



SAS Group

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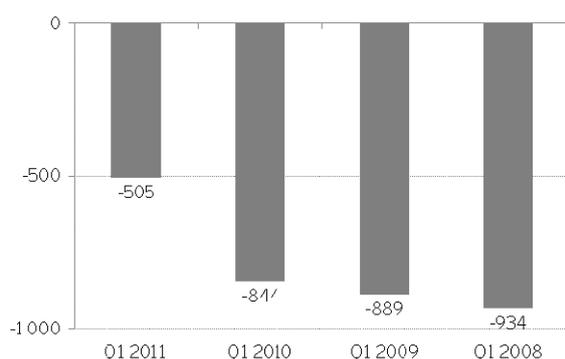
Interim Report January-March 2011

Key ratios January-March 2011

- Revenue: MSEK 9,217 (9,495)
- Income before nonrecurring items in continuing operations: MSEK -505 (-844)
- EBT margin before nonrecurring items in continuing operations: -5.5% (-8.9%)
- Cash flow from operating activities: MSEK -567 (30)
- Income before tax: MSEK -554 (-972)
- Net income for the period: MSEK -373 (-712)
- Earnings per share: SEK -1.13 (-3.64)

Improved income for the first quarter of 2011 as a result of Core SAS cost savings measures

Income before nonrecurring items in continuing operations



Important events during the quarter

- Rickard Gustafson took office as President and CEO on February 1, 2011
- Göran Jansson took office as Deputy President and CFO on March 1, 2011
- The Swedish government extended its agreement for travel with SAS
- The events in Japan in 2011 are estimated to have a total negative impact of approximately MSEK 100 for full-year 2011
- SAS launched the Oslo- New York route to meet demand from the Norwegian market
- SAS decided to harmonize its aircraft fleet to a uniform fleet of Boeing 737 NGs (New Generation) in Stockholm and Oslo, and the Airbus 320 series in Copenhagen
- SAS issued a bond loan of about SEK 2 billion as part of a planned loan refinancing process

For information on additional events that took place in the January-March period, refer to page 19

Full-year 2011

- The recent sharp increases in jet-fuel prices mean that expectations for positive full-year income are significantly more challenging. The future bookings situation appears relatively favorable and provided that the assumption that the fuel surcharges increasingly offset the higher jet-fuel prices in the second half of 2011, there are good prospects for the SAS Group to achieve positive income before tax for full-year 2011

For further information, refer to page 8

Income and key ratios

	Jan-Mar 2011	Jan-Mar 2010	Apr-Mar 2010-11	Apr-Mar 2009-10
Earnings related key ratios (MSEK)				
Revenue	9,217	9,495	40,445	43,117
EBITDAR before nonrecurring items	451	257	4,031	2,602
Income before nonrecurring items in continuing operations	-505	-844	-96	-1,709
Income before tax, EBT	-554	-972	-2,642	-3,416
Net income for the period	-373	-712	-1,879	-2,911
EBT margin before nonrecurring items (target 7%)	-5.5%	-8.9%	-0.2%	-4.0%
Cash flow from operating activities	-567	30	-752	-3,133
Financial key ratios				
CFROI, 12-month rolling (target 25%)	8%	6%	2%	5%
Financial preparedness (target >20% of annual revenue)	29%	25%	16%	28%
Shareholders' equity per share, SEK	44.12	43.88	4.35	4.88

Comments by the CEO

"Despite overcapacity in the market – improved earnings driven by cost savings"

It is now more than three months since I took over as President and CEO of SAS. The first quarter of 2011 was a quarter dominated by continued economic recovery and the favorable economic trend is expected to continue in 2011, particularly in the SAS Group's home market. Growth is expected to be strongest in Sweden and Norway, but lower in the euro countries.

Despite record-high jet fuel prices, several players in the Nordic region have in recent months increased capacity beyond the estimated market growth and capacity in the home market is now expected to increase by about 10% in 2011. Overcapacity remains in certain markets, particularly on European routes from Denmark and in the Swedish market. In total, the market is expected to grow about 6% in 2011 and SAS plans to increase capacity to the corresponding level during the year.

For the SAS Group, growth was favorable in the second half of 2010, but the pace slowed somewhat during the first quarter of 2011. Traffic growth is expected to become higher in the first half of 2011, particularly on the US routes, but also on domestic and intra-Scandinavian routes. We are now capturing market shares in the key Norwegian domestic market. There are also favorable prospects for continued growth in the second half of 2011.

The trend is uncertain for both yield and jet fuel prices. The rising jet fuel prices may have a positive impact on yield from the spring of 2011, but will have a negative effect on the cost base in an amount of SEK 1 billion for full-year 2011 if the high price level for jet fuel is sustained. We are managing the jet fuel price by hedging jet fuel, introduction of a jet fuel surcharge and active yield management. With expanding capacity in the market, it is an increasingly major challenge to secure the full effect of these initiatives.

Improved earnings

Seasonally, the first quarter is always the weakest for SAS and the outcome was negative MSEK 505, but this was considerably better than the same quarter in 2010. The improvement on 2010 was MSEK 339 and was mainly attributable to cost reductions from Core SAS. In February 2011, we assessed that, given continued recovery in the home market, as described above, and that no unexpected events occur, there are good prospects for the SAS Group to achieve positive income before tax for full-year 2011. The strong fuel price increases in recent times make this expectation considerably more challenging. The status of bookings in the months to come looks relatively positive and provided that the jet fuel surcharge offsets the increased jet fuel prices to a large degree in the second half of 2011, the conditions remain for the SAS Group to achieve positive income before tax for full-year 2011.

Stable financial position

It is also satisfying to be able to state that our financial position is stable. This is exemplified by the new bond loan that was issued in March 2011. At the end of March, our financial preparedness was SEK 11.9 billion, which is satisfactory and provides us, for example, with the scope to implement fleet renewal, which we have now begun. SAS has a remaining exposure in Spanair. In the event of Spanair going bankrupt, SAS's total exposure is SEK 1.8 billion, but with a limited negative liquidity effect of MSEK 200-300. If such an event were to occur, this means that we would still meet our financial preparedness target with a good margin.

Focus areas in 2011

We are now in the process of formulating the strategy to succeed Core SAS. The goal is to create conditions for profitable growth, establish a good climate for cooperation and further strengthen leadership. Perhaps most importantly – we will also develop our customer focus. To date, I have held meetings with more than 2,000 employees and also held discussions with more than 200 leaders. On the customer side, it is pleasing to see that our customer satisfaction continues to improve, while we are delivering punctuality of world class. In 2011, new technology will be introduced, such as NFC (Near Field Communication) and onboard Internet will be launched to further optimize the efficiency of trips with SAS. EuroBonus is a key part of our customer offering and it is particularly positive that EuroBonus recently won an award under the auspices of the Frequent Traveller Award. We have also decided to commence renewal of the aircraft fleet by harmonizing the fleet at the three bases, with Stockholm and Oslo becoming Boeing 737NG bases and Copenhagen the Airbus base. This gives us more environmentally sound and fuel-efficient aircraft at the same time as it provides us a total saving of MSEK 200-300 up to 2015.

Core SAS will be completed according to plan in 2011 and continues to contribute to strengthening SAS's competitiveness. The remaining earnings effect of the Core SAS savings program is expected to be SEK 0.9 billion in 2011. Restructuring costs are expected to decline to MSEK 400-600 in 2011. During the year, we will also work on further cost improvements to its regular operations.

Core SAS is now in its final phase and we are working on our future approach.

