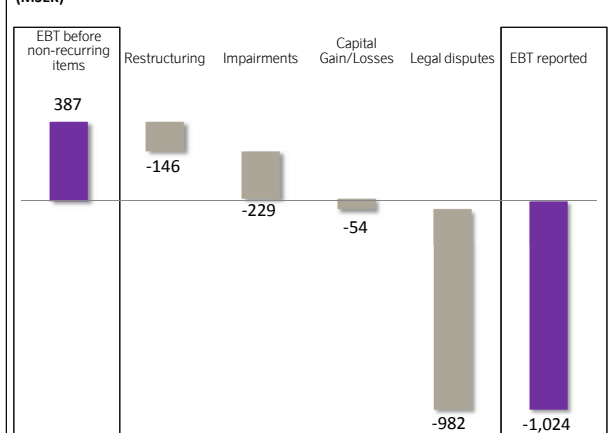
– Underlying strong result improvement



One-offs 2010

- ✓ SAS Cargo EU-commission
- ✓ SAS Cargo civil class actions US
- ✓ Norwegian Air Shuttle Lawsuit
- ✓ Spanair impairment
- ✓ Majority of Core SAS restructuring costs
- ✓ Majority of Core SAS divestments

Continuing business EBT (MSEK)



14

European Commission to fine SAS and other airlines in air-cargo investigation



11 airlines fined for breaching EU competition rules in the air-cargo area

Fines for all airlines totaled MEUR 800

SAS Cargo and the SAS Group were fined MEUR 70.2 corresponding to approximately MSEK 660

- Earnings effect: Q3 2010
- Liquidity effect: Q1 2011

SAS believes that it has not been involved in a global cartel and that therefore the fines are disproportionate

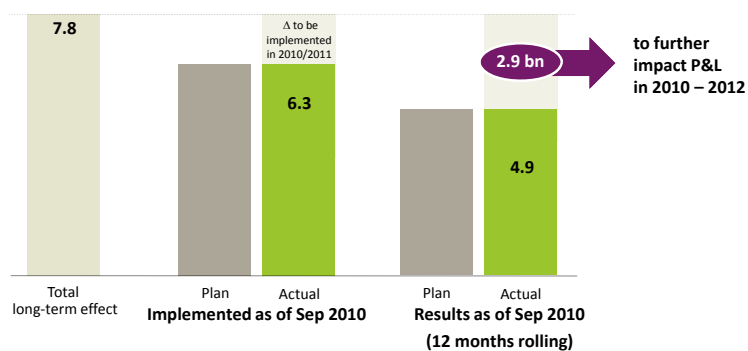
SAS will appeal the decision

15

81% of cost program implemented SEK 2.9 bn remaining to have result effect



Implementation of Core SAS cost program



SEK 2.9 bn still to impact the P&L at full implementation

16

SAS aligned for improved profitability



- Cost program on track
- Improved market conditions
 - Still pressure on yield
- Unit revenue and unit cost relation continue positive trend
- Financial position stable
 - Strong liquidity

Stable platform established for improved profitability and growth in line with market

17