



SAS Group

# SAS Group

Interim Report January-June 2012

## 4Excellence generates results

- Revenue measures lead to more passengers and increased revenue
- The unit cost was reduced by 4%

### April-June 2012

- Revenue: MSEK 11,392 (11,319)
- Number of passengers: increased by 228,000 (3.1%)
- Passenger revenue adjusted for currency and nonrecurring items: increased by 2.8%
- Income before tax and nonrecurring items: MSEK 137 (366)
- EBT margin before nonrecurring items: 1.2% (3.2%)
- Income before tax: MSEK 371 (730)
- Net income for the period: MSEK 320 (551)
- The cost for jet fuel increased MSEK 784 (compared with 2011)
- Earnings per share: SEK 0.97 (1.67)
- Cash flow from operating activities: MSEK 676 (731)

### January-June 2012

- Revenue: MSEK 20,983 (20,632)
- Number of passengers: increased by 551,000 (4.1%)
- Passenger revenue adjusted for currency and nonrecurring items: increased by 3.0%
- Income before tax and nonrecurring items: MSEK -912 (-143)
- EBT margin before nonrecurring items: -4.3% (-0.7%)
- Income before tax: MSEK -761 (172)
- Net income for the period: MSEK -409 (178)
- The cost for jet fuel increased MSEK 1,116 (compared with 2011)
- Earnings per share: SEK -1.24 (0.54)
- Cash flow from operating activities: MSEK 1,891 (164)
- SAS's financial preparedness on June 30 amounted to SEK 8.2 billion

### Important events during the quarter

- The SAS Annual General Meeting was held on April 19,
  - ✓ SAS resolved that the fiscal year would be changed to the period November 1 – October 31, instead of the calendar year
  - ✓ All of the Board members were reelected and the Meeting also voted in accordance with the proposals contained in the notification of the Meeting
  - ✓ The Meeting resolved that no dividend would be paid to shareholders for the 2011 fiscal year.
- SAS sold six properties to Swedavia totaling SEK 1.8 billion, with a cash-flow effect of more than MSEK 440 and a capital gain of almost MSEK 340, which were recognized in the second quarter of 2012
- SAS and Apollo signed a historic partnership agreement valued at MSEK 920
- The EFTA Surveillance Authority (ESA) in Brussels announced its view that the current ban on earning EuroBonus points on Norwegian domestic flights is in breach of EEA legislation.

## Continued challenges in 2012 – measures totaling SEK 5 billion generate results

Due to the weaker economic trend, cost-saving measures in 4Excellence were accelerated at the beginning of the year. These measures have now generated results that will increase during the second half of 2012. In total, measures corresponding to SEK 5 billion will be implemented during 2012-2013. In combination, the uncertain economic trend, jet-fuel prices, exchange rates and intense competitive pressure entail that SAS is not presenting a profitability forecast for the full-year 2012.

### Income and key ratios

	Apr-Jun 2012	Apr-Jun 2011	Jan-Jun 2012	Jan-Jun 2011	Jul-Jun 2011-2012	Jul-Jun 2010-2011
<b>Earnings-based key ratios (MSEK)</b>						
Revenue	11,392	11,319	20,983	20,632	41,763	42,061
EBITDAR before nonrecurring items	1,228	1,342	1,246	1,797	3,538	4,506
Income before tax and nonrecurring items	137	366	-912	-143	-675	500
Income before tax, EBT	371	730	-761	172	-2,562	-1,318
Net income for the period	320	551	-409	178	-2,274	-826
EBT margin before nonrecurring items (target 7%)	1.2%	3.2%	-4.3%	-0.7%	-1.6%	1.2%
Cash flow from operating activities	676	731	1,891	164	1,245	-524
<b>Financial key ratios</b>						
	June 30, 2012	Dec 31, 2011	June 30, 2011	June 30, 2010		
CFROI, 12-month rolling (target 25%)	10%	17%	15%	3%		
Financial preparedness (target >20% of annual revenue)	20%	21%	27%	31%		
Shareholders' equity per share, SEK	35.97	37.79	43.91	44.47		

## Comments by the CEO

“4Excellence generates effects – the unit cost declined 4% during the quarter”

For the second quarter of 2012, SAS delivered positive income before tax and nonrecurring items of MSEK 137. Due to a nonrecurring effect from a completed property transaction, EBT amounted to MSEK 371. Despite an unsatisfactory earnings level, we now see that our 4Excellence strategy is beginning to generate results. Unit revenue (RASK) rose 0.3% during the quarter, driven by a positive load factor. Our unit cost, excluding jet fuel, declined 4% during the quarter. Also worth noting is that the underlying currency-adjusted earnings for several key destinations demonstrated a positive trend compared with the year-earlier period.

The relatively high jet-fuel price fell slightly during the second quarter only to increase again during July, constituting a major challenge for the entire aviation industry. During the second quarter, SAS's fuel cost increased approximately MSEK 800 compared with the corresponding period in the preceding year, primarily due to the lower effect of fuel hedging this year and a weaker SEK/USD exchange rate. As previously, SAS is dealing with fluctuations in jet-fuel prices by hedging jet fuel, introducing jet-fuel surcharges and proactive yield management. The yield declined 2.7% during the quarter, but adjusted for the opening of a new intercontinental route to Shanghai and additional routes for leisure travelers, the underlying yield was slightly positive.

### **Stable liquidity**

Cash flow from operating activities was positive during the quarter, amounting to MSEK 676. Working capital also improved, primarily driven by a positive trend in the number of bookings. We also see improvements in working capital in general, a direct result of our focused efforts to reduce tied-up capital. SAS's financial preparedness amounted to SEK 8.2 billion on June 30, corresponding to 20% of revenue. Of this amount, SEK 3.2 billion comprised cash and cash equivalents. During the second quarter, we also completed the sale of six properties to Swedavia, corresponding to SEK 1.8 billion. This sale is part of our strategy to reduce tied-up capital and the transaction released liquidity corresponding to MSEK 440.

### **Accelerated 4Excellence measures beginning to generate results**

The 4Excellence strategy aims to achieve Excellence in four core areas by 2015 – Commercial Excellence, Sales Excellence, Operational Excellence and People Excellence.

### **4Excellence generates revenue effects**

We have observed the clear effect of 4Excellence on revenue. This is gratifying since continuously increased capacity and intense competition was noted during the entire second quarter. Efforts to improve our offering – aimed at delivering value for time and money to our customers – will continue. We will open 38 new routes in 2012 and in preparation for 2013, we announced an improved offering on our USA routes with San Francisco as a new destination.

Other traffic revenue increased as a result of, for example, activities implemented in ancillary revenues. During the first

half of 2012, free tea and coffee was reintroduced for all service classes, in-flight WiFi was introduced, and such time-saving solutions as SMART PASS and Fast Track are available for our travelers. The results of these features led to further improvements in our customer satisfaction, passenger growth of 551,000 during the first half-year and a 3% increase in currency-adjusted passenger revenue. In July, we noted continued growth and further improvement in the load factor

### **Phasing in new aircraft**

We recently signed an agreement to lease three A320s and a total of 60 new aircraft will be joining our fleet over the next few years. Within two years, all MD80 and B737 Classic aircraft will be phased out and replaced with modern A320/B737NG aircraft. We also look forward to introducing the most efficient aircraft in the market, Airbus A320neo, into our fleet. As the fleet is rejuvenated, we can expect lower fuel costs, reduced maintenance costs and lower CO<sub>2</sub> emissions.

### **4Excellence generates cost effects**

One of our strategic goals is a 3-5% reduction of the unit cost per year. Many initiatives are now well underway to cut the unit cost, increase productivity and reduce complexity. We can already see the effects, and the unit cost fell 4% during the quarter. Collective agreements are in place with all unions, which guarantees delivery of the announced cost-savings corresponding to SEK 1 billion for the period 2012-2013. The effect of these savings was already noticeable during the second quarter – payroll expenses per unit produced (ASK) decreased 6.3%. Lean activities also contribute to productivity improvements since we now handle almost twice as many passengers per employee today compared with 2008. Efforts to reduce administration progress according to plan and the 300 announced full-time positions have been, or are in the process of being, phased out from the operations. Our new modern IT platform has been deployed, entailing that most older systems can now be turned off, resulting in substantially reduced complexity.

### **Future outlook**

We anticipate passenger growth of 5-7% in the market in 2012. The SAS Group's available capacity (ASK) is expected to grow in pace with the market, namely about 4-5%. The objective for 2012 is also to maintain a top position in terms of punctuality in Europe, while continuing to improve the customer satisfaction rate. We forecast and are planning for continuous pressure on yield and RASK throughout the entire year. Due to the weaker economic trend, measures in 4Excellence were accelerated at the beginning of the year. Improvements corresponding to SEK 5 billion will be implemented during 2012-2013. During the second quarter, approximately one third of the program was implemented. The measures in 4Excellence are now generating results and the effects are expected to increase from the second half of 2012. In combination, the uncertain economic trend, jet-fuel prices, exchange rates and intense competitive pressure entail that SAS is not presenting a profitability forecast for the full-year 2012.

Rickard Gustafson  
President and CEO

## Market and income

### Aviation market in Europe

Traffic growth among network airlines in Europe was relatively favorable in the first half of 2012, particularly the growth in European traffic. Traffic to/from Asia was weaker at the start of the year, rising only marginally in January – February but significant growth was noted from March 2012. This growth was primarily a result of weak comparative levels following the earthquake in Japan in March 2011. Traffic to/from North America increased by slightly more than 4% during the six-month period, despite almost unchanged capacity.

