

Strengthened SAS delivers positive result

May–July 2013

- Revenue: MSEK 11,593 (11,638)
- Traffic: up 5.6%
- Passenger revenue adjusted for currency: up 5.3%
- Income before tax and nonrecurring items: MSEK 973 (497)
- EBIT margin: 11.6% (9.0%)
- Income before tax: MSEK 1,120 (726)
- Net income for the period: MSEK 844 (534)
- Earnings per share: SEK 2.57 (1.62)
- Cash flow from operating activities: MSEK -276 (-187)

November 2012–July 2013

- Revenue: MSEK 31,123 (31,007)
- Traffic: up 3.8%
- Passenger revenue adjusted for currency: up 5.3%
- Income before tax and nonrecurring items: MSEK 229 (-788)
- EBIT margin: 2.2% (-1.3%)
- Income before tax: MSEK -9 (-2,694)
- Net income for the period: MSEK -174 (-2,436)
- Earnings per share: SEK -0.53 (-7.40)
- Cash flow from operating activities: MSEK 518 (299)

“It is gratifying that our robust and sweeping restructuring program is having the anticipated effect and SAS exits the third quarter strongly with a positive income before tax of MSEK 1,120.

We have made substantial progress in the implementation of our plan to improve our financial position. When the sale of Widerøe is concluded in September, we will have completed the sale of assets corresponding to about SEK 2.7 billion.

In parallel, during the quarter, we were able to increase traffic through a significant improvement in productivity. During the summer, 32 new routes were opened, which contributed to increased passenger revenue at the same time as operating expenses decreased. We have signed a letter of intent with Airbus regarding the renewal of the SAS Group's long-haul fleet, which bolsters our long-term competitiveness.

Competition in European air traffic remains very intense. Consequently, our focus is on completing the entirely necessary transition to a lower and more flexible cost structure, in parallel with our continued aggressive investment in our customer offering. Our forecast of achieving positive earnings for the full-year remains firmly in place,” says Rickard Gustafson, SAS President and CEO.

Income and key ratios

Key ratios (MSEK)	May-July 2013	May-July 2012	Nov-July 2012-2013	Nov-July 2011-2012	Aug-July 2012-2013	Aug-July 2011-2012
Revenue	11,593	11,638	31,123	31,007	42,535	42,078
EBIT margin (target 8%)	11.6%	9.0%	2.2%	-1.3%	1.0%	0.3%
Income before tax and nonrecurring items	973	497	229	-788	1,038	-448
Income before tax, EBT	1,120	726	-9	-2,694	-570	-2,380
Net income for the period	844	534	-174	-2,436	-748	-2,248
Cash flow from operating activities	-276	-187	518	299	1,936	1,375

	July 31 2013	Oct 31 2012	July 31 2012	July 31 2011
Equity/assets ratio (target >35%)	30%	30%	32%	35%
Financial preparedness (target >20% of fixed costs)	21%	29%	26%	37%
Shareholders' equity per share, SEK	33.08	33.91	35.84	43.58

Comments by the CEO

May–July 2013

- Income before tax amounted to MSEK 1,120 (726)
 - Income before tax and nonrecurring items increased by MSEK 476 to MSEK 973
- Traffic increased 5.6%
- The unit cost, excluding jet fuel, fell 5.8%
- Higher productivity with increased aircraft utilization and 32 new routes
- Yield declined 0.6% as a consequence of this summer's expansion
- The competition authorities approved the sale of Widerøe, which is expected to be completed in September
- The SAS Group's long-term liquidity was strengthened through the sale and leaseback of six Boeing 737s for MSEK 500 and a debt issue of MEUR 35
- Letter of intent with Airbus for the renewal of the long-haul fleet with deliveries starting in 2015
- SAS Go and SAS Plus introduced in Scandinavia and Europe

It is gratifying that SAS exits the third quarter further strengthened with a positive income before tax of MSEK 1,120. After adjustments for nonrecurring items, the improvement in earnings was MSEK 476, a doubling compared with last year. The third quarter is seasonally strong, but above all this quarter provides confirmation that our established strategy is having an impact and that we have made substantial progress. With greater financial stability and a more competitive cost structure, we have created scope for aggressive initiatives and investment in our customer offering.

Competition in European air traffic remains very intense. However, demand in the Scandinavian market increased approximately 6% in the third quarter, which is more than in substantial parts of Europe.

One of the SAS Group's strategic objectives is to create the requisite operative preconditions, in terms of both costs and flexibility, to be able to offer competitive prices. During the quarter, SAS expanded through a significant increase in productivity. Unit cost decreased 5.8% and aircraft utilization increased by slightly more than 30 minutes per day year-on-year. Accordingly, during the summer of 2013, we were able to bolster our offering and opened 32 new routes, which contributed to an increase in passenger revenue of 5.3%, at the same time as operating expenses decreased on a year-on-year basis.

SAS caters to those who travel often and those who see a value in easier and more time-efficient travel. We offer more destinations and more departures than any other Nordic airline, which is the strength of our business model. More routes and departures in combination with competitive pricing means that a larger proportion of our loyal customers now choose to fly with SAS for leisure travel. In June–July, 46% more EuroBonus customers flew with SAS compared with the year-earlier period. In addition, at the beginning of June, our new service concept SAS Go and SAS Plus were introduced, whereby simplicity, good value, and respect for our customers form the basis of an entirely new method of meeting the competition.

In June, we signed a letter of intent with Airbus regarding the renewal of the SAS Group's long-haul fleet, which further bolsters our long-term competitiveness. From 2015 onwards, SAS will upgrade its fleet with four new A330 Enhanced aircraft and, from 2018, SAS will phase in eight Airbus A350s. Furthermore, SAS will implement an upgrade of the passenger cabins in seven existing aircraft by 2015. In addition to a substantially enhanced customer offering, the new long-haul aircraft will improve jet-fuel efficiency by slightly more than 30% compared with the existing A340s.

A prerequisite for the continued development of our operations is that we create a long-term financial preparedness in line with our plan. At the end of July, we carried out the sale and leaseback of aircraft to a value of MSEK 500. We issued debt of MEUR 35 under the EMTN program and, in addition, are evaluating the prerequisites for further bond loans. In June, the competition authorities approved the sale of Widerøe, for which the practical sale arrangements are expected to be in place by the end of September. Widerøe is the single most important sale for SAS and, when it has been completed, SAS will have a financial preparedness that comfortably exceeds the target of 20% of our fixed costs. At which point, we will have completed the sale of assets corresponding to about SEK 2.7 billion. Including the bond issue in July, liquidity will thereby be strengthened by about SEK 3 billion. The above, together with the latest upgrade of the SAS Group's credit rating by Standard & Poors comprise acknowledgments that we are on the right path. In the autumn, we will continue the work with outsourcing Ground Handling, which comprises a crucial long-term measure to exchange fixed costs for variable costs and, thereby, further increase operational flexibility.

