



SAS AB
Result Analyst Presentation
Third Quarter 2002, November 13
Stockholm, London

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3rd Quarter 2002 – according to set out plan, yields and revenues under pressure

- 1st Quarter – weak - according to plan
- 2nd Quarter – according to plan – passenger load factors and yields better than expected
- 3rd Quarter – according to plan – yields & revenues under pressure
- Pressure on revenues expected for 4th Quarter
 - Expected economic recovery delayed
 - Restructuring charge of MSEK 600

Important events of note 3rd Quarter



London
 Amsterdam
 Brussel
 Paris
 fr 895,-
 1595,-

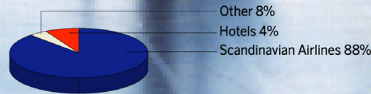
- Rezidor SAS investing in multi-brand concept
 - Regent, Country Inns, Park Inn
- Scandinavian Airlines launches additional low price internet booking alternatives to most European cities



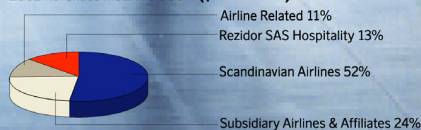
- SAS Flight Support to acquire ASG –name change to European Aeronautical Group
- Scandinavian Airlines structural improvement measures
 - Verification process completed
 - Increased target to MSEK 6 400 (4 000)
 - Restructuring charge of MSEK 600 Q4

SAS Group
SAS Group revenue distribution has changed due to new business structure and acquisitions

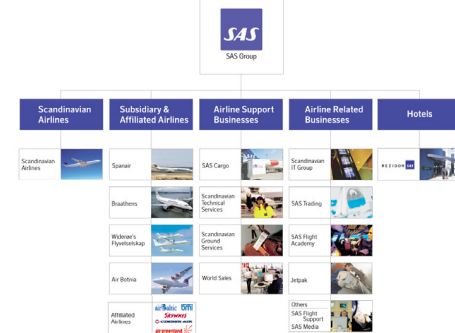
1994 Revenues MSEK 37 000



2002 Revenues MSEK 70 000 (\$7 500 million)



Increased transparency through five Business Areas



Record cabin factors but pressure on yields in Scandinavian Airlines

- ▶ Total traffic increased by 32,2% vs. Q3 2001
 - Group passenger load factors at record levels
 - Scandinavian Airlines + 4,0 p.u. → 72,2%
 - Braathens + 9,0 p.u. → 63,6%
 - Spanair + 3,6 p.u. → 68,5%
- ▶ Yields mixed
 - Scandinavian Airlines -2%
 - Spanair +26%
 - Braathens +/- 0%

Significant uplift in 2nd and 3rd Quarter compared with 1st Quarter 2002

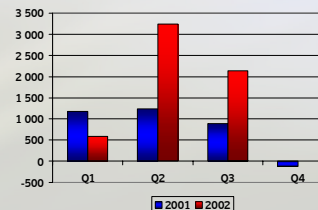
Summary of income statement (MSEK)	Actual Q1	Actual Q2	Actual Q3	Jan-Sep 02
Operating revenues	13 775	17 868	16 592	48 235
Operating costs	-13 191	-14 620	-14 462	-42 273
EBITDAR	584	3 248	2 130	5 962
EBITDAR-marginal	4,2%	18,2%	12,8%	12,4%
Operating lease cost external	-878	-1 050	-932	-2 860
EBITDA	-294	2 198	1 198	3 102
Contr from affiliated	-328	-12	3	-337
Depreciation	-651	-715	-781	-2 147
Gain on sales	-133	-141	625	351
EBIT	-1 406	1 354	1 041	989
Net financial items	-40	-291	-405	-736
EBT	-1 446	1 039	640	233
EBT bef gains	-1 313	1 180	15	-118

Jan-Sep 2002 vs 2001

MSEK	Jan-Sep 2002	Jan-Sep 2001
▶ Revenue	48 235	38 623
▶ EBIT	989	27
▶ EBT	233	7
▶ EBT excl. cap gains	-118	-202

SAS Group 2001/2002 EBITDAR – operating performance improved

EBITDAR MSEK million

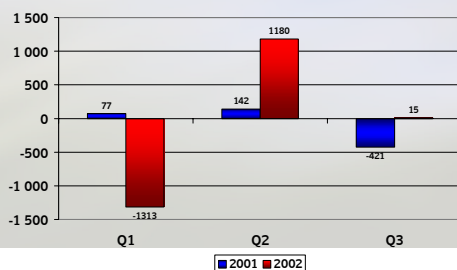


- ▶ EBITDAR significantly stronger 3rd Quarter 2002 compared with 2001

- EBITDAR 3rd quarter:
- Positively affected by Braathens of 428 MSEK
 - Spanair of 541 MSEK
 - Widerøe 95 MSEK
 - Air Botnia 58 MSEK

SAS Group 2002 – EBT

EBT bef gains MSEK million

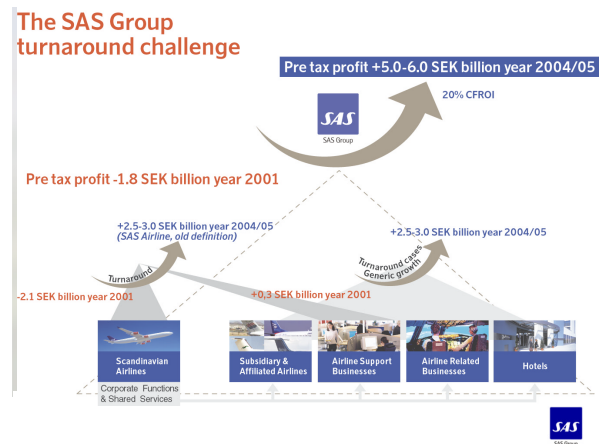
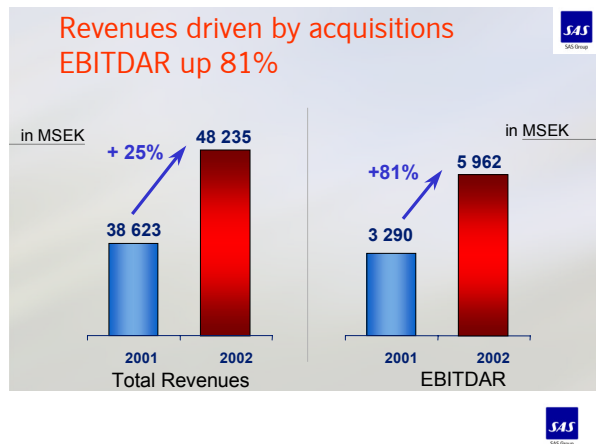


EBITDAR up 81% 9m EBITDAR margin up, but CFROI unchanged as capital increase

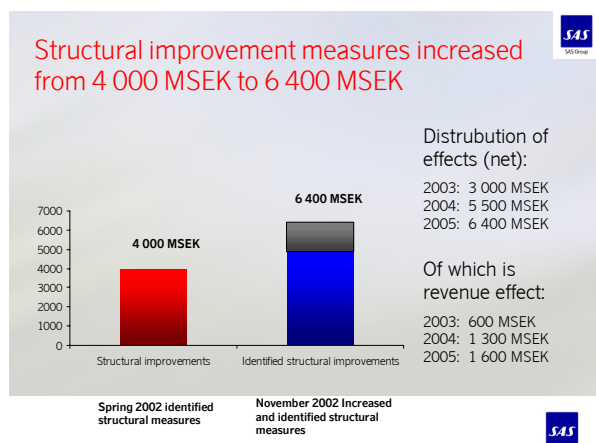
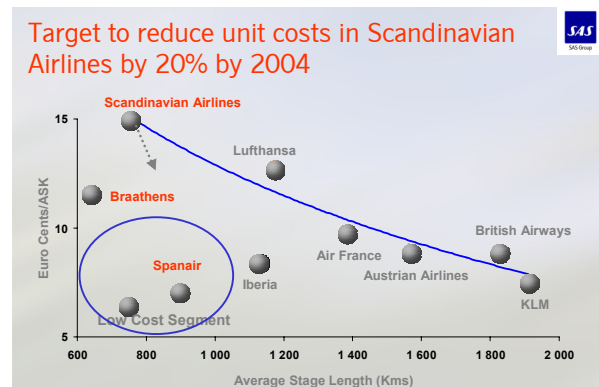
MSEK	2002	2001	Change
▶ Revenue	48 235	38 623	25%
▶ EBITDAR	5 962	3 290	+81%
▶ EBITDAR margin	12%	7%	+5 p.u.
▶ CFROI	13%	13%	0 p.u.