Capacity increases were relatively modest with an increase of 2.9%, which led to almost all network airlines reporting improved load factors. In the Nordic region, capacity continued to rise more than in the rest of Europe, resulting in pressure on yield. Despite higher capacity in many markets, SAS was relatively successful in its efforts to retain its market position.

### Scandinavian Airlines' traffic trend (including Blue1)

Scandinavian Airlines traffic (RPK) rose 5.7% during the first half of 2012 and 6.1% in the second quarter. During the first half of 2012, the number of passengers increased 3.8% and, primarily, the figures were favorable on all routes in Scandinavia. Passenger numbers increased significantly on Asian routes, partly due to low comparative levels and the opening of the route to/from Shanghai. In addition, the trend for intercontinental routes to/from the US was healthy. The strongest improvement in the load factor was noted on European routes and certain domestic routes.

Capacity increased only 3.4% following substantial capacity reductions in Blue1's route network to/from Europe. In line with higher demand in Scandinavia, capacity was increased more on Intra-Scandinavia and domestic routes. The load factor rose 1.6 percentage points during the quarter and recorded record levels in April. The currency-adjusted total unit revenue, RASK, for Scandinavian Airlines for the six-month period rose 0.9%, while the currency-adjusted yield fell 2.5%.

### Traffic trend for Scandinavian Airlines

Change in relation to the year-earlier period	Apr-Jun	Jan-Jun
Load factor (p.p.)	+1.1	+1.6
Yield (currency-adjusted)	-2.7%	-2.5%
RASK, incl. charter (currency-adjusted)	+0.3%	+0.9%
Total unit cost, incl. charter (currency-adjusted)	+2.2%	+3.1%
Total unit cost, incl. charter, excluding jet fuel (currency-adjusted)	-4.0%	-1.4%

For detailed traffic data information, refer to pages 16-17.

For definitions, refer to the 2011 Annual Report or [www.sasgroup.net](http://www.sasgroup.net)

### Earnings analysis second quarter 2012

The SAS Group's income before tax and nonrecurring items amounted to MSEK 137 (366).

Income before tax amounted to MSEK 371 (730), income after tax was MSEK 320 (551) and the tax cost amounted to MSEK -51 (-179).

The Group's revenue amounted to MSEK 11,392 (11,319). Adjusted for currency effects and nonrecurring items, revenues increased MSEK 145, corresponding to an increase of 1.3% year-on-year. The increase was mainly attributable to passenger revenue, which adjusted for currency effects and nonrecurring items increased 2.8%. The strike in Norway by security personnel negatively impacted revenue in an amount of about MSEK 75 for June. Revenue was also negatively impacted by the bankruptcies of Cimber Sterling and Skyways City Airlines. The number of passengers rose 3.1%, volume (ASK) rose 4.6% and the load factor increased 1.0 p.p. year-on-year. Scandinavian Airlines increased the currency-adjusted unit revenue (RASK) by 0.3%, however,

the currency-adjusted passenger yield declined 2.7% year-on-year.

Payroll expenses amounted to MSEK -3,323 (-3,349). Adjusted for nonrecurring items and currency effects, payroll expenses were 1.8% lower year-on-year. Already in the second quarter, the effects of the 4Excellence cost-savings measures became apparent and payroll expenses per unit produced (ASK) decreased by 6.3%. Expenses for jet fuel amounted to MSEK -2,788 (-2,004), which represents a difference of about MSEK -800 primarily due to the lower effect of fuel hedging this year of MSEK -540 and currency effects of about MSEK -230 due to a weaker SEK/USD exchange rate compared with the year-earlier period. Other operating expenses amounted to MSEK -4,082 (-3,548). Adjusted for nonrecurring items and currency effects, this was a 2.0% decrease that was primarily due to lower costs for aircraft maintenance.

The unit cost for Scandinavian Airlines, adjusted for jet-fuel costs decreased 4.0% year-on-year, which is in line with the 4Excellence strategy of continued cost-saving measures and substantially increased focus on productivity and product improvements.

EBITDAR before nonrecurring items amounted to MSEK 1,228 (1,342). The Group's net financial items amounted to MSEK -261 (-186), of which the net interest expense accounted for MSEK -210 (-186), exchange-rate differences for MSEK 22 (22) and other financial items for MSEK -73 (-22).

Total nonrecurring items and capital gains amounted to MSEK 234 (364), of which restructuring costs totaled MSEK -21 (-37), of which MSEK -16 (-29) pertained to payroll expenses and MSEK -5 (-8) to other restructuring costs. Of capital gains of MSEK 263 (17), MSEK -83 (17) was attributable to aircraft transactions and MSEK 346 (0) was attributable to property transactions. Other nonrecurring items and impairments totaled MSEK -8 (384) and pertained to the settlement of a legal dispute in Cargo of MSEK -8 (0), impairment of aircraft in an amount of MSEK 0 (-725), revaluation of EuroBonus in an amount of MSEK 0 (380), which was recognized as revenue in 2011, and the reversal of USD hedges for aircraft of MSEK 0 (729), which were included under other operating expenses in 2011.

### Earnings analysis January-June 2012

The SAS Group's income before tax and nonrecurring items amounted to MSEK -912 (-143).

Income before tax amounted to MSEK -761 (172), income after tax was MSEK -409 (178) and tax was a positive MSEK 352 (6), primarily attributable to additional capitalization of loss carryforwards.

The Group's revenue amounted to MSEK 20,983 (20,632). Adjusted for currency effects and nonrecurring items, revenues increased MSEK 294, corresponding to an increase of 1.4% year-on-year. The increase was mainly attributable to the item of passenger revenue, which adjusted for currency effects and nonrecurring items increased 3.0%. The number of passengers rose 4.1%. Volume (ASK) rose 3.4% and the load factor increased 1,5 p.p. year-on-year. Scandinavian Airlines increased the currency-adjusted unit revenue (RASK) by 0.9%, however, the currency-adjusted passenger yield declined 2.5% compared with the year-earlier period.

Payroll expenses amounted to MSEK -6,726 (-6 661). Already in the second quarter, the effects of the 4Excellence cost-savings measures became apparent and payroll expenses per unit produced (ASK) decreased by 3.4%. Expenses for jet-fuel amounted to MSEK -4,868 (-3,752), which represents a difference of about MSEK -1,100 primarily attributable to the lower effect of fuel hedging this year of MSEK -590, currency effects of about MSEK -270 due to a weaker SEK/USD exchange rate and price increases of about MSEK -170 compared with the corresponding period in 2011.

Other operating expenses amounted to MSEK -8,231 (-7,390). After nonrecurring items and currency effects, other operating expenses were unchanged compared with the year-earlier period. Operating expenses were positively impacted the preceding year by a reversal of USD hedges in an amount of MSEK 241.

The unit cost for Scandinavian Airlines, adjusted for jet-fuel costs, declined 1.4% year-on-year, which is in line with the 4Excellence strategy of continued cost-saving measures and substantially increased focus on productivity and product improvements.

EBITDAR before nonrecurring items amounted to MSEK 1,246 (1,797). The Group's net financial items amounted to MSEK -526 (-339), of which net interest expense accounted for MSEK -466 (-315), exchange-rate differences for MSEK 38 (19) and other financial items for MSEK -98 (-43).

Total nonrecurring items and capital gains amounted to MSEK 151 (315), of which restructuring costs totaled MSEK -60 (-81), of which MSEK -45 (-73) pertained to payroll expenses and MSEK -15 (-8) to other restructuring costs. Of capital gains of MSEK 239 (12), MSEK -104 (12) was attributable to aircraft transactions and MSEK 343 (0) was attributable to property transactions. Other nonrecurring items and impairments totaled MSEK -28 (384) and pertained to the settlement of a legal dispute in Cargo of MSEK -28 (0), impairment of aircraft in an amount of MSEK 0 (-725), revaluation of EuroBonus in an amount of MSEK 0 (380), which was recognized as revenue in 2011, and the reversal of USD hedges for aircraft of MSEK 0 (729) which were included under other operating expenses in 2011.

## Financial position

– Financial preparedness of SEK 8.2 billion

As of June 30, 2012, the SAS Group's cash and cash equivalents amounted to MSEK 3,186 (5,648). In addition to cash and cash equivalents, the SAS Group has unutilized credit facilities amounting to MSEK 4,984 (5,421). The SAS Group has a total financial preparedness (cash and cash equivalents and unutilized credit facilities) corresponding to MSEK 8,170 (11,069) or 20% (27%) of the Group's annual revenues. The funds are invested in instruments with good liquidity and short maturities with a credit rating not lower than A3/P-1 according to the rating agency Moody's or alternatively A-/A-1 according to Standard & Poor's. Cash and cash equivalents is defined as funds that are not held as deposits and which are not blocked funds.

The SAS Group's interest-bearing liabilities declined MSEK 1,581 since the beginning of the year. New loans raised during the first quarter of 2012 amounted to MSEK 150 and repayments amounted to MSEK 1,860.

At June 30, 2012, the value of the debt and equity share (conversion option and repurchase right) relating to the convertible bond loan was set at MSEK 1,476 and MSEK 124, respectively. At the date of issue, these amounts were MSEK 1,374 and MSEK 226, respectively, and at December 31, 2011, they were MSEK 1,453 and MSEK 147. The value of the equity share was included in shareholders' equity, following a deduction for deferred tax.

During the year, financial net debt declined MSEK 572 to MSEK 6,445 on the closing date.

During the second quarter of 2012, assets corresponding to a value of SEK 2.7 billion were mortgaged.

At June 30, 2012, the adjusted equity/assets ratio amounted to 24% (28%). The adjusted debt/equity ratio amounted to 1.40 (0.89). The adjusted ratios take into account leasing costs.