The third quarter strengthened SAS financially and further improvement of the financial position is expected in the last quarter. Provided that no significant unforeseen event occurs in our business environment, the SAS Group will achieve an EBIT margin in excess of 3% and positive income before tax, EBT, for the full year 2012/2013.

I would like to send my heartfelt thanks to all our staff who, not least during the summer, have continued to work hard despite the extensive restructuring efforts. Looking forward, our strategic priority is to continue to deliver on our vigorous change program, in parallel with aggressive investment in our customer offering as well as enhanced quality and service. This comprises a prerequisite for long-term profitable growth.

Stockholm, September 4, 2013

Rickard Gustafson
President and CEO

Commentary on earnings

Earnings analysis May-July 2013

The SAS Group's income before tax and nonrecurring items amounted to MSEK 973 (497).

Income before tax amounted to MSEK 1,120 (726) and income after tax was MSEK 844 (534).

The Group's revenue amounted to MSEK 11,593 (11,638). Adjusted for currency effects, revenue rose MSEK 368, up 3.3% year-on-year. The increase was mainly attributable to passenger revenue, which adjusted for currency effects, rose 5.3%. The number of passengers increased 1.0%, capacity (ASK) rose 7.7% and the load factor declined 1.6 p.p. year-on-year. The yield for Scandinavian Airlines declined 0.6% compared with the year-earlier period.

Payroll expenses amounted to MSEK -2,943 (-3,196), which included restructuring costs of MSEK 0 (-30). Payroll expenses after adjustment for restructuring costs declined about 7% year-on-year.

Expenses for jet fuel amounted to MSEK -2,354 (-2,722), down MSEK 368 due to reasons including hedging effects of MSEK 204 and currency effects of MSEK 135 resulting from a stronger SEK/USD exchange rate compared with the year-earlier period.

Other operating expenses excluding fuel costs amounted to MSEK -4,025 (-4,123). Adjusted for nonrecurring items and currency effects, other operating expenses increased 5.5% year-on-year, which was attributable to increased capacity, higher maintenance costs for engines and phase-out costs for aircraft. Total unit cost for Scandinavian Airlines (CASK), excluding jet fuel, was 5.8% lower year-on-year.

The Group's net financial items amounted to MSEK -225 (-318), of which the net interest expense accounted for MSEK -188 (-215), exchange-rate differences for MSEK 1 (-34) and other financial items for MSEK -38 (-69).

Total nonrecurring items amounted to MSEK 147 (-229) and comprised restructuring costs, capital gains/losses and other nonrecurring items. Restructuring costs amounted to MSEK 186 (-35), of which MSEK 0 (-30) pertained to payroll expenses, MSEK 186 (0) the reversal of previous restructuring costs pertaining to properties and MSEK 0 (-5) to other expenses. Capital losses amounted to MSEK -39 (gain: 264) and pertained to aircraft transactions of MSEK -39 (-83) as well as property transactions of MSEK 0 (347).

Earnings analysis November 2012–July 2013

The SAS Group's income before tax and nonrecurring items amounted to MSEK 229 (-788).

Income before tax amounted to MSEK -9 (-2,694) and income after tax was MSEK -174 (-2,436). The tax expense totaled MSEK -165 (258), which included a tax expense due to the changed tax rate in Sweden from 26.3% to 22%.

The Group's revenue amounted to MSEK 31,123 (31,007). Adjusted for currency effects, revenue rose MSEK 964, up 3.2% year-on-year. The increase was mainly attributable to passenger revenue, which adjusted for currency effects, rose 5.3%. The number of passengers increased 0.2%, capacity (ASK) rose 5.7% and the load factor declined 1.4 p.p. year-on-year. The yield for Scandinavian Airlines increased 1.0% compared with the year-earlier period.

Payroll expenses amounted to MSEK -8,735 (-9,800), which included restructuring costs of MSEK -37 (-107) and a positive effect of MSEK 450 (225) pertaining to pension costs, due to, for example, changed terms for early retirement pensions. This reduced the pension liability and generated a corresponding positive effect in the statement of income. Payroll expenses adjusted for restructuring costs and the positive effect of pension terms, declined approximately 6% year-on-year.

Expenses for jet fuel amounted to MSEK -6,544 (-6,874), down MSEK 330 due to reasons including a decreased fuel price of MSEK 214, increased volumes of MSEK -214, hedging effects of MSEK -34 and currency effects of MSEK 241 due to a stronger SEK/USD exchange rate compared with the year-earlier period.

Other operating expenses excluding fuel costs amounted to MSEK -12,214 (-12,493). Adjusted for nonrecurring items and currency effects, other operating expenses increased 5.6% year-on-year, which was attributable to increased capacity, higher maintenance costs for engines and phase-out costs for aircraft. Total unit cost for Scandinavian Airlines (CASK), excluding jet fuel, was 6.7% lower year-on-year.

Income from sale of shares in subsidiaries, affiliated companies and operations totaling MSEK -302 (336) was primarily attributable to a provision for a capital loss in conjunction with the future sale of Widerøe, which amounted to MSEK -300 (0). Income from the year earlier pertained to property transactions.

Income from other securities holdings totaled MSEK 1 (-1,477). The corresponding year-earlier period included expenses related to the impairment of loans and leasing receivables to Spanair in the amount of MSEK -1,482, which was attributable to Spanair's Board filing for bankruptcy in early 2012.

The Group's net financial items amounted to MSEK -688 (-815), of which the net interest expense accounted for MSEK -569 (-677), exchange-rate differences for MSEK 7 (-19) and other financial items for MSEK -126 (-119).

Total nonrecurring items amounted to MSEK -238 (-1,906) and comprised impairment losses, restructuring costs, capital gains/losses and other nonrecurring items. Impairments totaled MSEK 0 (-1,482), which in the corresponding year-earlier period related to the impairment of loans to and leasing receivables from Spanair. Restructuring costs amounted to MSEK 149 (-302), of which MSEK -37 (-107) pertained to payroll expenses, MSEK 186 (-120) the reversal of previous restructuring costs pertaining to properties and MSEK 0 (-75) to other expenses. Capital losses amounted to MSEK -387 (gain: 186) and pertained to the provision of MSEK -300 (0) for Widerøe mentioned above, aircraft transactions of MSEK -86 (-156), property transactions of MSEK 0 (342) and other capital losses of MSEK -1 (0). Other nonrecurring items totaled MSEK 0 (-308), which in the year-earlier period pertained to a provision of MSEK -249 due to Spanair's Board filing for bankruptcy in early 2012 and the settlement of a legal dispute relating to Cargo for MSEK -59.