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Group improvement measures



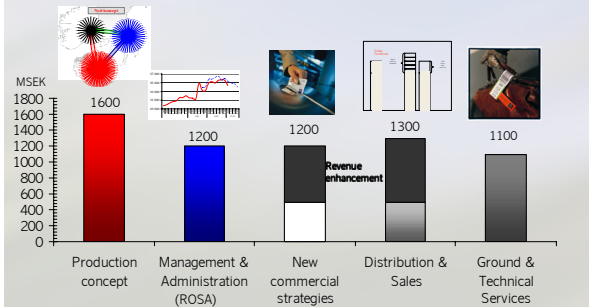
The SAS Group' improvement measures - target increased to SEK 12,8 billion

Short term measures = MSEK app. 6 400 (2002/03)

Structural measures = MSEK app. 6 400 (2004/05)

- Target when fully implemented 2004/05
 - Reduce unit costs by 20% in Scandinavian Airlines
 - Significantly improved cabin factors
 - Enable Scandinavian Airlines to manage lower prices

Structural measures 5 areas of focus



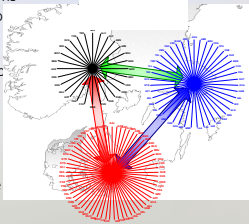
Why will we succeed this time?



- ▶ Most ambitious improvement measures ever introduced in pipeline
 - Strong top management commitment
 - Everything on plan so far
 - Short term 2003
 - Structural 2004/05
- ▶ Healthy internal competition
 - If you deliver you expand!
- ▶ Increased transparency
- ▶ New competitive arena externally

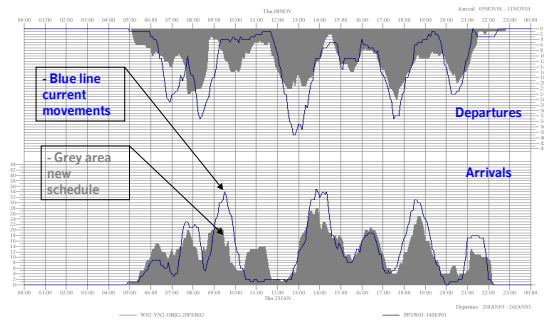
Changes in production concept MSEK 1 600 in savings

- New production philosophy = Restructuring and improving aircraft rotations
- ▶ Point to point rotation up from 40% to 95%
 - ▶ Improved aircraft utilization rates
 - ABH/ Block hour up from 7,5 to 9 hrs.
 - Legs/ a/c up
 - ▶ Improved capacity utilization
 - +5 p.u. on average
 - ▶ Aircraft turn around by 5-10 min
 - ▶ Utilize peak/ off peak for maintenance
 - ▶ Aircraft/ crew overnights reduced to minimum
 - ▶ Pilot hours up from less than 500 hrs to 600hrs per annum



Reduced peaks in Copenhagen hub will affect productivity positively

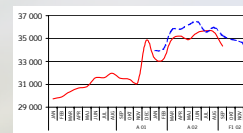
Total savings in Ground Services by MSEK 600



Significant flight crew and a/c productivity improvements in pipeline 2002-2003

	Current	Short-term target 2003/04	Change
Cockpit crew utilization (BLH/pilot/year)	490	600	+20%
Cabin Crew utilization	530	600	+13%
Legs /ac/day	6,70	6,87	+2,5%
Aircraft night stops	800	500	+60%

Reduction Overhead Support & Administration –MSEK 1 200 in savings effect as from 2003

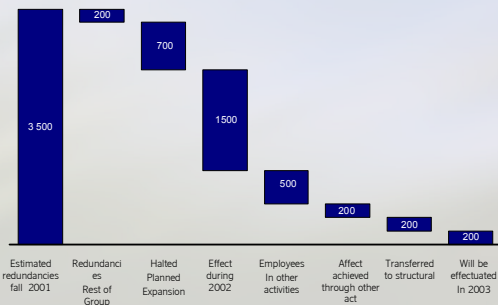


- ▶ **Achieved: 32%** reduction in administrative costs and personnel in group functions, business units and Scandinavian Airlines
 - ▶ Reduced ambition levels
 - ▶ Productivity improvements
- ▶ Personnel reductions well according to plan
- ▶ Reduction of 900 full time employees by end 2005

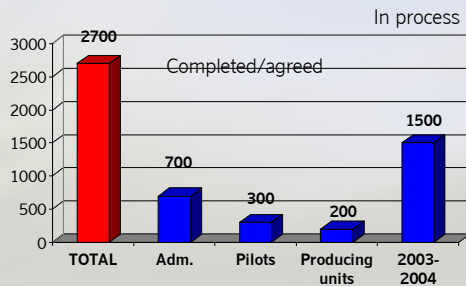
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Short term measures redundancies



Structural measures redundancies



Status Group short term Result Improvement measures 2002/2003

Total group short term measures MSEK 6 400
(Gross 2003 full year effect)

Whereas Subsidiaries & affiliates MSEK 1 300
Scandinavian Airlines MSEK 5 100

Distribution:
1st Quarter 200-300
2nd Quarter 300-400
3rd Quarter 400-500
4th Quarter 600-700

Network reductions MSEK 500
Revenue enhancements¹⁾ MSEK 2 200
Cost reductions MSEK 2 400

Result effects 2003 MSEK 2400
2002 MSEK 1700

¹⁾ Price increase of 5% nominal and introduction of surcharge of 4 USD/ pax/leg Offset by increased insurance cost, security costs and negative mix



Status improvement programs

	Gross full year effect	Jan-Sep 2002
Short term measures		
Reductions in traffic system	500	375
Revenue enhancement	2 200	*)
Cost reductions	2 400	1 000
Other business areas than SK	1 300	700
Total	Approx. 6 400	2 075
*) = Revenue enhancements comprising a supplementary charge of USD 4/passenger/flight/and a general price increase of 5% are neutralized to a considerable extent by a negative passenger mix and higher insurance costs.		
Structural measures		
Total	Approx. 6 400	0
TOTAL ALL MEASURES	Approx. 12 800	2 075



Business area

EBITDAR per business area

	January - September	
	2002	2001
Scandinavian Airlines	+2 652	+2 230
Subsidiary & aff. Airlines	+2 694	+351
Airline Related Businesses	+370	+506
Rezidor SAS Hospitality*	+165	+203
Group eliminations*	+81	0
EBITDAR	+5 962	+3 290

* = Including leasing cost



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Earnings before taxes – EBT

Bef cap. gains

	January - September	
	2002	2001
Scandinavian Airlines	-749	-552
Subsidiary & aff. Airlines	+374	+86
Airline Related Businesses	+77	+183
Rezidor SAS Hospitality	+98	+81
Group eliminations	+82	0
EBT bef. gains	-118	-202



Scandinavian Airlines



Turnaround in Scandinavian Airlines underway, but challenges lay ahead

	July-September		January – September	
	2002	2001	2002	2001
Passenger revenues	8 052	8 383	25 399	25 801
EBITDAR	+758	+480	2 652	2 230
Net financials	-316	43	-613	47
EBT	192	-294	-377	-350
EBT bef gains	-431	-501	-749	-552



