

EARNINGS IN LINE WITH FORECAST - FURTHER ACTIONS INITIATED

AUGUST 2016–OCTOBER 2016

- Income before tax: MSEK 577 (867)
- Income before tax and nonrecurring items: MSEK 941 (1,338)
- Revenue: MSEK 11,135 (10,903)
- Unit revenue (PASK) declined 7.7%¹
- Unit cost (CASK) decreased 8.3%²
- Net income for the period: MSEK 591 (517)
- Earnings per common share: SEK 1.53 (1.31)
- The outlook for the full year 2016/2017 is presented on page 8.

1) Currency adjusted.

2) Currency adjusted and excluding jet fuel.

NOVEMBER 2015–OCTOBER 2016

- Income before tax: MSEK 1,431 (1,417)
- Income before tax and nonrecurring items: MSEK 939 (1,174)
- Revenue: MSEK 39,459 (39,650)
- Unit revenue (PASK) declined 8.0%¹
- Unit cost (CASK) decreased 4.1%²
- Net income for the period: MSEK 1,321 (956)
- Earnings per common share: SEK 2.94 (1.84)
- The Board of Directors proposes that no dividends be paid to holders of SAS AB's common shares
- The Board proposes a dividend of SEK 50 on each preference share

COMMENTS BY THE PRESIDENT AND CEO OF SAS:

"In line with our forecast, SAS posted positive earnings before tax and nonrecurring items for the 2015/2016 fiscal year. The trend shows that our customer offering is continuing to generate a favorable response. Our passenger numbers are increasing and the load factor set an all time high for the fourth quarter.

During the autumn, market conditions have become more demanding and the industry continues its rapid pace of change. At the same time, the Scandinavian air travel market and demand for more long-haul routes and European leisure routes is on the rise. A lower cost structure and increased profitability is required if SAS is to leverage these exciting growth opportunities.

As a natural response to the changed market conditions, we are now raising our aim for our streamlining program from SEK 0.8 billion

to SEK 1.5 billion in 2017–2019. However, to be competitive in the long-term, we need to do more. Therefore, we are planning additional measures aimed at addressing the remaining structural disadvantages, which result in SAS having a higher unit cost than newly established competitors.

As a company, we have to create shareholder value to be able to invest in our future and to remain relevant for our customers. Therefore, improving SAS's efficiency is a crucial and existential issue for the company.

We are now starting an exiting year in which I visualize major opportunities for SAS, but it is also a year of many challenges," says Rickard Gustafson, SAS President and CEO.

INCOME AND KEY RATIOS

Key ratios (MSEK)	Q4	Q4	Q1–Q4	Q1–Q4
	Aug–Oct 2016	Aug–Oct 2015	Nov–Oct 2015–2016	Nov–Oct 2014–2015
Revenue	11,135	10,903	39,459	39,650
Income before tax and nonrecurring items	941	1,338	939	1,174
Income before tax, EBT	577	867	1,431	1,417
Net income for the period	591	517	1,321	956
Cash flow from operating activities	1,287	1,433	3,663	3,036

	Oct 31, 2016	Oct 31, 2015	Oct 31, 2014
Equity/assets ratio	19%	21%	17%
Financial preparedness (target >20% of fixed costs)	41%	40%	37%
Shareholders' equity per common share, SEK	7.12	8.10	3.66

COMMENTS BY THE CEO

- **Income before tax for 2015/2016 totaled MSEK 1,431 (1,417)**
- Fourth quarter trend:**
- **Income before tax and nonrecurring items was MSEK 941 (1,338)**
- **Income before tax amounted to MSEK 577 (867)**
- **300,000 more passengers chose to fly with SAS**

In line with our forecast, SAS posted positive earnings before tax and nonrecurring items for the 2015/2016 fiscal year. The trend shows that our customer offering is continuing to generate a favorable response. Our passenger numbers are increasing and the load factor set an all time high for the fourth quarter. However, market conditions were more demanding in the autumn — not least due to an unfavorable currency trend — which had a negative impact of SEK 0.4 billion on the quarter. The yield trend and the recently introduced airport departure tax in Norway has also had a negative impact. Moreover, nonrecurring items of SEK 0.4 billion negatively impacted earnings.

The deterioration in market conditions, together with maturing borrowings and the aircraft financing need, all underline the importance of maintaining a high and ambitious pace of change. Digitalization of the customer offering and our operations will be key to these efforts.

EXPANDED CUSTOMER OFFERING

SAS is focusing on frequent travelers and is targeting its initiatives to develop the product using innovation and increased digitalization to simplify life and strengthen loyalty in this target group. We offer Scandinavia's broadest network and the highest number of departures by complementing our own production with that of strategic partners (wet leasing).

Over the past year, we have continued to focus on product investments for our primary target group. Based on this strategy, we completed the investment in long-haul routes during the quarter with the launch of the Miami route. Through efficient use of capital, the aircraft fleet has been expanded from 12 to 16 aircraft and all aircraft have been upgraded to the new, highly appreciated cabin interiors. The investment was positively received and the number of intercontinental passengers rose 25% during the quarter.

At the end of October, we took the next step in improving our offering on our European routes, when the first aircraft from an order for 30 Airbus A320neos was delivered. In addition to the aircraft being 15–20% more fuel-efficient, the upgraded cabins improve the overall traveling experience. Until mid-2019, we will continuously upgrade all of the Boeing 737s and Airbus A320s in our aircraft fleet.

Digitalization creates possibilities to improve our offering and enhance efficiency in line with our strategy. Our new website in Denmark was launched at the end of November and more markets will follow shortly. The simplified booking flow and the new digital platform mean that moving forward, we can increasingly tailor offerings and offer an increasing number of popular supplementary services.

Altogether, 2015/2016 shows that our strategy has delivered results. During the quarter, 300,000 more passengers flew with SAS and the load factor set an all time high for this period. The EuroBonus program added 120,000 members and the target group increased their travel by 5% during the quarter, which is more than SAS's other customers and demonstrates increased customer loyalty.