*For the balance sheet, refer to page 10*

## Cash-flow statement

– SAS cash flow from operating activities amounted to MSEK 1,891

The change in working capital of MSEK 1,934 (51) was due to a seasonally large increase in unearned transportation revenue liability, while the net change in other receivables and liabilities was marginal. The difference compared with the year-earlier period was primarily attributable to the significant decline in other current liabilities during the first half of 2011.

Cash flow from operating activities amounted to MSEK 1,891 (164).

Investments amounted to MSEK 819 (1,004), of which MSEK 392 (605) related to aircraft, other flight equipment and prepayments. This included the purchase of four MD87s and one Q300 that were previously on operational lease.

Acquisition and divestment of subsidiaries relates to the sale of real estate to Swedavia that was completed at the end of June with a cash-flow effect of MSEK 440.

During the period, five MD87s and one Q400 were sold.

Cash flow before financing activities amounted to MSEK 1,584 (-428).

Cash and cash equivalents amounted to MSEK 3,186 according to the balance sheet, compared with MSEK 3,808 on December 31, 2011.

*For the cash-flow statement, refer to page 12*

## About the SAS Group

The SAS Group is the largest airline group in Northern Europe and transported approximately 27 million passengers in 2011 to 128 destinations worldwide. The SAS Group comprises two airlines; Scandinavian Airlines and Widerøe. SAS Cargo and Blue1 are now integrated as part of Scandinavian Airlines. As a member of Star Alliance, SAS offers a global network that covers 1,185 destinations across the globe and transports more than 600 million passengers. SAS is Europe's most punctual major airline and has held this title for three years in succession from 2009-2011, according to the independent source FlightStats. Sustainability comprises a key element and the SAS Group's airlines are the only airlines in the world to be certified in line with ISO 14001 and EMAS for all operations.

### 4Excellence

In September 2011, SAS launched the new strategic focus 4Excellence, with the aim of achieving excellence in four core areas by 2015 – Commercial Excellence, Sales Excellence, Operational Excellence and People Excellence.

SAS shall remain the preferred choice for business travelers at the same time as the offering for the leisure segment will be strengthened. SAS will streamline its sales model and have the market's most attractive loyalty program. Furthermore, SAS will continue to be Europe's most punctual airline and deliver the quality and service that gives most value in terms of time and money for all customers.

This will be realized by continuing cost-saving measures and by strengthened focus on productivity and product improvements, a key part of which includes the roll-out of the Lean quality and efficiency program across all parts of the organization. With the 4Excellence strategy, SAS shows continued leadership in the Nordic airline industry.

SAS's vision: "To be valued for Excellence by all stakeholders". (Stakeholders: customers, employees, owners and society in general)

SAS's mission: "We provide best value for time and money to Nordic travelers whatever the purpose of their journey."

### We have ambitious targets

Our goal is to achieve sustainable profitability through:

- SAS is to be Number 1 – The Nordic region's most valued airline by reaching new heights in customer satisfaction ratings
- Unit cost shall be reduced by 3-5% annually
- Our employee satisfaction is to be in the Top Five in the entire Nordic transportation sector
- We are to reduce our overall emissions by 20%.

...to secure an efficient return on investment.

### 4Excellence comes together in four areas to achieve the targets

#### Commercial Excellence

Do the right things that customers are willing to pay for and make us the natural choice for Nordic travelers.

#### Sales Excellence

Increase cost-efficiency and achieve higher levels of loyalty among both companies and travelers. Sales are about relationships, not only transactions.

#### Operational Excellence

Ensure that we deliver the highest quality and cost-efficiency based on customer value.

#### People Excellence

Realize the full potential of employees through strong leadership and cooperation on shared goals.

### Accelerated action plan

As part of 4Excellence, a number of measures are ongoing in a number of main areas that will deliver revenue and cost measures totaling SEK 5 billion in 2012-2013, of which SEK 3.5 billion involves cost measures and SEK 1.5 billion revenue

measures, where the single largest cost effect arises from renegotiated collective agreements corresponding to SEK 1 billion. In total, approximately one third of the program has been implemented and its effects will increase from the second half of 2012. The other key measures in other respective areas are:

#### Commercial Excellence

On the ground, a new design was launched with a clearly enhanced SAS profile with SAS branding that assists customers by providing clearer information and signage, for example, for lounges. Fast Track and SMART PASS have now been rolled out across Scandinavia and already have a high level of usage and customer satisfaction. Regarding in-flight services, free coffee and tea were introduced. Also, free onboard WiFi was introduced and will continue to be integrated throughout the fleet so that more aircraft will be equipped with the latest technology.

The customer offering is being continuously developed and the new Copenhagen-Shanghai route was immediately well received in the market. We will open 38 new routes in 2012 and in preparation for 2013, we announced an improved offering on our USA routes with San Francisco as a new destination. The ongoing rejuvenation and harmonization of the aircraft fleet have enabled these aggressive ventures, and contribute to greater aircraft utilization during periods of low demand in business travel. For example, we can now increase capacity by 3% on short-haul routes in 2012 using one less aircraft. However, the guiding principle for all growth is that it must be profitable. In addition we have implemented activities in ancillary revenues that strengthen other traffic revenue.

#### Sales Excellence

A number of activities are underway in the EuroBonus area. New partners, such as World hotel, SverigeTaxi and Flygbussarna Airport Coaches, joined the loyalty program. A new simplified point structure is being implemented and many customers will be offered one free flight for every ten flights taken. An improved concept for the leisure market will be introduced in 2012 and it will be simpler and quicker to achieve and maintain Gold status. Rezidor has now become a partner in SAS Credits. Our new modern IT platform has commenced operation thus enabling the majority of older systems to be closed down with the consequent substantial reduction in complexity.

#### Operational Excellence

A large number of LEAN activities are under way and will generate continued effects in the form of reduced expenses. In addition, LEAN activities actively contribute to enhanced productivity, which now enables almost twice as many passengers to be handled per employee compared with 2008. The core of these improvements is the commitment from the employees working continuously on improvement measures.

The work on reducing the administration is progressing according to plan and the announced FTEs were eliminated or are in the process of being eliminated from the business. In the area of collective agreements, agreements were signed with our trade unions, which ensure savings corresponding to SEK 1 billion for the period 2012-2013. Already in the second quarter, the effects of the cost-savings measures became apparent, payroll expenses per unit produced (ASK) decreased by 6.3%.

At the end of April 2012, a property portfolio comprising six properties located close to airports in Sweden was sold for a total value of SEK 1.8 billion. A total corresponding to MSEK 440 in liquidity was released.

#### People Excellence

The roll-out of the SAS's new Performance Management (PM) process began at the start of 2012 and encompasses managers and administrative personnel with a focus on systematic targets, follow-up and coaching. Training camps were held to educate our managers in the entire PM process and, in the spring, networks will commence to further develop the coaching skills of our managers.

## Segment reporting

The business segments are reported as Scandinavian Airlines and Widerøe. The SAS Cargo and Blue1 units are integrated with Scandinavian Airlines. Blue1 was previously reported as a separate segment. Comparative figures have been restated.

In total, Scandinavian Airlines accounts for more than 90% of the Group's annual revenue.

Scandinavian Airlines' income before tax and nonrecurring items was MSEK 209 (318) for the second quarter of 2012. Widerøe's income before tax and nonrecurring items was MSEK 70 (151).

### Scandinavian Airlines

(MSEK)	Apr-Jun 2012	Apr-Jun 2011	Jan-Jun 2012	Jan-Jun 2011
Passenger revenue	7,930	7,846	14,254	13,922
Other revenue	2,584	2,590	5,028	5,069
Revenue	10,514	10,436	19,282	18,990
EBITDAR	1,133	2,278	1,025	2,628
EBIT before nonrecurring items	367	449	-424	82
EBIT margin before nonrecurring items	3.5%	4.3%	-2.2%	0.4%
EBT before nonrecurring items	209	318	-784	-135



Scandinavian Airlines' earnings (EBIT before nonrecurring items) for the second quarter were slightly weaker compared with the year-earlier period, primarily due to significantly higher jet-fuel costs. However, traffic revenue, particularly passenger revenue, displayed a continued positive trend and was higher year-on-year, despite revenue being positively impacted in the year-earlier period by a revaluation of the EuroBonus liability in an amount of MSEK 380.

Scheduled capacity (ASK) for the quarter rose 4.6% compared with the year-earlier period. Charter capacity was reduced by approximately 10% year-on-year and capacity thus increased in total by slightly more than 3%. Traffic (RPK) for the quarter increased 6.1%. Accordingly, the load factor rose 1.1 percentage points to 77.7%.

Following revaluation adjustment of the EuroBonus liability in 2011, passenger revenue for the period increased approximately MSEK 460 year-on-year. The higher load factor and increase in capacity positively impacted revenue, while continued pressure on yield had an adverse effect. The currency-adjusted passenger yield declined 2.7%. After currency adjustments, the total unit revenue (RASK) was 0.3% higher year-on-year, attributable to such aspects as higher load factor and higher charter revenue.

Jet-fuel costs rose MSEK 760, primarily as a result of negative currency effects and jet-fuel hedging having a clear positive effect in 2011.

The currency-adjusted unit cost deteriorated, primarily as a result of higher fuel prices and was 2.2% higher than in the corresponding quarter in 2011. Excluding fuel, the unit cost for the same period declined 4.0%. Of the 4.0% improvement, operations in Scandinavian Airlines, primarily through lower payroll expenses, accounted for about 50%. Otherwise, the production company Blue1 made a significant contribution to a decreased unit cost, while the trend in Government user fees had a negative effect.

