



FAST TRACK TO EXCELLENCE

SAS Group
SAS Group

SAS Group Q2 2012/13
Teleconference 12 June 2013

4XNG
NEXT GENERATION




Q2 – Restructuring programme moving KPIs in the right direction








SAS Group

- Operating revenues +1.6%*
- Yield improvement of +2.7%*
- Forceful implementation of 4XNG plan:
 - Unit cost down by 10.7% ex fuel in Q2 Y/Y
 - Disposal of Widerøe and aircraft engines leading to net debt reduction of SEK 2.7 bn
- Increase in EBT before non-recurring items of MSEK 686 to MSEK 57
- Significant launch of new customer offering on June 9th

*Currency adjusted

Forceful implementation of new strategy



Initiatives	Progress
 New agreements for flying crew & maintenance personnel	<ul style="list-style-type: none"> • Compensation effective as of December 2012 • New schedules effective as of March 13
 New pension schemes	<ul style="list-style-type: none"> • Move to contribution plans implemented in Sweden/Denmark; Norway to be completed by end of the year • New early retirement conditions implemented in Q2, adding a one-time effect of MSEK 450 to the result
 Admin centralization & FTE reduction	<ul style="list-style-type: none"> • Majority of 1,000 FTE reduction to be completed FY2012/13, of which 300 FTE implemented by the end of Q2 • OCC centralized to Stockholm
 Outsourcing	<ul style="list-style-type: none"> • Call Centres – Agreement signed with Sykes • Ground Handling – LOI signed with Swissport
 IT restructuring	<ul style="list-style-type: none"> • Contract agreement signed with new IT-supplier, Tata Consultancy Services (TCS)
 Divestments	<ul style="list-style-type: none"> • Agreement to sell 80% of Widerøe • Engine transaction completed during Q2 • Aircraft refinancing initiatives completed
 New customer offering	<ul style="list-style-type: none"> • Launch of SAS Go and SAS Plus on June 9th • 50 new routes in 2013 (of which 18 launched in Q2) • Wet lease agreements

SAS is delivering to meet the demands of the Scandinavian frequent travelers



Frequent travelers

- SAS main target group is the frequent traveller, with 5+ round trips/year
- Value access, time and simplicity
- Require the same service level whether they are traveling for business or leisure
- Represent approximately 70% of total market revenues (PoS) in Scandinavia



ACCESS

- 136 destinations
- More than 1,300 destinations available through partnerships
- 50 new routes in 2013



TIME

- Over 1,100 daily departures
- 21,900 daily departures via Star Alliance
- 90% punctuality in May 2013