Earnings analysis Scandinavian Airlines

(MSEK)	May-July 2013	May-July 2012	Nov-July 2012-13	Nov-July 2011-12
Passenger revenue	8,047	7,946	21,085	20,720
Other revenue	2,680	2,832	7,407	7,763
Revenue	10,727	10,778	28,492	28,483
Operating income, EBIT	1,319	639	1,003	-733
EBIT margin	12.3%	5.9%	3.5%	-2.6%

The improvement in earnings in Scandinavian Airlines was primarily attributable to efficiency enhancements within the framework of the 4XNG strategy plan, but also to lower fuel costs. The unit cost for Scandinavian Airlines, excluding jet fuel, declined 5.8% in the third quarter compared with the year-earlier period, which was largely the result of reduced payroll expenses

Earnings analysis Widerøe

(MSEK)	May-July 2013	May-July 2012	Nov-July 2012-13	Nov-July 2011-12
Passenger revenue	737	722	2,289	2,134
Other revenue	232	272	698	777
Revenue	969	994	2,987	2,911
Operating income, EBIT	52	80	131	217
EBIT margin	5.4%	8.1%	4.4%	7.5%

The lower EBIT level compared with the year-earlier period was mainly due to the four-day cabin strike in May and higher maintenance costs.

The planned sale of Widerøe, which is expected to be completed at the end of September, means that only a minority share of 20% will be included in the SAS Group's earnings from October.

Seasonal variations

Demand, measured as the number of transported passengers, in the SAS Group's markets is seasonally low from December to February and at its peak from April to June and September to October. However, the share of advance bookings is greatest from January to May, which has a highly positive effect on working capital ahead of the holiday period.

Seasonal fluctuations in demand impact cash flow and earnings differently since passenger revenue is recognized when SAS or another company carries out the actual transportation, which results in revenue generally increasing during months in which more passengers are transported. Since a substantial share of an airline's costs is fixed, earnings are impacted by fluctuations in revenue levels.

Seasonal variations indicate that the third and fourth quarters are seasonally the strongest quarters in terms of earnings. However, cash flow from operating activities is seasonally weak in the third quarter due to negative changes in working capital since the number of advance bookings decline during the summer.

Financial position

– Financial preparedness of 21%

At July 31, 2013, the SAS Group's cash and cash equivalents amounted to MSEK 3,240 (2,293), of which MSEK 214 (-) was classified as assets held for sale and pertained to Widerøe. The SAS Group also had unutilized credit facilities amounting to MSEK 3,186 (4,879). Financial preparedness amounted to 21% (26%) of the Group's fixed costs.

The SAS Group's interest-bearing liabilities fell MSEK 302 compared with October 31, 2012 and amounted to MSEK 10,585 on the closing date. New loans raised during the year amounted to MSEK 1,302 and repayments amounted to MSEK 1,403.

At July 31, 2013, the value of the debt and equity share (conversion option and repurchase right) relating to the convertible bond was set at MSEK 1,525 and MSEK 75 respectively. At the date of issue, these amounts were MSEK 1,374 and MSEK 226, respectively. The value of the equity share was included in shareholders' equity, following a deduction for deferred tax.

During the year, financial net debt decreased MSEK 758 to MSEK 5,791 on the closing date.

As planned, the credit facility of SEK 3.5 billion was reduced in conjunction with the sale of various assets and, at July 31, 2013, totaled SEK 2.7 billion. Following the sale of Widerøe, the facility will amount to SEK 2.0 billion. This credit facility is unutilized.

In July, SAS issued debt of MEUR 35 under the EMTN program and, in addition, is evaluating the prerequisites for further bond loans.

At July 31, 2013, the adjusted equity/assets ratio amounted to 25% (25%). The adjusted debt/equity ratio amounted to 1.60 (1.45). The adjusted ratios take into account leasing costs.

Description of events after July 31, 2013

- Standard & Poor's changed the credit rating for SAS from CCC- to B- and retained a stable outlook

For the balance sheet - refer to page 9

Cash-flow statement

– The SAS Group's cash flow from operating activities totaled MSEK 518 for the November 2012 – July 2013 period

Cash flow from operations before changes in working capital was MSEK 885 for the first nine months of the year. As expected, the third quarter made a strong contribution of MSEK 1,304.

Items not included in accumulated cash flow were primarily MSEK -450 for changed terms for early retirement pensions and MSEK -186, which was a reversal of the restructuring reserve. The comparative period contained a reversal of the MSEK 1,731 provision for the bankruptcy of Spanair.

The negative change in working capital during the third quarter was mainly due to a decrease in operating liabilities, which was attributable to the proportion of advance bookings (unearned transportation revenue liability) declining during the summer.

Cash flow from operating activities amounted to MSEK 518 (299) for the first three quarters of the year.

Investments amounted to MSEK 1,187 (1,426), of which MSEK 414 pertained to aircraft, MSEK 123 to capitalized expenditures for engine maintenance, MSEK 100 to aircraft modifications, MSEK 184 to spare parts, MSEK 247 to other ongoing investments that are largely attributable to aircraft as well as MSEK 32 as an advance payment to Airbus and MSEK 87 for capitalized system development costs. Aircraft investments comprised eight MD82s, four Boeing 717s and one Q300 that were previously on operational leases.

In November, a purchase consideration of MSEK 60 was received from the sale of the Flybussen airport coach operation in Oslo.

In March, the sale and leaseback of spare engines was conducted, which generated MSEK 738 and, in July, the sale and leaseback of six Boeing 737-600s was carried out at a sale price of just over MSEK 500. In addition, eight MD82s and three Q400s were sold during the period.

Accumulated cash flow before financing activities amounted to MSEK 666 (-702) and financing activities totaled MSEK -213 (-1,812).

Cash flow was positive at MSEK 453 (neg: 2,514) for the first three quarters of the year. The year-on-year improvement was mainly attributable to improved cash flow from operating activities and that the net investments and net amortizations for the year-earlier had a significantly more positive impact on the year's cash flow than in the comparative period.

Cash and cash equivalents amounted to MSEK 3,026 according to the balance sheet, compared with MSEK 2,789 at October 31, 2012.

For the cash-flow statement - refer to page 11

4Excellence Next Generation

In November 2012, an action package entitled 4Excellence Next Generation (4XNG) was launched with the aim of addressing the decisive structural and financial limitations in the SAS Group's operations.

The 4XNG plan encompasses a number of structural streamlining measures and the divestment of assets to reduce the dependence on credit facilities. Overall, the aim is to implement cost reductions of about SEK 3 billion in the 2013-2015 period, and to divest assets and implement a funding plan comprising a total of approximately SEK 3 billion.