Customer satisfaction for Scandinavian Airlines has remained stable at a healthy level for a longer period and at the end of the second quarter was 73. The high level of punctuality is appreciated by passengers and boosts customer satisfaction.

*For Scandinavian Airlines' statement of income – refer to page 13*

### Widerøe

(MSEK)	Apr-Jun 2012	Apr-Jun 2011	Jan-Jun 2012	Jan-Jun 2011
Passenger revenue	755	747	1,467	1,383
Other revenue	255	235	503	467
Revenue	1,010	981	1,969	1,850
EBITDAR	153	218	289	348
EBIT before nonrecurring items	68	153	131	220
EBIT margin before nonrecurring items	6.7%	15.6%	6.7%	11.9%
EBT before nonrecurring items	70	151	133	213



EBT was MSEK 70 in the second quarter 2012. The lower EBT level in the second quarter compared with the preceding year was primarily attributable to higher fuel costs, increased competition on the company's commercial routes and losses arising from strikes by security personnel at Norwegian airports in June. The trend remains positive in Widerøe's markets. In the second quarter, passenger numbers rose 7.2% and the load factor was 59.8% in the second quarter – a decrease of 2.3% year-on-year.

## Risks and uncertainties

The SAS Group works strategically to refine and improve its risk management. Risk management includes identifying both new risks and known risks, such as changes in oil prices or exchange rates. The Group monitors the comprehensive risks centrally, while portions of risk management are conducted in the operations and include identification, action plans and policies. For further information about risk management in the SAS Group, refer to the most recently published annual report.

### Currency and jet-fuel hedging

The SAS Group hedged 58% of its anticipated fuel consumption for July 2012 until June 2013. Lower prices for jet fuel at the end of June meant that the market value of the hedges at June 30, 2012 was marginally negative. Hedging is performed using call options and swaps, with most of the hedging in the form of call options. This strategy allows the SAS Group to take advantage of the lower price of jet fuel, while the hedging ensures that exposure to higher prices is limited. Under current plans for available capacity, the cost of jet fuel in 2012 is expected to be in line with the table below, taking into account different prices and USD rates. The SAS Group's financial policy is to handle changes in jet-fuel costs primarily through the hedging of jet fuel, price adjustments and yield management. The policy for jet-fuel hedging states that this can be conducted up to 18 months ahead and that the interval for the 12-month hedging level is 40-80% of anticipated volumes.

For foreign currency, the policy is to hedge 40-80%. In June 2012, the SAS Group had hedged 50% of its anticipated USD deficit for the next 12 months. A specification of hedging on a quarterly basis is provided below. The SAS Group has hedged its USD deficit using a combination of forward contracts and options. Other currencies have been hedged at a rate of 40-80% in accordance with the financial policy.

#### Currency hedging

	Q3 2012	Q4 2012	Q1 2013	Q2 2013
Hedging of USD (coverage)	73%	41%	43%	34%

#### Hedging of jet fuel

	Q3 2012	Q4 2012	Q1 2013	Q2 2013
Hedging of jet fuel	67%	61%	54%	50%

#### Vulnerability matrix, jet-fuel cost 2012, SEK billion

Market price	Exchange rate SEK/USD			
	5,00	6,00	7,00	8,00
600 USD per ton	7.4	7.9	8.4	8.9
800 USD per ton	7.8	8.4	9.0	9.6
1,000 USD per ton	8.2	8.9	9.6	10.3
1,200 USD per ton	8.5	9.2	9.9	10.7
1,400 USD per ton	8.8	9.6	10.4	11.2

The SAS Group's current hedging contracts for jet fuel and reported jet-fuel cost at June 30, 2012 were taken into account.

### Amendment of accounting policy

In June 2011, the IASB (International Accounting Standards Board) published amendments to IAS 19 Employee Benefits. The amendments to IAS 19 have now been adopted by the EU. The amendments to the recognition of defined-benefit pension plans will be applied from fiscal years beginning on or after 1 January 2013. Among other features, the revised IAS 19 no longer permits the deferral of the recognition of certain deviations in estimates (the "corridor approach" has been removed). Instead, all deviations in estimates are to be recognized immediately in other comprehensive income. As a result of the amendments, the accumulative unrecognized deviations (unrecognized deviations from estimates and plan amendments) will be recognized in full in shareholders'

equity, which will have a significantly negative effect on the SAS Group's shareholders' equity. The Parent Company SAS AB's recognized shareholders' equity will not be affected by this amendment. At December 31, 2011, the item "unrecognized deviations from estimates and plan amendments" amounted to about SEK 12 billion. The reversal of deviations from estimates and plan amendments will also involve a reversal of deferred tax liabilities related to pensions given that the temporary difference between the value for accounting and the value for tax purposes will be eliminated. The effect of the reversal of deferred tax liabilities related to pensions amounted to approximately SEK 1.3 billion, which had a positive impact on the SAS Group's shareholders' equity, involving a net effect on the SAS Group's shareholders' equity of about SEK 10.7 billion. The change in the fiscal year means that the amended IAS 19 will be applied from November 1, 2013.

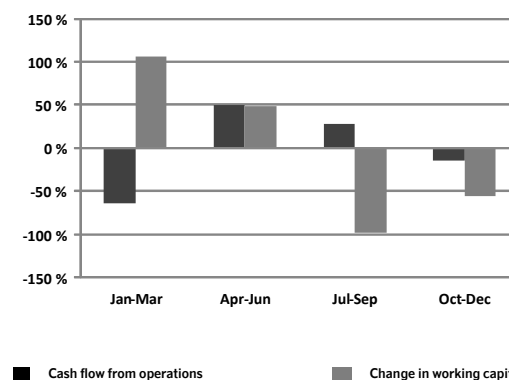
### Legal issues

As a consequence of the European Commission's decision in the cargo investigation in November 2010, SAS and other airlines fined by the Commission are involved in various civil lawsuits in Europe (the UK, the Netherlands and Norway). SAS, which appealed the European Commission's decision, contests its responsibility in all of these legal processes. Further lawsuits by cargo customers cannot be ruled out and no provisions have been made.

In April 2010, 33 SAS pilots jointly submitted an application for a summons against SAS at the Stockholm City Court. In the application, the claimants seek to have certain terms of employment rendered invalid and adjusted, and also seek a declaratory claim for damages. The claimants are former employees of Swedish airline Linjeflyg, who were employed by SAS in conjunction with its acquisition of Linjeflyg in 1993. The claimants allege that the terms of employment are discriminatory and are in breach of EU law on free movement of labor. SAS, which disputes the claim in its entirety, considers the risk of a negative outcome to be limited and no provisions have been made.

### Seasonal effects

Demand in SAS's markets is seasonally low in December-February, relatively high in September-November and highest in April-June. This is due to variations in demand in the business market. Demand may deviate from the normal seasonal pattern and develop in different ways in the Group's markets. SAS has gradually developed sophisticated methods for dynamically adapting capacity to demand on a monthly and weekly basis, such as in conjunction with major holidays.



The diagram shows the proportional profile of the cash flow for 2008-Q2 2012.

## Change of fiscal year

At the Annual General Meeting for SAS on April 19, a resolution was passed to change the SAS Group's fiscal year to comprise the period November 1 – October 31 instead of the calendar year, and that the current fiscal year be shortened to comprise the period January 1, 2012 – October 31, 2012. The aim with changing the fiscal year is to bring the fiscal year in line with SAS's operations which are conducted in two distinct periods, winter and summer. The change of the fiscal year for the SAS Group has been approved by the Swedish Tax Agency.

## Full-year 2012

We anticipate passenger growth of 5-7% in the market in 2012. The SAS Group's available capacity (ASK) is expected to grow in pace with the market, namely about 4-5%. The objective for 2012 is also to maintain a top position in terms of punctuality in Europe, while continuing to improve the customer satisfaction rate. We forecast and are planning for continuous pressure on yield and RASK throughout the entire year. Due to the weaker economic trend, measures in 4Excellence were accelerated at the beginning of the year. Improvements corresponding to SEK 5 billion will be implemented during 2012-2013. During the second quarter, approximately one third of the program was implemented. The measures in 4Excellence are now generating results and the effects are expected to increase from the second half of 2012. In combination, the uncertain economic trend, jet-fuel prices, exchange rates and intense competitive pressure entail that SAS is not presenting a profitability forecast for the full-year 2012.