NEXT STEP IN THE CHANGE EFFORTS

The airline industry continues to change rapidly through new external production companies and network airlines, which are starting their own low cost carriers. At the same time, the Scandinavian air travel market and demand for more long-haul routes and European leisure routes is on the rise. With our extensive network, frequent departures and substantial customer base, SAS holds a strong market position in Scandinavia. This position means SAS has a major opportunity to leverage market growth and to start additional long-haul routes as

well as accelerate growth in the European leisure route market. The EuroBonus membership base also provides possibilities for broadening the offering, which we have started on a smaller scale with the SAS Dreams concept. However, a lower cost structure and increased profitability is required if SAS is to leverage these exciting growth opportunities. While our 70-year history has contributed to our strong position, it also means that structures have been built that are no longer competitive. To leverage the market opportunities, we have to address the structural disadvantages that result in SAS having a higher unit cost than newly established competitors.

In 2013–2016, SAS implemented efficiency enhancements with an effect of SEK 4.3 billion, of which the effect in 2015/2016 was SEK 0.7 billion. As a natural response to the changed market conditions, we are now raising our target from SEK 0.8 billion to SEK 1.5 billion in 2017–2019.

However, we need to do even more. We are therefore planning further structural actions aimed at generating a considerable impact. The first step is to establish a new organizational structure to create increased ownership, smaller and faster units, and increased transparency. We will thereby be able to implement further efficiency enhancements, over and above the reduction of 1,000 FTEs in our administration by measures including outsourcing. Secondly, we have initiated a review of our customer offering. Over the past few years, we have implemented substantial and appreciated customer investments, but we have to ensure that we are offering that which is appreciated most in the continuously changing landscape of customer expectations. We will therefore have to continuously adapt the product to customer demands, lower distribution costs, streamline the organization and reprioritize resources.

Finally, efficiency must be raised for ground handling services, technical maintenance and flight operations. After having outsourced considerable parts of our ground handling services and technical maintenance, we will continue digitalization initiatives to optimize resource utilization and planning. Moreover, we need to be more flexible and increase the productivity of flight operations. To leverage the market potential, we have to create the preconditions to compete on equal terms with our competitors. Therefore, we are considering changing the focus for parts of our production by establishing airline operations based outside of Scandinavia.

As a company, we have to create shareholder value to be able to invest in our future and to remain relevant for our customers. Therefore, improving SAS's efficiency is a crucial and existential issue for the company.

FINANCIAL POSITION AND OUTLOOK

During the quarter, we continued work on the strategically important financing of our A320neo order and now have a sale and leaseback agreement in place for 12 aircraft and letters of intent for 6 additional aircraft. Our financial preparedness was 41% in October. We are considering various forms of financing to reduce our financing costs and, thereby, to secure future financing needs and maturing borrowings. Furthermore, the structural measures must be implemented.

We are now starting an exciting year in which I visualize major opportunities for SAS, but it is also a year of many challenges. Uncertainty in the macro environment has increased and, at the same time, exchange rates and jet-fuel prices are volatile. Higher jet-fuel costs and a lower yield will result in significantly lower earnings for the first quarter of 2016/2017 compared with the year earlier, but we still expect to post positive earnings before tax and nonrecurring items for 2016/2017. The full outlook for 2016/2017 is presented on page 8.

Stockholm, December 13, 2016

Rickard Gustafson
President and CEO

COMMENTS ON SAS'S FINANCIAL STATEMENTS

MARKET AND TRAFFIC TRENDS

As expected, competition intensified in 2016 following limited capacity growth in 2015.

Measured in the number of seats offered, capacity to, from and within Scandinavia increased 4.7% from November 2015 to October 2016. Capacity growth was largest on routes between Scandinavia and Europe and was driven by low cost carriers (LCCs). At the same time, the total number of passengers increased 5.4%. Capacity increased 3.1% in the fourth quarter and the number of passengers rose 4.4%.

During the fiscal year, SAS increased scheduled traffic, RPK, by 9.6% and by 10.9% in the fourth quarter. The increase was attributable to SAS opening three new intercontinental destinations and, in parallel, increasing frequencies compared with last year on five other intercontinental routes. Furthermore, SAS increased production of leisure routes, mainly to southern Europe, which also contributed to SAS's total traffic growth. Demand in the Swedish market remained strong during the fiscal year and, despite a weaker performance in the oil industry, demand in Norway as a whole continued to trend positively.

Unit revenue (PASK) declined 8.0% in 2015/2016 and 7.7% in the fourth quarter. Unit revenue was heavily impacted by the increased production on SAS's long-haul routes.

Further details on the traffic trend for SAS are available on page 17.

EARNINGS ANALYSIS AUGUST 2016–OCTOBER 2016

SAS's operating income was MSEK 680 (1,282). Income before tax amounted to MSEK 577 (867) and income after tax was MSEK 591 (517). The total tax expense was MSEK 14 (-350). The exchange-rate trend had a positive impact on revenue of MSEK 66 and a negative effect on operating expenses of MSEK 522. Accordingly, the net negative impact on operating income was MSEK -456. The exchange-rate trend had an MSEK -419 impact on income before tax.

Revenue for SAS amounted to MSEK 11,135 (10,903). After adjustment for currency effects, revenue was up MSEK 166 year-on-year. Currency-adjusted passenger revenue increased 0.9%, due to higher traffic. Charter revenue (currency adjusted) rose 4.5%, which was attributable to higher volumes. Other traffic revenue (currency adjusted) climbed 24.1%, primarily due to increased revenue from baggage and pre-booked seating.

SAS's total capacity (ASK) increased 9.3%, mainly attributable to the increase in intercontinental traffic. This contributed to a decrease of 8.3% in the unit cost (CASK) adjusted for currency and jet fuel.