Rickard Gustafson
President & CEO

Market and income

Market and traffic trend

Aviation market in Europe

The first quarter of 2011 was characterized by an increasing inflow of capacity that exceeded demand and, accordingly, was relatively demanding for many airlines in Europe. Capacity increases were particularly high on intercontinental routes to/from North America and Asia, rising more than 10%. Capacity increases also outstripped demand on short-haul routes in Europe, mainly due to low-cost airlines. In March, the traffic trend primarily in Asia was impacted by the earthquake in Japan, which led to a substantial decline in the rate of growth. The load factor for AEA member airlines fell a total of 2.1 percentage points to 72.4%. The yield trend from 2010 continued with a slight improvement in yield on long-haul intercontinental routes, although capacity increases had an adverse effect.

For further industry statistics, refer to page 16.

Scandinavian Airlines' traffic trend

Traffic for Scandinavian Airlines rose 1.9% during the first quarter. Growth was particularly robust on the more short-haul intra-Scandinavian routes, driven by the strong economy. The trend in intercontinental routes to/from the US was weak for the quarter, but improved in April. Scandinavian Airlines increased its total capacity by 5.7%. We saw a positive trend in Business Class. However, the number of leisure and business travelers in Economy Class did not increase to the same extent, which resulted in a weaker total load factor.

Total unit income, RASK, for Scandinavian Airlines in the first quarter was 2.4% lower than in the preceding year. RASK was negatively impacted in March by a significantly lower load factor. Yield was down 1.3% compared with the preceding year.

Traffic trend for Scandinavian Airlines

Changes in relation to year-earlier period	Jan-Mar
Load factor (p.p.)	-2.5 p.p.
Yield (currency-adjusted, %)	-1.3%
Total unit revenue, RASK (currency-adjusted, %)	-2.4%
Total unit cost (currency-adjusted, %)	-1.1%

For detailed traffic data information, refer to page 16

For definitions, refer to www.sasgroup.net

Earnings analysis, first quarter 2011

The SAS Group's income before nonrecurring items and capital gains/losses in continuing operations amounted to MSEK -505 (-844) and net income for the period amounted to MSEK -373 (-712). Income was adversely affected by nonrecurring items and capital losses totaling MSEK -49 (-128). Tax was positive in the amount of MSEK 185 (267), primarily due to further capitalization of loss carryforwards.

The SAS Group's revenue amounted to MSEK 9,217 (9,495), down 2.9%. The currency-adjusted increase in income was 4.1% compared with the year-earlier period.

Operating expenses amounted to MSEK -8,810 (-9,337). Adjusted for exchange-rate effects and nonrecurring items, operating expenses were 5.7% higher than in the year-earlier period. This increase in its entirety was attributable to higher fuel costs. The unit cost, adjusted for fuel costs, fell 7.1%.

Payroll expenses amounted to MSEK -3,206 (-3,544), a currency-adjusted decrease of 2.3% that was attributable to continued personnel reductions in accordance with Core SAS. Fuel costs amounted to MSEK -1,748 (-1,434), a currency-adjusted increase of 34.2%, due to higher prices in the global market. Leasing costs, depreciation and impairment amounted to MSEK -800 (-870), a currency-adjusted decline of 3.3% compared with the year-earlier period. Operating expenses were positively impacted by a dissolution of MSEK 241 for USD hedges for aircraft. EBITDAR before nonrecurring items amounted to MSEK 451 (257) for the first quarter. The Group's net financial items amounted to MSEK -150 (-210), of which net interest expense accounted for MSEK -147 (-201) and exchange-rate differences for MSEK -3 (-9).

Restructuring costs related to the implementation of Core SAS amounted to MSEK -44 (-108), of which MSEK -44 (-99) pertained to payroll expenses and MSEK 0 (-9) to leasing costs. Other nonrecurring items amounted to MSEK -5 (-20) and pertained to capital gains/losses attributable to aircraft transactions.

For statement of income, refer to page 9

Financial position

– Financial preparedness of SEK 11.9 billion

The SAS Group had cash and cash equivalents on March 31, 2011 amounting to MSEK 6,639 (3,912). Cash and cash equivalents have risen MSEK 1,596 since the start of the year. In addition to cash and cash equivalents, the SAS Group has unutilized credit facilities amounting to MSEK 5,243 (3,153). The SAS Group has total financial preparedness (cash and cash equivalents and unutilized credit facilities) corresponding to MSEK 11,882 (7,065) or 29% (16%) of the Group's annual revenue. In February 2011, a credit facility was extended in the amount of MUSD 125, corresponding to approximately MSEK 800, from 2013 to 2016.

The SAS Group's interest-bearing liabilities rose MSEK 1,946 to MSEK 13,843 during the first quarter of 2011. New loans raised during this period totaled MSEK 2,780 and repayments amounted to MSEK 380. A bond loan of MEUR 40 (MSEK 360) maturing in 2017 was issued in February. Two bond loans totaling about SEK 2 billion, comprise a loan of MSEK 1,300 and a loan of MEUR 75, were issued in March and both loans mature in 2014. The remaining new loans of MSEK 460 pertain to short-term borrowing in the form of issued commercial papers.

At March 31, 2011, the value of the debt and equity share (conversion option and repurchase right) relating to the convertible bond loan was set at MSEK 1,420 and MSEK 226, respectively. At the date of issue, these amounts were MSEK 1,374 and MSEK 226, respectively, and at December 31, 2010, they were MSEK 1,408 and MSEK 226. The value of the equity share was included in shareholders' equity, following a deduction for deferred tax.

Financial net debt was essentially unchanged compared with at year-end 2010, falling MSEK 44 to MSEK 2,818. The decrease is the net of cash flow from operations of MSEK -567 MSEK, investments sales of MSEK -108 and positive valuation effects of MSEK 719.

At March 31, 2011, the adjusted equity/assets ratio amounted to 27% (20%). The adjusted debt/equity ratio was 0.86 (1.70). The adjusted expenses take into account leasing costs.

For the balance sheet, refer to page 10

Cash flow statement

– SAS's accumulated cash flow from operating activities amounted to MSEK -567

Cash flow from operating activities for the first quarter amounted to MSEK -567 (30). A fine of MSEK 660 was paid in February that was levied on SAS Cargo in conjunction with the European Commission's air-cargo investigation, which is the main difference compared with the preceding year.

Investments amounted to MSEK 329 (1,235), of which MSEK 212 (1,046) related to previously contracted aircraft, other flight equipment and prepayments. This figure included delivery payments for a Bombardier Q100 for Widerøe.

A Bombardier Q300 was divested in March through sale and leaseback.

Cash flow from financing activities amounted to MSEK -675 (-1,025).

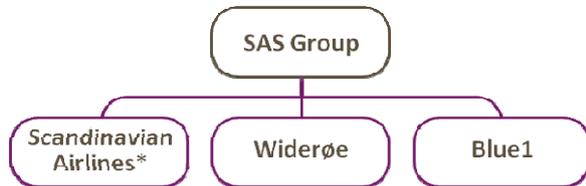
Cash and cash equivalents amounted to MSEK 6,639 according to the balance sheet, compared with MSEK 5,043 at December 31, 2010.

At March 31, 2011, the SAS Group had approximately MSEK 9,500 in unutilized tax loss carryforwards in continuing operations. This may improve cash flow in future periods since the SAS Group will not have tax payable until these loss carryforwards have been utilized. Deferred tax assets are valued at approximately 90% of their full value.

For the cash-flow statement, refer to page 11

SAS business concept and strategies

SAS is the leading airline in Northern Europe. Some 25.2 million passengers flew with SAS in 2010 to more than 127 destinations and, through its membership of the Star Alliance, SAS offers a global network with more than 1,000 destinations. In 2010, SAS was Europe's most punctual major airline. Airline operations comprise the three business segments Scandinavian Airlines, Widerøe and Blue1. Individual Holdings includes operations in the process of being divested.