# SAS Group

## Statement of income including statement of other comprehensive income

(MSEK)	Apr-Jun 2012	Apr-Jun 2011	Jan-Jun 2012	Jan-Jun 2011	Jul-Jun 2011-2012	Jul-Jun 2010-2011
Revenue	11,392	11,319	20,983	20,632	41,763	42,061
Payroll expenses <sup>1</sup>	-3,323	-3,349	-6,726	-6,661	-13,157	-13,327
Other operating expenses <sup>2</sup>	-6,870	-5,552	-13,099	-11,142	-25,698	-24,570
Leasing costs for aircraft <sup>3</sup>	-413	-373	-780	-764	-1,576	-1,630
Depreciation and impairment <sup>4</sup>	-434	-1,153	-855	-1,567	-1,701	-2,608
Share of income of affiliated companies	17	2	3	-7	38	31
Income from sale of shares in subsidiaries and affiliated companies	336	0	336	0	336	-47
Income from sale of aircraft and buildings	-73	17	-97	12	-97	-234
<b>Operating income</b>	<b>632</b>	<b>911</b>	<b>-235</b>	<b>503</b>	<b>-92</b>	<b>-324</b>
Income from other securities holdings	0	5	0	8	-1,477	-255
Financial revenue	32	56	81	113	192	211
Financial expenses	-293	-242	-607	-452	-1,185	-950
<b>Income before tax</b>	<b>371</b>	<b>730</b>	<b>-761</b>	<b>172</b>	<b>-2,562</b>	<b>-1,318</b>
Tax	-51	-179	352	6	288	492
<b>Net income before tax</b>	<b>320</b>	<b>551</b>	<b>-409</b>	<b>178</b>	<b>-2,274</b>	<b>-826</b>
Other comprehensive income:						
Exchange-rate differences in translation of foreign operations	16	211	16	179	-36	71
Cash-flow hedges – hedging reserve	14	-1 128	-280	-475	-409	595
Tax attributable to components relating to other comprehensive income	-3	296	74	125	108	-156
<b>Total other comprehensive income for the year, net after tax</b>	<b>27</b>	<b>-621</b>	<b>-190</b>	<b>-171</b>	<b>-337</b>	<b>510</b>
<b>Total comprehensive income</b>	<b>347</b>	<b>-70</b>	<b>-599</b>	<b>7</b>	<b>-2,611</b>	<b>-316</b>
Net income for the period attributable to:						
Parent Company shareholders	320	551	-409	178	-2,274	-826
Total comprehensive income attributable to:						
Parent Company shareholders	347	-70	-599	7	-2,611	-316
Earnings per share (SEK) <sup>5</sup>	0.97	1.67	-1.24	0.54	-6.91	-2.51
Income per share after dilution (SEK)	0.94	1.58	-1.24	0.54	-6.91	-2.51

<sup>1</sup> Includes restructuring costs of MSEK 16 (29) during the period April-June, MSEK 45 (73) during the period January – June and MSEK 130 (316) during the period July – June.

<sup>2</sup> Includes restructuring costs of MSEK 5 (4) during the period April – June, MSEK 15 (4) during the period January – June and MSEK 192 (144) during the period July – June.

<sup>3</sup> Includes restructuring costs of MSEK – (4) during the period April – June, MSEK – (4) during the period January – June and MSEK 14 (1) during the period July – June.

<sup>4</sup> Includes restructuring costs of MSEK – (–) during the period April – June, MSEK – (–) during the period January – June and MSEK – (200) during the period July – June.

<sup>5</sup> Earnings per share is based on 329,000,000 (329,000,000) shares outstanding.

The SAS Group has no option or share program. The convertible bond totaling MSEK 1,600 comprising 34,408,602 shares entails dilution effect only in the period April – June. In other periods, the interest on the ordinary share that may be received in connection with conversion exceeds earnings per share before the dilution effect.

## EBITDAR before nonrecurring items

(MSEK)	Apr-Jun 2012	Apr-Jun 2011	Jan-Jun 2012	Jan-Jun 2011	Jul-Jun 2011-2012	Jul-Jun 2010-2011
Revenue	11,392	11,319	20,983	20,632	41,763	42,061
Payroll expenses	-3,323	-3,349	-6,726	-6,661	-13,157	-13,327
Other operating expenses	-6,870	-5,552	-13,099	-11,142	-25,698	-24,570
<b>EBITDAR</b>	<b>1,199</b>	<b>2,418</b>	<b>1,158</b>	<b>2,829</b>	<b>2,908</b>	<b>4,164</b>
Restructuring costs	21	33	60	77	322	460
Other nonrecurring items	8	-1,109	28	-1,109	308	-118
<b>EBITDAR before nonrecurring items</b>	<b>1,228</b>	<b>1,342</b>	<b>1,246</b>	<b>1,797</b>	<b>3,538</b>	<b>4,506</b>

## Income before tax and nonrecurring items

(MSEK)	Apr-Jun 2012	Apr-Jun 2011	Jan-Jun 2012	Jan-Jun 2011	Jul-Jun 2011-2012	Jul-Jun 2010-2011
Income before tax	371	730	-761	172	-2,562	-1,318
Impairment losses <sup>1</sup>	0	725	0	725	1,482	954
Restructuring costs	21	37	60	81	336	661
Capital gains/losses	-263	-17	-239	-12	-239	321
Other nonrecurring items <sup>2</sup>	8	-1 109	28	-1 109	308	-118
<b>Income before tax and nonrecurring items</b>	<b>137</b>	<b>366</b>	<b>-912</b>	<b>-143</b>	<b>-675</b>	<b>500</b>

1 Pertains to an impairment regarding the share capital in Spanair of MSEK -229 for the third quarter 2010, impairment of aircraft in an amount of MSEK -725 for the second quarter 2011 and impairment of receivables to Spanair of MSEK -1 482 for the fourth quarter 2011.

2 Includes a fine from the European Commission of MSEK -660, compensation ordered to Norwegian of MSEK -218 and settlement for SAS Cargo in the USA of MSEK -104 for the third quarter 2010, decision by the Supreme Court of Norway of MSEK -9 in the fourth quarter 2010, dissolution of USD hedges for aircraft of MSEK 729, revaluation of the EuroBonus liability of MSEK 380 in the second quarter of 2011, legal settlement within Cargo of MSEK -31 and provision pertaining to Spanair of MSEK -249 in the fourth quarter 2011, legal settlement within Cargo of MSEK 20 in the first quarter 2012 and a legal settlement within Cargo of MSEK -8 in the second quarter 2012.

## Condensed balance sheet

(MSEK)	June 30, 2012	Dec 31, 2011	June 30, 2011	June 30, 2010
Intangible assets	1,883	1,693	1,574	1,328
Tangible fixed assets	13,788	14,144	14,134	15,629
Financial fixed assets	14,770	14,046	14,648	14,822
<b>Total fixed assets</b>	<b>30,441</b>	<b>29,883</b>	<b>30,356</b>	<b>31,779</b>
Other current assets	685	705	648	636
Current receivables	4,877	4,789	5,584	6,580
Cash and cash equivalents	3,186	3,808	5,648	7,151
Assets held for sale	-	-	449	434
<b>Total current assets</b>	<b>8,748</b>	<b>9,302</b>	<b>12,329</b>	<b>14,801</b>
<b>Total assets</b>	<b>39,189</b>	<b>39,185</b>	<b>42,685</b>	<b>46,580</b>
Shareholders' equity <sup>1</sup>	11,834	12,433	14,445	14,632
Long-term liabilities	12,428	13,889	13,823	16,087
Current liabilities	14,927	12,863	14,288	15,729
Liabilities attributable to assets held for sale	-	-	129	132
<b>Total shareholders' equity and liabilities</b>	<b>39,189</b>	<b>39,185</b>	<b>42,685</b>	<b>46,580</b>
Shareholders' equity per share <sup>2</sup>	35.97	37.79	43.91	44.47
Interest-bearing assets	17,132	17,676	20,246	21,715
Interest-bearing liabilities	11,757	13,338	12,882	14,004

1 Including non-controlling interests.

2 Calculated on 329,000,000 shares outstanding.  
The SAS Group has not carried out any buyback programs.

During the second quarter of 2012, assets valued at approximately SEK 2.7 billion were pledged and on June 30, the value totaled SEK 6.3 billion.

## Specification of financial net debt, June 30, 2012

	According to balance sheet	Of which, financial net debt
Financial fixed assets	14,770	877
Current receivables	4,877	1,249
Cash and cash equivalents	3,186	3,186
Long-term liabilities	12,428	8,954
Current liabilities	14,927	2,803
<b>Financial net debt</b>		<b>6,445</b>

## Condensed changes in shareholders' equity

(MSEK)	Share capital <sup>1</sup>	Other contributed capital <sup>2</sup>	Hedge reserve	Translation reserve	Retained earnings <sup>3</sup>	Total shareholders' equity attributable to Parent Company shareholders	Total equity
Opening shareholders' equity in accordance with approved balance sheet, January 1, 2011	6,612	337	696	-69	6,862	14,438	14,438
Comprehensive income			-350	179	178	7	7
Closing balance, June 30, 2011	6,612	337	346	110	7,040	14,445	14,445
Comprehensive income			-95	-52	-1,865	-2,012	-2,012
Closing balance, December 31, 2011	6,612	337	251	58	5,175	12,433	12,433
Comprehensive income			-206	16	-409	-599	-599
<b>Closing balance, June 30, 2012</b>	<b>6,612</b>	<b>337</b>	<b>45</b>	<b>74</b>	<b>4,766</b>	<b>11,834</b>	<b>11,834</b>

1 Number of shares in SAS AB: 329,000,000, with a quota value of 20.1.

2 The amount comprises share premium reserves and the equity share of convertible loans.

3 No dividends were paid in 2010 and 2011.

## Financial key ratios

	June 30, 2012	Dec 31, 2011	June 30, 2011	June 30, 2010
CFROI, 12-month rolling	10%	17%	15%	3%
Financial preparedness (target >20% of annual revenue)	20%	21%	27%	31%
Equity/assets ratio	30%	32%	34%	31%
Adjusted equity/assets ratio (target >35%)	24%	26%	28%	26%
Financial net debt, MSEK	6,445	7,017	3,395	2,642
Debt/equity ratio	0.54	0.56	0.24	0.18
Adjusted debt/equity ratio (target <1.00)	1.40	1.33	0.89	0.90
Interest ratio	-1.2	-0.6	-0.4	-2.5