Payroll expenses amounted to MSEK -2,185 (-2,319), which included nonrecurring items of MSEK -31 (-118). After adjustment for currency and nonrecurring items, payroll expenses declined 3.1% year-on-year. Outsourcing reduced costs by MSEK 170, the streamlining program decreased costs by MSEK 90 and the increase in volume together with salary increases raised payroll expenses by slightly more than MSEK -135 compared with last year. Retraining costs due to new aircraft types and, thus, lower productivity had an impact of about MSEK -34 on the quarter.

Other operating expenses amounted to MSEK -7,270 (-6,252). These expenses largely comprised jet fuel, which amounted to MSEK -1,959 (-1,764). Adjusted for currency, jet-fuel costs declined 9.9%. The falling price of oil had a positive effect of MSEK 107, hedge effects (including the effect of time value) had a negative impact of MSEK -131, volume had a negative effect of MSEK -132 and currency had a negative effect of MSEK -19 year-on-year. The item other amounted to MSEK -1,347 (-648), where the increase was mainly attributable to

MSEK -455 pertaining to currency changes in working capital and the effect of realized cash-flow hedges, and a provision of MSEK -219 pertaining to indirect taxes.

During the period, the effect of the ongoing restructuring program resulted in efficiency enhancements of about MSEK 170.

Leasing costs amounted to MSEK -697 (-671). Adjusted for currency effects, leasing costs increased 2.7%.

Net financial items for SAS amounted to MSEK -103 (-112), of which net interest expense was MSEK -124 (-99).

Total nonrecurring items amounted to MSEK -364 (-471) and comprised restructuring costs, capital gains/losses, impairment and other nonrecurring items. Restructuring costs of MSEK -31 (-165) were charged to the quarter and pertained to payroll expenses. Impairment losses totaled MSEK -11 (-314) and capital gains amounted to MSEK 57 (44) and pertained to property and aircraft transactions. Other nonrecurring items totaled MSEK -379 (-36), of which MSEK -160 was attributable to aircraft-related costs, attributable to items including the aim of selling 11 currently owned CRJ900s. In addition, an MSEK -219 provision for indirect taxes was recognized under other operating expenses.

EARNINGS ANALYSIS NOVEMBER 2015–OCTOBER 2016

SAS's operating income was MSEK 1,892 (2,225). Income before tax amounted to MSEK 1,431 (1,417) and income after tax was MSEK 1,321 (956). Net income for the year included repayment of the fines from the European Commission of MSEK 655 this year. The preceding year also included the sale of slot pairs for MSEK 678. The tax expense totaled MSEK -110 (-461). The exchange-rate trend had a negative impact on revenue of MSEK -572 and a negative effect on operating expenses of MSEK -1,194. Accordingly, the exchange-rate trend had a negative impact on EBIT of MSEK -1,766 for the period or MSEK -1,741 including net financial items.

Revenue for SAS amounted to MSEK 39,459 (39,650). After adjustment for currency effects, revenue was up MSEK 381 year-on-year. Currency-adjusted passenger revenue increased 1.2%, primarily due to higher traffic. Charter revenue (currency adjusted) rose 4.7%, which was attributable to higher volumes. Other traffic revenue rose 12.1% adjusted for currency effects and was mainly attributable to sales of new services.

SAS's total capacity (ASK) increased 9.8%, which was mainly attributable to the increase in intercontinental traffic. This contributed to a decrease in the unit cost (CASK) adjusted for currency and jet fuel of 4.1%.

Payroll expenses amounted to MSEK -9,105 (-9,622), which included nonrecurring items of MSEK -34 (-130). After adjustment for currency and nonrecurring items, payroll expenses declined 2.7% year-on-year. Outsourcing reduced costs by slightly more than MSEK 578, the streamlining program decreased costs by around MSEK 364 and the increase in volume together with salary increases raised payroll expenses by slightly more than MSEK -577 compared with last year. Retraining costs and, thus, lower productivity had an impact of about MSEK -110 on the fiscal year.

Other operating expenses amounted to MSEK -24,552 (-24,558). These expenses largely comprised jet fuel, which amounted to MSEK -6,449 (-8,430). Adjusted for currency, jet-fuel costs declined 25.7%. The falling price of oil had a positive effect of MSEK 1,955, hedge effects (including the effect of time value) had a positive impact of MSEK 798, volume had a negative effect of MSEK -526 and currency had a negative effect of MSEK -257 year-on-year. Technical maintenance costs, which are included in other operating expenses,

amounted to MSEK -3,292 (-2,757). The increase was mainly attributable to expenses on the return of leased aircraft, changed assessments for future engine maintenance and an increase in heavy maintenance. SAS is currently in a period where more aircraft are undergoing heavy maintenance. The item other amounted to MSEK -3,526 (-2,773), where the increase was mainly attributable to MSEK -1,114 pertaining to currency changes in working capital and the effect of realized cash-flow hedges.

During the period, the effect of the ongoing restructuring program resulted in efficiency enhancements of about MSEK 670.

Leasing costs amounted to MSEK -2,840 (-2,593). Adjusted for currency effects, leasing costs increased 6.4%.

Net financial items for SAS amounted to MSEK -462 (-508), of which net interest expense was MSEK -451 (-478). The positive year-on-year change pertaining to net financial items was primarily due to the net of lower current interest expenses.

Total nonrecurring items amounted to MSEK 492 (243) and comprised restructuring costs, capital gains/losses, impairment and other nonrecurring items. Restructuring costs totaled MSEK -42 (-177) and primarily pertained to payroll expenses. Impairment losses totaled MSEK -11 (-314). Capital gains amounted to MSEK 269 (789) and pertained to aircraft transactions of MSEK 235 (97), property transactions of MSEK 30 (2) and the sale of shares in subsidiaries and affiliated companies, and operations totaling MSEK 4 (12). The preceding year also included the sale of slot pairs for MSEK 678. Other nonrecurring items totaled MSEK 276 (-55), of which MSEK -160 was attributable to aircraft-related costs, attributable to items including the aim of selling 11 currently owned CRJ900s. Moreover, a fiscal-related provision was made for indirect taxes of MSEK -219 and the repayment of fines totaling MSEK 655 from 2010 as a result of the European Commission not appealing the European Court of Justice's ruling on the global air cargo cartel.