SIMPLICITY

- Lounge access
- Fast track
- Mobile check-in, App
- SAS Go SAS Plus



GÖRAN JANSSON

CFO

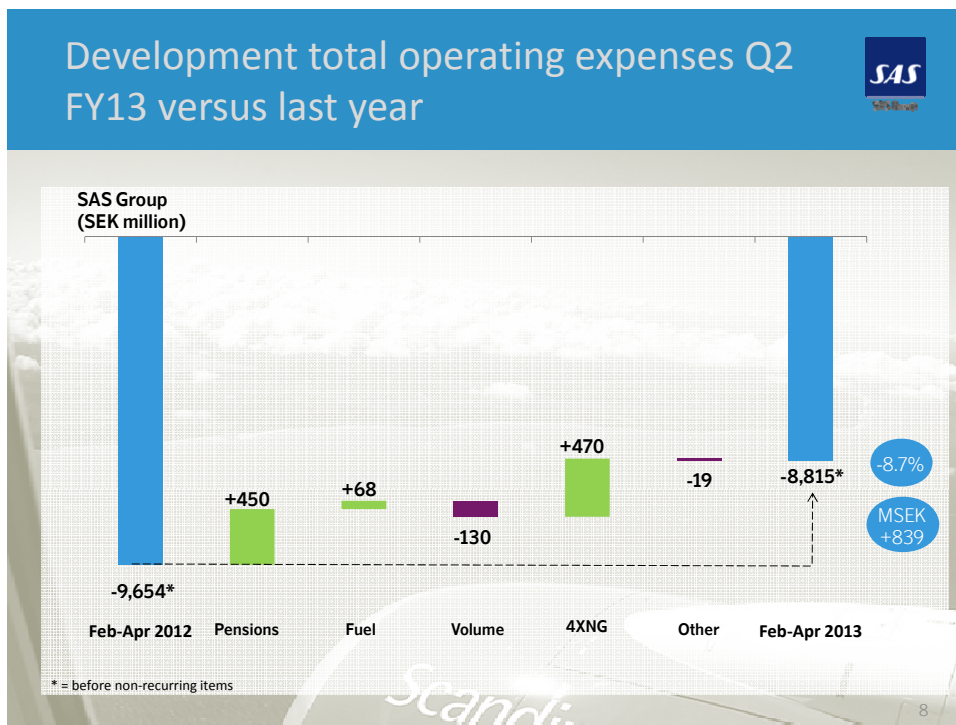
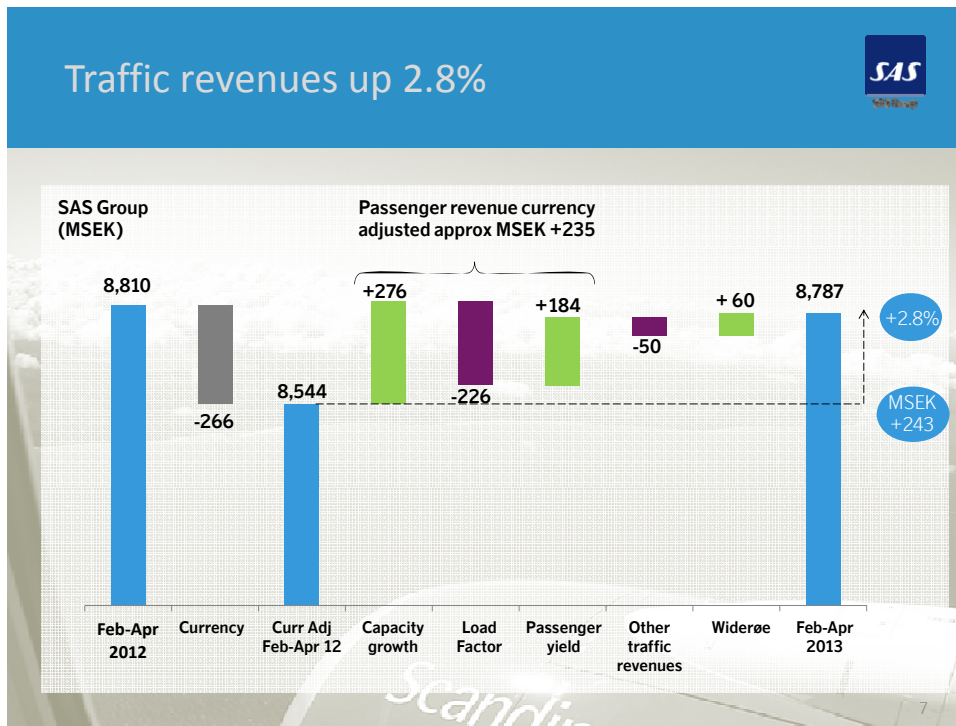
Significantly improved EBT

