



## SAS Group Year 2000 Press conference



Stockholm, February 13, 2000

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[www.scandinavian.net](http://www.scandinavian.net)

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2001-02-14



SAS Group

## Year 2000 – A promising year

- ▶ Volume growth
- ▶ Rising yields
- ▶ Passenger load factors sharply up
- ▶ Healthy cost development
- ▶ SAS International Hotels improved EBITDA
  
- ▶ One SAS share in progress
- ▶ SAS expansion has started

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## January – December 2000

MSEK	2000	1999	
Revenue	<b>47 540</b>	<b>43 746</b>	<b>+9%</b>
Op. inc. bef. depr.	<b>3 723</b>	<b>2 747</b>	<b>+36%</b>
Operating income	<b>3 053</b>	<b>1 746</b>	<b>+75%</b>
Income before tax	<b>2 773</b>	<b>1 846</b>	<b>+50%</b>



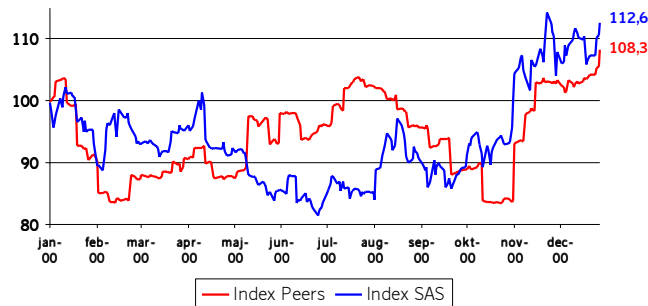
## Proposed dividend 2000

	Local currency	Dividend Yield
SAS Danmark A/S	<b>3,80</b>	
SAS Norge ASA	<b>4,20</b>	
SAS Sverige AB	<b>4,50</b>	
Average level (SEK)	<b>4,50</b>	<b>4,7%</b>



## SAS has outperformed peers 2000 -still lower multiples than peers

SAS Market Capitalization vs. European Peers\*  
(Rebase 31 DEC 1999)



## Three Windows in the Capital Market



- ▶ Founded in 1946 as a Consortium
- ▶ The one flag carrier of 3 countries
  - Denmark and Norway (2/7 each)
  - Sweden (3/7)
- ▶ Listed on the 3 Scandinavian exchanges.
- ▶ Owned 50% private/ 50% governments

## Key Airline Profitability Drivers

- ▶ Traffic growth (RPK) up 7%
- ▶ Business Class (RPK-C) up 9%
- ▶ Cabin factor up 3,3 p.u.
- ▶ Yields up 1,9%
  
- ▶ **EBITDAR** up 37%



## Cargo business - Increased yields

- ▶ Cargo contribution 2000 (1999) +16,5%
  - ▶ MSEK 861 (MSEK 739)

### January-December 2000

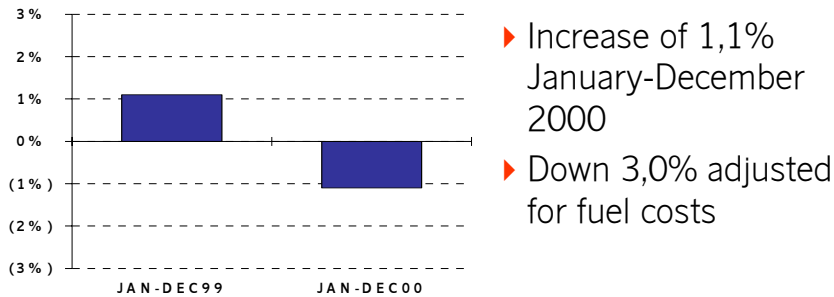
- ▶ Revenue ton-km up 0,7%
- ▶ Revenues up 5,5%



## Favorable unit cost development except jet fuel

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Index Last Year



- ▶ Increase of 1,1%  
January-December  
2000
- ▶ Down 3,0% adjusted  
for fuel costs

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## Result Improvement Program 1999/00

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- ▶ MSEK 2450 achieved as of 4th quarter 2000
- ▶ Completed as planned mid 2001

Area	Achived effect vs. 1998
Cargo	90 MSEK
Catering & In-flight service	300 MSEK
IT & communications	200 MSEK
Distribution & Electronic channels	635 MSEK
Air crew	445 MSEK
Ground handling	270 MSEK
Technical maintenance	235 MSEK
Overhead & other	275 MSEK
<b>Total</b>	<b>2450 MSEK</b>