Scandinavian Airlines key airline profitability drivers

	2002 vs 2001			
	Jul-Sep		Jan-Sep	
Traffic growth (RPK)	down	1,0%	down	0,6%
Cabin Factor	up	4,0 p.u.	Up	2,8 p.u.
Yields	down	2,1%	down	2,3%
Unit costs	down	0,3%	up	2,6%



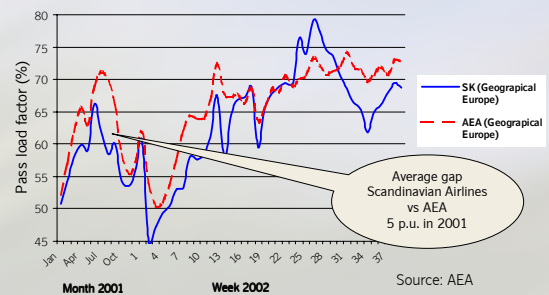
Passenger Yield

3rd Quarter 2002 vs 2001

Route Sector	Adjusted yield Q3	Adjusted yield Jan-Sep
Scandinavian Airline	98	98
Intercontinental	99	96
Europe	101	98
Intrascandinavian	101	102
Denmark/Greenland	104	106
Norway	130	128
Sweden	102	103

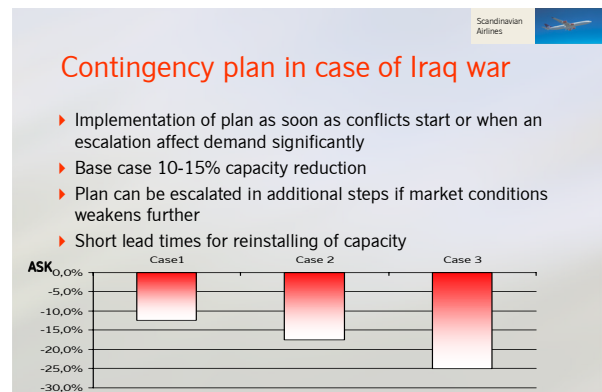
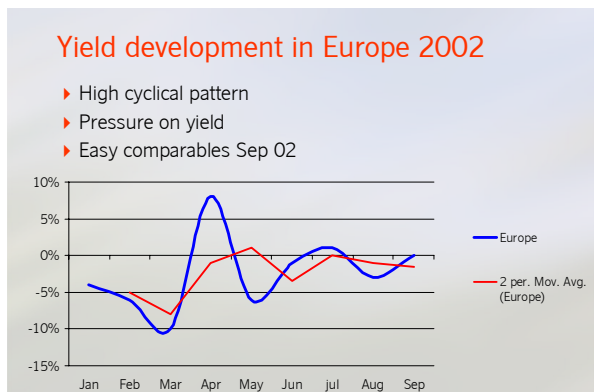
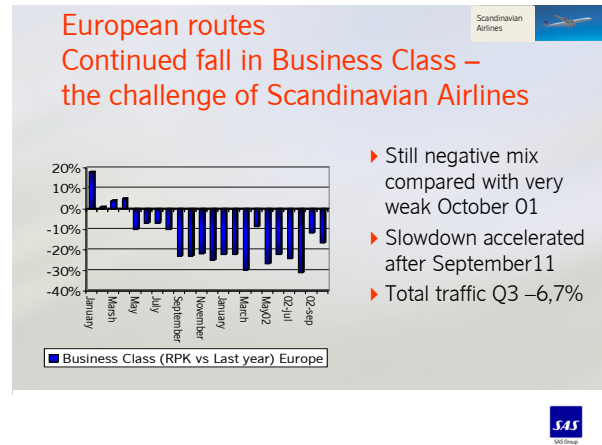
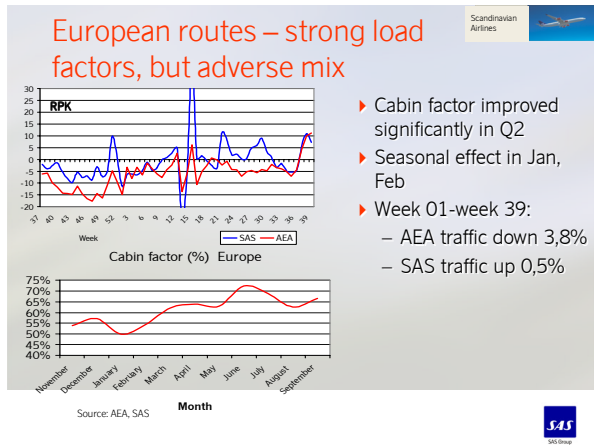
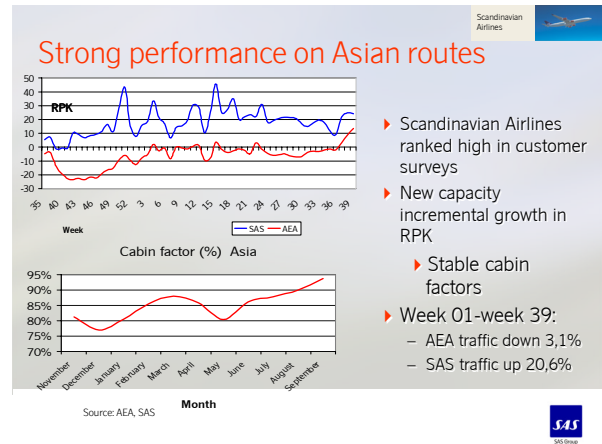
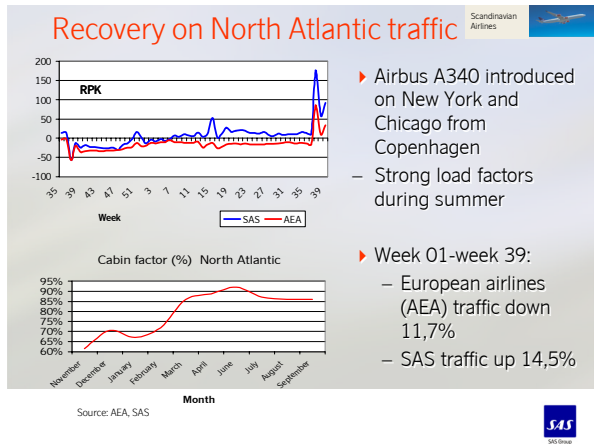


Scandinavian Airlines passenger load factors close to AEA average



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New competitors has entered the marketplace

- Small low cost carrier on Norwegian domestic
- New player in Sweden – Swedish domestic from Oct02
- The Group takes threat seriously
- Key competitive advantages
 - Many frequencies, higher service levels, corporate accounts and strong network
 - Main strategy for low cost competition
 - Reduce costs
 - Price differentiation –internet sales
 - Retain competitive advantages
 - Use of other group companies with lower costs

Significant reduction in capacity to continue in 2003 for Scandinavian Airlines

Reduction in capacity since 2001

- 4% in 2002 vs 2001
- +1% in 2003 vs 2002

	Expected 2002		Plan 2003	
	ASK	Single trips	ASK	Single trips
Domestic incl Intrascan	-13%	-9%	-17%	-18%
Europe	-9%	-13%	+5%	+1%
Intercontinental	+11%	-8%	+13%	+7%
Total	-4%	-10%	+1%	-10%

Surplus of aircraft summer 2003

- Phase out of 8 DC9's
- Leased out 4 Boeing 737-800 and 3 MD 80's
- 13 aircraft are fully depreciated Fokker 50 and Fokker 28's.
- Remaining 18 aircraft (3 Boeing 767) will be sold or leased out

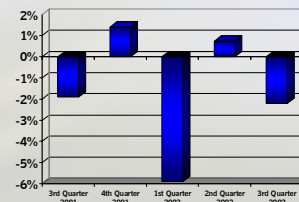
Summer 03	November 01	Number of aircraft
153	199	46

Passenger revenues mainly affected by yield and currency Jan-Sep 2002

Revenues 25 399 MSEK (-1,6%)