FINANCIAL POSITION

Cash and cash equivalents were MSEK 8,370 (8,198) at October 31, 2016. SAS also had unutilized contracted credit facilities amounting to MSEK 3,567 (2,712). Financial preparedness amounted to 41% (40%) of the Group's fixed costs. SAS's interest-bearing liabilities increased MSEK 135 compared with October 31, 2015 and totaled MSEK 9,880 on the balance-sheet date. New loans amounted to MSEK 1,093 and repayments amounted to MSEK 1,371. The change in gross financial debt since the start of the year was also attributable to a negative trend in the market value of financial derivatives of slightly more than MSEK 102 and a negative effect from currency revaluations of slightly less than MSEK 343. Current interest-bearing liabilities of MSEK 2,147 mainly comprised borrowings that mature within one year of MSEK 1,827, and accrued interest and financial derivatives of MSEK 320.

In 2014, SAS issued a convertible bond loan, which was valued at MSEK 1,482 on October 31, 2016. During the first quarter of the year, bonds were converted to 1,082,551 common shares, corresponding to a nominal value of MSEK 26.

During the fiscal year, net financial receivables increased MSEK 440 to MSEK 1,166 on the balance-sheet date. The increase was primarily attributable to positive cash flow.

At October 31, 2016, the equity/assets ratio was 19% (21%) and the adjusted equity/assets ratio was 12% (13%). Since October 31, 2015, the equity/assets ratio has declined 2 percentage points and total equity has decreased by MSEK 313. Net income for the period was positive and totaled MSEK 1,321. However, the market valuation of the defined-benefit pension plans and cash-flow hedges negatively impacted shareholders' equity by MSEK 1,520. The other contributing factor to the change was the MSEK 350 dividend on preference shares.

The adjusted debt/equity ratio amounted to 3.08 (2.65). The adjusted ratios take into account leasing costs.

For the balance sheet — refer to page 10.

CASH-FLOW STATEMENT

Cash flow from operating activities before changes in working capital amounted to MSEK 2,806 (2,634) for the fiscal year.

The accumulated change in working capital was more positive than the year earlier and amounted to MSEK 857 (402). The positive trend was mainly due to a higher unearned transportation revenue liability than the year earlier.

Investments totaled MSEK 5,960 (4,246) of which MSEK 5,674 (3,931) pertained to aircraft.

These include delivery payments for two new Airbus A330Es and one Airbus A320neo that were immediately divested on the basis of sale and leaseback agreements and the acquisition of five Boeing 737s, three Airbus A321s, two Airbus A340s and two Airbus A319s that were previously under operating leases. Other aircraft investments comprise capitalized expenditures for engine maintenance, modifications, spare parts and advance payments to Airbus.

The sale of three Boeing 717s, eight MD-90s and the sale and leaseback of the two Airbus A330Es, one Airbus A320neo and three Airbus A321s, which were acquired during the period, generated MSEK 3,162. In addition, MSEK 105 was received as the remaining portion of the purchase consideration for the slot pairs at London Heathrow that were sold in the preceding fiscal year.

Cash flow before financing activities was MSEK 1,048 (1,923).

New loans for the year amounted to MSEK 1,093 (489), while repayments totaled MSEK 1,371 (2,304). In addition, cash flow from financing activities was impacted by the realization of financial derivatives, which generated substantial positive effects in the preceding year.

Cash flow for the year amounted to MSEK 168 (786)

Cash and cash equivalents amounted to MSEK 8,370 according to the balance sheet, compared with MSEK 8,198 at October 31, 2015.

For the cash-flow statement — refer to page 11.

SEASONAL VARIATIONS

Demand, measured as revenue passenger kilometers (RPK), in SAS's markets is seasonally low from November to April and at its peak from May to October. However, the share of advance bookings is greatest from January to May, which has a positive effect on working capital.

Seasonal fluctuations in demand impact cash flow and earnings differently. Passenger revenue is recognized when customers actually travel, while cash flow is positively impacted during months in which bookings increase. This means increased revenue in the high-traffic months from May to October. Since a substantial share of an airline's costs is fixed, earnings are impacted by fluctuations in revenue levels. As traffic volumes are lower in the November to April period, the first and second quarters are seasonally the weakest quarters in terms of earnings. However, cash flow from operating activities is normally seasonally positive in the second and fourth quarters.

FINANCIAL TARGETS

The SAS Group's overriding goal is to create value for its shareholders. To reach this goal, SAS pursues three strategic priorities to meet trends and industry developments, ensure competitiveness and provide the prerequisites for long-term sustainable profitability.

SAS is affected by the economic trend in Europe, the exchange-rate trend, jet-fuel prices and the extensive changes to the European airline industry with intensified competition as a result of increases in market capacity. Given the inherent uncertainty of these external factors, SAS, in line with numerous other airlines, has chosen not to specify targets for profitability or its equity/assets ratio. However, SAS has a target for financial preparedness which is to exceed 20% of annual fixed costs.

EVENTS AFTER OCTOBER 31, 2016

- SAS signed agreements for the financing of 12 Airbus A320neos through sale and leaseback.
- SAS contracted the financing of two Boeing 737s and four Airbus A319s until 2018 through a MUSD 75 credit facility.

STRATEGIC PRIORITIES FOR SAS

The European civil aviation landscape is undergoing constant change, which requires SAS to meet these changes to remain competitive. Demand for air travel has been rising for an extended period, primarily in the more price-sensitive leisure market. Over the 2011 to 2015 period, the number of leisure trips increased 8% per year while the number of business trips only grew 1% on an annualized basis in Scandinavia. To meet this trend and the challenges in the industry, and to strengthen competitiveness, we are working with a number of measures in three strategic priority areas:

1. Be the first choice for frequent travelers
2. Enhance the efficiency of the operational platform
3. Secure the right capabilities

BE THE FIRST CHOICE FOR FREQUENT TRAVELERS

SAS has chosen to focus on frequent travelers to, from and within Scandinavia. The most frequent travelers are also the people with the greatest demands on their travel experience, which is also our driver when strengthening our customer offering and increasing digitalization.

