SAS Group Q1 2012/13

March 8, 2013

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Q1 – Highlights

- Seasonally weak Q1: EBT of MSEK -823
- Positive revenue development
- Launch of new competitive restructuring program that secured future financing
- New collective bargain agreements start to take effect
  - Unit cost down 2.7%, 6,9% in Jan Y/Y
- Disposal of assets (Feb-Mar) – important milestones achieved
- New pension terms
  - Significant reduction of exposure
  - Reduced negative equity impact

4EXCELLENCE
NEXT GENERATION

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Significant restructuring plan initiated in November 2012

Initiatives	Cost (Main purpose)	Flexibility (Main purpose)	Cash/Equity (Main purpose)
New agreements for flying crew & maintenance personnel	✓	✓	
New pension schemes	✓		✓
Admin centralization & FTE reduction	✓		
Outsourcing of ground handling & call centers		✓	✓
IT restructuring	✓	✓	
Divestments			✓
TOTAL EFFECT, SEK bn	**3**		**3/3**

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Tangible progress accomplished

Initiatives	*Progress*
New agreements for flying crew & maintenance personnel	• Compensation effective as of Dec 12 • New schedules effective as of Mar 13
New pension schemes	• Agreements in place, to be implemented throughout 2013
Admin centralization & FTE reduction	• Majority of 1,000 FTE reduction to be completed before end of FY2012/13 • OCC centralized to Stockholm
Outsourcing of ground handling & call centers	• Call Centers – Agreement signed with Sykes • Ground Handling – LOI signed with Swissport
IT restructuring	• Tendering process initiated – to be completed in spring 2013
Divestments	• Widerøe sales process initiated • Engine transaction completed

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New operating platform enables growth initiatives

- Capacity to be increased by 5-6% by the Group during FY 2012/13
  - 45 new routes will be opened in 2013
  - Intercontinental – San Francisco
  - 17 regional from Norway, 9 from Denmark, 11from Sweden and 7 from Finland
- Renewing lounges and fast track
- Launching new partner programs with Singapore Airline and Thai Airways
- 19 aircraft on leasing terms to replace MD80 and Boeing 737Classic

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GÖRAN JANSSON

CFO

Seasonally weak Q1 in line with expectations

(MSEK)	Nov -Jan 2013	Share of revenue	Nov-Jan 2012	Share of revenue	Change (pp)
Total operating revenue	9,597		9,299		
Payroll expenses	– 3,201	33.4%	– 3,171	34.1%	-0.7
Fuel	– 2,038	21.2%	– 1,932	20.8%	+0.4
Government charges	– 954	9.9%	– 926	10.0%	-0.1
Other operating expenses	– 3,126	32.6%	–2,875	30.9%	+1.7
Total operating expenses	**– 9,319**	97.1%	**– 8,904**	95.8%	+1.3
EBITDAR before non-recurring items	278	2.9%	395	4.2%	-1.3
Leasing costs, aircraft	– 397	4.2%	– 400	4.3%	-0.1
Depreciation	– 426	4.4%	– 400	4.3%	+0.1
Share of income in affiliated companies	– 13	0.1%	– 11	0.1%	+0.0
EBIT before non-recurring items	– 558	-5.8%	– 416	-4.5%	
Financial items	– 243	2.5%	– 240	2.6%	-0.1
EBT before non-recurring items	– 801		– 656		
Non-recurring items	– 22		– 2,030		
EBT	– 823		– 2,686		

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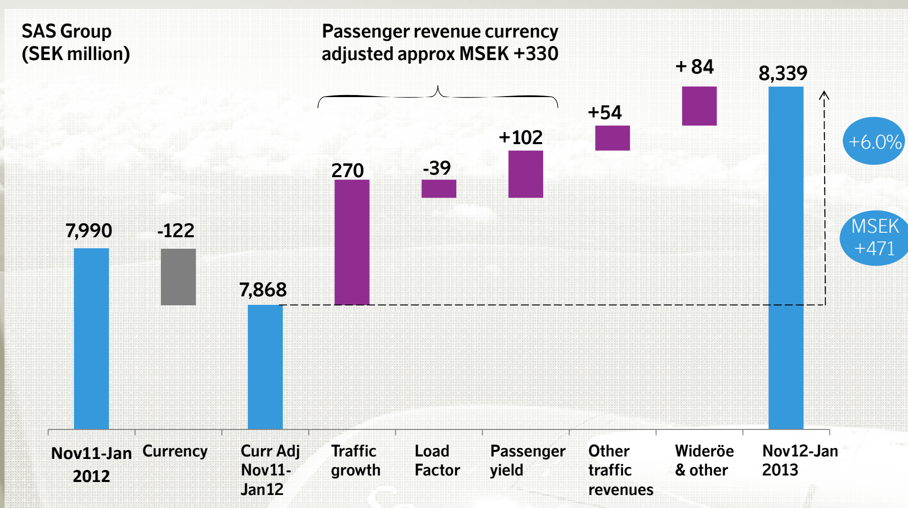
Passenger revenue up 6% during Q1