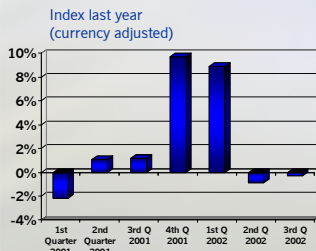
Whereas	currency	volumes	yields	Price	Class mix	Other mix
	+1.4%	-0.6%	-2.3%	+6,1%	-3,8%	-1,6%

Yields under pressure 3rd Quarter 2001-3rd Quarter 2002 Total system - currency adjusted



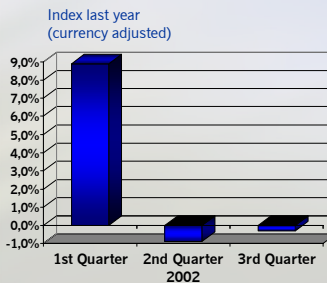
- Yields down 2,2% in 3rd Quarter 2002
- Class mix negative
- Campaigns
- More RPK's of intercontinental traffic with lower yield

Trend with increasing unit cost broken in 2nd and 3rd Quarter as improvement measures start to give effect



- After a period of increases units costs are down in spite of weaker volumes (ASK)

Unit Cost continued down in 3rd Quarter



- In spite of capacity reductions
- Unit Cost down 0,3% 3rd Quarter 2002
- Unit Cost up 2,3% Jan-Sep 2002

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All government insurance guarantees seized August 1, 2002

- ▶ Government guarantees in place until June 30nd 2002
- ▶ Danish Guarantee extended until July 31
- ▶ As from August 1 all SAS aircraft insured in the commercial insurance market
 - Costs neutral compared with guarantees
- ▶ Total insurance costs 8-10 times higher than prior to Sep 11



ECA –European cooperation agreement continued negative effects

- ▶ 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
- ▶ Effect Q1 2002 - MSEK 113
- ▶ Effect Q2 2002 -MSEK 104
- ▶ Effect Q3 2002 – MSEK 86



Brent Crude vs. Jet Fuel January 1998 - October 2002

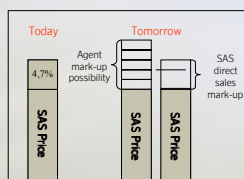


Current outlook 2002 lowered by MSEK 200 vs 2nd Quarter

- ▶ Average rates:
 - ▶ 2000 270 USD/MT
 - ▶ 2001 255 USD/MT
 - ▶ Q1 2002 189 USD/MT
 - ▶ Q2 2002 224 USD/MT
 - ▶ Q3 2002 233 USD/MT
- Current hedging ratio Next 12 months 50%
- Hedging until year end 70%
- ▶ Estimate Full year 2002 MSEK 3 200 (vs 3 400)
(Based on current levels)



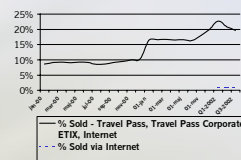
Scandinavian Airlines' new net pricing concept as from 2003



- Estimated effect of 1 300 MSEK of which revenue enhancement 800 MSEK
- Net price concept to be introduced 1 January 2003
- Prices lowered with same amount as commissions
- Agent will set their own price to the customer
- Markup can vary from channel to channel
- Introduction of service fees in SAS' direct channels
- Introduction of new agent program



Electronic Channels steady at 21%

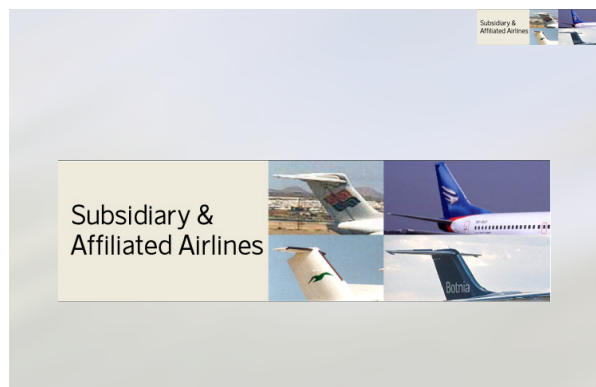


- ▶ Total volume E-channels in Q3 MSEK 1 618
- ▶ 20% of total passenger sales in Q3
- ▶ New web site launched in May



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Income Subsidiary & Affiliated Airlines – Braathens and Spanair fully consolidated

(MSEK)	January – September	
	2002	2001
Operating revenues	12 877	2 265
EBITDAR	+2 694	+351
EBT bef gains	+374*	+86

* = Includes Spanair as affiliated company Nov/Dec 2001 because of change of financial year



Significant better earnings in Subsidiary & Affiliated Airlines Jan-Sep 2002 vs 2001

Jan-Sep in MSEK				
Revenues	4 669* -3,3%	5 515 5,9%	1901 20,8%	781 14,5%
EBITDAR	853* 59%	1 298 180%	329 17%	202 231%
EBT	24* n.m	634 n.m	66 25%	77 n.m

* = Spanair accumulated figures for the period March-September



Spanair on track but affected by weak charter market EBT in Q3 of 153 MSEK

MSEK	Jul-Sep 2002
Passenger revenue	1 343
Other revenues	970
Operating revenues	2 313
EBITDAR	541
EBIT	220
EBT	153

- Spanish domestic market down 10% overall
- Increased market share from 22% to 27% on Spanish domestic
- Weak charter market (-15%)
- Significantly increased yield - 27,2% Jan-Sep
 - Closure of intercontinental traffic
 - Focus on high yield markets
 - Price increases in Spanish market



Spanair's unit cost well in line with european low cost carriers

- Long-haul operations closed in March 2002
- Improved mix
 - Shift from low yield to high yield markets
- Key Operating data:
 - Total Aircraft utiliz 9,2 hrs/ day
 - Cabin Crew 900 hrs/year
- Cost reductions
- Capacity reductions
- Unit cost in line with low costs carriers
- Positive operating profit for 2002 (including capital gains)



Braathens – continues to perform well on Norwegian market

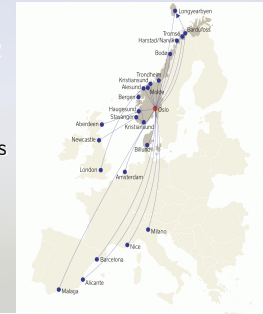


- ▶ 9 % fall in the total domestic market compared with Jan - Sept 2001
- ▶ Cabin factor Jan – Sept on scheduled was 58,6 % vs 52,1 % in same period 2001

	2002	2001
July-September		
Passenger Revenue	1 522	1 413
Other Revenues	421	374
Operating Revenues	1 943	1 787
EBITDAR	+428	+164
EBT	+190	-69

Strong performance in Braathens during Jan-Sep of 2002

- ▶ New route schedule from April 2 and full effect of large capacity and cost cuts late 2001 gave significant improvements
- ▶ Jointly with Scandinavian Airlines provide a superior network and good products to meet competition



Widerøe and Air Botnia significantly improved results

Widerøe

- ▶ Increased traffic by 21,5% in Q3 and good performance.

Jan – Sep 2002

- ▶ Total Revenues MSEK 1 901 (+21%)
- ▶ EBITDAR MSEK 329 (+17%)
- ▶ EBT MSEK 66 (+25%)

Air Botnia

- ▶ Strong performance and increased traffic (RPK) by 36,6%.
- ▶ Strengthened market position

Jan – Sep 2002

- ▶ Total Revenues MSEK 781 (+15%)
- ▶ EBITDAR MSEK 202 (+231%)
- ▶ EBT MSEK 77 (n.m)



Airline Related Businesses



Income Business Area Airline Related Business

EBITDA down 27% mainly due to weak Cargo development

MSEK	January - September	
	2002	2001
Operating revenues	6 419	5 841
Operating expenses	-6 049	-5 335
EBITDA	370	506
Income before taxes	44	190



SAS Cargo



- ▶ SAS Cargo was established as an independent corporation on June 1st 2001
- ▶ SAS Cargo offers together with the WOW Alliance (Lufthansa Cargo and Singapore Airlines Cargo) harmonized express products all over the world.