Streamlining measures and status of the 4XNG plan:

New collective agreements with salary and employment terms at market rates

New agreements were signed in November 2012 that pave the way for significant enhancements in planning and scheduling efficiency. New employment terms were fully implemented in the spring of 2013 and resulted in a productivity increase in excess of 4% in the third quarter. These new agreements are open to the possibility of using wet leases to create additional flexibility and balance to counter seasonal variations in resource utilization. During the spring, a procurement was conducted and an agreement signed with JetTime for the wet lease of four ATR72-600s. In total, savings generated by the new agreements are expected to amount to about MSEK 700 and reach their full effect in the 2013/2014 fiscal year.

New pension terms

The agreement regarding new pension terms in November 2012 entails new defined-contribution pension solutions for most employees. At the end of the 2013 calendar year, the negative impact on shareholders' equity is expected to have been reduced by about SEK 3.4 billion, which occurs in accounting terms in November 2013 and the sale of Widerøe is expected to further reduce the effect by about SEK 1.0 billion. This means that the negative effect on shareholders' equity is estimated at about SEK 7 billion. The defined-benefit pension obligations are estimated to be reduced by about 60%, that is about SEK 19 billion, and thus decrease the volatility in earnings due to the changed pension obligations. The new pension agreements are now fully implemented in Sweden and Denmark, whereas the Norwegian agreements are being finalized in the fourth quarter. Accordingly, the effect on earnings of the new pension terms is thus approximately MSEK 500 over a full year from the next fiscal year.

Centralization and enhancement of administration efficiency

The actions entail a reduction in and centralization of administration to Stockholm. In total, about 1,000 full-time positions will be cut, with the majority implemented during the current fiscal year. The process is proceeding according to plan and as of the third quarter, all the employees who will be leaving the company in the current fiscal year have been identified and agreements reached with 85% of these individuals. Following full implementation, the annual reduction in costs will amount to about MSEK 750.

IT restructuring

The aim of IT restructuring is to halve the IT expenses of the SAS Group by 2016. A procurement of IT services was completed in the second quarter and a five-year agreement was signed with Tata Consultancy Services (TCS) for operational, administrative and development services. In addition, SAS signed an agreement to outsource SAS revenue management systems. Together, these measures have a combined increase in cost-efficiency of MSEK 550.

Commercial & Sales

The SAS sales organization is undergoing restructuring and centralization. In addition, network efficiency is being enhanced through better utilization of existing resources, including aircraft utilization and supplemented with wet-lease operations with smaller aircraft. New commercial concept with simplified logistics is also being introduced.

During the second quarter, an agreement was signed with Sykes to expand the collaboration, thus allowing Sykes to manage more parts of the call-center operation. This agreement and the internal reorganization will affect about 420 persons within the SAS Group's call-center operation. The transfer of these operations proceeded according to plan during the third quarter. Savings in Commercial & Sales will amount to a total of about MSEK 500.

In total, the 4XNG plan is expected to deliver a planned earnings effect before tax of approximately SEK 3 billion. As a consequence of the reversals performed in the third quarter of previously established restructuring reserves, the restructuring expenses for the full-year 2012/2013 are expected to be positive and in line with the outcome for the November 2012 – July 2013 period.

Divestment of assets and funding plan:

- **Widerøe** – An agreement was signed to sell 80% of the SAS Group's shareholding in Widerøe Flyveselskap AS. SAS will retain 20% of the shares in Widerøe but intends to transfer full ownership of Widerøe in 2016. As part of the transaction, SAS sold seven Bombardier Q400 aircraft to Widerøe in the third quarter. The loans related to these aircraft were transferred to Widerøe.

Additionally, three Bombardier Q400 aircraft were sold by SAS to Widerøe, which then sold them on to a leasing company. SAS will receive about SEK 2 billion in conjunction with the sale of Widerøe, including aircraft transactions, of which, approximately SEK 1 billion will have a positive effect on liquidity. The total value of these various transactions may amount to SEK 2.3 billion with full divestment of the shares in 2016.

- **Aircraft engines** – A sale and leaseback agreement was entered into in February with a liquidity effect of slightly more than MSEK 700.
- **Aircraft financing** – Additional refinancing has been carried out for a number of aircraft, which had a combined effect on liquidity of about SEK 1 billion.
- **Properties** – The process of selling the remaining airport-related properties is under way.

With the sale of Widerøe, SAS will have completed the sale of assets with a corresponding effect on liquidity of about SEK 2.7 billion. In addition, SAS issued a bond of MEUR 35 that further strengthens liquidity.

Outsourcing of SAS Ground Handling

The outsourcing of Ground Handling is a long-term strategic measure aimed at achieving higher flexibility in the cost base and reducing the level of dependency on external revenue in parallel with providing enhanced conditions for Ground Handling's operations to grow. A letter of intent has been signed with Swissport regarding the outsourcing of operations, initially as a jointly-owned company. During the third quarter, preparations continued in the form of establishing structures and procedures. It is extremely important that the transfer is carried out with minimal impact on quality and customer service, in parallel with limiting the financial impact of the plan. Accordingly, the quality and robustness of the solution are therefore more important than rapid implementation.

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 fuel hedging

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 fuel should be hedged at an interval of 40-80% of anticipated volumes for the coming 12 months. At July 31, 2013, the hedging ratio was 41% for the coming 12 months. At July 31, 2013, the market value of the hedges was MUS\$ 4. Hedging is performed using options and swaps, with strong emphasis on the 2012/2013 fiscal year and Q1 in 2013/14. Under current plans for available capacity, the cost of fuel during forthcoming fiscal years is expected to be in line with the table below, taking into account different prices and USD rates.

For foreign currencies, the policy is to hedge 40-80%. At July 31, 2013, the SAS Group had hedged 51% of its anticipated USD deficit for the next 12 months. The SAS Group has hedged its USD deficit using a combination of forward contracts and options.

Hedging of jet fuel

	Aug-Oct 2013	Nov-Jan 2013-2014	Feb-Apr 2014	May-July 2014
Hedging of jet fuel	100%	34%	24%	7%

Vulnerability matrix, jet-fuel cost November 2012 to October 2013, SEK billions

Market price	Exchange rate SEK/USD			
	5.00	6.00	7.00	8.00
USD 600 per ton	7.7	7.9	8.1	8.4
USD 800 per ton	8.1	8.4	8.7	9.0
USD 1,000 per ton	8.4	8.8	9.2	9.5
USD 1,200 per ton	9.0	9.5	10.0	10.5
USD 1,400 per ton	9.6	10.2	10.8	11.4

The SAS Group's current hedging contracts for jet fuel and reported jet-fuel cost at July 31, 2013 were taken into account.