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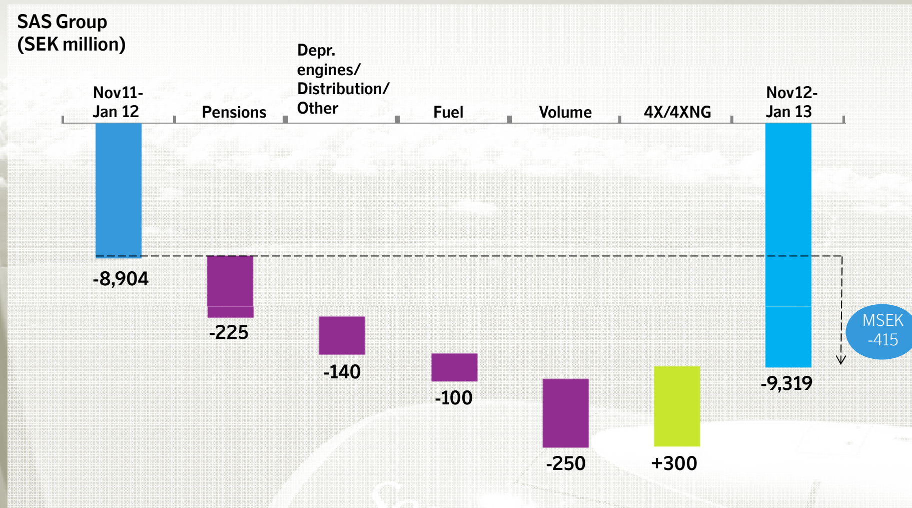
Development total operating expenses Q1 FY13 versus last year



Improved productivity

Increased capacity

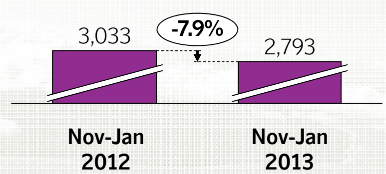
ASK (Available Seat Kilometers), million (SK)