* Includes airline operations in the consortium of Scandinavian Airlines System, SAS Ground Services, SAS Tech and SAS Cargo

Business concept

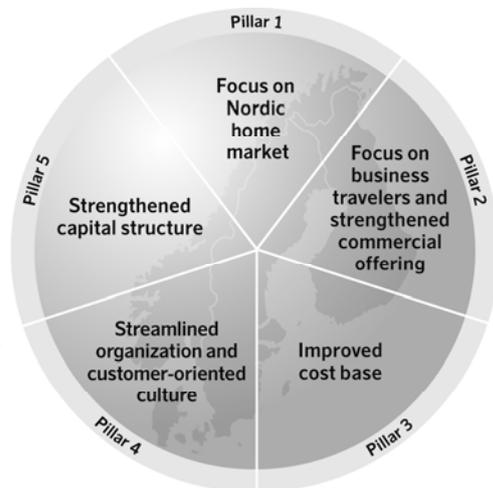
Through cooperating airlines, the SAS Group offers flexible and value-for-money air travel with a focus on products and services that meet the needs of business travelers in the Nordic region.

SAS Group's commercial focus

- Maximized customer value with new services
- Competitive fares with more bonus programs
- Flexible and cost-effective business travel
- Taking environmental responsibilities seriously
- The Nordic region's largest route network, the highest frequencies and best punctuality

Strategic focus – Core SAS

Core SAS launched in February 2009, is the SAS Group's new strategic approach and is based on five pillars aimed at facilitating a more efficient and profitable SAS. SAS's strategy is proceeding according to plan and is expected to be fully implemented by the end of 2011.



After Core SAS

SAS has commenced the process of formulating a strategy to succeed Core SAS. This process aims to present the strategy in the autumn of 2011. Work is characterized by four areas:

- Creating conditions for profitable growth
- Establishing a favorable climate for cooperation
- Strengthened leadership and a performance culture
- Passionate customer focus

Status of the Core SAS cost savings program

The Core SAS cost savings program was originally launched in February 2009. In March 2011, the program comprised cost-reducing activities amounting to a total of SEK 7.8 billion.

The implementation of the cost savings under Core SAS proceeded as planned during the first quarter and a further MSEK 700 in savings was implemented. The largest savings were attributable to the reduced number of employees in administration, more efficient processes in ground and air operating activities and continued cost-awareness in the Group.

The earnings effect generated in the first quarter by the total cost savings program amounted to MSEK 600 compared with the same period in 2010. This can be seen in the reduced operating expenses and is visible in the reduction of the fuel-adjusted unit cost of 7.1% in Q1.

Of the total cost savings program of SEK 7.8 billion, 95% or SEK 7.4 billion has been implemented. The achieved earnings effect in 2011 is MSEK 600 in addition to the SEK 3.6 billion achieved in 2010 and the SEK 2.2 billion achieved in 2009. The remaining earnings effect from the total cost saving program is thus estimated to amount to approximately SEK 1.4 billion in 2011-2012. This estimate is based on the assumption of a reduction in operating expenses as a result of savings measures, such as payroll expenses and maintenance costs.

Implementation of the Core SAS cost savings program

(MSEK)	Implemented, Dec 31, 2010	Implemented, Mar 31, 2011	Potential 2009-2012
Cabin crew/flight deck	1,900	1,900	1,900
Ground services	550	700	900
SAS Tech	1,350	1,700	1,800
Sales marketing and commercial	650	700	700
Purchasing	400	400	400
Blue1/Widerøe/Cargo	550	550	600
Administration	1,250	1,350	1,400
Other	50	100	100
Total	6,700	7,400	7,800

Personnel reductions under Core SAS

Personnel reductions in 2009-2011 will amount to about 4,600 FTEs based on forecast production volumes.

In 2009, the number of FTEs was reduced by 2,900. In 2010, the number of FTEs was reduced by a further 1,100. In the first quarter of 2011, a reduction of a further 100 FTEs was implemented, meaning that 4,100 FTEs or 89% of the total reduction target of 4,600 FTEs has been completed.

(FTE)	Total
Planned FTE reduction	~4,600
Implemented	~4,100
Implemented %	89%

Segment reporting

The business segments are reported as Scandinavian Airlines, Blue1 and Widerøe. The units SAS Ground Services, SAS Tech and SAS Cargo are integrated with Scandinavian Airlines. In total, these segments comprise more than 95% of the Group's annual revenue.

Scandinavian Airlines income before nonrecurring items was MSEK -355 (-698) for the first quarter of 2011. Widerøe's income before nonrecurring items was MSEK 62 (18) and Blue1's income before nonrecurring items amounted to MSEK -94 (-56) for the first quarter of 2011.

Scandinavian Airlines

(MSEK)	Jan-Mar 2011	Jan-Mar 2010
Passenger revenue	5,690	6,058
Other revenue	2,401	2,369
Revenue	8,091	8,427
EBITDAR	425	164
EBIT before nonrecurring items	-277	-533
EBIT margin before nonrecurring items	-3.4%	-6.3%
EBT before nonrecurring items	-355	-698



Scandinavian Airlines earnings for the first quarter were better than in the preceding year, which was mainly attributable to a clear reduction in operating expenses, excluding fuel and the overall positive exchange-rate effect. Passenger revenues were lower than in 2010, mainly due to a negative exchange-rate effect.

Cost reductions and a stronger market, with increased business travel, generated the conditions to increase capacity (ASK) in the first quarter. Capacity increased for the first three months of the year by 5.7% compared with the preceding year (including charter +4.7%). The capacity increase was cost-effective because it mainly occurred through improved capacity utilization and larger average aircraft size. Traffic (RPK) increased by 1.9% during the quarter. The load factor fell 2.5 percentage points and amounted to 67.2%.

In addition to currency, passenger revenues were also adversely affected by price pressure, when compared with 2010. The currency-adjusted yield fell 1.3%, which is, however, the smallest decline compared with the preceding year since the first quarter of 2009. Unit revenue (RASK) was 2.4% lower than in 2010, which was mainly due to a lower load factor. Cargo revenues saw a strong trend as a result of a favorable cargo market and expanded intercontinental capacity.

During the first quarter of 2011, the cost savings program also had major impact, which can be seen in such factors as payroll expenses, which were 8% lower than in the preceding year. Fuel costs rose mainly due to higher world market prices, but also because of higher volume. However, fuel futures held back cost increases at the beginning of the year.

The currency-adjusted unit cost improved and was 1.1% lower than in the same quarter in the preceding year. Excluding fuel, the unit cost declined for the same period by 7.1%, which demonstrates a continued favorable effect of the cost savings program, although the capacity increase during the quarter also contributed to the trend.

Operational quality was favorable for Scandinavian Airlines and punctuality measured for both three and 15 minutes improved compared with the year-earlier period. Regularity was somewhat poorer than in 2010, but exceeded the internal target.

For Scandinavian Airlines' statement of income – see page 13

Widerøe

(MSEK)	Jan-Mar 2011	Jan-Mar 2010
Passenger revenue	636	587
Other revenue	232	242
Revenue	869	829
EBITDAR	131	88
EBIT before nonrecurring items	67	21
EBIT margin before nonrecurring items	7.7%	2.6%
EBT before nonrecurring items	62	18



Widerøe's earnings during the first quarter of 2011 showed a considerable improvement compared with the preceding year. EBIT for the quarter amounted to MSEK 67, which is MSEK 46 better than the preceding year. The improvement is attributable to a combination of a favorable market trend and the implementation of Widerøe's cost savings program.