Key figures Jan-Sep	2002	2001
Operating revenue	2 043	1 976
Traffic revenue, MSEK	1 632	1 588
EBITDA, MSEK	-26	-
Number of employees	1 134	1 187

* = SAS Cargo was formed in 2001. Operating revenue figures are not available before.



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Scandinavian IT Group



One of Scandinavia's largest IT companies, with a turnover of 2 463 MSEK in 2001 and a total of more than 1300 employees in three countries



January-September
2002 2001

Total Revenues	1 676	1 835
EBITDA	176	196
Profit before taxes	81	84

www.scandinavianIT.com

Scandinavian IT Group
Customer driven - Airline focused - Technology based



SAS Trading – turn around in process

EURO SHOP



SAS Trading is a business in the SAS Group and a operator within Travel Retail. SAS Trading had 658 employees at year end 2001. In 2001 SAS Trading lost its concessions for duty free sales and operation of stores at Swedish airports.

January-September
2002 2001

Total Revenues	1 560	1 734
EBITDA	36	7
Profit before taxes	4	-24

www.scandinavian.net



SAS Flight Academy – EBITDA flat 2002 vs. 2001



Training centers for pilots and other personell. 35% of revenues outside SAS in 2001.



January-September
2002 2001

Total Revenues	458	460
EBITDA	105	107
Profit before taxes	26	38

www.sasflightacademy.com



Jetpak



Jetpak is one of the fastest growing companies withing expresslogistic in the Nordic countries. The company is 100% owned by SAS Group and has 151 employees

January-September
2002 2001

Total Revenues	280	265
EBITDA	2	16
Profit before taxes	-3	12

www.jetpak.com

JETPAK

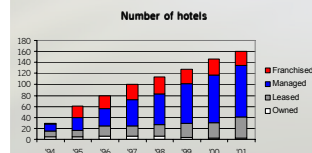


Rezidor SAS Hospitality



Rezidor SAS Hospitality – current brand and market penetration

Radisson SAS
HOTELS & RESORTS



REZIDOR



REZIDOR



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REZIDOR SAS Hospitality – negatively affected by weaker markets

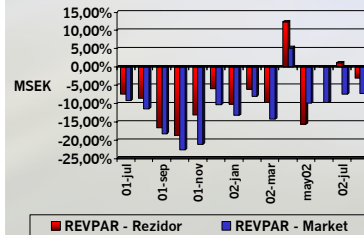
in MSEK

	Jan-Sep 2002	Jan-Sep 2001	Change
Revenues	2 599	2 561	+1,5%
Operating result	195	231	-15,6%
Adjusted EBITDA	192	196	-2,0%
Pre tax profit Including gains	103	81	-

REZIDOR 



REZIDOR SAS Hospitality – REVPAR under pressure but better than industry



Pretax profit:

Jan-Sep 2002

103 MSEK

Jan-Sep 2001

81 MSEK

REZIDOR 



New step: Rezidor SAS to invest in new multi-brand concept

- ▶ Capitalize on current brand
- ▶ Platform for further growth – more brands more choices
- ▶ Streamlining of products with distinct profile
- ▶ Capitalize on knowledge and experience
- ▶ Economies of scale
- ▶ Reduced cyclically and business risks

REZIDOR 



Rezidor SAS signed 30 year partnership agreement with Carlson Companies Inc.

- ▶ Master franchise agreement with exclusive rights for Europe, Middle East and Africa with access to:
 - ▶ Global reservations system
 - ▶ Strong marketing network
 - ▶ Existing customer base
 - ▶ Loyalty program
 - ▶ IT and know how
 - ▶ 30 year term with exclusivity
- ▶ Brand portfolio:
 - ▶ Regent, Radisson SAS, Country Inns and Park Inn
- ▶ Insignificant investment - 4,5 MEUR

REZIDOR 



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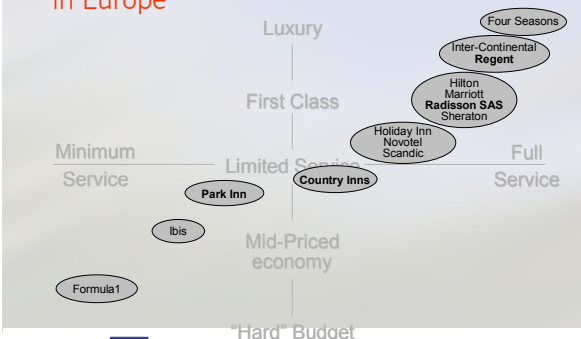
Three new brands acquired for MSEK 60

- ▶ **Regent**
 - Established in 1970, 5-star deluxe, 10 hotels in North America, Asia & Europe (1 in Berlin, Germany & 1 in Almaty, Kazakhstan)
- ▶ **Country Inns**
 - Established in 1987, Mid-market, 300 hotels in North America & Asia, 12 hotels in Europe
- ▶ **Park Inn**
 - Included in Carlson Hotels in 2000, 3-star, limited service business hotel, 60 hotels in North America & Asia




REZIDOR SAS SAS SAS

Rezidor SAS Brand Positioning in Europe



REZIDOR SAS SAS SAS

Radisson SAS current growth strategy

- ▶ Expansion in existing home markets – Scandinavia, Finland, Germany
- ▶ Extend home markets to UK, France, Benelux & Poland
- ▶ Expand in capitals & other important cities - e.g. Athens, Barcelona, Cairo, Rome, Zagreb...
- ▶ Extend into leisure & resorts
- ▶ Focus on airport hotels



REZIDOR SAS SAS SAS

Financials

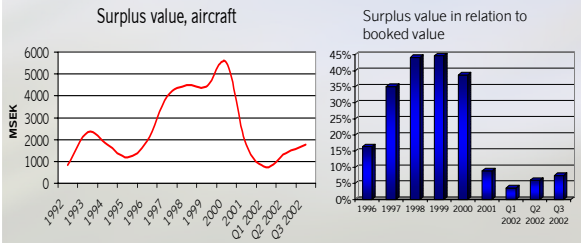
SAS SAS

Clear targets to reduce indebtedness 2004

Current situation:	Target:
▶ Loss situation and peak in investments and acquisitions	▶ Net debt to peak in 2002
▶ Key figures Q3/02 vs Q3/01	▶ Targets 2004
- Solidity: 22% (30%)	- Solidity >30%
- Net debt/ equity 0,79 (0,33)	- Net debt/ equity <50%
- Adj net debt to equity 1,47 (0,65)	- Adj net debt/ equity <150%
▶ Financial position adequate, to be safeguarded	▶ Surplus values in fleet reduced after Sep 11
▶ Clear targets introduced	▶ Release of main assets:
	- Properties
	- Non-core subs

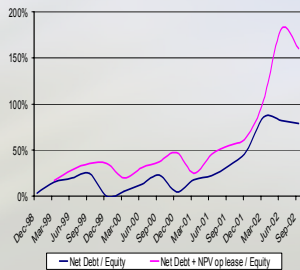
SAS SAS

Considerable surplus values despite reduced aircraft prices



SAS SAS

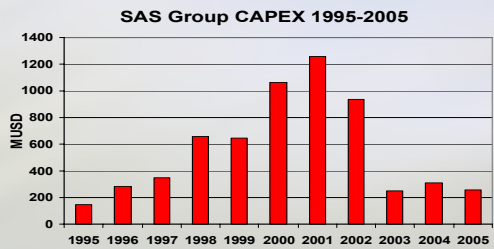
Gearing level has peaked Consolidation ahead



- ▶ Leverage to peak during 2002
- ▶ Moody's Baa3 Investment grade rating



Aircraft Investment Programme almost fully Completed



Outlook 2002

October figures includes all airlines in Group

- ▶ Group improved passenger load factor by 9,0 p.u.
- ▶ Scandinavian Airlines improved load factor by 10,5 p.u

