



4EXCELLENCE

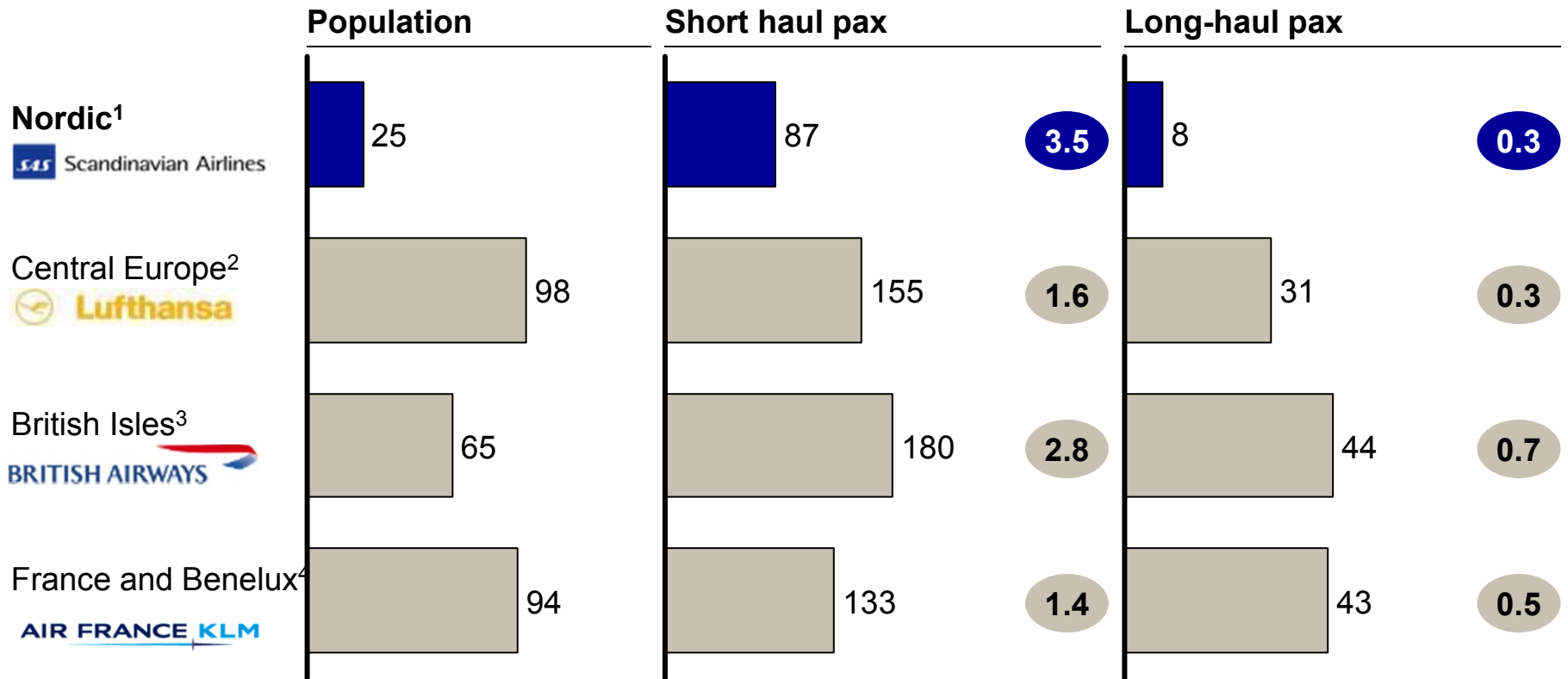
 **SAS TODAY AND
THE ROAD AHEAD**

**Rickard Gustafson, CEO SAS Group
Flyg Med Framtid
Arlanda, 24 Oktober 2011**

Customers in the Nordic region travel a great deal...