## Condensed cash-flow statement

(MSEK)	April-June		January-June		July-June	
	2012	2011	2012	2011	2011-2012	2010-2011
Income before tax	371	730	-761	172	-2,562	-1,318
Depreciation and impairment	434	1,153	855	1,567	1,701	2,608
Income from sale of aircraft, buildings and shares	-263	-17	-239	-12	-239	321
Adjustment for items not included in cash flow, etc.	69	-718	103	-1,613	1,677	-688
Tax paid	-1	0	-1	-1	1	-1
<b>Cash flow from operations before change in working capital</b>	<b>610</b>	<b>1,148</b>	<b>-43</b>	<b>113</b>	<b>578</b>	<b>922</b>
Change in working capital	66	-417	1,934	51	667	-1,446
<b>Cash flow from operating activities</b>	<b>676</b>	<b>731</b>	<b>1,891</b>	<b>164</b>	<b>1,245</b>	<b>-524</b>
Investments including advance payments to aircraft manufacturers	-407	-675	-819	-1,004	-1,856	-1,861
Acquisition of subsidiaries	-1,322	0	-1,322	0	-1,322	0
Sales of subsidiaries	1,763	0	1,763	0	1,763	3
Sales of fixed assets, etc.	87	191	71	412	176	620
<b>Cash flow before financing activities</b>	<b>797</b>	<b>247</b>	<b>1,584</b>	<b>-428</b>	<b>6</b>	<b>-1,762</b>
Rights issue including issue costs	0	0	0	0	0	-52
External financing, net	-1,271	-1,280	-2,206	1,034	-2,477	279
<b>Cash flow for the period</b>	<b>-474</b>	<b>-1,033</b>	<b>-622</b>	<b>606</b>	<b>-2,471</b>	<b>-1,535</b>
Translation difference in cash and cash equivalents	0	2	0	1	-1	-7
Cash and cash equivalents transferred from/to assets held for sale	0	40	0	-2	10	39
<b>Change in cash and cash equivalents according to the balance sheet</b>	<b>-474</b>	<b>-991</b>	<b>-622</b>	<b>605</b>	<b>-2,462</b>	<b>-1,503</b>

## SAS Group's investments

(MSEK)	April-June		January-June		July-June	
	2012	2011	2012	2011	2011-2012	2010-2011
Scandinavian Airlines	305	566	631	828	1,546	1,567
Other operations and eliminations	102	109	188	176	310	294
<b>SAS Group</b>	<b>407</b>	<b>675</b>	<b>819</b>	<b>1,004</b>	<b>1,856</b>	<b>1,861</b>

## Parent Company SAS AB

Income before tax for the period amounted to MSEK-101 (-69).

Available liquidity for SAS AB at June 30, 2012 amounted to MSEK 0 compared with MSEK 0 at the beginning of the year.

The number of shareholders in SAS AB amounted to 65,681 at June 30, 2012. The average number of employees in SAS AB amounted to 45 (43).

## Condensed statement of income

(MSEK)	January-June	
	2012	2011
Revenue	8	8
Payroll expenses	-61	-63
Other operating expenses	-43	-34
<b>Operating income before depreciation</b>	<b>-96</b>	<b>-89</b>
Depreciation	0	0
<b>Operating income</b>	<b>-96</b>	<b>-89</b>
Income from other Group companies	28	-
Income from other securities holdings	-	28
Net financial items	-33	12
<b>Income before tax</b>	<b>-101</b>	<b>-69</b>
Tax	34	44
<b>Net income for the period</b>	<b>-67</b>	<b>-25</b>
Net income for the period attributable to: Parent Company shareholders	-67	-25

Net income for the period also corresponds to total comprehensive income.

## Condensed balance sheet

(MSEK)	June 30, 2012	Dec 31, 2011	June 30, 2011
Financial fixed assets	6,919	6,899	7,702
Other current assets	6,963	8,364	9,730
Cash and cash equivalents	0	0	0
<b>Total assets</b>	<b>13,882</b>	<b>15,263</b>	<b>17,432</b>
Shareholders' equity	10,684	10,751	13,231
Long-term liabilities	2,941	4,264	4,041
Current liabilities	257	248	160
<b>Total shareholders' equity and liabilities</b>	<b>13,882</b>	<b>15,263</b>	<b>17,432</b>

During the second quarter of 2012, assets valued at approximately SEK 1.4 billion were pledged.

## Change in shareholders' equity

(MSEK)	Share capital	Restricted reserves	Unrestricted equity	Total equity
Opening balance, Jan 1, 2012	6,612	473	3,666	10,751
Net income for the period			-67	-67
Shareholders' equity, June 30, 2012	6,612	473	3,599	10,684

## Notes

### Note 1 - Accounting policies and financial statements

The interim report for the SAS Group was prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The interim report for the Parent Company was prepared in accordance with the Annual Accounts Act.

A number of amendments of standards, new interpretations and new standards took effect for fiscal years beginning January 1, 2012 that are not deemed to have material relevance in the preparation of this financial report, meaning that the SAS Group continued to apply the same accounting policies as in its Annual Report for 2011.

### Note 2 – Segment information

The Group's operations are governed and reported in two business segments: Scandinavian Airlines and Widerøe. Scandinavian Airlines includes airline operations in the consortium of Scandinavian Airlines System, SAS Cargo and Blue1. Widerøe is an independent regional airline based in Norway. From the first quarter 2012, Blue1's operations are reported in the segment Scandinavian Airlines, comparative figures are translated.

Other operations include the Parent Company SAS AB (Group functions) and other non-reportable segments.

January-June	Scandinavian Airlines		Widerøe		Reconciliation				SAS Group	
	2012	2011	2012	2011	Other		Eliminations		2012	2011
(MSEK)	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
External revenue	19,042	18,787	1,940	1,845	1	0	0	0	20,983	20,632
Sales between segments	240	203	29	5	4	5	-273	-213	0	0
<b>Revenue</b>	<b>19,282</b>	<b>18,990</b>	<b>1,969</b>	<b>1,850</b>	<b>5</b>	<b>5</b>	<b>-273</b>	<b>-213</b>	<b>20,983</b>	<b>20,632</b>
Payroll expenses	-5,930	-5,948	-738	-650	-58	-63	0	0	-6,726	-6,661
Other operating expenses	-12,327	-10,414	-942	-852	-41	-46	211	170	-13,099	-11,142
<b>Operating income before depreciation and leasing costs</b>	<b>1,025</b>	<b>2,628</b>	<b>289</b>	<b>348</b>	<b>-94</b>	<b>-104</b>	<b>-62</b>	<b>-43</b>	<b>1,158</b>	<b>2,829</b>
Leasing costs for aircraft	-762	-747	-80	-60	0	0	62	43	-780	-764
Depreciation and impairment	-777	-1,498	-77	-68	-1	-1	0	0	-855	-1,567
Share of income of affiliated companies	2	2	0	0	1	-9	0	0	3	-7
Capital gains/losses	-107	11	10	1	336	0	0	0	239	12
<b>Operating income</b>	<b>-619</b>	<b>396</b>	<b>142</b>	<b>221</b>	<b>242</b>	<b>-114</b>	<b>0</b>	<b>0</b>	<b>-235</b>	<b>503</b>
Unallocated income items:										
Income from other securities holdings									0	8
Net financial items									-526	-339
Tax									352	6
<b>Net income for the period</b>									<b>-409</b>	<b>178</b>
<b>Income before nonrecurring items</b>	<b>-784</b>	<b>-135</b>	<b>133</b>	<b>213</b>	<b>-261</b>	<b>-221</b>	<b>0</b>	<b>0</b>	<b>-912</b>	<b>-143</b>

### Statement of income Scandinavian Airlines

(MSEK)	Apr-Jun 2012	Apr-Jun 2011	Jan-Jun 2012	Jan-Jun 2011
Passenger revenue	7,930	7,846	14,254	13,922
Charter revenue	469	471	848	805
Other traffic revenue	965	864	1,833	1,676
Other revenue	1,150	1,255	2,347	2,588
<b>Revenue</b>	<b>10,514</b>	<b>10,436</b>	<b>19,282</b>	<b>18,990</b>
Payroll expenses	-2,901	-2,973	-5,930	-5,948
Selling costs	-549	-554	-1,071	-1,136
Jet fuel	-2,673	-1,913	-4,646	-3,575
Government user fees	-1,035	-966	-1,949	-1,844
Catering costs	-231	-211	-419	-387
Handling costs	-394	-408	-780	-816
Technical aircraft maintenance	-522	-557	-1,109	-1,091
Computer and telecommunications costs	-261	-261	-522	-474
Other operating expenses	-815	-315	-1,831	-1,092
<b>Operating expenses</b>	<b>-9,380</b>	<b>-8,157</b>	<b>-18,257</b>	<b>-16,363</b>
Income before depreciation and leasing costs, EBITDAR	1,133	2,278	1,025	2,628
Leasing costs, aircraft	-403	-365	-762	-747
<b>Income before depreciation, EBITDA</b>	<b>731</b>	<b>1,913</b>	<b>263</b>	<b>1,881</b>
Depreciation	-394	-1,118	-777	-1,498
Share of income of affiliated companies	2	1	2	2
Capital gains/losses	-83	17	-107	11
<b>Operating income, EBIT</b>	<b>255</b>	<b>813</b>	<b>-619</b>	<b>396</b>
EBIT before nonrecurring items	367	449	-424	82
EBT before nonrecurring items	209	318	-784	-135