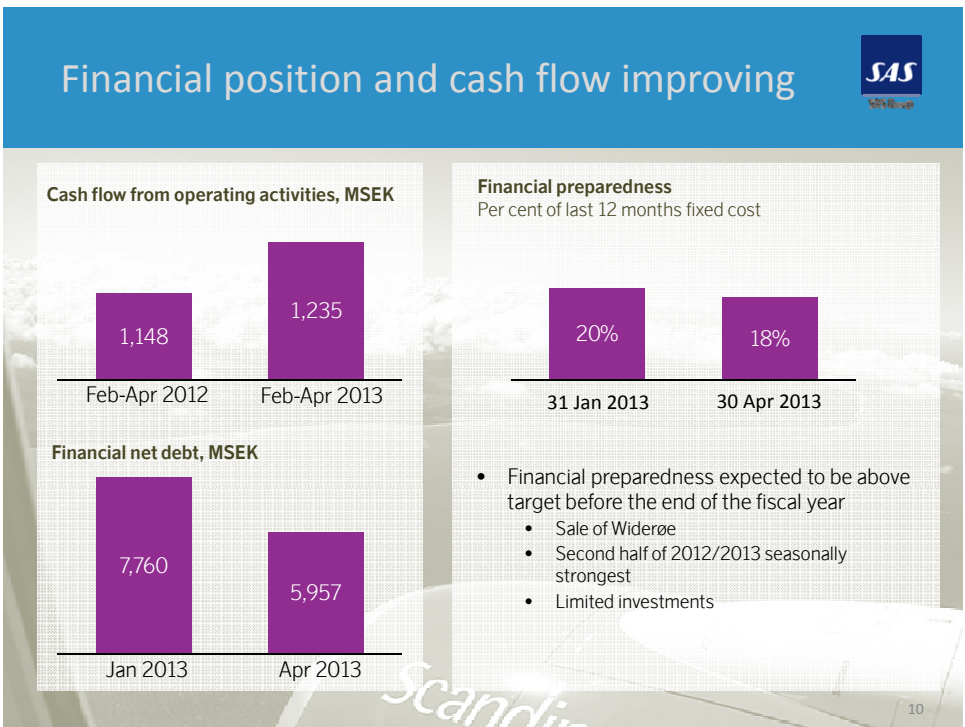
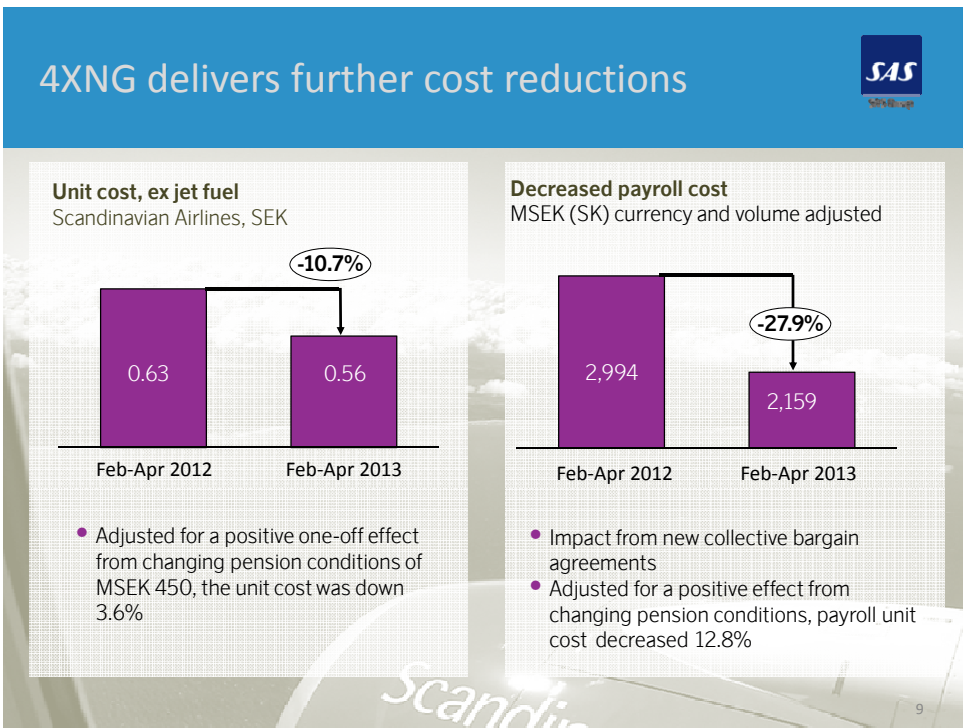


(MSEK)	Feb -Apr 2013	Share of revenue	Feb-Apr 2012	Share of revenue	Change (pp)
Total operating revenue	9,933		10,070		
Payroll expenses	-2,554	25.7%	-3,356	33.3%	-7.6
Fuel	-2,152	21.7%	-2,220	22.0%	-0.3
Government charges	-1,012	10.2%	-1,025	10.2%	+0.0
Other operating expenses	-3,097	31.2%	-3,053	30.3%	+0.9
Total operating expenses*	-8,815	88.7%	-9,654	95.9%	-7.2
EBITDAR before non-recurring items	1,118	11.3%	416	4.1%	+7.2
Leasing costs, aircraft	-423	4.3%	-364	3.6%	+0.7
Depreciation	-418	4.2%	-425	4.2%	-0.0
Share of income in affiliated companies	0	0.0%	-4	0.0%	-0.0
EBIT before non-recurring items	277	2.8%	-377	-3.7%	+6.5
Financial items	-220	2.2%	-252	2.5%	-0.3
EBT before non-recurring items	57	0.6%	-629	-6.2%	+6.8
Non-recurring items	-363	3.6%	-105	1.0%	+2.6
EBT	-306	-3.1%	-734	-7.3%	+4.2

* = before non-recurring items

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Decisive re-structuring measures moving KPIs in the right direction



- Restructuring measures starting to deliver results
 - Improved cost structure
 - Efficient operating platform
 - Reduced exposure – improved financial position
- New commercial initiatives launched
- Outlook for 2012/2013 remains firm:
 - Positive EBIT-margin of >3% and a positive EBT



Thank you!