Digitalization is central to this strategy and entails substantial possibilities for SAS's continued product improvements. We are therefore modernizing the entire IT platform to become more efficient and to be able to quickly offer our customers services that facilitate their travel and daily life across the travel chain. The focus is on renewing our digital customer interface in the form of the new website, EuroBonus and check-in services. The new digital platform allows for a more individualized offering, improved on-board customer service and enables us to create more relevant and independent offerings. We are now entering a new phase where the investments in the new digital platform will become clearer for our customers. At the end of November, we rolled out the first noticeable improvement from these efforts when we launched our new website in Denmark and more markets will follow shortly. Through the simplified booking flow and the new digital platform, which is responsive and optimized for computers, tablets and mobile phones, we can move forward and increasingly tailor offerings and offer an increasing number of popular supplementary services. Moreover, all of the cabin crew have been equipped with an iPad mini that enables improved on-board service and further efficiency enhancements. We are also looking forward to starting to install high-speed Wi-Fi on our Airbus A320s and Boeing 737s next year.

SAS's EuroBonus program is at the core of establishing strong customer relationships, while simultaneously setting us apart from competitors. Through product investments and EuroBonus improvements, the number of EuroBonus members increased 0.5 million in 2015/2016 and now totals 4.7 million. Members have also increased their travel by 5.8% in 2015/2016, which is more than SAS's other customers and demonstrates increased customer loyalty. We have also been working on strengthening loyalty in our corporate offering, SAS Credits, to small and medium-sized enterprises, which comprise a key target group among frequent travelers. Accordingly, it was pleasing to note that we had gained over 11,000 new SAS Credits customers compared with the year-earlier period and, at the same time, we have noted increased travel in this customer group.

Based on our strategy of being the first choice for frequent travelers, we completed the investment in long-haul routes in the fourth quarter with the launch of the Miami route. Through efficient use of capital, the aircraft fleet has been expanded from 12 to 16 aircraft and we have upgraded all long-haul aircraft to the new, highly appreciated cabin interiors. The investment was positively received and the num-

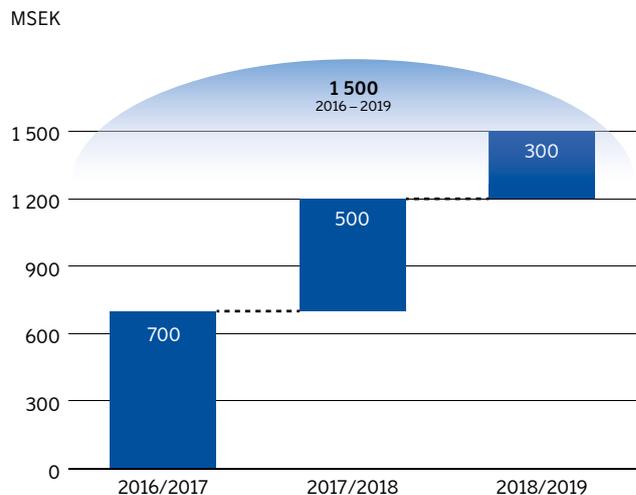
ber of intercontinental passengers rose 25% during the quarter. We are now continuing to modernize our product within Europe. The first step took place in October, when our first Airbus A320neo entered service and was also upgraded with our new cabin interior — for flights within Europe.

SAS has continuously built up its customer offering based on the SAS Go and SAS Plus service concepts, which focus on the most frequent travelers. We have noted increased demand for weekend and longer leisure travel and therefore, in 2016, expanded our service concept with the introduction of SAS Go Light and SAS Plus Saver on our European routes. This has been well-received and about 25% of our passengers on European routes have chosen these new concepts. First and foremost, the increase in travel with SAS Go Light has contributed to SAS's traffic-related revenue increasing by MSEK 125 — or 25% — in the fourth quarter.

ENHANCE THE EFFICIENCY OF THE OPERATIONAL PLATFORM

SAS works continuously on efficiency enhancement and, in 2013–2016, these entailed savings of about SEK 4.3 billion. The earnings impact in 2015/2016 was SEK 0.7 billion. As part of this need for efficiency, SAS has identified additional opportunities. Therefore, we are now raising our target from SEK 0.8 billion to SEK 1.5 billion in 2017–2019. The actions are measured in gross amounts and encompass the entire organization.

EFFECTS OF SAS'S COST MEASURES



Flight operations, government user fees and wet leasing — Within flight operations, we are working on enhancing procedural efficiency and increasing productivity by scheduling flight crew among other measures. The introduction of iPads for cabin crew means that we can enhance the efficiency of base procedures, give cabin crew better tools and improve the on-board customer experience.

We are investing in the aircraft fleet which, in addition to an improved customer experience, will enhance operational efficiency and reduce environmental impact. Since autumn 2015, four Airbus A330Es have entered service and, in October 2016, we are taking delivery of the first Airbus A320neo of a total of 30 aircraft. SAS's new Airbus A320neo is about 15–20% more fuel-efficient per seat kilometer than our current Airbus A320s. Moreover, we are introducing more fuel-efficient procedures and are renegotiating aviation-related fees. In total, we have identified efficiency enhancements corresponding to around MSEK 600 in 2017–2019.

Ground handling services — We have decided to retain ground

handling services at primary airports in our own production and will continue to strengthen quality and productivity through digitalization of large parts of the operations. Moreover, we will increase automation and, through new collective agreements increase flexibility and better adjust staffing to resource needs. Altogether, we are implementing efficiency enhancements of about MSEK 100 in 2017–2019.