The cost savings program is being implemented to plan. Adjusted for Widerøe's takeover of the production that was served in 2010 by Scandinavian Airlines' Fokker 50s and the part of the Easter weekend that was in the first quarter in 2010, Widerøe's market has grown. Widerøe carried 22% more passengers in the first quarter compared with the year-earlier period.

On March 28, Widerøe launched a new route between Skien and Bergen. The route is served by the Dash-8 series 100 with 39 seats.

Blue1

(MSEK)	Jan-Mar 2011	Jan-Mar 2010
Passenger revenue	386	372
Other revenue	63	40
Revenue	449	412
EBITDAR	-64	-30
EBIT before nonrecurring items	-90	-56
EBIT margin before nonrecurring items	-20.0%	-13.7%
EBT before nonrecurring items	-94	-56

The Finnish home market rose 3%, and international traffic grew 7% in the first quarter of 2011. Blue1 reached a market share of 21.6% for domestic traffic in the first quarter by strongly increasing production and at the same time maintaining the load factor at almost the same level as in earlier years. Blue1 reduced capacity by 8% in Scandinavia, which combined with 2% passenger growth, resulted in a higher load factor. On the European routes, production increased by more than 40%, mainly through a doubling of the daily frequencies to Brussels, London and Paris, as well as the new destinations of Berlin and Munich.

EBIT of MSEK -90 was MSEK 34 lower than in the preceding year, largely due to higher fuel costs. EBIT includes establishment costs of MSEK 11 for the ongoing change to the aircraft fleet. Passenger revenues of MSEK 386 rose 4% on 2010 through a combination of larger passenger volumes and lower yield. In particular, the yield level in the Scandinavian area was under strong pressure due to competition from Finnair and Norwegian.

A further three Boeing 717s were deployed during the quarter so that the number of 717 aircraft in commercial service at the end of March amounted to seven.

Risk 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 situated out in 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 57% of its anticipated fuel consumption for the period April 2011 – March 2012. The market value of the hedges at March 31, 2011 was MUS\$ 176, corresponding to more than SEK 1 billion. Hedging is achieved using swaps, supplemented by call options. Under current plans for seat capacity, the cost of jet fuel in 2011 is expected to be in line with the table below, assuming different prices and USD rates. The SAS Group's financial policy is to handle changes in jet fuel costs primarily through hedging of jet fuel, price adjustments and yield management. The policy for jet fuel can be conducted up to 18 months ahead and that the interval for the 12-month hedging level is 40-70% of anticipated volumes.

For foreign currency, the policy is to hedge 60-90%. In March 2011, the SAS Group had hedged 64% 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 call options. Other currencies have been hedged at a rate of 60-90% in accordance with the financial policy.

Currency hedging

	Q2 2011	Q3 2011	Q4 2011	Q1 2012
Hedging of USD (coverage)	65%	56%	67%	77%

Hedging of jet fuel

	Q2 2011	Q3 2011	Q4 2011	Q1 2012
Options	4%	8%	17%	30%
Exercise price (USD/ton)	1,038	752	868	1,036
Swaps	50%	47%	43%	27%
Price (USD/ton)	774	759	826	944

Vulnerability matrix, jet-fuel expense 2011, SEK billions

Market price	Exchange rate SEK/USD			
	5.00	6.00	7.00	8.00
USD 800 per ton	5.8	6.6	7.4	8.3
USD 1,000 per ton	6.3	7.2	8.1	9.1
USD 1,200 per ton	6.8	7.8	8.8	9.8
USD 1,400 per ton	7.2	8.3	9.4	10.5

The SAS Group's current hedging contracts for jet fuel and reported jet-fuel expense at March 31, 2011 were taken into consideration.

Remaining commitments

In 2009, the SAS Group sold its participating interest of 20% in bmi (British Midland International) to LHBD Holdings Ltd. SAS may now obtain a further payment from Lufthansa if additional value is realized in bmi during the period through to the end of the third quarter of 2011. SAS also has a negative exposure of a maximum of MGBP 19 for the same period should bmi become insolvent.

Following the divestment of 80.1% in Spanair at the beginning of 2009, SAS had an interest-bearing receivable from Spanair of MEUR 149 at March 31, 2011, which falls due on January 30, 2014. In addition, SAS has leased out a total of seven aircraft to Spanair on market terms and remains as a guarantor of certain operational commitments within Spanair's operation amounting to a maximum of MEUR 24 for a period extending no longer than to January 30, 2014. SAS also has an outstanding bridging loan of MEUR 27 to the buyers of Spanair, which falls due on December 31, 2011. The SAS Group's shareholding in Spanair was impaired by MSEK 229 to MSEK 0 in the third quarter of 2010.

Following the most recent injection of capital from Spanair's principle owner, SAS's ownership share is 10.9%.

In the event of Spanair going bankrupt, SAS's total exposure is SEK 1.8 billion, but with a limited negative liquidity effect of MSEK 200-300. If such an event were to occur, this means that we would still meet our financial preparedness target with a good margin.

Air Baltic was divested in 2008 and SAS had remaining receivables due of MUS\$ 7 at March 31, 2011. The loan matured on April 30, 2011.

SAS has receivables due from Estonian Air and these amount to MEUR 7 at March 31, 2011.

Legal issues

In November 2010, the European Commission decided to order SAS to pay fines for SAS Cargo of MEUR 70.2. The fines were charged to Group earnings for the third quarter in the amount of MSEK 660 and will impact the Group's liquidity in the first quarter of 2011. SAS has appealed the decision.

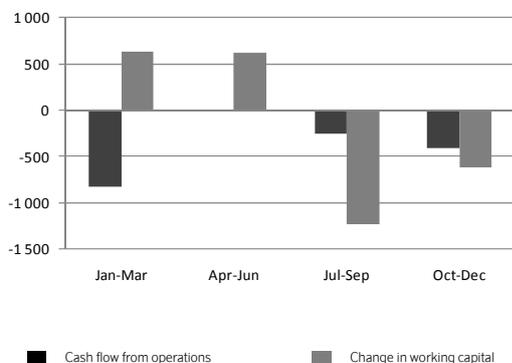
As a consequence of the European Commission's decision in the cargo investigation, SAS and other airlines fined by the Commission are involved in various civil lawsuits in Europe (the UK, the Netherlands and Norway). SAS contests its responsibility in all of these legal processes. Further lawsuits by cargo customers cannot be ruled out.

SAS and certain other European airlines have been added as defendants in a pending class-action lawsuit in California alleging price-fixing of air passenger fares on Trans-Pacific routes. SAS, which does not operate these routes, disputes the claim.

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 successively developed sophisticated methods for dynamically adapting capacity to demand on a monthly and weekly basis, such as in conjunction with major holidays.



Based on reported cash flow 2007 - 2011

Full-year 2011

The favorable economic trend is expected to continue in 2011, particularly in the SAS Group's home market. Growth is expected to be strongest in Sweden and Norway, but lower in the euro countries.

In recent months, several players in the Nordic region have increased capacity, which is expected to rise by about 10% during full-year 2011.

For the SAS Group, growth was favorable in the second half of 2010, but somewhat lower in the first quarter of 2011. Traffic growth is expected to be higher in the first half of 2011, particularly on the US routes, but also on domestic and intra-Scandinavian routes. There are also positive prospects for continued growth in the second half of 2011. Overcapacity remains in certain markets, particularly on European routes from Denmark and in the Swedish market. In total, the market is expected to grow by about 6% in 2011 and SAS plans to increase capacity to the corresponding level during the year.