● Per capita

Millions



1 Nordic = Denmark; Finland; Norway and Sweden

2 Central Europe = Germany; Austria and Switzerland

3 British Isles = United Kingdom and Ireland

4 Benelux = Belgium; Luxembourg and the Netherlands

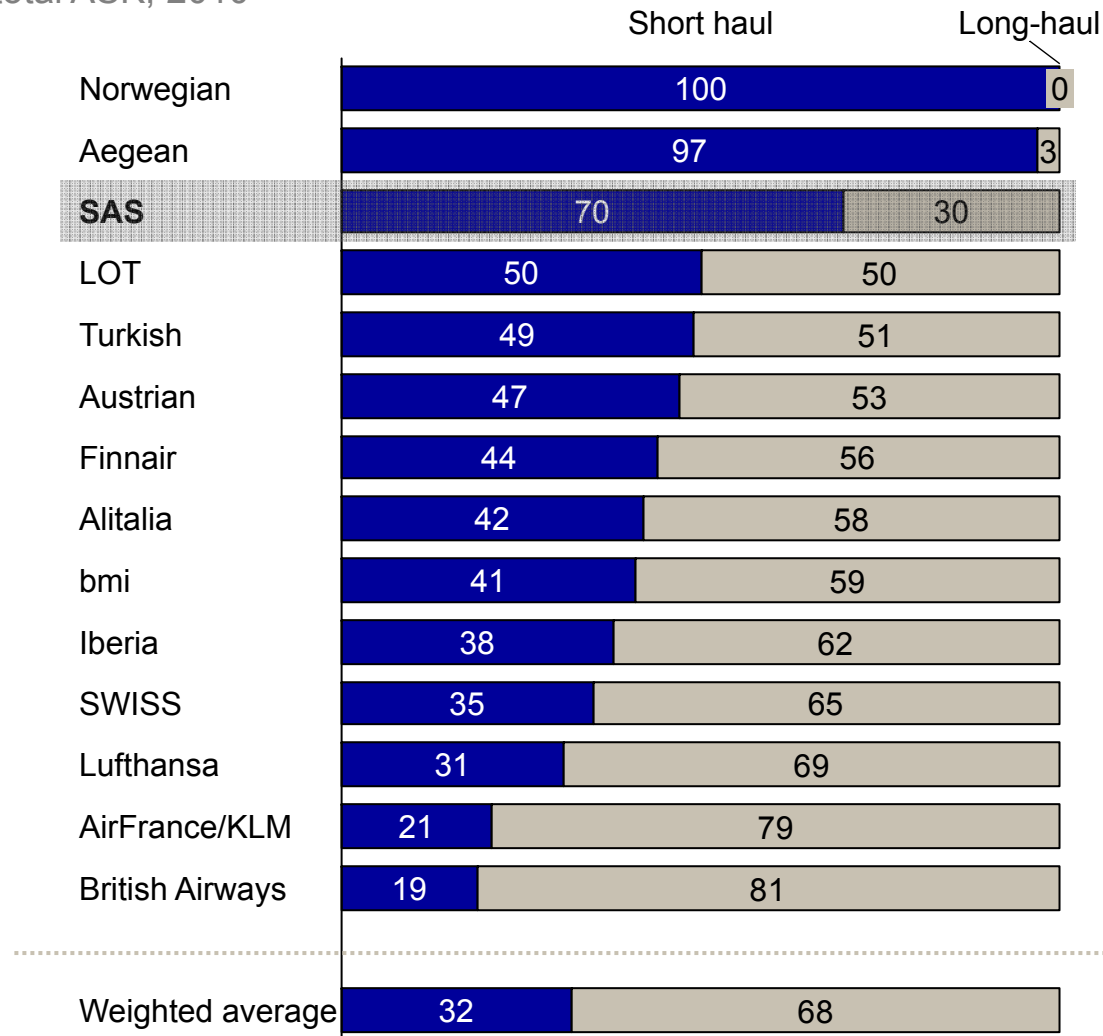
A STAR ALLIANCE MEMBER 

SOURCE: PaxIS 2009; Airports Council International; Global Insight-WMM 2



... and preferably domestically and within Europe

