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SAS AB (publ) prices and resolves on the issue of SEK 1.6 billion guaranteed convertible bond offering due 2019

SAS AB (publ) ("SAS" or the "Company") announces today that it has successfully priced a SEK 1.6 billion offering of convertible bonds due in 2019 (the "Bonds"). The Board of Directors has pursuant to the authorization received from the annual general meeting held on 18 February 2014, resolved to issue the Bonds with disapplication of the shareholders' preferential rights.

The senior unsecured Bonds will have an annual coupon of 3.625% payable semi-annually in arrear and will be convertible into fully paid common shares of the Company (the "Shares") at an initial conversion price of SEK 24.0173 equal to a conversion premium of 25% over the volume weighted average price of the Shares on NASDAQ OMX Stockholm between launch and pricing of the offer on 25 February 2014 (the "Reference Price"). The Reference Price of the Company's Shares was set at SEK 19.2138.

The Bonds will be issued and redeemed at 100% of their principal amount and will, unless previously redeemed, converted or purchased and cancelled, mature in April 2019. SAS has the right to redeem all but not some of the Bonds at any time after approximately three years following the Issue Date at 100% of their principal amount together with accrued interest, if the value of the Shares on NASDAQ OMX Stockholm exceeds, for a specified period of time, 130% of the conversion price.

The Bonds are expected to be subscribed on behalf of investors by J.P. Morgan on or around 4 March 2014 (the "Issue Date") and settled on or around 5 March 2014 (the "Settlement Date"). The issue of the Bonds has been underwritten by J.P. Morgan, subject to customary conditions. It is intended that application will be made for the Bonds to be listed on the Open Market (*Freiverkehr*) segment of the Frankfurt Stock Exchange by no later than one month after the Issue Date. The proceeds from the issue of the Bonds together with the proceeds from the preference share offer announced on 7 February 2014 by SAS will be used to refinance certain of the Company's outstanding bonds maturing in 2015, strengthen the Company's financial condition for the continued renewal of the aircraft fleet, but also to strengthen the Company's financial preparedness and to reduce its dependence on bank financing.

The Company has agreed not to place, in line with market practice, any further ordinary shares or certain related securities or enter into certain derivative transactions relating to ordinary shares (subject to certain customary exceptions) in the market for a lock-up period of 90 days after the Issue Date.



J.P. Morgan is acting as sole bookrunner with respect to the issuance of the Bonds. Mannheimer Swartling is acting as legal advisor to SAS in connection with the convertible bond offering.

This announcement does not constitute or form part of an offer to sell or the solicitation of an offer to subscribe for any securities of SAS.

For additional information:

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SAS Group Investor Relations

SAS discloses this information pursuant to the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act and the corresponding Danish and Norwegian legislations. The information was provided for publication on 25 February 2014 at 17.15 CET.

IMPORTANT INFORMATION

This press release is not being issued into the United States of America, Canada, Australia, Japan, Italy or in any other jurisdiction in which such distribution would be prohibited by applicable law. This press release does not constitute or form part of an offer or solicitation of an offer to purchase or subscribe for securities in the United States. The Bonds and the shares referred to herein will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States, except pursuant to an applicable exemption from registration. This press release is directed only at persons who (i) are outside the United Kingdom or (ii) have professional experience in matters relating to investments who fall within Article 19(5) ("investment professionals") of The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "Order") or (iii) are persons falling, within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc") of the Order (all such persons together being referred to as "relevant persons"). This press release is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this press release relates is available only to relevant persons and will be engaged in only with relevant persons.

In addition, if and to the extent that this press release is communicated in, or the offered securities to which it relates is made in, any EEA member state that has implemented Directive 2003/71/EC (together with any applicable implementing measures in any member state, the "Prospectus Directive"), this press release and the offering described herein are only addressed to and directed at persons in that member state who are "qualified investors" within the meaning of the Prospectus Directive (or who are other persons to whom the offer may lawfully be addressed) and must not be acted on or relied on by other persons in that member state.



J.P. Morgan (the "Sole Bookrunner") is acting for the Company and no one else in connection with the offer of the Bonds and will not be responsible to any other person for providing the protections afforded to their client, or for providing advice in relation to the proposed offer of the Bonds.

The Sole Bookrunner may participate in the offering of the Bonds on a proprietary basis. Any investment decision to buy securities in the transaction must be made solely on the basis of publicly available information which has not been independently verified by the Sole Bookrunner.