Technical maintenance Within technical maintenance, a new IT system was implemented for technical operations in May 2016, and meant that we could substantially simplify and streamline our planning work. Through closer partnerships with our suppliers, in 2016–2018, we will simplify and optimize resource use, which we expect to result in significant cost savings. In 2015–2016, we implemented Lean as a work method in Oslo and Copenhagen which has resulted in the time an aircraft is out of service due to unplanned maintenance decreasing significantly. The same processes are also being implemented in Stockholm in 2016–2017 and corresponding efficiency enhancements are expected. Altogether, we expect to realize efficiency enhancements of about MSEK 300 in 2017–2019.

Commercial, administrative and other — Digitalization has enabled further efficiency enhancements and, since 2015, we have reduced the global sales organization by almost 100 FTEs. In 2017, SAS will have implemented a new digital platform that allows the launch of new services and, at the same time, we will start installing the market's fastest Wi-Fi on the short and medium-haul fleet. We will also continue efforts to lower distribution costs. For example, we are increasing the efficiency of the invoicing process and reducing the number of suppliers. We are also continuing to renegotiate property agreements and to simplify our IT structure. Altogether, we are implementing efficiency enhancements of about MSEK 500 in 2017–2019.

Structural measures

The airline industry continues to change rapidly through new external production companies and network airlines, which are starting their own low cost carriers. At the same time, the Scandinavian air travel market and demand for more long-haul routes and European leisure routes is on the rise. With our extensive network, frequent departures and substantial customer base, SAS holds a strong market position in Scandinavia. This position means SAS has a major opportunity to leverage market growth and to start additional long-haul routes as well as accelerate growth in the European leisure route market. The EuroBonus membership base also provides possibilities for broadening the offering, which we have started on a smaller scale with the SAS Dreams concept. However, a lower cost structure and increased profitability is required if SAS is to leverage these exciting growth opportunities. While our 70-year history has contributed to our strong position, it also means that structures have been built that are no longer competitive. To leverage the market opportunities, we have to address the structural disadvantages that result in SAS having a higher unit cost than newly established competitors.

One of the measures we have implemented is the construction of a production model based on us operating a homogeneous aircraft fleet and using strategic partners to manage production with smaller aircraft on those routes and departures with lower demand. This has enabled increased flexibility and streamlined and simplified production. In line with the strategy of simplifying the aircraft fleet, SAS has initiated a project aimed at selling 11 currently owned CRJ 900 aircraft. At the same time, through expanded wet-lease production, we can offer higher frequencies and more destinations.

However, we need to do even more. We are therefore planning further structural actions. The first step is to establish a new organizational structure to create increased ownership, and smaller and faster units. We will thereby increase transparency, which will facilitate the implementation of further efficiency enhancements, over and above the reduction of 1,000 FTEs in our administration by, among other measures, outsourcing. Secondly, we have initiated a review of our customer offering. Over the past few years, we have implemented substantial and appreciated customer investments, but we have to

ensure that we are offering that which is appreciated most in the continuously changing landscape of customer expectations. We will therefore have to continuously adapt the product to customer demands, lower distribution costs, streamline the organization and reprioritize resources.

Finally, efficiency must be raised for ground handling services, technical maintenance and flight operations. After having outsourced considerable parts of our ground handling services and technical maintenance, we will continue digitalization initiatives to optimize resource utilization and planning. Moreover, we need to be more flexible and increase the productivity of flight operations. To leverage the market potential, we have to create the preconditions to compete on equal terms with our competitors. Therefore, we are considering changing the focus for parts of our production by establishing airline operations based outside of Scandinavia.

Restructuring costs

The cost measures for 2015–2017 resulted in restructuring costs of a total of SEK 1.4 billion in the 2013/2014 and 2015/2016 fiscal years.

SECURE THE RIGHT CAPABILITIES

At SAS, we share our customers' passion and interest for travel, which also drives our efforts to strengthen our offering. SAS's journey of change and increased digitalization raises new demands on SAS's compiled expertise. We therefore endeavor to ensure we have the right skills to develop SAS further to meet future demands and needs.

To create the right preconditions for our employees and to attract new talents, we have identified four areas that we are focusing on: strengthen employee commitment, develop leadership, secure talent supply and create an attractive workplace.

The last employee survey showed a positive trend among employees throughout the organization in terms of employee commitment. In addition to the employee survey, we introduced a new measurement tool in the quarter, whereby SAS personnel can, on an ongoing basis, answer local questions on motivation and working environment via an app. This helps us to more rapidly initiate measures to increase staff satisfaction and commitment, and to strengthen local leadership.

SAS is also strengthening leadership through having revised leadership training, training pursers in leadership and the roll-out of a mentor program. Another initiative is the Forum 50 network, where key individuals from various parts of operations meet to increase business understanding. We have also worked with strengthening communicative leadership and completed a Lean training program for leaders.

Other talent-supply initiatives include the people review process, which has identified talents and resulted in many employees now having new positions or increased responsibility, and SAS as a company having a clearer image of our compiled skills and needs. A mentor program has been initiated among pilots for the newly recruited pilots to ensure competence levels and smooth integration into SAS, and a training concept aimed at securing project leader skills has been implemented.

The restructure of the pilot corps that started in 2014 with the aim of increasing personnel turnover and, thereby, securing long-term competitive crew costs, has, together with our investment in long-haul routes led to the employment of 110 pilots in 2016 from an interest base of more than 3,000 pilots. This has resulted in a lower average age for employees and a reduction in the average cost.

Over the year, we have employed 590 cabin crew and the number of applicants for these positions exceeded 8,000. The primary reason for the increased need was the investment in long-haul routes.

SAS has also focused on reducing sick leave, which has resulted in the figure now being 6.2% (7.2) and long-term sick leave is now 3.9% (5.4). The reduction has been achieved by identifying problem areas, where we have initiated measures and provided effective rehabilitation.

RISKS AND UNCERTAINTIES

SAS works strategically to refine and improve its risk management. Risk management includes identifying both new risks and known risks, such as changes in jet-fuel prices or exchange rates. SAS monitors general 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 at SAS, refer to the most recently published annual report.