	Passenger-traffic (RPK)	Seat capacity (ASK)	Cabin-factor
SAS Group Total	+6,8%	-7,7%	66,5%
Intercontinental	+19,0%	-6,6%	
Europe	+3,8%	-6,0%	
Domestic and Intrasandinavian	-1,0%	-10,8%	



Outlook – operating key figures - year 2002

- ▶ Growth expectations reduced
- ▶ Further capacity adjustments planned

Key figure	Group	Scandinavian Airlines
ASK	-9%	-4%
Frequencies		-10%
RPK	-2%	+2%
Passenger yield (currency adjusted)	n.m.	> -2,5%
Unit costs	n.m.	down



The Board of Directors

Assessment for full year 2002:

- ▶ Yield lower than expected
- ▶ Result improvement measures take effect according to plan
- ▶ Forecast from August 8 downgraded
 - SAS Pre-tax profit before gains and restructuring charge negative
 - Gains on sale approximately 250 MSEK
 - Restructuring charge of approximately MSEK 600



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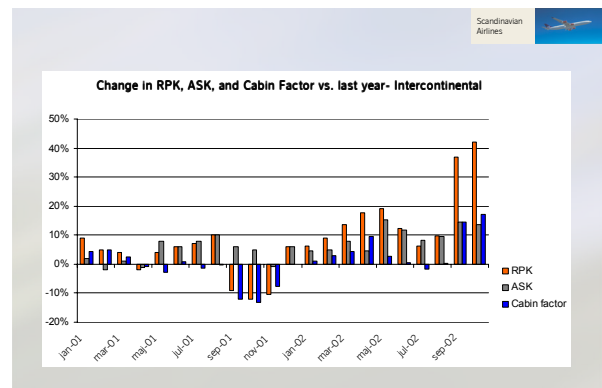
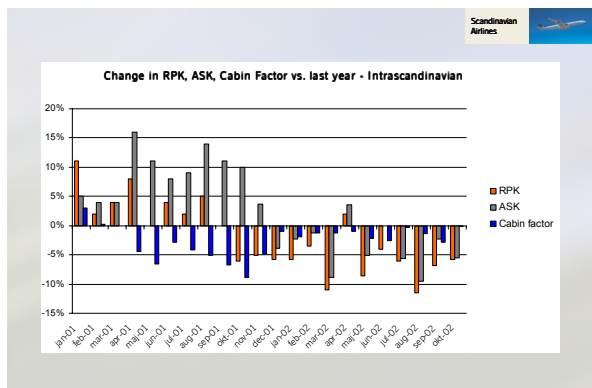
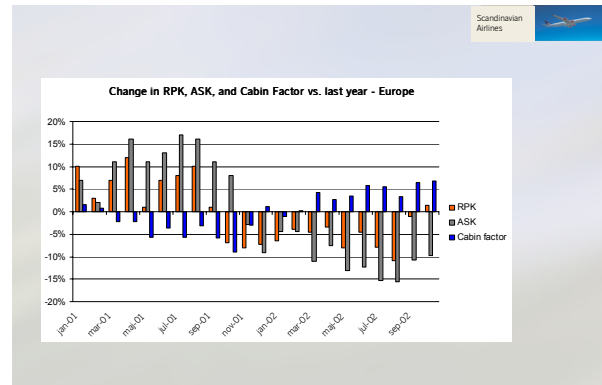
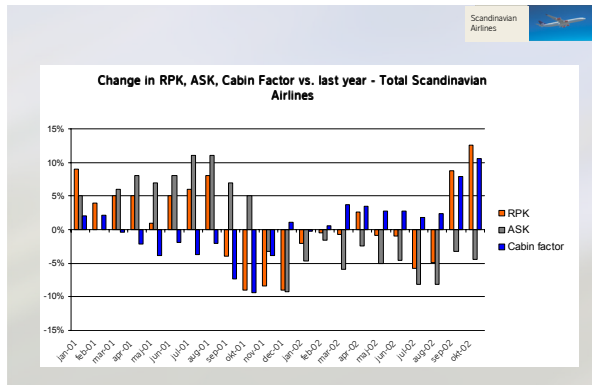
Sum up – 3rd Quarter 2002



- ▶ Balance between supply and demand
- ▶ Yields and revenues under pressure
- ▶ Scandinavian Airline has forceful measures in process
 - Short term 2002/2003
 - Structural 2003/2004/2005
- ▶ Braathens significant positive result
- ▶ Spanair positive operating result
- ▶ Pressure on yield expected 4th Quarter



APPENDICES



Traffic and Yield 3rd Quarter 2002 vs 2001

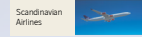


Air Botnia	2002	2001	Index variance
Production (mill ASK)	162	140	116
Traffic (mill RPK)	90	66	137
Cabin factor (%)	55.6	47.0	+8.6
Yield			81

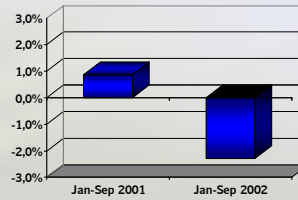
*) local currency



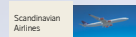
Yield Development January – September 2002 vs 2001



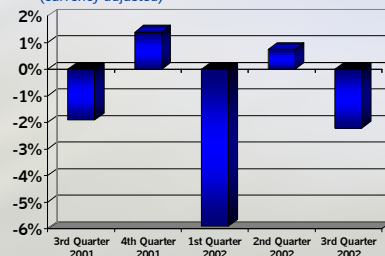
(currency adjusted)



Yield Development 2001-2002



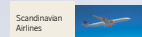
(currency adjusted)



Yields are under pressure from negative class mix /route mix



Passenger Yield January-September 2002 vs 2001



Route Sector	Nominal yield	Currency effect	Adjusted yield
Scandinavian Airline	99	99	98
Intercontinental	94	102	96
Europe	99	99	98
Intrascandinavian	104	98	102
Denmark/Greenland	107	99	106
Norway	134	94	128
Sweden	103	100	103



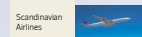
Traffic and Yield 3rd Quarter 2002 vs 2001



Scandinavian Airline Total Scheduled	2002	2001	Index variance
Production (mill ASK)	8 701	9 310	93
Traffic (mill RPK)	6 281	6 346	99
Cabin factor (%)	72.2	68.2	+4.0
Yield (öre/RPK)	128.2	132.1	97
Currency adj. yield	128.2	131.0	98



Unit Cost January - September 2002 vs 2001



MSEK	Adjusted JAN-SEP 01	JAN-SEP 02	Var. %	Share of total var %
Commissions	1 686	1 531	-9,2%	-0,7%
Fuel	2 918	2 379	-18,5%	-2,3%
Government charges	2 794	2 793	0,0%	0,0%
Personnel	9 378	10 482	11,8%	4,7%
Other oper. net costs	6 887	7 099	3,1%	0,9%
TOTAL	23 663	24 284	2,6%	2,6%

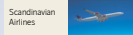
Volume = average decrease in ASK: -4.6%



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Unit Cost 3rd Quarter 2002 vs 2001



MSEK

	Adjusted JUL-SEP 01	JUL-SEP 02	Var. %	Share of total var %
Commissions	524	487	-7,1%	-0,5%
Fuel	893	792	-11,3%	-1,3%
Government charges	931	931	0,0%	0,0%
Personnel	2 960	3 396	14,7%	5,5%
Other oper. net costs	2 602	2 284	-12,2%	-4,0%
TOTAL	7 910	7 890	-0,3%	-0,3%

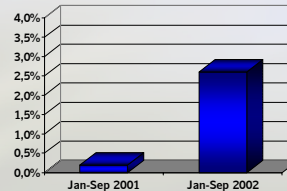
Volume = average decrease in ASK: -6.5%



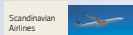
Unit Cost Development January - September 2002 vs 2001



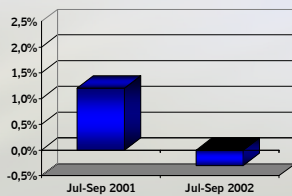
Index last year
(currency adjusted)