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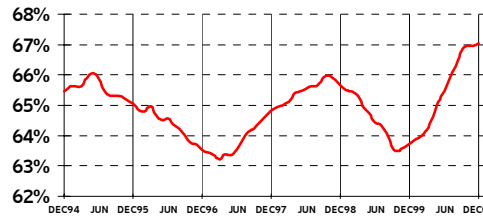
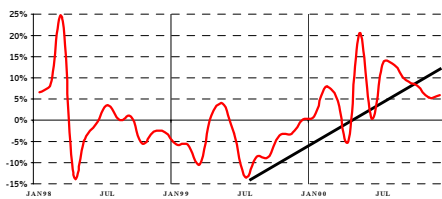
## Sharp Increase in Passenger Load Factors - Growth Trend in Business Class

RPK Business Class  
1998-2000

Passenger load factor  
total system 1995-2000

Year on Year values

Moving 12 months values



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## First step on the expansion on Intercontinental routes as from May 2001



First A 340-300 in service  
as from August 2001

- ▶ Washington D.C added as from May 2001
- ▶ 2000 figures :
  - ▶ Traffic up 6,9%
  - ▶ Business Class up 10%
  - ▶ Pass. load factor 81%
  - ▶ Yields up 3,1%

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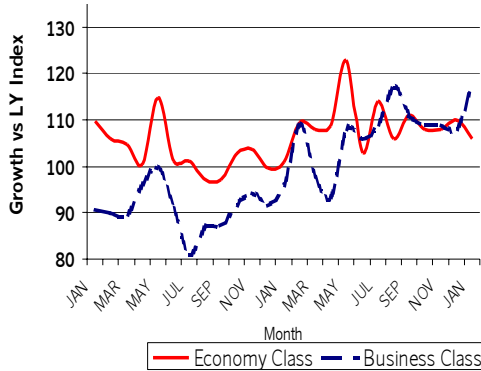
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## European routes - strong 1999- January 2001

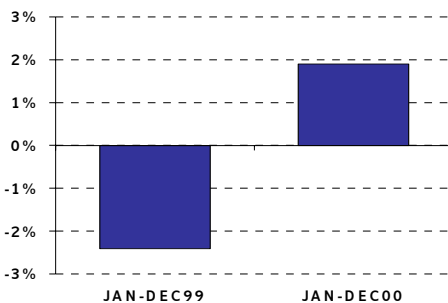
### Business Class/ Economy Class



- ▶ 2000 figures
  - ▶ RPK up 7,5%
  - ▶ Business Class up 8,0%
- ▶ Expansion on
  - ▶ Copenhagen-Birmingham
  - ▶ Oslo-Dublin



## Yields up on full year 2000 Total system - currency adjusted



- ▶ Yields up 1,9% overall
- ▶ Up 3,1% on Intercontinental routes
- ▶ Reduced capacity on Norwegian domestic increased yields by 9,9%
- ▶ European routes up 1,1%



# SAS partnerships MSEK 1000 in synergies 2000

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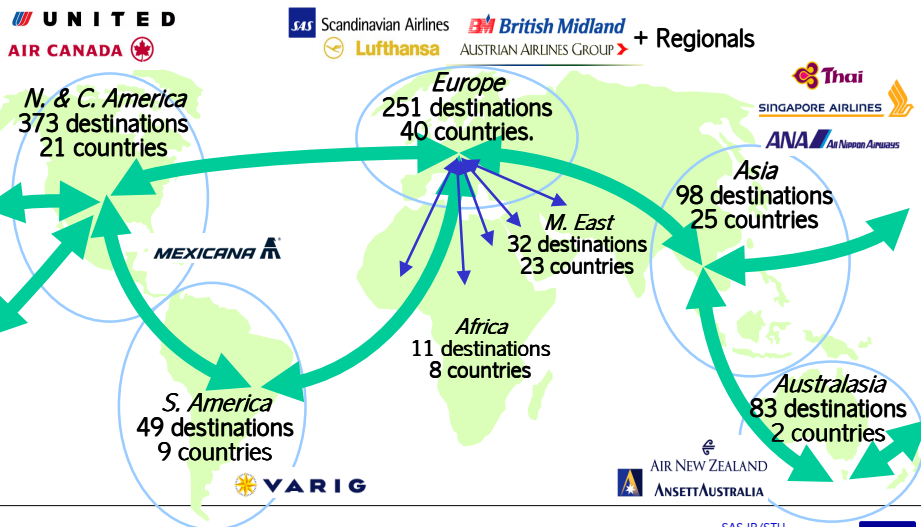
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# SAS & Partners - Global & Regional Coverage

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900 destinations in 130 countries



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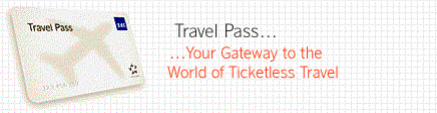
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## Electronic Channels - current volumes of total sales 2000

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- ▶ Products: Travel Pass, TPC, E-TIX
- ▶ Other Internet
- ▶ Total volume E-channels MSEK 3 500
- ▶ 10% of total passenger sales