CURRENCY AND FUEL HEDGING

Financial risks pertaining to changes in exchange rates and fuel prices, are hedged with derivatives, which aim to counter short-term negative fluctuations and provide scope for adapting operations to long-term changes in levels. Another aim of SAS's hedging strategy is to enable SAS to act quickly when changes in exchange rates and fuel prices are advantageous.

The policy for jet-fuel hedging states that jet fuel should be hedged at an interval of 40-80% of anticipated volumes for the coming 12 months. The policy also allows hedging of up to 50% of the anticipated volumes for the period, 12 to 18 months.

At October 31, 2016, SAS had hedged 45% of its anticipated jet-fuel consumption for the 2016/2017 fiscal year. The hedge was carried out using a mix of capped options and swaps. Under current plans for flight capacity, the cost of jet fuel during the 2016/2017 fiscal year is expected to be in line with the table below, taking into account different fuel prices and USD rates and including jet-fuel hedging.

The jet-fuel cost in the statement of income does not include the effects from SAS's USD currency hedging. The effects from SAS's currency hedging are recognized under "Other operating expenses," since SAS's currency hedging is performed separately and is not linked specifically to its jet-fuel purchases.

For foreign currency, the policy is to hedge 40–80%. At October 31, 2016, SAS had hedged 53% of its anticipated USD deficit for the next 12 months. SAS has hedged the USD deficit using forward contracts. In terms of NOK, which is SAS's largest surplus currency, 66% was hedged for the next 12 months. Based on the currency exposure for 2015/2016, a weakening of the NOK against the SEK of 1% would generate a negative earnings impact of MSEK 65, excluding hedge effects. A weakening of the USD against the SEK of 1% would generate a positive earnings impact of MSEK 100, excluding hedge effects.

Hedging of jet fuel

Hedge level (max price)	Nov 16–Jan 17	Feb–Apr 2017	May–Jul 2017	Aug–Oct 2017
USD 400-500/tonne	59%	48%	52%	21%

Vulnerability matrix, jet-fuel cost November 2016 to October 2017, SEK billion¹

Market price	Exchange rate SEK/USD			
	7.00	8.00	9.00	10.00
USD 300/tonne	4.1	4.6	5.2	5.8
USD 400/tonne	4.8	5.5	6.2	6.9
USD 500/tonne	5.5	6.3	7.0	7.8
USD 600/tonne	6.0	6.9	7.7	8.6

¹ SAS's current hedging contracts for jet fuel at October 31, 2016 have been taken into account.

LEGAL ISSUES

The European Commission's decision in November 2010 found SAS and many other airlines guilty of participating in a global air cargo cartel and ordered SAS to pay a fine of MEUR 70.2. SAS appealed the decision in January 2011 and in December 2015, the General Court of the European Court of Justice annulled the European Commission's decision including the MEUR 70.2 fine. The European Court of Justice's ruling has entered force and the MEUR 70.2 fine was repaid to SAS at the beginning of March 2016, and was recognized as a non-recurring item in the second quarter of the 2015/2016 fiscal year. The European Commission could make a new decision in relation to this matter. SAS has no insight into and is unable to influence the exact timing of any new decision or its formulation.

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 initiated by cargo customers in countries including the UK, the Netherlands, Germany and Norway. SAS has entered a settlement regarding the lawsuit in Germany. SAS is currently evaluating the impact any new decision by the European Commission could have on the remaining ongoing actions for damages. SAS contests its responsibility in all of these legal processes. Unfavorable outcomes in these disputes could have a significantly negative financial impact on SAS. Further lawsuits by cargo customers cannot be ruled out and no provisions have been made.

At October 31, 2016, Jetpak Group AB (Jetpak) called for arbitration procedures at the Stockholm Chamber of Commerce with regard to a dispute with SAS pertaining to deliveries of delayed luggage to SAS's passengers and a claim against SAS for about MSEK 16. The parties have differing opinions as to how Jetpak's remuneration should be calculated under the agreement from November 2015. SAS contests Jetpak's claim.

The SAS pilot associations have filed a lawsuit against SAS with the Swedish Labour Court claiming damages for breach of collective agreements. No financial damages were specified in the summons application. The dispute pertains to a large group of pilots employed at the Stockholm base but who worked out of the Copenhagen base, and the calculation and coordination of the rights to Swedish and Danish pension benefits of these pilots on changing bases. SAS contests all claims. In an intermediate judgment, announced on February 3, 2016, the Swedish Labour Court rejected the pilot associations' claim regarding breached collective agreements. The pilot associations withdrew their claim, but requested that the Swedish Labour Court rule that each of the parties carry its own costs. SAS has contested this request. The matter will be heard by the Swedish Labour Court at a main hearing in February, 2017.

A group of former Braathens cabin crew have, through the Parat trade union, initiated a legal process against SAS at a general court in Norway with a claim for correction of a work time factor (part-time percentage) in the calculation of pension rights in the occupational pension plan in accordance with the Norwegian Occupational Pensions Act. The summons application contains no specified demand for compensation. SAS contests the claim. SAS won the initial case, however the judgment has been appealed by the counterparty and is expected to be heard in the next instance in 2017. The financial exposure is difficult to quantify, but SAS considers the risk of a negative outcome to be limited and no provisions have been made.

A large number of former cabin crew of SAS in Denmark are pursuing a class action against SAS at a Danish court, demanding additional payments from SAS to the Pension Improvements Fund for Cabin Crew (the CAU fund) citing that the CAU fund is a defined-ben-

efit supplementary plan. In autumn 2016, the case has been heard by the City Court of Copenhagen, which, in its judgment on December 12, 2016, rejected the cabin crew's demand for further payments into the the CAU fund by SAS. It is not yet clear whether the cabin crew will appeal the judgment.

OTHER DISPUTES

In addition to the above, the labor unions are pursuing some 20 claims with SAS in Denmark, Norway and Sweden for smaller amounts, which mainly pertain to interpretation of labor legislation and collective agreements. SAS contests the claims of the labor unions in all of these legal processes.