Unit Cost Development 3rd Quarter 2002 vs 2001



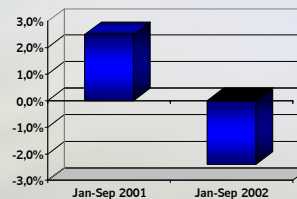
Index last year
(currency adjusted)



Productivity Development January - September 2002 vs 2001



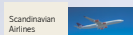
Index last year



Measure is change change of ASK vs number of full time employees



Operating Costs January-September 2002 vs 2001



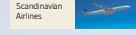
MSEK

	JAN-SEP02	JAN-SEP01*)	curr adj 01
Personnel costs	10 482	9 893	10 087
Leasing costs (aircraft)	1 381	1 632	1 594
Sales costs	1 531	1 758	1 768
Fuel	2 379	3 132	3 059
Governmental charges	2 793	2 909	2 939
Meal costs	1 131	1 256	1 270
Handling costs	1 306	1 373	1 382
Maintenance costs	1 475	1 947	1 944
IT and Communication	1 039	1 133	1 137
Other Costs	5 349	5 486	5 510
TOTAL COSTS	28 866	30 519	30 690

*) SAS Cargo is included in SAS Airline until May 2001



Operating Costs 3rd Quarter 2002 vs 2001



MSEK

	JUL-SEP02	JUL-SEP01*)	curr adj 01
Personnel costs	3 396	3 144	3167
Leasing costs (aircraft)	363	621	557
Sales costs	487	570	561
Fuel	792	1 086	955
Governmental charges	931	1 007	996
Meal costs	383	433	431
Handling costs	425	466	459
Maintenance costs	530	640	635
IT and Communication	295	345	334
Other Costs	1 711	1 721	1 950
TOTAL COSTS	9 313	10 033	9 945

*) SAS Cargo is included in SAS Airline until May 2001



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Passenger Revenue Analysis

January-September 2002 vs 2001

▶ Revenues	25 399 MSEK	- 1.6%
▶ Volume		- 0.6%
▶ Yields		- 2.3%
▶ Currency		+1.4%



Passenger Revenue Analysis

3rd Quarter 2002 vs 2001

▶ Revenues	8 052 MSEK	- 4.0%
▶ Volume		- 1.0%
▶ Yields		- 2.1%
▶ Currency		- 0.9%



Passenger Revenue Analysis

September 2002 vs 2001

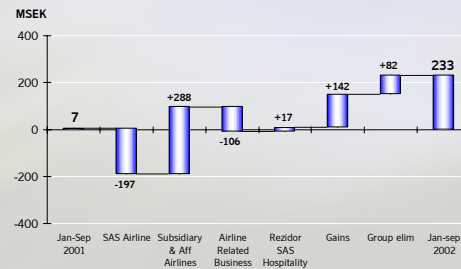
▶ Revenues	3 244 MSEK	+ 2.4%
▶ Volume		+ 8.7%
▶ Yields		- 4.4%
▶ Currency		- 1.7%



SAS Group

Development of Income before Taxes

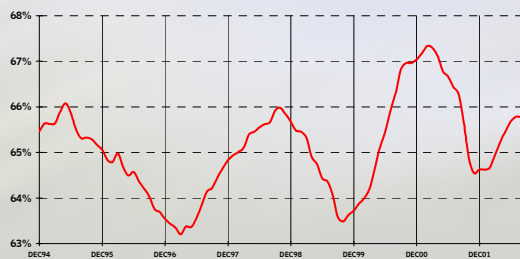
January-September 2002



Passenger load factor

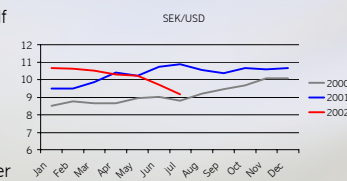
1995-2002

Moving 12 months values



Weaker USD set to affect second half positively if current levels remains

- ▶ Negative Effect on 1st half 2002 -49 MSEK
- ▶ Positive effect on 2nd Quarter +40 MSEK
- ▶ Positive effect 3rd Quarter MSEK 154
- ▶ Potential positive effect if levels remain



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Currency Effects

January-September 2002 vs 2001



MSEK	JAN-SEP
Total revenues	+574
Total costs	-282
Forward cover costs & working cap.	-7
Income before depr.	+285
Financial items	-258
Income before tax	+27



Currency Effects

July-September 2002 vs 2001

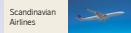


MSEK	JUL-SEP
Total revenues	-92
Total costs	+281
Forward cover costs & working cap.	-134
Income before depr.	+55
Financial items	-187
Income before tax	+132



Currency Effects

January-September 2002 vs 2001



MSEK	JAN-SEP
Total revenues	+427
Total costs	-153
Forward cover costs & working cap.	-18
Income before depr.	+256
Financial items	-301
Income before tax	-45



Currency Effects

July-September 2002 vs 2001



MSEK	JUL-SEP
Total revenues	-88
Total costs	+262
Forward cover costs & working cap.	-126
Income before depr.	+48
Financial items	-177
Income before tax	-129



Currency Effects

January-September 2002 vs 2001



Total revenues & costs: (Total +274 MSEK)		Working capital: (Total +72 MSEK)	
Major approx. effects:			
USD	+105	2001	-36
DKK	-14	2002	+36
NOK	+197		
EUR	+2		
Asian curr.	-21		
All others	+5		
Forward cover costs: (Total -90 MSEK)		Financial items: (Total -301 MSEK)	
2001	+91	2001	+221
2002	+1	2002	-80
		Grand total -45 MSEK	



Currency Effects

July-September 2002 vs 2001



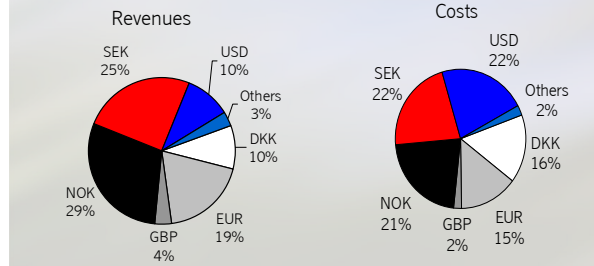
Total revenues & costs: (Total +174 MSEK)		Working capital: (Total -60 MSEK)	
Major approx. effects:			
USD	+154	2001	+26
DKK	+6	2002	-34
NOK	+54		
EUR	-1		
Asian curr.	-14		
All others	-25		
Forward cover costs: (Total -66 MSEK)		Financial items: (Total -177 MSEK)	
2001	+38	2001	+114
2002	-28	2002	-63
		Grand total -129 MSEK	



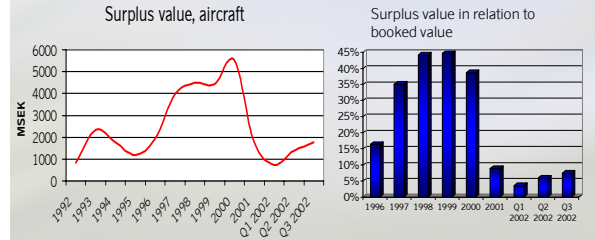
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Expected currency distribution in the SAS Group 2002



Considerable surplus values despite reduced aircraft prices



Financials and aircraft fleet data

Balance Sheet

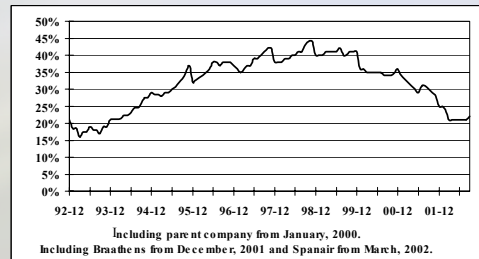
MSEK	30SEP02	30DEC01
Liquid funds	10 482	11 662
Other interest-bearing assets	7 279	6 810
Aircraft	26 429	22 076
Other assets	24 621	22 214
Total assets	68 811	62 762
Operating liabilities	19 779	16 975
Interest-bearing liabilities	29 027	25 204
Subordinated debenture loan	902	920
Deferred tax	3 746	3 856
Minority interests	-57	263
Equity	15 414	15 544
Total liabilities and equity	68 811	62 762
Net debt	12 168	5 586