The trend is uncertain for both yield and jet fuel prices. The rising jet fuel prices may have a positive impact on the yield from the spring of 2011, but if today's levels are maintained, the cost base will increase by about SEK 1 billion for full-year 2011. The Group manages its jet fuel price through hedging of jet fuel and currently has a favorable hedging position. The remaining exposure is handled through the introduction of jet fuel surcharges and active, it is a greater challenge to be able to fully offset the cost increase.

Core SAS will be concluded in 2011 and continues to contribute to strengthening SAS's competitiveness. The remaining earnings effect of the Core SAS savings program is expected to be SEK 0.9 billion in 2011. Restructuring costs are expected to decline to MSEK 400-600 in 2011. During the year, SAS will also work on further cost improvements in the framework of its regular operations.

Seasonally, the first quarter is the weakest for SAS and the result was negative, but better than for the corresponding quarter in 2010. In February 2011, SAS indicated that, given continued recovery in the home market, as described above, and that no unexpected events occur, the outlook is good for the SAS Group to achieve positive income before tax for full-year 2011. The recent strong fuel-price increases and rising capacity inflows in the market make this expectation considerably more challenging. However, the booking levels for the coming months look relatively stable and, provided the jet-fuel surcharge offsets the higher jet-fuel prices to a large degree in the second half of 2011, there are continued prospects for the SAS Group to achieve positive income before tax for full-year 2011. In addition, the financial risk exposure remains in Spanair.

SAS Group

Statement of income including statement of other comprehensive income

(MSEK)	Jan-Mar 2011	Jan-Mar 2010	Apr-Mar 2010-11	Apr-Mar 2009-10
Revenue	9,217	9,495	40,445	43,117
Payroll expenses ¹	-3,206	-3,544	-13,135	-16,933
Other operating expenses ²	-5,604	-5,793	-25,021	-25,204
Leasing costs for aircraft ³	-391	-462	-1,744	-2,040
Depreciation and impairment ⁴	-409	-408	-1,868	-1,852
Share of income of affiliated companies	-9	-30	33	-255
Income from sale of shares in subsidiaries and affiliated companies	0	-1	-72	423
Income from sale of aircraft and buildings	-5	-19	-225	-116
Operating income	-407	-762	-1,587	-2,860
Income from other securities holdings	3	0	-260	0
Financial revenue	60	41	205	229
Financial expenses	-210	-251	-1,000	-785
Income before tax	-554	-972	-2,642	-3,416
Tax	185	267	717	806
Net income from continuing operations	-369	-705	-1,925	-2,610
Income from discontinued operations	-4	-7	46	-301
Net income for the period	-373	-712	-1,879	-2,911
Other comprehensive income:				
Exchange-rate differences in translation of foreign operations	-32	7	-160	-95
Cash-flow hedges – hedging reserve	653	64	1,225	2,112
Tax attributable to components relating to other comprehensive income	-171	-17	-321	-556
Net total other comprehensive income after tax for the year	450	54	744	1,461
Total comprehensive income	77	-658	-1,135	-1,450
Net income for the period attributable to:				
Parent Company shareholders	-373	-712	-1,879	-2,911
Earnings per share (SEK) ⁵	-1.13	-3.64	-5.91	-15.25
Earnings per share (SEK) from continuing operations ⁵	-1.12	-3.60	-6.05	-13.67
Earnings per share (SEK) from discontinued operations ⁵	-0.01	-0.04	0.14	-1.58

1 Includes restructuring costs of MSEK 44 (99) during the period January-March and MSEK 421 (1,448) during the period April-March.

2 Includes restructuring costs of MSEK - (-) during the period January-March and MSEK 330 (103) during the period April-March.

3 Includes restructuring costs of MSEK - (9) during the period January-March and MSEK 38 (150) during the period April-March.

4 Includes restructuring costs of MSEK - (-) during the period January-March and MSEK 200 (79) during the period April-March.

5 Earnings per share is based on 329,000,000 (195,672,750) outstanding shares for the period January-March and 317,889,396 (190,847,786) outstanding shares for the period April-March. The number of outstanding shares until April 15, 2009 and May 1, 2010 has been adjusted for a bonus element in the rights issue to existing shareholders of 6,123 and 2,379, respectively, in addition to a reverse 1:30 split.

EBITDAR before nonrecurring items

(MSEK)	Jan-Mar 2011	Jan-Mar 2010	Apr-Mar 2010-11	Apr-Mar 2009-10
Revenue	9,217	9,495	40,445	43,117
Payroll expenses	-3,206	-3,544	-13,135	-16,933
Other operating expenses	-5,604	-5,793	-25,021	-25,204
EBITDAR	407	158	2,289	980
Restructuring costs	44	99	751	1,551
Other nonrecurring items	0	0	991	71
EBITDAR before nonrecurring items in continuing operations	451	257	4,031	2,602

Income before nonrecurring items

(MSEK)	Jan-Mar 2011	Jan-Mar 2010	Apr-Mar 2010-11	Apr-Mar 2009-10
Income before tax in continuing operations	-554	-972	-2,642	-3,416
Impairment losses	0	0	229	215
Restructuring costs	44	108	989	1,780
Capital gains/losses	5	20	337	-307
Other nonrecurring items	0	0	991	19
Income before tax and nonrecurring items in continuing operations	-505	-844	-96	-1,709

Condensed balance sheet

(MSEK)	31 Mar 2011	31 Dec 2010	31 Mar 2010	31 Mar 2009
Subscribed, unpaid capital	-	-	-	6,057
Intangible assets	1,456	1,414	1,281	1,182
Tangible fixed assets	14,602	14,782	16,036	15,019
Financial fixed assets	14,447	14,395	14,431	12,610
Total fixed assets	30,505	30,591	31,748	28,811
Current assets	601	679	666	745
Current receivables	5,503	5,019	6,147	6,774
Cash and cash equivalents	6,639	5,043	3,912	6,259
Assets held for sale	488	493	401	0
Total current assets	13,231	11,234	11,126	13,778
Total assets	43,736	41,825	42,874	48,646
Shareholders' equity ¹	14,515	14,438	10,731	12,041
Long-term liabilities	15,266	13,932	13,543	19,783
Short-term liabilities	13,827	13,323	18,461	16,822
Liabilities attributable to assets held for sale	128	132	139	0
Total shareholders' equity and liabilities	43,736	41,825	42,874	48,646
Shareholders' equity per share ²	44,12	43,88	4,35	4,88
Interest-bearing assets	21,664	19,579	18,264	23,911
Interest-bearing liabilities	13,843	11,897	15,165	17,354

1 Including non-controlling interests.

2 Calculated on 329,000,000 outstanding shares as per March 31, 2011 and December 31, 2010. On March 31, 2010 and December 31, 2009, the number of outstanding shares was 2,467,500,000.

The SAS Group has not carried out any buyback programs.

Condensed change in shareholders' equity

	Share capital ¹	Other contributed capital ²	Hedge reserve	Translation reserve	Retained earnings ³	Total shareholders' equity attributable to Parent Company owners	Total equity
Opening shareholders' equity in accordance with approved balance sheet, January 1, 2010	6,168	170	227	52	4,772	11,389	11,389
Comprehensive income			47	7	-712	-658	-658
Closing balance, March 31, 2010	6,168	170	274	59	4,060	10,731	10,731
Reduction in share capital	-4,516				4,516	-	-
Rights issue	4,960					4,960	4,960
Net costs for rights issue					-208	-208	-208
Other contributed capital, net		167				167	167
Comprehensive income			422	-128	-1,506	-1,212	-1,212
Closing balance, December 31, 2010	6,612	337	696	-69	6,862	14,438	14,438
Comprehensive income			482	-32	-373	77	77
Closing balance, March 31, 2011	6,612	337	1,178	-101	6,489	14,515	14,515

1 The share capital in SAS AB is distributed as follows: opening balance on January 1, 2010 of 2,467,500,000 shares with a quota value of SEK 2.5 per share and a closing balance on March 30, 2011 of 329,000,000 shares with a quota value of SEK 20.1.