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 June 2013, the European Commission and the EFTA Surveillance Authority decided to initiate an in-depth review of the three state shareholders' participation in SAS's renewal of a revolving credit facility (RCF) in November/December 2012 to determine whether it constitutes a government subsidy.

Full-year 2012/2013

The ongoing restructuring program will provide SAS with a significantly improved financial position moving forward. New collective agreements for flight crews have been implemented and SAS is maintaining full focus on implementation of the plan's remaining activities. In 2012/2013, the 4XNG plan is expected to generate a positive impact on earnings of SEK 1.5 billion. The yield trend during the first nine months was better than expected, while the trend in RASK was weakly negative, in line with expectations. Ahead of the last quarter, SAS has hedged its remaining jet-fuel consumption and thus reduced its exposure to sudden fuel-price increases. SAS continues to anticipate a negative RASK trend during the year.

SAS now expects the SAS Group to report an EBIT margin in excess of 3% and positive income before tax, EBT, for the full-year 2012/2013 provided that no significant unforeseen event occurs in the business environment.

In the interim report for November 2012-April 2013, the SAS Group stated:

"On condition that no significant unexpected external events occur, the SAS Group deems that a positive EBIT margin, exceeding 3%, and a positive EBT is possible to achieve for the full-year 2012/2013."

SAS Group

Statement of income including statement of other comprehensive income

(MSEK)	May-July 2013	May-July 2012	Nov-July 2012-2013	Nov-July 2011-2012	Aug-July 2012-2013	Aug-July 2011-2012
Revenue	11,593	11,638	31,123	31,007	42,535	42,078
Payroll expenses ¹	-2,943	-3,196	-8,735	-9,800	-12,570	-13,076
Other operating expenses ²	-6,379	-6,845	-18,758	-19,367	-25,685	-25,827
Leasing costs for aircraft ³	-480	-411	-1,300	-1,182	-1,736	-1,572
Depreciation and impairment	-426	-432	-1,270	-1,257	-1,702	-1,700
Share of income of affiliated companies	19	26	6	11	23	37
Income from sale of shares in subsidiaries, affiliated companies and operations	0	336	-302	336	-238	336
Income from sale of aircraft and buildings	-39	-72	-86	-150	-207	-129
Operating income	1,345	1,044	678	-402	420	147
Income from other securities holdings	0	0	1	-1,477	1	-1,477
Financial revenue	11	27	32	125	39	181
Financial expenses	-236	-345	-720	-940	-1,030	-1,231
Income before tax	1,120	726	-9	-2,694	-570	-2,380
Tax	-276	-192	-165	258	-178	132
Net income for the period	844	534	-174	-2,436	-748	-2,248
Other comprehensive income:						
Items that may be reversed to the income statement later:						
Exchange-rate differences in translation of foreign operations	-79	-170	-204	-172	-134	-124
Cash-flow hedging – hedging reserve	91	-15	79	-74	-50	-193
Net investment hedge	10	78	25	96	-26	34
Total other comprehensive income for the year, net after tax	22	-107	-100	-150	-210	-283
Total comprehensive income	866	427	-274	-2,586	-958	2,531
Net income for the period attributable to:						
Parent Company shareholders	844	534	-174	-2,436	-748	-2,248
Earnings per share (SEK) ¹	2.57	1.62	-0.53	-7.40	-2.27	-6.83
Earnings per share after dilution	2.38	1.53	-0.53	-7.40	-2.27	-6.83

1 Includes restructuring costs of MSEK – (30) during the period May-July, MSEK 37 (107) during the period November-July and MSEK 951 (143) during the period August-July.

2 Includes restructuring costs of MSEK -186 (5) during the period May-July, MSEK -186 (188) during the period November-July and MSEK 94 (192) during the period August-July.

3 Includes restructuring costs of MSEK – (–) during the period May-July, MSEK – (7) during the period November-July and MSEK 39 (14) during the period August-July.

4 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 only entails a dilution effect in the period May-July. During other periods, the interest per ordinary share that can be obtained on conversion exceeds the earnings per share before the dilution effect.

Income before tax and nonrecurring items

(MSEK)	May-July 2013	May-July 2012	Nov-July 2012-2013	Nov-July 2011-2012	Aug-July 2012-2013	Aug-July 2011-2012
Income before tax	1,120	726	-9	-2,694	-570	-2,380
Impairment losses ¹	0	0	0	1,482	0	1,482
Restructuring costs	-186	35	-149	302	1,084	349
Capital gains/losses	39	-264	387	-186	444	-207
Other nonrecurring items ²	0	0	0	308	80	308
Income before tax and nonrecurring items	973	497	229	-788	1,038	-448

1 Includes an impairment of receivables to Spanair of MSEK -1,482 for the first quarter of 2011/2012.

2 Includes a provision pertaining to Spanair of MSEK -249, a legal settlement relating to Cargo of MSEK -51 for the first quarter of 2011/2012, a legal settlement relating to Cargo of MSEK -8 for the second quarter of 2012 and provision for renegotiation of suppliers' agreements of MSEK -30 and financial expenses from the renegotiation of the credit facility of MSEK -50 in the fourth quarter of 2012.

Condensed balance sheet

(MSEK)	July 31 2013	Oct 31 2012	July 31 2012	July 31 2011
Intangible assets	1,789	1,922	1,869	1,593
Tangible fixed assets	9,596	13,343	13,593	14,110
Financial fixed assets	14,631	14,427	14,628	14,603
Total fixed assets	26,016	29,692	30,090	30,306
Other current assets	373	687	694	561
Current receivables	3,344	3,586	4,035	5,056
Cash and cash equivalents ³	3,026	2,789	2,293	4,477
Assets held for sale	3,327	-	-	436
Total current assets	10,070	7,062	7,022	10,530
Total assets	36,086	36,754	37,112	40,836
Shareholders' equity ¹	10,882	11,156	11,790	14,339
Long-term liabilities	9,617	12,111	12,221	13,659
Current liabilities	12,986	13,487	13,101	12,732
Liabilities attributable to assets held for sale	2,601	-	-	106
Total shareholders' equity and liabilities	36,086	36,754	37,112	40,836
Shareholders' equity per share ²	33.08	33.91	35.84	43.58
Interest-bearing assets	17,648	16,570	15,872	18,851
Interest-bearing liabilities	10,585	10,887	11,244	12,599

¹ Including non-controlling interests.

² Calculated on 329,000,000 shares outstanding.

The SAS Group has not carried out any buyback programs.

³ At July 31, 2013, including receivables from banks and other financial institutes, MSEK 885 (0).