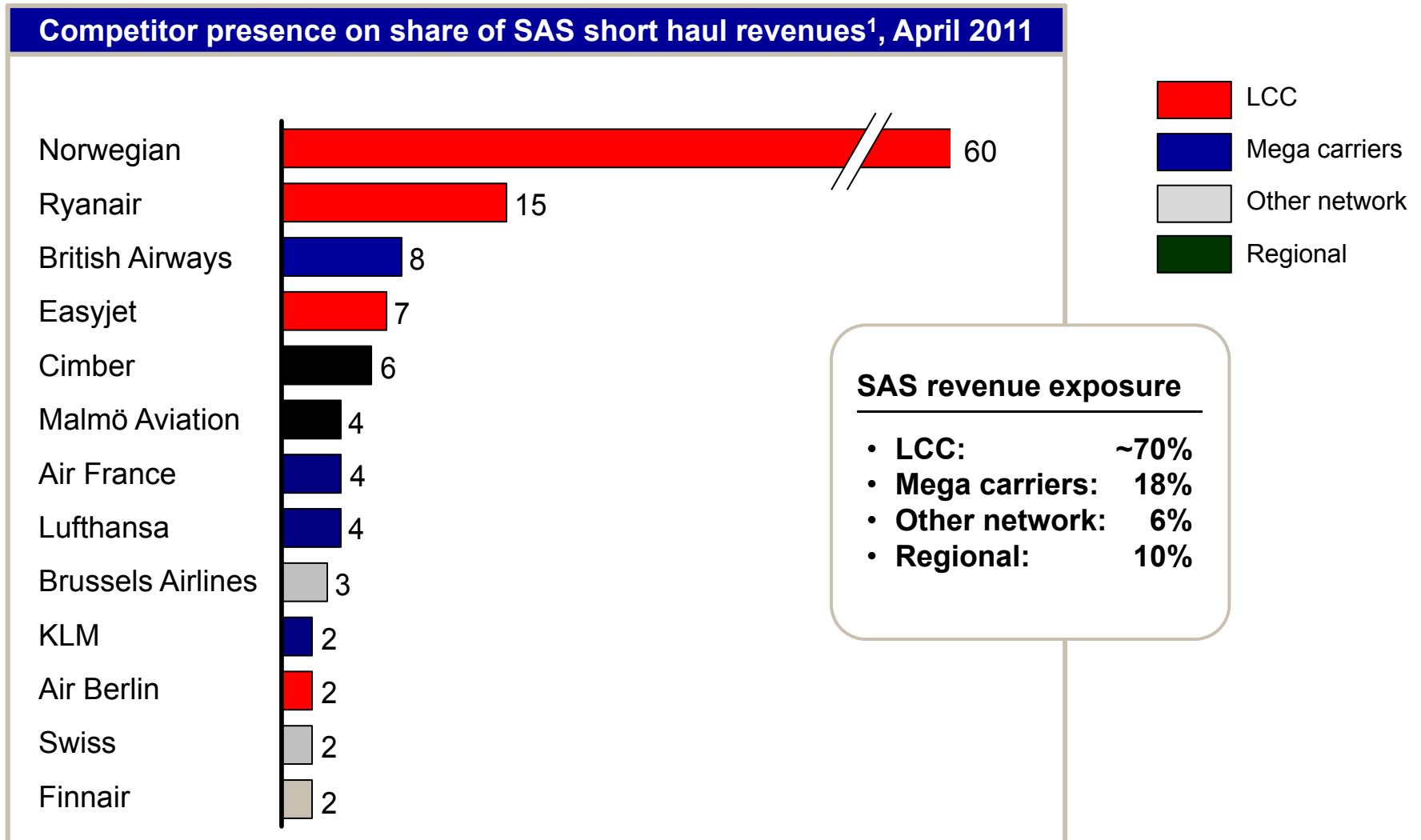
Short haul¹ share of total ASK; 2010



¹ Defined as domestic and intra-European traffic

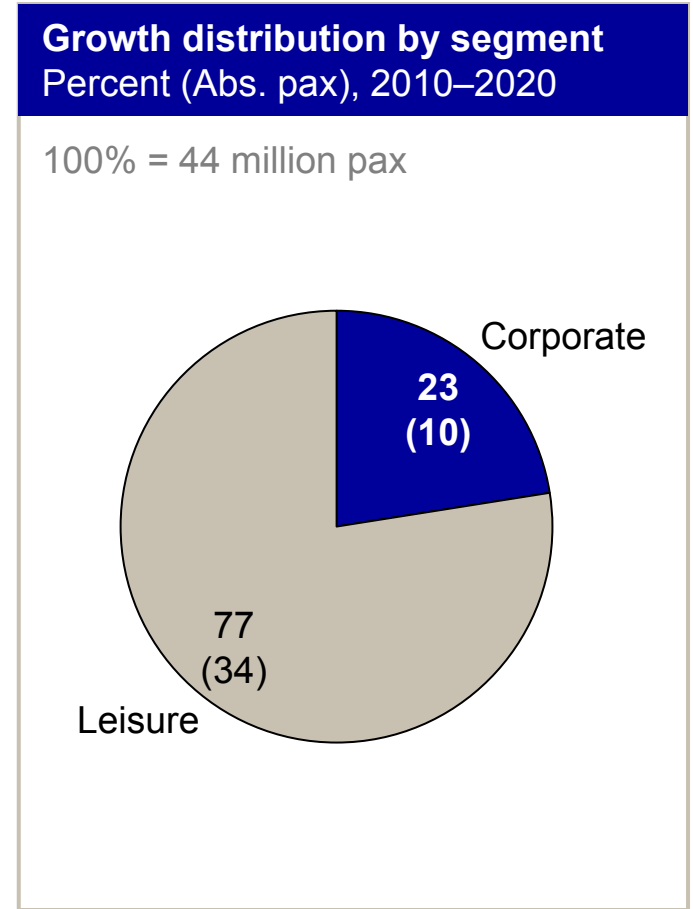
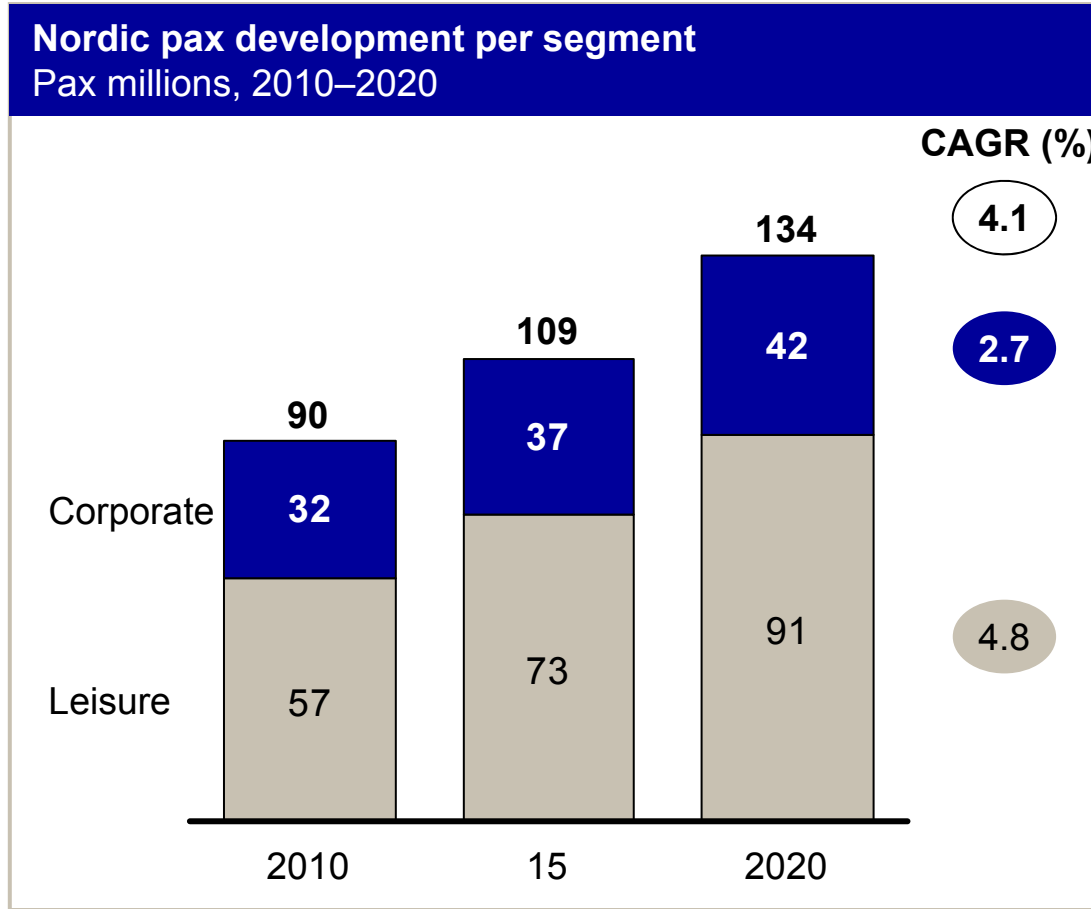