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

3 No dividends were paid in 2009 and 2010.

Financial key ratios

	Mar 31 2011	Dec 31 2010	Mar 31 2010	Mar 31 2009
CFROI	8%	6%	2%	5%
Financial preparedness (target >20% of annual revenue)	29%	25%	16%	28%
Equity/assets ratio	33%	35%	25%	25%
Adjusted equity/assets ratio (target > 35%)	27%	28%	20%	19%
Financial net debt, MSEK	2,818	2,862	7,222	3,636
Debt/equity ratio	0.19	0.20	0.67	0.30
Adjusted debt/equity ratio (target <1.00)	0.86	0.89	1.70	1.52
Interest ratio	-1.6	-1.9	-3.7	-5.6

Condensed cash-flow statement

(MSEK)	Jan-Mar 2011	Jan-Mar 2010	Apr-Mar 2010-11	Apr-Mar 2009-10
Income before tax	-554	-972	-2,642	-3,416
Depreciation and impairment	409	408	1,868	1,852
Income from sale of fixed assets	5	20	337	-307
Discontinued operations	1	-2	12	-52
Adjustment for items not included in cash flow, etc.	-895	104	66	116
Tax paid	-1	0	-2	-1
Cash flow from operations	-1,035	-442	-361	-1,808
Change in working capital	468	472	-391	-1,325
Cash flow from operating activities	-567	30	-752	-3,133
Investments including prepayments to aircraft manufacturers	-329	-1,235	-1,587	-4,822
Sale of subsidiaries and affiliated companies	0	56	12	440
Sale of fixed assets, etc.	221	124	726	1,342
Cash flow from financing activities	-675	-1,025	-1,601	-6,173
Rights issue including issue costs	0	0	4,678	5,808
External financing, net	2,314	748	-293	-1,966
Cash flow for the period	1,639	-277	2,784	-2,331
Translation difference in cash and cash equivalents	-1	-4	-13	-10
Cash and cash equivalents transferred from and to assets held for sale	-42	4	-44	-6
Change in cash and cash equivalents according to the balance sheet	1,596	-277	2,727	-2,347

SAS Group investments

(MSEK)	Jan-Mar 2011	Jan-Mar 2010	Apr-Mar 2011	Apr-Mar 2010
Scandinavian Airlines	251	1,159	1,317	4,224
Other operations and eliminations	74	60	248	508
Continuing operations	325	1,219	1,565	4,732
Discontinued operations	4	16	22	90
SAS Group	329	1,235	1,587	4,822

Parent Company SAS AB

Income before tax for the period amounted to MSEK -26 (-42).

Available liquidity for SAS AB at March 31, 2011 amounted to MSEK 1 compared with MSEK 1 at the beginning of the year.

The number of shareholders in SAS AB amounted to 68,423 on March 31, 2011. The average number of employees in SAS AB amounted to 42 (57).

Condensed statement of income

(MSEK)	Jan-Mar 2011	Jan-Mar 2010
Revenue	0	2
Payroll expenses	-25	-37
Other operating expenses	-16	-19
Operating income before depreciation	-41	-54
Depreciation	0	0
Operating income	-41	-54
Income from other securities holdings	3	-
Net financial items	12	12
Income before tax	-26	-42
Tax	23	11
Net income for the period	-3	-31
Net income for the period attributable to: Parent Company shareholders	-3	-31

Condensed balance sheet

(MSEK)	Mar 31 2011	Dec 31 2010	Mar 31 2010
Fixed assets	7,716	7,697	7,998
Current assets	9,514	9,509	3,380
Total assets	17,230	17,206	11,378
Shareholders' equity	13,253	13,256	8,742
Long-term liabilities	3,839	3,834	2,447
Short-term liabilities	138	116	189
Total shareholders' equity and liabilities	17,230	17,206	11,378

Change in shareholders' equity

(MSEK)	Share capital	Restricted reserves	Unrestricted equity	Total equity
Opening balance, Jan 1, 2011	6,612	473	6,171	13,256
Net income for the period			-3	-3
Shareholders' equity, Mar 31, 2011	6,612	473	6,168	13,253

Notes

Note 1 – Accounting policies and financial statements

The interim report for the 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, 2010 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 2010.

Note 2 – Segment information

The Group's operations are governed and reported in three business segments: Scandinavian Airlines, Widerøe and Blue1. Scandinavian Airlines includes airline operations in the consortium of Scandinavian Airlines System, SAS Ground Services in Sweden, Norway and Denmark, SAS Tech and the remaining parts of SAS Cargo. Widerøe is an independent regional airline based in Norway. Blue1 is an independent airline based in Finland.

Other operations include the Parent Company SAS AB (Group functions) and other non-reportable segments. Certain operations are being successively discontinued through divestment.

January-March (MSEK)	Scandinavian Airlines ¹		Widerøe		Blue1		Reconciliation				SAS Group	
	2011	2010	2011	2010	2011	2010	Other		Eliminations		2011	2010
External revenue	7,905	8,240	867	828	445	404	0	23	0	0	9,217	9,495
Sales between segments	186	187	2	1	4	8	2	44	-194	-240	0	0
Revenue	8,091	8,427	869	829	449	412	2	67	-194	-240	9,217	9,495
Payroll expenses	-2,781	-3,078	-312	-307	-89	-85	-24	-74	0	0	-3,206	-3,544
Other operating expenses	-4,885	-5,185	-426	-434	-424	-357	-26	-25	157	208	-5,604	-5,793
Operating income before depreciation and leasing costs	425	164	131	88	-64	-30	-48	-32	-37	-32	407	158
Leasing costs for aircraft	-373	-439	-31	-30	-24	-25	0	0	37	32	-391	-462
Depreciation and impairment	-374	-367	-33	-36	-2	-1	0	-4	0	0	-409	-408
Share of income of affiliated companies	1	1	0	0	0	0	-10	-31	0	0	-9	-30
Capital losses	-6	-20	1	0	0	0	0	0	0	0	-5	-20
Operating income	-327	-661	68	22	-90	-56	-58	-67	0	0	-407	-762
Unallocated income items:												
Income from other securities holdings											3	0
Net financial items											-150	-210
Tax											185	267
Net income for the period from continuing operations											-369	-705
Income before nonrecurring items in continuing operations	-355	-698	62	18	-94	-56	-118	-108	0	0	-505	-844

1 A detailed statement of income for Scandinavian Airlines is presented on the following page.

Statement of income Scandinavian Airlines

(MSEK)	Jan-Mar 2011	Jan-Mar 2010
Passenger revenue	5,690	6,058
Charter revenue	330	345
Other traffic revenue	798	734
Other revenue	1,273	1,289
Revenue	8,091	8,427
Payroll expenses	-2,781	-3,078
Selling costs	-546	-523
Jet fuel	-1,553	-1,283
Government user fees	-820	-854
Catering costs	-167	-189
Handling costs	-342	-401
Technical aircraft maintenance	-501	-559
Computer and telecommunications costs	-205	-236
Other operating expenses	-751	-1,142
Operating expenses	-7,666	-8,264
Income before depreciation and leasing costs, EBITDAR	425	164
Leasing costs, aircraft	-373	-439
Income before depreciation, EBITDA	52	-275
Depreciation	-374	-367
Share of income of affiliated companies	1	1
Capital losses	-6	-20
Operating income, EBIT	-327	-661
EBIT before nonrecurring items	-277	-533
EBT before nonrecurring items	-355	-698

From the first quarter of 2011, some pension costs, property costs and currency forward contracts attributable to Scandinavian Airlines are included in Scandinavian Airlines' segment income. Income for the first quarter of 2010 has been restated.