### Note 3 – Quarterly breakdown

#### Statement of income

(MSEK)	2010			2011			2012				
	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Dec	Jan-Mar	Apr-Jun
Revenue	10 065	10,776	10,653	41,070	9,313	11,319	10,616	10,164	41,412	9,591	11,392
Payroll expenses	-3,576	-3,292	-3,374	-13,894	-3,312	-3,349	-3,213	-3,218	-13,092	-3,403	-3,323
Other operating expenses	-5,922	-7,131	-6,297	-25,115	-5,590	-5,552	-6,135	-6,464	-23,741	-6,229	-6,870
Leasing costs, aircraft	-487	-435	-431	-1,815	-391	-373	-388	-408	-1,560	-367	-413
Depreciation and impairment	-431	-429	-612	-1,885	-414	-1,153	-434	-412	-2,413	-421	-434
Share of income of affiliated companies	4	37	1	12	-9	2	30	5	28	-14	17
Income from sale of shares in subsidiaries and affiliated companies	-25	-14	-33	-73	0	0	0	0	0	0	336
Income from sale of aircraft and buildings	26	0	-246	-239	-5	17	24	-24	12	-24	-73
<b>Operating income</b>	<b>-346</b>	<b>-488</b>	<b>-339</b>	<b>-1,939</b>	<b>-408</b>	<b>911</b>	<b>500</b>	<b>-357</b>	<b>646</b>	<b>-867</b>	<b>632</b>
Income from other securities holdings	0	-269	6	-263	3	5	0	-1,477	-1,469	0	0
Financial revenue	38	36	62	174	57	56	49	62	224	49	32
Financial expenses	-292	-306	-192	-1,041	-210	-242	-273	-305	-1,030	-314	-293
<b>Income before tax</b>	<b>-600</b>	<b>-1 027</b>	<b>-463</b>	<b>-3,069</b>	<b>-558</b>	<b>730</b>	<b>276</b>	<b>-2,077</b>	<b>-1,629</b>	<b>-1,132</b>	<b>371</b>
Tax	98	-24	510	851	185	-179	-62	-2	-58	403	-51
<b>Net income for the period</b>	<b>-502</b>	<b>-1,051</b>	<b>47</b>	<b>-2,218</b>	<b>-373</b>	<b>551</b>	<b>214</b>	<b>-2,079</b>	<b>-1,687</b>	<b>-729</b>	<b>320</b>
Attributable to:											
Parent Company shareholders	-502	-1,051	47	-2,218	-373	551	214	-2,079	-1,687	-729	320

#### Earnings-related key ratios

(MSEK)	Jan-Mar		Apr-Jun		Jul-Sep		Oct-Dec		Jul-Jun	
	2012	2011	2012	2011	2011	2010	2011	2010	2011-12	2010-11
Revenue	9,591	9,313	11,392	11,319	10,616	10,776	10,164	10,653	41,763	42,061
EBITDAR	-41	411	1,199	2,418	1,268	353	482	982	2,908	4,164
EBITDAR margin	-0.4%	4.4%	10.5%	21.4%	11.9%	3.3%	4.7%	9.2%	7.0%	9.9%
EBIT	-867	-408	632	911	500	-488	-357	-339	-92	-324
EBIT margin	-9.0%	-4.4%	5.5%	8.0%	4.7%	-4.5%	-3.5%	-3.2%	-0.2%	-0.8%
Income before nonrecurring items	-1,049	-509	137	366	298	384	-61	259	-675	500
Income before tax	-1,132	-558	371	730	276	-1,027	-2,077	-463	-2,562	-1,318
Net income for the period	-729	-373	320	551	214	-1,051	-2,079	47	-2,274	-826
Earnings per share (SEK)	-2.22	-1.13	0.97	1.67	0.65	-3.19	-6.32	0.14	-6.91	-2.51
Cash flow before financing activities	787	-675	797	247	-67	-659	-1,511	-675	6	-1,762

#### Note 4 - SAS Group's average number of employees

(FTE)	Apr-Jun		Jan-Jun	
	2012	2011	2012	2011
Scandinavian Airlines	13,678	14,005	13,617	13,869
Widerøe	1,263	1,214	1,248	1,206
Other operations	44	45	45	43
<b>SAS Group</b>	<b>14,985</b>	<b>15,264</b>	<b>14,910</b>	<b>15,118</b>

The Board of Directors and President hereby assure that this interim report provides a true and fair overview of the performance of the Parent Company's and the Group's operations, financial position and earnings, and describes the significant risks and uncertainty factors to which the Parent Company and the companies included in the Group are exposed.

Fritz H. Schur  
*Chairman of the Board*

Stockholm, August 8, 2012  
Jacob Wallenberg  
*First Vice Chairman*

Dag Mejdell  
*Second Vice Chairman*

Monica Caneman  
*Board Member*

Jens Erik Christensen  
*Board Member*

Timo Peltola  
*Board Member*

Gry Mølleskog  
*Board Member*

Ulla Grøntvedt  
*Board Member*

Elisabeth Goffeng  
*Board Member*

Anna-Lena Gustafsson  
*Board Member*

Rickard Gustafson  
*President and CEO*

This interim report is unaudited.

## Traffic data information

### SAS Group's scheduled passenger traffic

	Apr-Jun			Jan-Jun		
	2012	2011	Change	2012	2011	Change
Number of passengers (000)	7,625	7,397	3.1%	14,041	13,490	4.1%
RPK, Revenue Passenger Kilometers (mill)	7,936	7,494	5.9%	13,879	13,149	5.6%
ASK, Available Seat Kilometers (mill)	10,300	9,848	4.6%	19,001	18,376	3.4%
Load factor	77.0%	76.1%	+1.0 p.p.	73.0%	71.6%	+1.5 p.p.

### SAS Group's quarterly scheduled passenger traffic

	Jan-Mar		Apr-Jun		Jul-Sep		Oct-Dec		Jul-Jun	
	2012	2011	2012	2011	2011	2010	2011	2010	2011-2012	2010-2011
Number of passengers (000)	6,416	6,093	7,625	7,397	6,928	6,655	6,788	6,557	27,757	26,702
RPK, Revenue Passenger Kilometers (mill)	5,943	5,655	7,936	7,494	7,579	7,239	6,446	6,389	27,905	26,777
ASK, Available Seat Kilometers (mill)	8,701	8,528	10,300	9,848	9,609	9,180	9,019	8,761	37,629	36,316
Load factor	68.3%	66.3%	77.0%	76.1%	78.9%	78.9%	71.5%	72.9%	74.2%	73.7%

### SAS Group's charter traffic

	Apr-Jun			Jan-Jun		
	2012	2011	Change	2012	2011	Change
Number of passengers (000)	273	299	-8.6%	507	517	-2.0%
RPK, Revenue Passenger Kilometers (mill)	744	833	-10.7%	1,495	1,533	-2.5%
ASK, Available Seat Kilometers (mill)	886	988	-10.3%	1,727	1,778	-2.9%
Load factor	84.0%	84.4%	-0.4 p.p.	86.5%	86.2%	+0.3 p.p.

### SAS Group's traffic trend by route sector

	April-June 2012 vs. April-June 2011		January-June 2012 vs. January-June 2011	
	(RPK)	(ASK)	(RPK)	(ASK)
Intercontinental	14.8%	11.2%	11.7%	9.6%
Europe/Intra-Scandinavia	1.9%	1.9%	1.9%	-0.5%
Domestic	2.0%	2.3%	4.6%	4.1%

### Traffic trend for European airlines<sup>1</sup>

	January-June 2012	
	(RPK)	(ASK)
Europe (excluding domestic)	5.6%	2.3%
North America	4.3%	0.8%
Asia	7.4%	4.8%
Total	5.9%	2.9%

<sup>1</sup> AEA (Association of European Airlines)



## Scandinavian Airlines scheduled passenger traffic, yield, RASK and unit cost \*

	Apr-Jun	Change	Jan-Jun	Change
	2012		2012	
Number of passengers (000)	6,921	+2.7%	12,704	+3.8%
RPK, Revenue Passenger Kilometers (mill)	7,724	+6.1%	13,482	+5.7%
ASK, Available Seat Kilometers (mill)	9,945	+4.6%	18,306	+3.4%
Load factor	77.7%	+1.1 p.p.	73.6%	+1.6 p.p.
Yield (currency-adjusted)	1.03	-2.7%	1.06	-2.5%
RASK, incl. charter (currency-adjusted)	0.86	+0.3%	0.85	+0.9%
Total unit cost, incl. charter (currency-adjusted)	0.84	+2.2% <sup>1</sup>	0.87	+3.1% <sup>2</sup>

1 Excluding jet-fuel costs, the unit cost declined by 4.0% compared with the year-earlier period.

2 Excluding jet-fuel costs, the unit cost declined by 1.4% compared with the year-earlier period.

\* Key figures also include Blue1

## Scandinavian Airlines' destinations and frequencies

	Apr-Jun		Change	Jan-Jun		Change
	2012	2011		2012	2011	
Number of destinations	92	88	4.5%	92	93	-1.1%
Number of daily flights	728	709	2.7%	704	691	2.0%
Number of daily flights/destinations	7.9	8.1	-1.8%	7.7	7.4	3.1%

## Widerøe's scheduled traffic, yield and unit cost

	Apr-Jun	Change	Jan-Jun	Change
	2012		2012	
Number of passengers (000)	704	+7.2%	1,336	+7.2%
RPK, Revenue Passenger Kilometers (mill)	212	-0.4%	397	+1.1%
ASK, Available Seat Kilometers (mill)	355	+3.5%	695	+4.7%
Load factor	59.8%	-2.3 p.p.	57.1%	-2.0 p.p.
Yield (NOK)	3.02	-1.5%	3.15	+2.2%
RASK, incl. charter (NOK)	1.91	-4.0%	1.90	-0.4%
Total unit cost, incl. charter (NOK)	1.75	+9.5%	1.74	+7.6%