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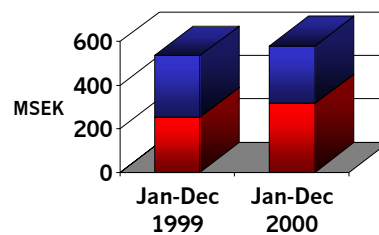
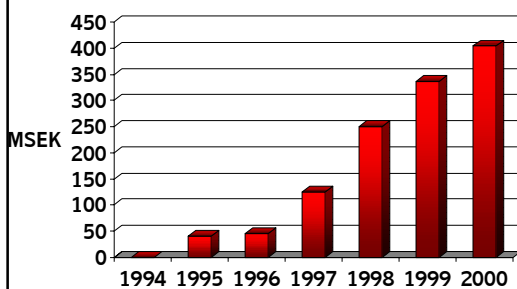
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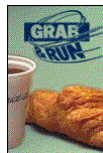


## Radisson SAS Hotels reached target of 20% EBITDA growth p.a.

SIH



■ Pre tax profit ■ Gains



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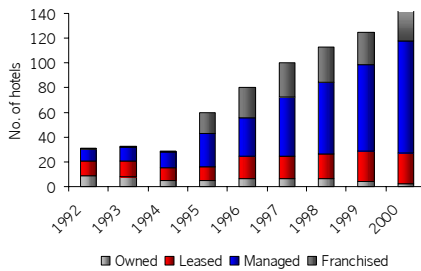


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## Radisson SAS Hotels – 2 remaining properties to be sold 2001

SIH



- ▶ Two brands
  - Radisson SAS Hotels
  - Malmaison
- ▶ 21 hotels added
  - 7 Malmaisons

In total 146 hotels in 37 countries



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## Promising January traffic figures- affected by “Millenium effect”

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- ▶ Continued positive passenger mix
- ▶ Business Class +18,2% - Economy Class +5,4%

	Passenger- traffic (RPK)	Seat capacity (ASK)	Cabin- factor
SAS Total	+9,3%	+5,3%	+2,1 p.u.
Intercontinental	+8,6%	+2,3%	
Europe	+9,8%	+6,7%	
Domestic and Intrascandinavian	+9,8%	+6,7%	

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## Management outlook – operating key figures - year 2001

- ▶ Expansion strategies
- ▶ Rising yields
- ▶ Underlying unit costs down

Key figure	2001
ASK	Up approx 8%
Frequencies	Up 3%
RPK	Up approx. 9%
Passenger yield (currency adjusted)	Up 1-2%
Unit costs	Down 2-3%

## The Board of Directors

### Assessment for full year 2001:

- ▶ Supply an demand balance improved
- ▶ U.S economy uncertain
  
- ▶ Lower unit costs
- ▶ Passenger traffic up 9%
- ▶ Capital gains at least MSEK 500
- ▶ Significant improvement in operating income before taxes (ex gains)

# SAS Group Income by Business Area

SAS  
Group

(MSEK)

January - December  
2000 1999

SAS	2 168	1 307
SAS International Hotels	583	544
Other operations/Group elim.	+ 22	-5
<b>Income before taxes</b>	<b>2 773</b>	<b>1 846</b>

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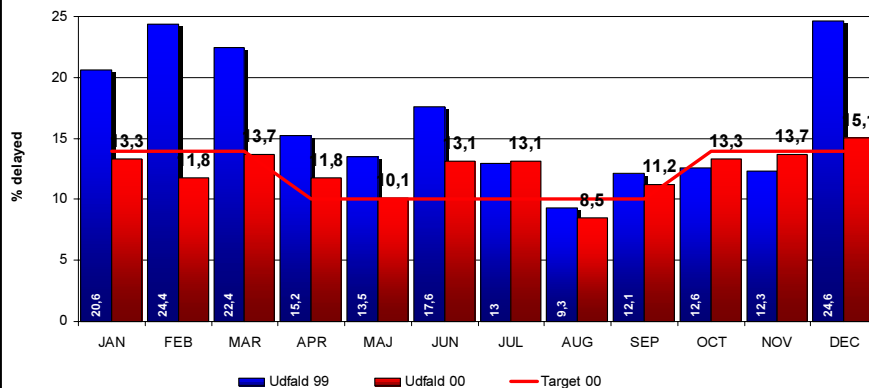
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# Unpunctuality Flights delayed more than 15 min

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# SAS Investor Relations on the Internet

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## Traffic and Yield JAN-DEC 2000 vs 1999

SAS Total Scheduled	JAN-DEC		Index, variance
	2000	1999	
Production (mill ASK)	33 782	33 205	102
Traffic (mill RPK)	22 647	21 160	107
Cabin factor (%)	67,0	63,7	+ 3,3
C-class share (%)	29,1	29,1	0,0
Yield (öre/RPK)	138,4	135,7	102
Currency adj. yield	138,4	135,8	102