Total unit costs down by 2.7% in Nov-Jan, and down by 6.9% in January*

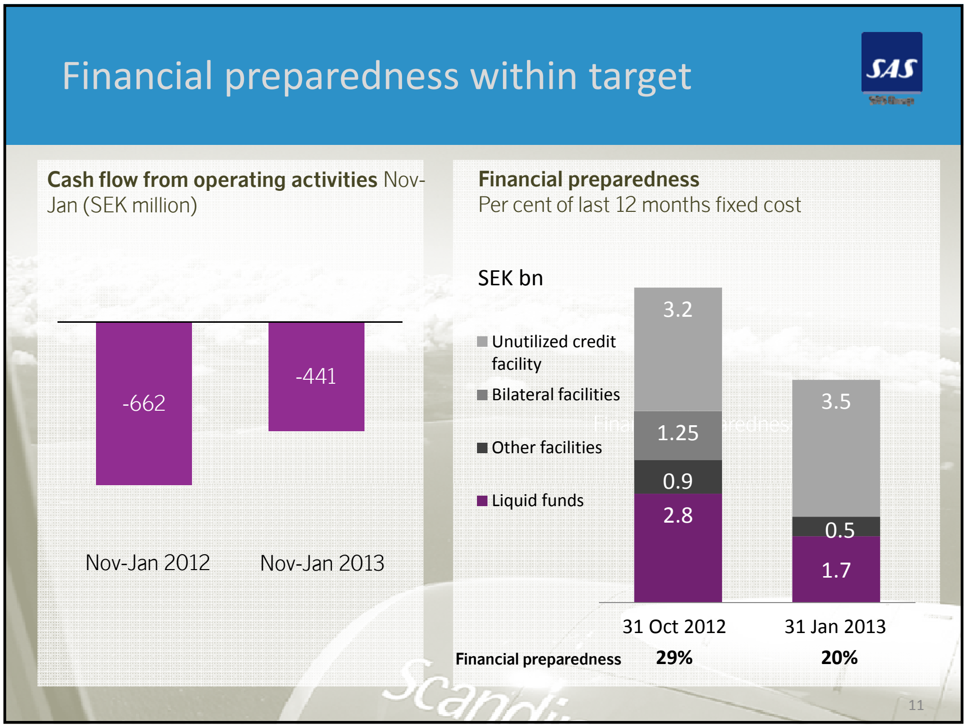
*) fuel and currency adjusted

Decreased personnel unit cost

MSEK (SK) currency and volume adjusted



- New collective bargain agreements starting to have impact
- Adjusted for pensions, the unit cost decrease would be approximately 10%


Financial preparedness within target
SAS
Cash flow from operating activities Nov-Jan (SEK million)
-662
-441
Nov-Jan 2012
Nov-Jan 2013
Financial preparedness
Per cent of last 12 months fixed cost
SEK bn
Unutilized credit facility
Bilateral facilities
Other facilities
Liquid funds
3.2
1.25
0.9
2.8
3.5
0.5
1.7
31 Oct 2012
31 Jan 2013
Financial preparedness
29%
20%
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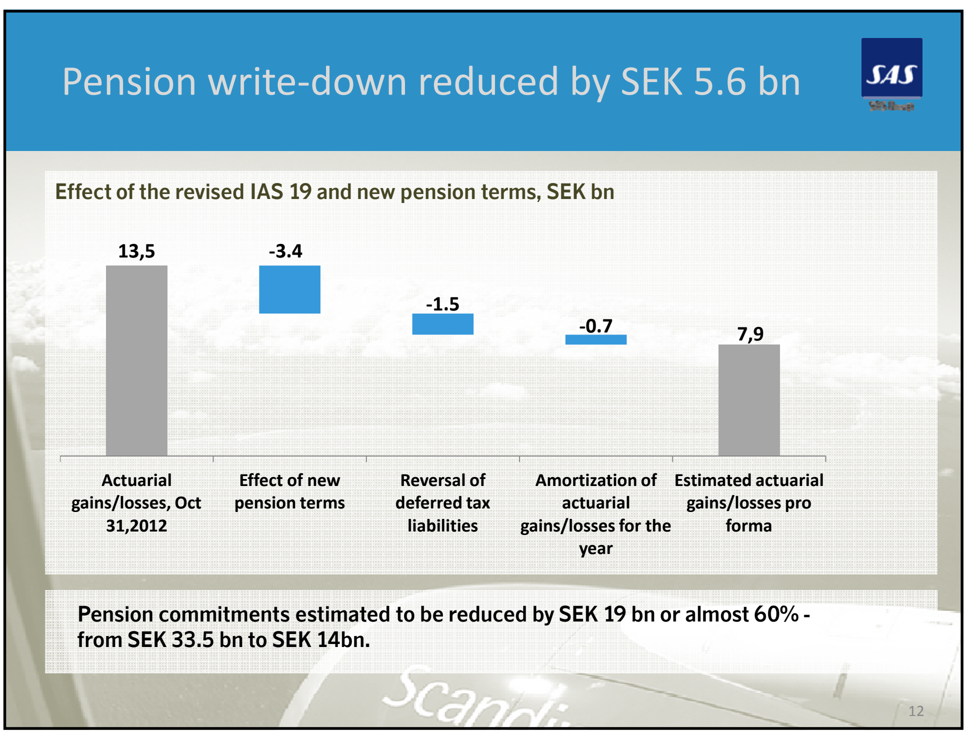
Pension write-down reduced by SEK 5.6 bn
SAS
Effect of the revised IAS 19 and new pension terms, SEK bn
13,5
-3.4
-1.5
-0.7
7,9
Actuarial gains/losses, Oct 31,2012
Effect of new pension terms
Reversal of deferred tax liabilities
Amortization of actuarial gains/losses for the year
Estimated actuarial gains/losses pro forma
Pension commitments estimated to be reduced by SEK 19 bn or almost 60% - from SEK 33.5 bn to SEK 14bn.
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Delivering according to plan

- Measures taken to
  - Secure competitive cost structure
  - Improve financial preparedness
- Important milestones achieved regarding assets disposals
- New initiatives to capture growth opportunities
- Target remains firm: Positive EBIT-margin of >3% and a positive EBT for the full year

Thank you!