Changes in Financial Position

MSEK

	January - September 2002	2001
Cash flow from operations	+1 879	+407
Change in working capital	-505	-662
Net financing from operations	+1 374	-255
Investments, advance payments	- 6 806	- 6 495
Acquisition of subsidiaries	-1 064	0
Sell of subsidiaries	+843	0
Sales of fixed assets, etc.	+3 100	+3 320
Financing surplus	-2 553	-3 430
Changes in external financing, net	+1 373	+2 966

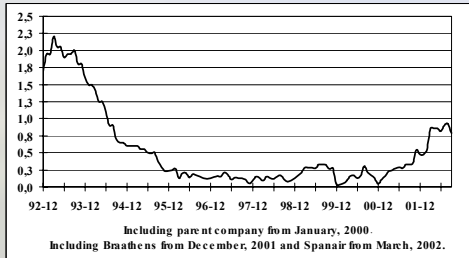
The SAS Group Equity / Assets Ratio 9212-0209



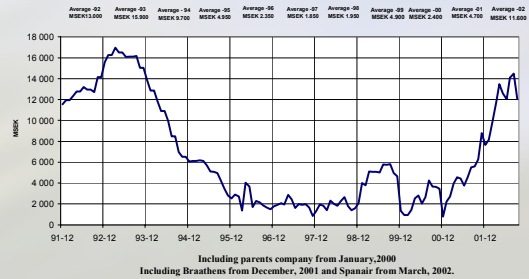
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The SAS Group Net Debt / Equity Ratio 9212-0209



Development of net debt 9112-0209



SAS Group fleet as of Sep 30, 2002

SAS Group incl. SIC, Bra, K, KF, W	Owned Sep02	Leased in	Total Sep02	Leased Out	On Order	SAS Group incl. SIC, Bra, K, KF, W	Owned Sep02	Leased in	Total Sep02	Leased Out	On Order
Airbus A340-300	5	2	7	0	0	Scandinavian Airlines	115	83	198	6	12
Airbus A330-300	0	0	0	0	4	Spanair	0	45	45	0	15
Airbus A321-200	5	3	8	0	8	Braathens	4	23	27	0	0
Airbus A320	0	5	5	0	11	Wideroe	16	14	30	0	0
Boeing 767-300	3	6	9	0	0	Air Botnia	0	10	10	0	0
Boeing 737-400	0	5	5	0	0						
Boeing 737-500	0	15	15	0	0						
Boeing 737-600	12	18	30	0	0						
Boeing 737-700	9	4	13	0	0						
Boeing 737-800	14	5	19	4	4						
Douglas MD-81	5	10	15	0	0						
Douglas MD-82	17	29	46	0	0						
Douglas MD-83	2	20	22	0	0						
Douglas MD-87	10	8	18	0	0						
Douglas MD-90-30	8	0	8	0	0						
Douglas DC-9-41	0	9	9	0	0						
Aéro RJ-85	0	5	5	0	0						
Embraer ERJ 145	0	3	3	0	0						
Fokker F28	7	0	7	0	0						
Fokker F50	7	0	7	2	0						
de Havilland Q100	16	1	17	0	0						
de Havilland Q300	0	9	9	0	0						
de Havilland Q400	15	13	28	0	0						
SAAB 2000	0	5	5	0	0						
Total	135	175	310	6	27						

Limited CAPEX beyond 2002 Firm Order CAPEX MUSD 585

Aircraft Orders

as per 30/9-02

	Total	2002 Q4	2003	2004	2005
Airbus A330	3	1	1	1	
Airbus A320/321	7	3		3	1
Boeing 737	4		2		2
TOT No. of A/C	14	4	3	4	3
CAPEX (MUSD)	585	170	145	190	80

Total CAPEX 2003-05 MUSD 415

Firm Order CAPEX MUSD 725

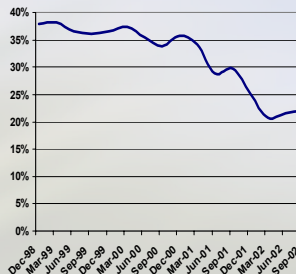
Aircraft Orders

as per 30/9-02

	Total	2002 Q4	2003	2004	2005
Airbus A330	3	1	1	1	
Airbus A320/321	10	4	1	4	1
Boeing 737	4		2		2
Q400	3		3		
TOT No. of A/C	20	5	7	5	3
CAPEX (MUSD)	725	205	220	220	80

Total CAPEX 2003-05 MUSD 520

Strengthening of SAS financial position



- ▶ Equity MSEK 15 414
- ▶ Equity ratio 22%
- ▶ Net debt MSEK 12,168
- ▶ Net debt/ equity 79%

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Committed Credit Facilities of MSEK 10,450

	MSEK
Liquid Funds 30/9-02	10,400
<u>Available Credit Facilities:</u>	
Revolving Credit Facility (MUSD 700)	3,700
Aircraft Finance Lease Facility	3,700
Bi-lateral Facilities	1,200
ECA Facility	1,850
Total Available Funds	20,850



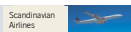
SAS Group Financial Net January – September 2002

(MSEK)	Q3 2002	Q3 2001	Q1-Q3 2002	Q1-Q3 2001
Interest net and others	-322	-93	-691	-234
Exchange rate effect	-84	-67	-45	-254
Currency movements				
Exchange rate effect	0	+170	0	+467
Sale & Leaseback Aircraft				
Financial net	-406	+10	-736	-21



Scandinavian Airlines Financial Net January – September 2002

(MSEK)	Q3 2002	Q3 2001	Q1-Q3 2002	Q1-Q3 2001
Interest net and others	-253	-71	-533	-174
Exchange rate effect	-63	-56	-80	-246
Currency movements				
Exchange rate effect	0	+170	0	+467
Sale & Leaseback Aircraft				
Financial net	-316	+43	-613	+47



SAS Group - Development and Break Down of Net Debt 020930

(MSEK)	020930	010930	Difference
Cash	10 482	7 761	2 721
Other interest bearing assets	7 279	7 896	-617
Interest bearing liabilities	-29 929	-21 243	-8 686
Net debt	-12 168	-5 586	-6 582

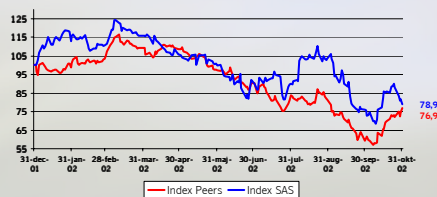


SAS share



SAS share price vs. Peers 2002

SAS Market Capitalization vs. European Peers* measured in SEK
(December 28, 2001 - October 31, 2002)



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



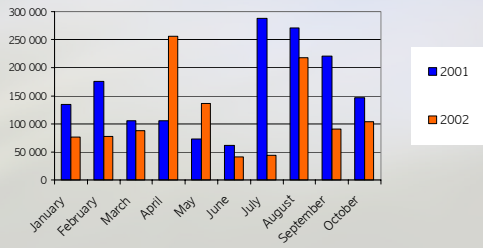
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Volume in SAS 2002 vs 2001 in Stockholm



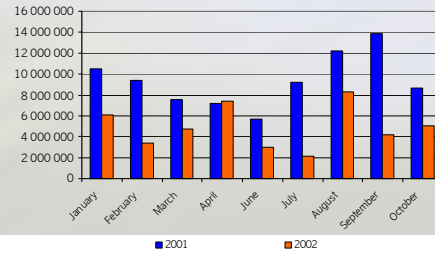
Average daily number of shares traded in Stockholm per month



Weak volume in industry downturn SAS AB



Number of shares traded in SAS per month



■ 2001

■ 2002