Specification of financial net debt, July 31, 2013

	According to balance sheet	Of which, financial net debt
Financial fixed assets	14,631	1,151
Current receivables	3,344	398
Cash and cash equivalents	3,026	3,026
Assets held for sale	3,327	219
Long-term liabilities	9,617	7,118
Current liabilities	12,986	2,812
Liabilities attributable to assets held for sale	2,601	655
Financial net debt		5,791

Condensed changes in shareholders' equity

(MSEK)	Share capital ¹	Other contributed capital ²	Hedge reserves	Translation reserve	Retained earnings ³	Total shareholders' equity attributable to Parent Company shareholders	Total equity
Opening shareholders' equity in accordance with approved balance sheet, November 1, 2011	6,613	337	127	100	7,199	14,376	14,376
Comprehensive income			-74	-76	-2,436	-2,586	-2,586
Closing balance, July 31, 2012	6,613	337	53	24	4,763	11,790	11,790
Comprehensive income			-65	5	-574	-634	-634
Closing balance, October 31, 2012	6,613	337	-12	29	4,189	11,156	11,156
Comprehensive income			79	-179	-174	-274	-274
Closing balance, July 31, 2013	6,613	337	67	-150	4,015	10,882	10,882

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

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

3 No dividends were paid in 2011 and 2012.

Financial key ratios

	July 31 2013	Oct 31 2012	July 31 2012	July 31 2011
CFROI, 12-month rolling	15%	9%	11%	16%
Financial preparedness (target >20% of fixed costs)	21%	29%	26%	37%
Equity/assets ratio (target >35%)	30%	30%	32%	35%
Adjusted equity/assets ratio	25%	24%	25%	29%
Financial net debt, MSEK	5,791	6,549	7,077	4,471
Debt/equity ratio	0.53	0.59	0.60	0.31
Adjusted debt/equity ratio (target <1.00)	1.60	1.54	1.45	0.96
Interest ratio	0.4	-1.6	-0.9	-0.3

Condensed cash-flow statement

(MSEK)	May-July 2013	May-July 2012	Nov-July 2012-2013	Nov-July 2011-2012	Aug-July 2012-2013	Aug-July 2011-2012
Income before tax	1,120	726	-9	-2,694	-570	-2,380
Depreciation and impairment	426	432	1,270	1,257	1,702	1,700
Income from sale of aircraft, buildings and shares	39	-264	387	-186	444	-207
Adjustment for items not included in cash flow, etc.	-280	106	-762	1,684	480	1,636
Tax paid	-1	0	-1	2	-1	1
Cash flow from operations before change in working capital	1,304	1,000	885	63	2,055	750
Change in working capital	-1,580	-1,187	-367	236	-119	625
Cash flow from operating activities	-276	-187	518	299	1,936	1,375
Investments including advance payments to aircraft manufacturers	-235	-354	-1,187	-1,426	-1,575	-1,781
Acquisition of subsidiaries	0	-1,322	0	-1,322	0	-1,322
Sales of subsidiaries and operations	0	1,763	60	1,763	58	1,763
Sales of fixed assets, etc.	519	-56	1,275	-16	1,533	53
Cash flow before financing activities	8	-156	666	-702	1,952	88
External financing, net	171	-921	-213	-1,812	-1,005	-2,280
Cash flow for the period	179	-1,077	453	-2,514	947	-2,192
Translation difference in cash and cash equivalents	0	-4	-2	-4	0	-4
Cash and cash equivalents transferred to/from assets held for sale	-153	0	-214	0	-214	12
Change in cash and cash equivalents according to the balance sheet	26	-1,081	237	-2,518	733	-2,184

SAS Group's investments

(MSEK)	May-July 2013	May-July 2012	Nov-July 2012-2013	Nov-July 2011-2012	Aug-July 2012-2013	Aug-July 2011-2012
Scandinavian Airlines	166	240	927	1,135	1,240	1,447
Other operations and eliminations	69	114	260	291	335	334
SAS Group	235	354	1,187	1,426	1,575	1,781

Parent Company SAS AB

Income before appropriations and tax for the period amounted to MSEK -954 (-2,546). During the period, impairments of shares totaling MSEK 765 were implemented for participations in Widerøe. The corresponding year-earlier period included impairments of MSEK 894 for participations in OY Nordair Ab and an impairment of MSEK 1,395 for a loan to Spanair.

The number of shareholders in SAS AB amounted to 60,365 at July 31, 2013. The average number of employees in SAS AB amounted to 36 (45).

Condensed statement of income

(MSEK)	Nov-July 2012-2013	Nov-July 2011-2012
Revenue	4	13
Payroll expenses	-68	-93
Other operating expenses	-63	-240
Operating income before depreciation	-127	-320
Depreciation	0	0
Operating income	-127	-320
Income from participations in Group companies	-792	-867
Income from other securities holdings	0	-1,390
Net financial items	-35	31
Income before appropriations and tax	-954	-2,546
Tax	-83	78
Net income for the period	-1,037	-2,468
Net income for the period attributable to: Parent Company shareholders	-1,037	-2,468

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

Condensed balance sheet

(MSEK)	July 31 2013	Oct 31 2012	July 31 2012
Financial fixed assets	5,495	6,386	6,957
Other current assets	6,184	7,079	6,710
Cash and cash equivalents	1	0	0
Total assets	11,680	13,465	13,667
Shareholders' equity	9,594	10,631	10,695
Long-term liabilities	1,954	2,612	2 758
Current liabilities	132	222	214
Total shareholders' equity and liabilities	11,680	13,465	13,667

Changes in shareholders' equity

(MSEK)	Share capital	Restricted reserves	Unrestricted equity	Total equity
Opening balance, Nov 1, 2012	6,613	473	3,545	10,631
Net income for the period			-1,037	-1,037
Shareholders' equity, July 31, 2013	6,613	473	2,508	9,594

Notes

Note 1 – Accounting policies and financial statements

This 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 November 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 2012.

An agreement was signed in early May pertaining to the sale of 80% of Widerøe Flyveselskap AS, therefore the company's balance sheet was prepared according to IFRS 5: Fixed Assets Held for Sale. Widerøe's share of the profit was not recognized as a divested operation since the criteria stipulated in IFRS 5:32 had not been fulfilled due to the fact that Widerøe's operation did not constitute an independent material business segment or an operation that is conducted in a single geographic area.

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, in addition to SAS Cargo and Blue1. Widerøe is an independent regional airline based in Norway.