Note 3 – Quarterly breakdown

Statement of income

(MSEK)	2009				2010				2011		
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Dec	Jan-Mar
Revenue	11,296	12,223	11,076	10,323	44,918	9,495	9,979	10,690	10,559	40,723	9,217
Payroll expenses	-4,609	-5,269	-3,994	-4,126	-17,998	-3,544	-3,473	-3,193	-3,263	-13,473	-3,206
Other operating expenses	-6,501	-6,779	-6,257	-6,375	-25,912	-5,793	-5,947	-7,148	-6,322	-25,210	-5,604
Leasing costs for aircraft	-741	-626	-476	-476	-2,319	-462	-487	-435	-431	-1,815	-391
Depreciation and impairment	-401	-463	-497	-484	-1,845	-408	-426	-425	-608	-1,867	-409
Share of income of affiliated companies	-33	19	-15	-229	-258	-30	4	37	1	12	-9
Income from sale of shares in subsidiaries and affiliated companies	5	2	423	-1	429	-1	-25	-14	-33	-73	0
Income from sale of aircraft and buildings	0	-49	-1	-47	-97	-19	26	0	-246	-239	-5
Operating income	-984	-942	259	-1,415	-3,082	-762	-349	-488	-343	-1,942	-407
Income from other securities holdings	0	0	0	0	0	0	0	-269	6	-263	3
Financial revenue	116	48	86	54	304	41	41	39	65	186	60
Financial expenses	-111	-145	-231	-158	-645	-251	-292	-306	-192	-1,041	-210
Income before tax	-979	-1,039	114	-1,519	-3,423	-972	-600	-1,024	-464	-3,060	-554
Tax	264	13	142	384	803	267	98	-24	458	799	185
Net income from continuing operations	-715	-1,026	256	-1,135	-2,620	-705	-502	-1,048	-6	-2,261	-369
Income from discontinued operations	-33	-21	-104	-169	-327	-7	0	-3	53	43	-4
Net income for the period	-748	-1,047	152	-1,304	-2,947	-712	-502	-1,051	47	-2,218	-373
Attributable to:											
Parent Company shareholders	-748	-1,047	152	-1,304	-2,947	-712	-502	-1,051	47	-2,218	-373

Earnings related key ratios

(MSEK)	Jan-Mar		Apr-Jun		Jul-Sep		Oct-Dec		Apr-Mar	
	2011	2010	2010	2009	2010	2009	2010	2009	2010-11	2009-10
Revenue	9,217	9,495	9,979	12,223	10,690	11,076	10,559	10,323	40,445	43,117
EBITDAR	407	158	559	175	349	825	974	-178	2,289	980
EBITDAR margin	4.4%	1.7%	5.6%	1.4%	3.3%	7.4%	9.2%	-1.7%	5.7%	2.3%
EBIT	-407	-762	-349	-942	-488	259	-343	-1,415	-1,587	-2,860
EBIT margin	-4.4%	-8.0%	-3.5%	-7.7%	-4.6%	2.3%	-3.2%	-13.7%	-3.9%	-6.6%
Income before nonrecurring items	-505	-844	-236	38	387	37	258	-940	-96	-1,709
Income before tax	-554	-972	-600	-1,039	-1,024	114	-464	-1,519	-2,642	-3,416
Net income for the period	-373	-712	-502	-1,047	-1,051	152	47	-1,304	-1,879	-2,911
Earnings per share (SEK)	-1.13	-3.64	-1.76	-5.94	-3.19	0.78	0.14	-6.66	-5.91	-15.25
Cash flow before financing activities	-675	-1,025	408	-1,170	-659	-2,507	-675	-1,471	-1,601	-6,173

Note 4 - SAS Group's number of employees

(FTE)	Jan-Mar	Jan-Mar
	2011	2010
Scandinavian Airlines	12,632	13,099
Widerøe	1,198	1,181
Blue1	410	404
Other operations	42	486
Continuing operations	14,282	15,170
Discontinued operations	690	665
SAS Group	14,972	15,835

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.

Stockholm, 10 May 2011

Fritz H. Schur
Chairman of the Board

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

Nicolas E Fischer
Board Member

Rickard Gustafson
President and CEO

This interim report is unaudited.

Traffic data information

SAS Group's scheduled passenger traffic¹

	Jan-Mar 2011	Jan-Mar 2010	Change
Number passengers (000)	6,093	5,735	6.2%
RPK, (mill)	5,655	5,471	3.4%
ASK, (mill)	8,528	7,951	7.3%
Load factor (%)	66.3%	68.8%	-2.5 p.p.

¹ Passenger traffic for Scandinavian Airlines, Widerøe and Blue1

SAS Group's quarterly traffic data¹

	2011	Jan-Mar 2010	2010	Apr-Jun 2009	2010	Jul-Sep 2009	2010	Oct-Dec 2009	2010-2011	Apr-Mar 2009-2010
Number passengers (000)	6,093	5,735	6,282	6,850	6,655	6,245	6,557	6,055	25,586	24,885
RPK, (mill)	5,655	5,471	6,612	7,055	7,239	6,868	6,389	5,764	25,896	25,157
ASK, (mill)	8,528	7,951	8,769	9,584	9,180	8,958	8,761	8,160	35,238	34,652
Load factor (%)	66.3%	68.8%	75.4%	73.6%	78.9%	76.7%	72.9%	70.6%	73.5%	72.6%

¹ Passenger traffic for Scandinavian Airlines, Widerøe and Blue1

SAS Group's charter traffic

	Jan-Mar 2011	Jan-Mar 2010	Change
Number passengers (000)	218	238	-8.3%
RPK, (mill)	699	746	-6.3%
ASK, (mill)	790	825	-4.2%
Load factor (%)	88.5%	90.5%	-2.0 p.p.

SAS Group traffic operation by route sector¹

	Jan-Mar 2011	
	RPK	ASK
Intercontinental	-1.2%	8.3%
Europe	3.3%	7.5%
Intra-Scandinavian	4.8%	10.7%
Denmark (domestic)	-12.9%	-17.5%
Norway (domestic)	10.6%	2.7%
Sweden (domestic)	11.1%	11.0%

¹ Passenger traffic for Scandinavian Airlines, Widerøe and Blue1

Traffic operation for European airlines¹

	Jan-Mar 2011	
	RPK	ASK
Europe (excluding domestic)	6.3%	5.3%
North America	4.1%	10.4%
Asia	6.0%	12.2%
Total	4.8%	7.9%

¹ AEA (Association of European Airlines)

Scheduled passenger traffic, yield, RASK and unit cost Scandinavian Airlines traffic-related key ratios

	Jan-Mar 2011	Change
Number of passengers (000)	5,081	+3.4%
RPK, (mill)	5,132	+1.9%
ASK, (mill)	7,637	+5.7%
Load factor (%)	67.2%	-2.5 p.p.
Currency-adjusted yield trend		-1.3%
Total unit revenue, RASK (currency-adjusted)		-2.4%
Total unit cost, including charter (currency-adjusted)		-1.1% ¹

¹ Excluding jet-fuel costs, the unit cost fell 7.1% between January and March 2011 compared with the year-earlier period.