In most of our network, we compete with low cost carriers



¹ Not mutually exclusive and thus does not need to sum up to 100%

Air travel is growing, primarily driven by leisure travel



Key assumptions: SAS corporate pax share of travelers declined from 63% 2006 to 55% 2010. Adjusting for changes in route mix the decline in corporate intensity was ~6%. Assuming 75% of the decline in intensity is attributable to market share gains on leisure/loss on corporate and 25% of intensity attributable to an underlying shift in corporate intensity in the market. Extrapolating this intensity trend (-1.1% CAGR) up to 2020 assuming equal trend for all segments (domestic; Europe; long-haul). Assuming Swedish travel pattern is representative for Nordic in general

A STAR ALLIANCE MEMBER 

SOURCE: IATA; PaxIS; Statistics Sweden



The challenges are substantial but we have unique advantages to build on



Europe's most punctual airline 2009 and 2010



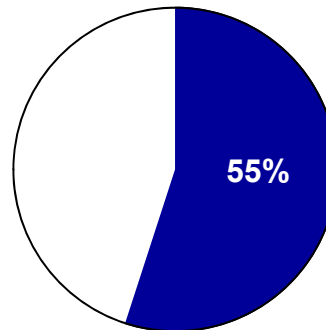
Capable and loyal employees



Popular and award winning EuroBonus program



Attractive network and schedule



Market leader in Nordic corporate travel



Popular time saving solutions such as SMS Check-in and Fast Track

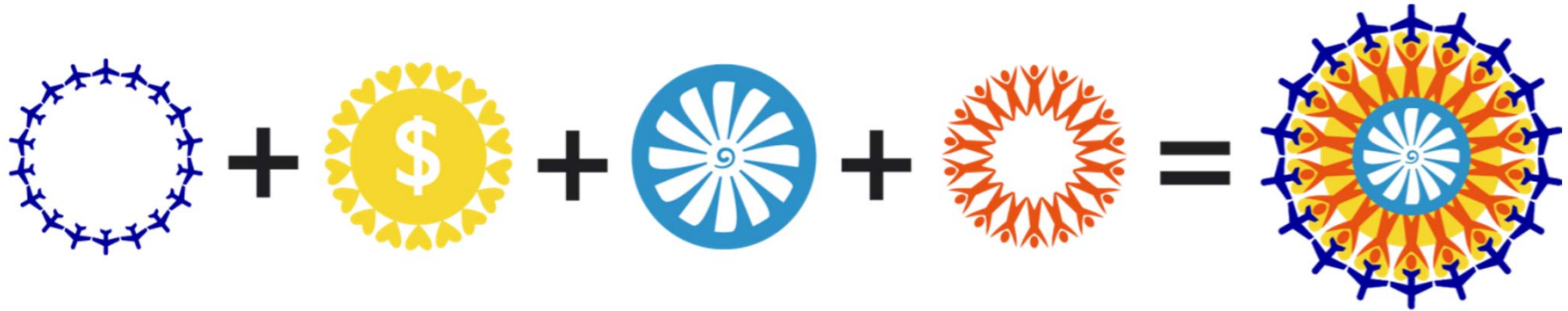


THE NEW ERA IS TAKING SHAPE



4EXCELLENCE

4Excellence comes together



Commercial Excellence

Do the right things that the customer is 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 co-operation on shared goals.

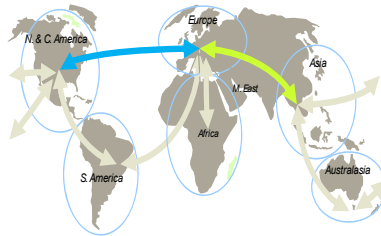


Commercial Excellence

Further Developments



Fleet Plan and Cabin Care



Partner Strategy



Innovative and time saving onground solutions

New Developments



Strengthened Leisure Offering



Increased Focus on Ancillary Revenues



Harmonization of product concepts

**#1 for Nordic corporate travelers
Take a significant position in leisure market
CSI #1**



Sales Excellence

Further Developments



Attractive Corporate Programs



Attractive Loyalty Program



Improved sas.xx

New Developments



Cost of Sales vs Value



Increased Sales Performance

Best in class – Sales Excellence
Large increase in contracted share
EuroBonus penetration ~50%