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

November-July (MSEK)	Scandinavian Airlines		Widerøe		Reconciliation				SAS Group	
	2012-2013	2011-2012	2012-2013	2011-2012	Other		Eliminations		2012-2013	2011-2012
External revenue	28,147	28,133	2,975	2,873	1	1	0	0	31,123	31,007
Sales between segments	345	350	12	38	0	6	-357	-394	0	0
Revenue	28,492	28,483	2,987	2,911	1	7	-357	-394	31,123	31,007
Payroll expenses	-7,546	-8,780	-1,122	-1,085	-67	65	0	0	-8,735	-9,800
Other operating expenses	-17,451	-17,990	-1,497	-1,394	-96	-300	286	317	-18,758	-19,367
Operating income before depreciation and leasing costs	3,495	1,713	368	432	-162	-228	-71	-77	3,630	1,840
Leasing costs for aircraft	-1,266	-1,155	-105	-104	0	0	71	77	-1,300	-1,182
Depreciation and impairment	-1,138	-1,136	-132	-119	0	-2	0	0	-1,270	-1,257
Share of income of affiliated companies	0	3	0	0	6	8	0	0	6	11
Capital gains/losses	-88	-158	0	8	-300	336	0	0	-388	186
Operating income	1,003	-733	131	217	-456	114	0	0	678	-402
Unallocated income items:										
Income from other securities holdings									1	-1,477
Net financial items									-688	-815
Tax									-165	258
Net income for the period									-174	-2,436
Income before tax and nonrecurring items	548	-832	132	212	-451	-168	0	0	229	-788

A detailed statement of income for the Scandinavian Airlines and Widerøe segments is available on the SAS Group's website www.sasgroup.net under Investor Relations.

Note 3 – Quarterly breakdown Statement of income

(MSEK)	May- July 2011	Aug- Oct 2011	FULL- YEAR Nov-Oct 2010- 2011	Nov- Jan 2011- 2012	Feb- Apr 2012	May- July 2012	Aug- Oct 2012	FULL- YEAR Nov-Oct 2011- 2012	Nov- Jan 2012- 2013	Feb- Apr 2013	May- July 2013
Revenue	11,303	11,071	41,712	9,299	10,070	11,638	11,412	42,419	9,597	9,933	11,593
Payroll expenses	-3,340	-3,276	-13,318	-3,213	-3,391	-3,196	-3,835	-13,635	-3,216	-2,576	-2,943
Other operating expenses	-5,426	-6,460	-23,740	-6,206	-6,316	-6,845	-6,927	-26,294	-6,119	-6,260	-6,379
Leasing costs for aircraft	-376	-390	-1,571	-407	-364	-411	-436	-1,618	-397	-423	-480
Depreciation and impairment	-1,152	-443	-2,622	-400	-425	-432	-432	-1,689	-426	-418	-426
Share of income of affiliated companies	14	26	28	-11	-4	26	17	28	-13	0	19
Income from sale of shares in subsidiaries, affiliated companies and operations	0	0	-33	0	0	336	64	400	0	-302	0
Income from sale of aircraft and buildings	27	21	-203	-26	-52	-72	-121	-271	-7	-40	-39
Operating income	1,050	549	253	-964	-482	1,044	-258	-660	-581	-86	1,345
Income from other securities holdings	1	0	14	-1,477	0	0	0	-1,477	1	0	0
Financial revenue	55	56	231	53	45	27	7	132	8	13	11
Financial expenses	-242	-291	-985	-298	-297	-345	-310	-1,250	-251	-233	-236
Income before tax	864	314	-487	-2,686	-734	726	-561	-3,255	-823	-306	1,120
Tax	-122	-126	340	145	305	-192	-13	245	193	-82	-276
Net income for the period	742	188	-147	-2,541	-429	534	-574	-3,010	-630	-388	844
Attributable to:											
Parent Company shareholders	742	188	-147	-2,541	-429	534	-574	-3,010	-630	-388	844

Earnings-related key ratios

(MSEK)	Nov-Jan 2012-2013	Nov-Jan 2011-2012	Feb-Apr 2013	Feb-Apr 2012	May-July 2013	May-July 2012	Aug-Oct 2012	Aug-Oct 2011	Aug-July 2012-2013	Aug-July 2011-2012
Revenue	9,597	9,299	9,933	10,070	11,593	11,638	11,412	11,071	42,535	42,078
EBITDAR	262	-120	1,097	363	2,271	1,597	650	1,335	4,280	3,175
EBITDAR margin	2.7%	-1.3%	11.0%	3.6%	19.6%	13.7%	5.7%	12.1%	10.1%	7.5%
EBIT	-581	-964	-86	-482	1,345	1,044	-258	549	420	147
EBIT margin	-6.1%	-10.4%	-0.9%	-4.8%	11.6%	9.0%	-2.3%	5.0%	1.0%	0.3%
Income before tax and nonrecurring items	-801	-656	57	-629	973	497	809	340	1,038	-448
Income before tax	-823	-2,686	-306	-734	1,120	726	-561	314	-570	-2,380
Net income for the period	-630	-2,541	-388	-429	844	534	-574	188	-748	-2,248
Earnings per share (SEK)	-1.91	-7.72	-1.18	-1.30	2.57	1.62	-1.74	0.57	-2.27	-6.83
Cash flow before financing activities	-1,054	-1,293	1,712	747	8	-156	1,286	790	1,952	88

Note 4 - SAS Group's average number of employees

	(FTE)	May-July 2013	May-July 2012	Nov-July 2012-2013	Nov-July 2011-2012	Aug-July 2012-2013	Aug-July 2011-2012
Scandinavian Airlines		13,071	13,750	12,937	13,649	13,070	13,714
Widerøe		1,327	1,270	1,315	1,247	1,306	1,242
Other operations		34	44	36	45	38	45
SAS Group		14,432	15,064	14,288	14,941	14,414	15,001

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, September 4, 2013

Fritz H. Schur
Chairman of the Board

Jacob Wallenberg
First Vice Chairman

Dag Mejdell
Second Vice Chairman

Monica Caneman
Board member

Lars-Johan Jarnheimer
Board member

Sanna Suvanto-Harsaee
Board member

Birger Magnus
Board member

Ulla Gröntvedt
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

	May-July 2013	May-July 2012	Year-on-year change	Nov-July 2012-2013	Nov-July 2011-2012	Year-on-year change
Number of passengers (000)	7,641	7,562	1.0%	20,554	20,510	0.2%
RPK, Revenue Passenger Kilometers (mill)	8,753	8,288	5.6%	21,364	20,587	3.8%
ASK, Available Seat Kilometers (mill)	11,103	10,307	7.7%	29,483	27,885	5.7%
Load factor	78.8%	80.4%	-1.6 p.p.	72.5%	73.8%	-1.4 p.p.