## Detailed unit cost analysis – Scandinavian Airlines

Adjusted for currency, volume and nonrecurring items (MSEK)	Jan-Jun 2012	Jan-Jun 2011 adjusted for currency and capacity	Change %	Share of adjusted total change %
Payroll expenses	5,885	6,092	-3.4%	-1.2%
Jet fuel	4,646	3,941	17.9%	4.2%
Government user fees	1,949	1,919	1.6%	0.2%
Selling costs	1,071	1,201	-10.8%	-0.8%
Handling costs	780	852	-8.4%	-0.4%
Technical aircraft maintenance	1,109	1,146	-3.2%	-0.2%
Other operating expenses (net)	365	66	-	1.8%
Operating expenses	15,806	15,218	3.9%	3.5%
Leasing costs for aircraft	762	812	-6.1%	-0.3%
Depreciation	777	793	-2.1%	-0.1%
Net expense	17,345	16,823	3.1%	3.1%
<b>Unit cost</b>	<b>0.87</b>	<b>0.84</b>	<b>3.1%</b>	

## Aircraft fleet

SAS Group's aircraft fleet, June 30, 2012 \*

	Age	Owned	Leased	Total	In service	Leased out	Order
Airbus A330/A340	10.1	5	6	11	11	0	
Airbus A319/A320/A321	8.5	4	10	14	12	0	30
Boeing 737 Classic	19.1	0	10	10	10	0	
Boeing 737 NG	11.0	23	48	71	71	0	
Boeing 717	11.8	0	9	9	9	0	
McDonnell Douglas MD-80 series	22.7	24	10	34	26	0	
McDonnell Douglas MD-90 series	0.0	8	0	8	0	8	
Avro RJ-85	0.0	0	5	5	0	0	
deHavilland Q series	14.3	34	10	44	36	0	
Bombardier CRJ900NG	3.1	12	0	12	12	0	
<b>Total</b>	<b>13.0</b>	<b>110</b>	<b>108</b>	<b>218</b>	<b>187</b>	<b>8</b>	<b>30</b>

\* In addition, the following aircraft are wet leased: four CRJ200s for SAS in Denmark, as well as two ATRs and four Saab2000s for Blue1 in Finland.

### Aircraft in service/leased out distributed by airline

	Age	Owned	Leased	Total	In service	Leased out	Order
SAS Scandinavian Airlines	12.8			157	142	8	30
Widerøe	14.3			39	36		
Blue1	11.8			14	9		
Leased aircraft				8			
<b>Total</b>	<b>13.0</b>			<b>218</b>	<b>187</b>	<b>8</b>	<b>30</b>



**Airbus A330/340-300**  
Scandinavian Airlines



**Airbus A319/A320/A321**  
Scandinavian Airlines



**Boeing 737-600/700/800**  
Scandinavian Airlines



**MD-82/87**  
Scandinavian Airlines



**Boeing 737-400/500**  
Scandinavian Airlines



**Bombardier CRJ900**  
Scandinavian Airlines



**deHavilland Q 100/300/400NG**  
Widerøe



**Boeing 717**  
Blue1

For further information on each model of aircraft, refer to [www.sasgroup.net](http://www.sasgroup.net)

## Important events

### Events after June 30, 2012

- SAS announces the opening of a new direct route to San Francisco as of April 2013, while also increasing frequencies to New York
- Star Alliance named world's Best Airline Alliance by Skytrax
- The EFTA Surveillance Authority (ESA) in Brussels announced its view that the current ban on earning EuroBonus points on Norwegian domestic flights is a breach of EEA legislation.
- SAS signs a seven-year agreement covering the delivery of components to its aircraft fleet. The agreement will come into effect on March 15, 2013.

### Second quarter 2012

- PEAB signed an agreement with SAS for travel to 19 destinations, comprising about 5,100 single journeys
- SAS is voted the Nordic region's most attractive employer in the transport sector by business students in the Nordic region
- SAS has Sweden's best schedule, according to a survey of more than 900 air travelers
- SAS opens a number of new direct routes to such destinations as Las Palmas, Lodz, Birmingham and Stavanger
- The SAS Group changes its fiscal year after obtaining permission from the Swedish Tax Agency
- The SAS Annual General Meeting was held on April 19,
  - ✓ The Meeting resolved that no dividend would be paid to shareholders for the 2011 fiscal year
  - ✓ All Board members were reelected and the Meeting also voted in accordance with the proposals in the notification of the Meeting in other matters
  - ✓ SAS decided to change the fiscal year to the period November 1 – October 31 instead of the calendar year
- SAS is voted favorite airline in the US at the EDGE Awards after counting more than 70,000 online votes
- SAS sells six properties to Swedavia for an amount of SEK 1.8 billion, with a cash-flow effect of MSEK 440 and a capital gain of MSEK 340, to be recognized during the second quarter of 2012
- SAS Credits is expanded through a new business partner: The Carlson Rezidor Group
- SAS and Apollo sign a historic partnership agreement amounting to MSEK 920
- Blue1 commences a statutory conciliation process to reorganize its operations as part of the transition to a production company for Scandinavian Airlines.

### First quarter 2012

- SAS offers direct flights between Copenhagen-Shanghai and from Stockholm to Dubrovnik, Barcelona and Malaga
- SAS named Europe's best airline, Brand of the Year 2011 and is commended for its social media campaign
- SAS introduces free tea and coffee in Economy class on all European routes and domestic flights in Sweden, Denmark and Norway
- The Board of Directors of Spanair files for bankruptcy and SAS recognizes impairments corresponding to SEK 1.7 billion for 2011
- The Norwegian Competition Authority (Konkurransetilsynet) proposes to open for EuroBonus on Norwegian domestic traffic, but only on flights between Oslo-Stavanger, Bergen and Trondheim
- The Swedish government decides to extend the agreement valued at MSEK 700 for international flights with SAS
- SAS is Europe's most punctual airline for the third year in a row, according to the independent source FlightStats
- As part of cost savings under the 4Excellence program, SAS will reduce the number of full-time employees in administration by 300.
- SAS and Singapore Airlines expand their partnership to strengthen flight connections between Scandinavia and Singapore
- Eivind Roald and Joakim Landholm are appointed new members of SAS Group Management with responsibility for Sales & Marketing and Commercial, respectively, which are two of the main focal areas of the new 4Excellence strategy.

### Fourth quarter 2011

- SAS further strengthens its long-term position in Finland through Blue1, which plans to open a significant number of routes
- SAS launches in-flight internet and GSM and now offers one of the best solutions in the market for WiFi, GSM telephony and wireless entertainment. The SAS WiFi internet service is offered to all passengers on board
- Apple in Scandinavia named SAS Crew Guide one of the best apps in 2011 in the "Travel" category
- During the Christmas-New Year period, SAS increases its capacity and deploys larger aircraft to a number of destinations
- SAS's long-haul premium economy, Economy Extra is voted on of the best in the world in a survey of 36,000 travelers
- SAS orders new, comfortable, lightweight and eco-friendly short-haul seats that, among other things, provide more leg room
- SAS signs an agreement for a loan facility for financial leasing of MSEK 500 for four existing A321 aircraft
- More than 25,000 companies have reduced their travel expenses with SAS since the SAS credits corporate program was launched in 2008
- The award-winning HBT campaign "Love is in the air", which became a social media success, was followed by an improved HBT site
- SAS signs an agreement to sell 13 MD80 aircraft and 12 spare engines to a subsidiary of Allegiant Air, LCC
- Beginning in November, SAS increases the number of departures to several domestic destinations such as Luleå, Umeå, Malmö and Gothenburg
- SAS is one of the first airlines in the world to enable payment with bonus points when making in-flight purchases

### Third quarter 2011

- SAS set a punctuality record in August, thereby becoming the world's most punctual airline for the second consecutive month
- SAS launches its new strategy 4Excellence, aimed at achieving excellence in four core areas by 2015 – Commercial Excellence, Sales Excellence, Operational Excellence and People Excellence
- New Group Management, which will be broader and hold clearly established responsibility for the strategy's four areas of excellence
- SAS secures the contract to fly Swedish government employees on all domestic routes operated by SAS. The combined value of the government domestic contracts is MSEK 340

## Financial calendar

Interim report 3, 2012 (July-September)  
 Year-end report, 2012 (10 months)  
 Annual report 2012 (10 months)

November 8, 2012  
 December 12, 2012  
 February 15, 2013

Interim report 1, 2013 (November-January)  
 Interim report 2, 2013 (February-April)  
 Interim report 3, 2013 (May-July)  
 Interim report 4, 2013 (August-October)

March 8, 2013  
 June 11, 2013  
 September 4, 2013  
 December 19, 2013

All reports are available in English and Swedish and can be ordered on the Internet: [www.sasgroup.net](http://www.sasgroup.net) or from: [investor.relations@sas.se](mailto:investor.relations@sas.se).

The SAS Group's monthly traffic data information is normally issued on the fifth business day of the following month. A complete financial calendar can be found at: [www.sasgroup.net](http://www.sasgroup.net).

For definitions, refer to the Annual Report or [www.sasgroup.net](http://www.sasgroup.net) under Investor Relations/Reports and Presentations. SAS AB's Annual General Meeting is planned to take place on March 20, 2013.

## Press/Investor Relations

Press conference/media  
 Telephone conference, investors/analysts

9.30 a.m., August 8, 2012  
 1.30 p.m., August 8, 2012

To participate in the above events, please contact Investor Relations.

Direct questions to Investor Relations SAS Group:

Vice President Sture Stølen +46 8 797 14 51, e-mail: [investor.relations@sas.se](mailto:investor.relations@sas.se).

SAS discloses this information pursuant to the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. The information was provided for publication on August 8, 2012 at 8:00 a.m.

## SAS Group's route network