Scandinavian Airlines' scheduled passenger traffic

	Jan-Mar 2011	Jan-Mar 2010	Change
Number of destinations	84	83	1.2%
Number of daily flights	672	674	-0.3%
Number of daily flights/destinations	8.0	8.1	-1.5%

Other traffic and production

	Widerøe		Blue1	
	Jan-Mar 2011	Change	Jan-Mar 2011	Change
Scheduled traffic				
Number passengers (000)	590	22.4%	422	24.3%
RPK, (mill)	180	19.4%	343	21.4%
ASK, (mill)	321	19.9%	569	24.3%
Load factor (%)	56.0%	-0.2 p.p.	60.2%	-1.5 p.p.
Yield (local currency)		-1.6%		-3.4%
Total unit cost, including charter (local currency)		-9.6%		2.0%

Detailed unit costs analysis – Scandinavian Airlines

Currency/volume adjusted (MSEK)	Jan-Mar 2011	Jan-Mar 2010 currency/volume adjusted	Change %	Share of adjusted total change %
Payroll expenses	2,737	2,883	-5.1%	-2.0%
Jet fuel	1,553	1,205	+28.8%	+4.8%
Government user fees	820	812	+1.0%	+0.1%
Selling costs	546	509	+7.2%	+0.5%
Handling costs	342	390	-12.4%	-0.7%
Technical aircraft maintenance	501	585	-14.4%	-1.2%
Other operating expenses (net)	-70	79	-190%	-2.0%
Operating expenses	6,428	6,463	-0.5%	-0.5%
Leasing costs for aircraft	373	408	-8.6%	-0.5%
Depreciation	374	384	-2.4%	-0.1%
Adjusted EBIT	7,175	7,254	-1.1%	-1.1%

Aircraft fleet

SAS Group's aircraft fleet, March 31, 2011

	Age	Owned	Leased	Wetleased	Total	In service	Leased out
Airbus A330/A340	8.8	5	6	0	11	10	1
Airbus A319/A320/A321	7.7	4	10	0	14	12	2
Boeing 737 Classic	18.1	1	11	0	12	12	0
Boeing 737 NG	9.9	22	45	0	67	65	1
Boeing 717	10.6	0	9	0	9	7	2
McDonnell Douglas MD-80 series	21.1	27	14	0	41	26	8
McDonnell Douglas MD-90 series	14.2	8	0	0	8	0	7
Avro RJ-85	9.3	0	5	0	5	5	0
ATR	1.1	0	0	3	3	3	0
Fokker 50	21.0	0	4	0	4	0	0
deHavilland Q series *	13.4	24	13	0	37	34	2
SAAB2000	14.1	0	0	2	2	2	0
Bombardier CRJ200	13.1	0	0	4	4	4	0
Bombardier CRJ900NG	1.8	12	0	0	12	12	0
Total	12,6	103	117	9	229	192	23

* Including one deHavilland Q400 aircraft that was withdrawn from service.

Aircraft in service distributed by airlines

	Age	Total	In service	Leased out
SAS Scandinavian Airlines	11.8	155	141	23
Widerøe	13.7	34	34	
Blue 1	8.9	17	17	
Leased aircraft	15.1	23		
Total	12.6	229	192	23



Airbus A340-300
Scandinavian Airlines



Airbus A330-300
Scandinavian Airlines



Airbus A321-200
Scandinavian Airlines



Airbus A319
Scandinavian Airlines



MD- 82/87
Scandinavian Airlines



Boeing 737-400/500
Scandinavian Airlines



Boeing 737-600/700/800
Scandinavian Airlines



Bombardier CRJ900
Scandinavian Airlines



deHavilland Q100/300/400NG
Widerøe



Boeing 717
Blue1



Avro RJ-85
Blue1

For further information on each model of aircraft, refer to www.sasgroup.net

Important events during the quarter

Events after March 31, 2011

- The SAS Annual General Meeting was held on April 11, 2011
 - ✓ The Meeting resolved that no dividend would be paid to shareholders for the 2010 fiscal year
 - ✓ All of the members of the Board of Directors were re-elected and all other issues were resolved in accordance with the proposals presented in the notice of the Meeting
- SAS launched the Oslo-New York route

First quarter 2011

- Rickard Gustafson took office as President and CEO on February 1, 2011
- SAS was named Travel Marketer of the Year by Hospitality Sales and Marketing Association International (HSMIA) in Norway
- SAS was officially named Europe's most punctual airline by the independent research company FlightStats
- Göran Jansson took office as the new CFO and Deputy President of SAS
- SAS issued senior unsecured bonds totaling SEK 2 billion

Fourth quarter 2010

- In conjunction with the initiative to simplify the aircraft fleet, SAS impaired the carrying amount of its MD90s by MSEK 200
- SAS was affected to a minor extent compared with other types of transportation by the extreme weather conditions in November and December. SAS's costs for the disruption to traffic are estimated at between MSEK 70 and 80
- SAS completed the relocation of its head office from Frösundavik Solna to Arlanda Airport

Third quarter 2010

- Mats Jansson, President and CEO, left his position on October 1, 2010, John Dueholm was appointed President and CEO.
- On November 9, the European Commission fined SAS Cargo MSEK 660 in the air-cargo investigation that had been conducted since 2006. Earnings in the third quarter were affected by the corresponding amount.
- SAS Cargo entered a settlement agreement concerning disputes in the US, which had a negative impact of MSEK 104 on Group earnings for the third quarter
- SAS deployed an additional long-haul aircraft to meet the increased demand for intercontinental travel.
- SAS was denied leave to appeal to Norway's Supreme Court regarding the ruling to pay damages and legal costs to Norwegian Air Shuttle, which involved a negative effect of MSEK 218 on the Group's earnings in the third quarter.
- During the quarter, SAS was the world's most punctual major airline
- The Danish National Audit Office issues a report relating to the Civil Aviation Administration's review of SAS. The report criticized SAS for overdue ADs. The National Audit Office is of the opinion that the initiatives taken by SAS to avoid future infringements are satisfactory.
- SAS becomes the first airline in the world to obtain ISO 14001 and EMAS environmental certification.
- The SAS Group entered a leasing agreement relating to its eight MD90s and, as a result, the aircraft model will be phased out of SAS's operational fleet.
- The SAS Group simplified its company structure by divesting its remaining shareholding in the regional airline Skyways Holding AB.

Second quarter 2010

- On April 15, Scandinavian airspace closed due to the ash from the Eyjafjallajökull volcano in Iceland. The total negative earnings effect for SAS was approximately MSEK -700.
- SAS's Annual General Meeting was held on April 7.
 - ✓ Two new Board members, Monica Caneman and Gry Mølleskog, were elected after Berit Kjöll and Anitra Steen announced their resignation from the Board
 - ✓ The rights issue, reverse split and convertible bonds were approved
 - ✓ The Meeting decided that no dividend would be paid for the 2009 fiscal year
- SAS's rights issue valued at approximately SEK 5 billion was oversubscribed by 50%.
- SAS implemented a 1:30 reverse split of shares.
- The conversion price of the Group's convertible bonds was adjusted to SEK 46.50.
- The subsidiary SGS UK was outsourced.
- On June 9, SAS pilots participated in an eight-hour sympathy strike linked to a conflict between the Swedish regional airline AVIA and its pilots

Financial calendar

SAS financial calendar

Interim report 2, 2011
 Interim report 3, 2011
 Year-end report 4, 2011
 Annual Report and Sustainability Report 2011

August 17, 2011
 November 8, 2011
 February 2012
 March 2012

All reports are available in English and Swedish and can be ordered on the Internet: www.sasgroup.net or from: 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.

For definitions, refer to the Annual Report or www.sasgroup.net under Investor Relations / Reports and Presentations.

Press/Investor Relations

Web cast - media
 Telephone conference, investors/analysts

8:30 a.m., May 10, 2011
 1:30 p.m., May 10, 2011

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.

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 May 10, 2011, at 8:00 a.m.

SAS Group's route network