SAS Group's traffic trend by route sector

	May-July 2013 vs. May-July 2012		Nov 2012-July 2013 vs. Nov 2011-July 2012	
	Traffic (RPK)	Capacity (ASK)	Traffic (RPK)	Capacity (ASK)
Intercontinental	6.3%	6.7%	5.8%	5.3%
Europe/Intra-Scandinavia	7.6%	11.7%	4.8%	8.7%
Domestic	-0.9%	-0.7%	-1.6%	-0.1%

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

	May-July 2013	Year-on-year change	Nov-July 2012-2013	Year-on-year change
Number of passengers (000)	6,926	+1.2%	18,463	-0.4%
RPK, Revenue Passenger Kilometers (mill)	8,527	+5.8%	20,731	+3.7%
ASK, Available Seat Kilometers (mill)	10,731	+7.9%	28,381	+5.7%
Load factor	79.5%	-1.6 p.p.	73.0%	-1.4 p.p.
Yield (currency-adjusted)	0.94	-0.6%	1.02	+1.0%
Total unit cost, RASK (currency-adjusted)	0.80	-4.8%	0.81	-2.3%
Total unit cost (CASK), (currency-adjusted)	0.70	-9.0% ¹⁾	0.78	-6.8% ²⁾

1) Excluding jet-fuel costs, the total unit cost declined 5.8%.

2) Excluding jet-fuel costs, the total unit cost declined 6.7%. Excluding jet-fuel costs and amended pension conditions totaling MSEK 450 (in the second quarter), the unit cost declined 4.4%.

* Key ratios also include Blue1

Scandinavian Airlines destinations and frequencies

	May-July 2013	May-July 2012	Year-on-year change	Nov-July 2012-2013	Nov-July 2011-2012	Year-on-year change
Number of destinations	107	103	3.9%	120	106	13.2%
Number of daily flights	785	758	3.6%	772	753	2.6%
Number of daily flights/destination	7.3	7.4	-0.3%	6.4	7.1	-9.4%

Widerøe's scheduled traffic, yield and unit cost

	May-July 2013	Year-on-year change	Nov-July 2012-2013	Year-on-year change
Number of passengers (000)	715	-0.7%	2,090	+6.0%
RPK, Revenue Passenger Kilometers (mill)	226	-0.2%	633	+5.9%
ASK, Available Seat Kilometers (mill)	371	+3.1%	1,102	+7.2%
Load factor	60.8%	-2.0 p.p.	57.4%	-0.7 p.p.
Yield (NOK)	2.91	+7.4%	3.17	+4.0%
RASK, incl. charter (NOK)	1.84	+2.3%	1.88	+0.9%
Total unit cost, incl. charter (NOK)	1.71	+4.9%	1.78	+4.9%

Aircraft fleet

SAS Group's aircraft fleet, July 31, 2013*

	Age	Owned	Leased	Total	In service	Leased out	Order
Airbus A330/A340	11.2	5	6	11	11	0	30
Airbus A319/A320/A321	9.0	4	16	20	20	0	
Boeing 737 Classic	20.0	0	7	7	5	0	
Boeing 737 NG	11.4	17	64	81	80	0	
Boeing 717	12.9	4	5	9	9	0	
McDonnell Douglas MD-82	22.8	13	0	13	5	0	30
McDonnell Douglas MD-90	0.0	8	0	8	0	8	
Avro RJ-85	0.0	0	1	1	0	1	
deHavilland Q series	15.1	30	12	42	42	0	
Bombardier CRJ900NG	4.2	12	0	12	12	0	
Total	12.2	93	111	204	184	9	30

* In addition, the following aircraft are wet leased: four CRJ200s, four ATRs and four S2000s.

Aircraft in service/leased out by airline

	Age	Owned	Leased	Total	In service	Leased out	Order
SAS Scandinavian Airlines	11.1			144	133	8	30
Widerøe	15.3			42	42	0	
Blue1	12.9			9	9	1	
Leased aircraft				9			
Total	12.2			204	184	9	30

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

Mainline



Airbus A330/340-300
Scandinavian Airlines



Airbus A319/A320/A321
Scandinavian Airlines



Boeing 737-600/700/800
Scandinavian Airlines

Phase Out



MD-82
Scandinavian Airlines



Boeing 737-400/500
Scandinavian Airlines

Regional



Bombardier CRJ900
Scandinavian Airlines



deHavilland Q 100/300/400NG
Widerøe



Boeing 717
Blue1

Important events

Events after July 31, 2013

- Standard & Poor's upgraded the credit rating for SAS from CCC- to B- and retained a stable outlook

Third quarter 2012/2013

- SAS issued a private debt placement of MEUR 35 under the EMTN bond program
- SAS carried out the sale and leaseback of six Boeing 737-600s at a value of MSEK 500
- SAS initiated a plan for the renewal of the long-haul fleet by signing a letter of intent with Airbus for the order of four A330 Enhanced aircraft, eight Airbus A350s and an upgrade of the passenger cabins in the A330/A340s
- SAS signed an agreement for the sale of 80% of its holding in the Widerøe airline and aircraft to an investment group led by Torghatten for approximately SEK 2 billion
- SAS simplifies travel with the launch of the service concept SAS Go and SAS Plus
- The EuroBonus ban was lifted by the Norwegian authorities for Norwegian domestic flights
- SAS signed an outsourcing agreement for IT, with Tata Consultancy Services (TCS)

Second quarter 2012/2013

- Standard & Poor's upgraded its rating for SAS from negative outlook to stable outlook
- SAS entered into a sale and leaseback agreement in February regarding spare engines with a liquidity effect of about MSEK 700. This will help the Group fulfill its financial obligations and reduce the need for external funding
- Agreement signed concerning the outsourcing of call centers to a third party
- Letter of intent with Swissport regarding Ground Handling
- Widerøe won the procurement of the tender routes in Finnmark through March 2016 and the agreement pertaining to new pension terms was signed
- SAS introduced an option allowing business travelers to earn EuroBonus points on domestic Norwegian flights. SAS is contemplating appealing the decision on banning bonus points for domestic Norwegian flights for other passengers

First quarter 2012/2013

- The Board of SAS reduced the Board fees by 30% as of November 5, 2012
- The Board decided that the preconditions for the implementation of the 4XNG plan were in place. A credit facility of SEK 3.5 billion was placed at the Board's disposal until March 2015
 - ✓ Measures resulting in an annual positive impact on earnings of about SEK 3 billion; new collective agreements with the updated pension terms in place
 - ✓ New pension terms reduce the negative impact on shareholders' equity stemming from the changed accounting policies for pensions
 - ✓ The divestment of assets with a liquidity effect of about SEK 3 billion

Financial calendar

Interim report 4, 2013 (August-October)	December 19, 2013
Annual Report 2013	January 27, 2014
Annual General Shareholders' Meeting 2013	February 18, 2013
Interim report 1, 2014 (November-January)	March 14, 2014
Interim report 2, 2014 (February-April)	June 18, 2014
Interim report 3, 2014 (May-July)	September 10, 2014
Interim report 4, 2014 (August-October)	December 18, 2014

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

Telephone conference

10:00 a.m., September 4, 2013

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 September 4, at 8:00 a.m.