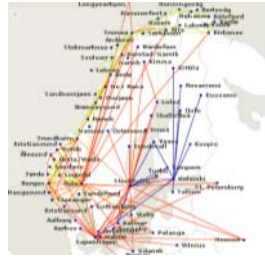


Operational Excellence

Further Developments



Phase-in of new fleet

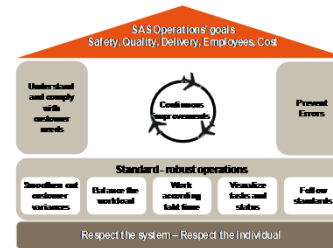


Optimize entire SAS Group network with best practice



Airport Strategy

New Developments



Lean throughout organization



Continuous improvement in unit cost efficiency

**Delivery on Priorities and Promise
CASK -3-5%
-20% total emissions**



People Excellence

Further Developments



Leadership Focus

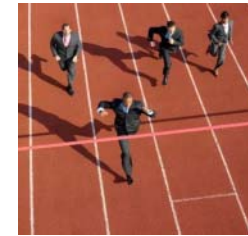


Communication and Collaboration

New Developments



Front Line Leadership Excellence



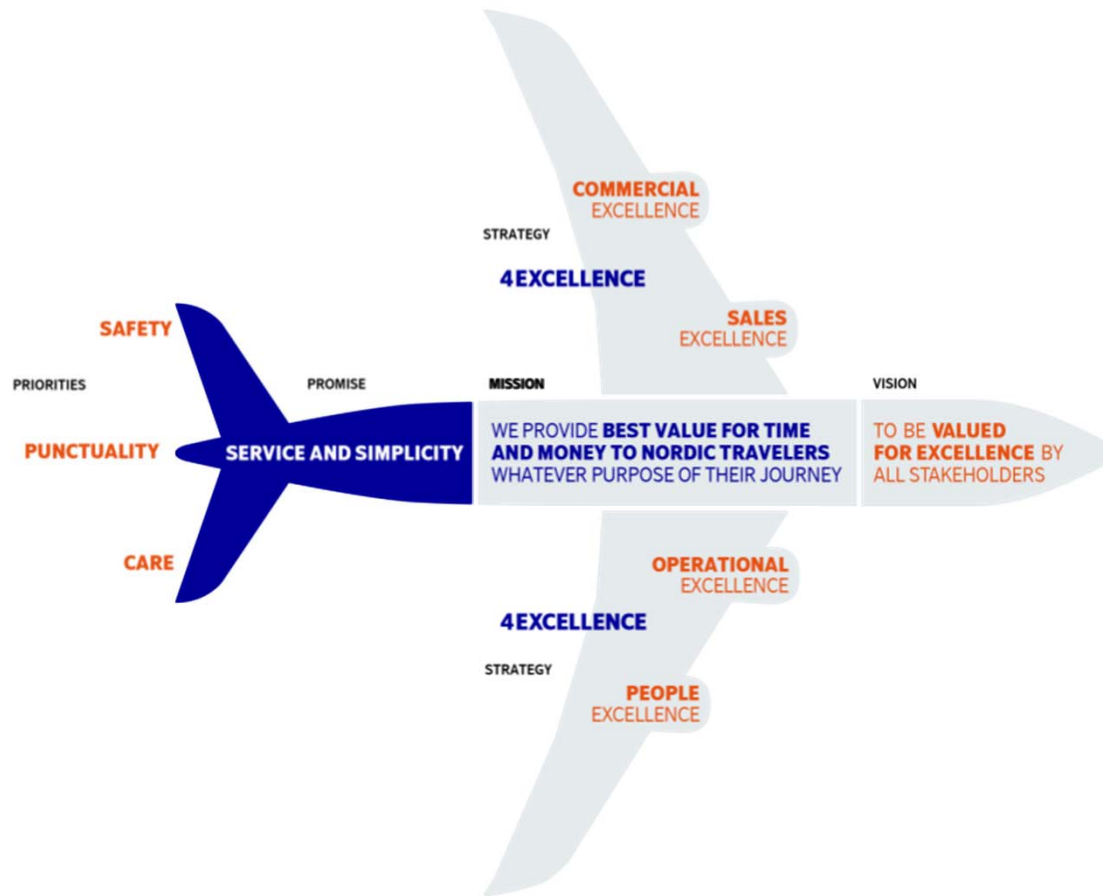
Performance Management



Talent Management

**Realize the full potential of employees
PULS in top quartile of EEI in Scandinavia
Top 10 Scandinavian Employer of Choice**

We have ambitious targets



Our target is to achieve sustainable profitability...

- SAS is to be number 1 – The Nordic region’s most valued airline by reaching new heights in customer satisfaction
- 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 a sufficient return on investment



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