OUTLOOK

OUTLOOK FOR 2016/2017

Capacity will increase in Scandinavia in 2016/2017, but is expected to grow slightly more slowly than in the last fiscal year. The competition and yield pressure is expected to continue to present a challenge. At the same time, jet-fuel costs and current market prices will increase in 2016/2017. To meet this trend, SAS will increase the production platform's efficiency and flexibility, and enhance organizational efficiency.

Uncertainty in the macro environment is considerable, exchange rates and jet-fuel prices are volatile, and national airport departure taxes are being considered. Higher jet-fuel costs and a lower yield will result in significantly lower earnings for the first quarter of 2016/2017 compared with the year earlier. To sum up, this means the following outlook for 2016/2017:

Despite market uncertainty and a weak start to the fiscal year, SAS expects to be able to deliver a positive income before tax and nonrecurring items for the 2016/2017 fiscal year. The outlook is based on no unexpected events occurring.

The outlook is based on the following preconditions at October 31, 2016:

- SAS's capacity growth (ASK) in 2016/2017 will be lower year-on-year and amount to 6–8%. Growth will be greatest on the intercontinental routes and on the European leisure routes. The number of flights is expected to increase by about 2%.
- A lower PASK in 2016/2017 compared with 2015/2016 as a result of longer average flight distances and continued underlying yield pressure.
- A lower unit cost through intense focus on efficiency measures, which in 2016/2017 are expected to generate effects of about SEK 0.7 billion.
- Net investments are expected to amount to about SEK 1 billion in 2016/2017.

STATEMENT OF INCOME

STATEMENT OF INCOME INCLUDING STATEMENT OF OTHER COMPREHENSIVE INCOME

MSEK	Note	Q4	Q4	Q1–Q4	Q1–Q4
		Aug–Oct 2016	Aug–Oct 2015	Nov–Oct 2015–2016	Nov–Oct 2014–2015
Revenue	2	11,135	10,903	39,459	39,650
Payroll expenses ¹		-2,185	-2,319	-9,105	-9,622
Other operating expenses ²	3	-7,270	-6,252	-24,552	-24,558
Leasing costs for aircraft		-697	-671	-2,840	-2,593
Depreciation, amortization and impairment ³		-377	-436	-1,367	-1,466
Share of income in affiliated companies		28	24	39	37
Income from the sale of shares in subsidiaries, affiliated companies and operations		-11	-11	-7	0
Income from the sale of aircraft, buildings and slot pairs		57	44	265	777
Operating income		680	1,282	1,892	2,225
Income from other securities holdings		0	-303	1	-300
Financial revenue		17	31	91	124
Financial expenses		-120	-143	-553	-632
Income before tax		577	867	1,431	1,417
Tax		14	-350	-110	-461
Net income for the period		591	517	1,321	956
Other comprehensive income					
<i>Items that may later be reversed to net income:</i>					
Exchange-rate differences in translation of foreign operations, net after tax		167	-104	212	-177
Cash-flow hedges — hedging reserve, net after tax		400	-56	107	928
<i>Items that will not be reversed to net income:</i>					
Revaluations of defined-benefit pension plans, net after tax		-286	-309	-1,627	75
Total other comprehensive income, net after tax		281	-469	-1,308	826
Total comprehensive income		872	48	13	1,782
Net income for the period attributable to:					
Parent Company shareholders		591	517	1,321	956
Non-controlling interests		0	0	0	0
Earnings per common share (SEK) ⁴		1.53	1.31	2.94	1.84
Earnings per common share after dilution (SEK) ⁴		1.30	1.11	2.57	1.65

1) Includes restructuring costs and other nonrecurring items of MSEK 31 (118) during the August–October period and MSEK 34 (130) during the November–October period.

2) Includes restructuring costs and other nonrecurring items of MSEK 324 (83) during the August–October period and MSEK -323 (102) during the November–October period.

3) Includes other nonrecurring items of MSEK 55 (0) during the August–October period and MSEK 55 (0) during the November–October period.

4) Earnings per common share are calculated as net income for the period attributable to Parent Company shareholders less preference share dividends in relation to 330,082,551 (329,000,000) common shares outstanding during the August–October period, 329,902,126 (329,000,000) common shares outstanding during the November–October period.

SAS has no option or share programs. Convertible bond loans only have a dilution effect if conversion of the loans to common shares would result in lower earnings per share. At the balance-sheet date, there was one convertible bond loan of MSEK 1,574, covering 65,536,095 shares.

INCOME BEFORE TAX AND NONRECURRING ITEMS

MSEK	Q4	Q4	Q1–Q4	Q1–Q4
	Aug–Oct 2016	Aug–Oct 2015	Nov–Oct 2015–2016	Nov–Oct 2014–2015
Income before tax	577	867	1,431	1,417
Impairment	11	314	11	314
Restructuring costs	31	165	42	177
Capital gains/losses	-57	-44	-269	-789
Other nonrecurring items ¹	379	36	-276	55
Income before tax and nonrecurring items	941	1,338	939	1,174

1) Includes a positive earnings impact of MSEK 655 due to the repayment of fines in the second quarter of 2015/2016 relating to the annulled judgment pertaining to the global air cargo cartel.

BALANCE SHEET

CONDENSED BALANCE SHEET

MSEK	Oct 31, 2016	Oct 31, 2015	Oct 31, 2014
Intangible assets	1,923	1,798	1,905
Tangible fixed assets	11,195	9,596	8,901
Financial fixed assets	6,201	7,118	7,485
Total fixed assets	19,319	18,512	18,291
Other current assets	312	345	350
Current receivables	3,753	3,211	3,267
Cash and cash equivalents ¹	8,370	8,198	7,417
Total current assets	12,435	11,754	11,034
Total assets	31,754	30,266	29,235
Shareholders' equity ²	6,026	6,339	4,907
Long-term liabilities	9,822	10,275	10,384
Current liabilities	15,906	13,652	14,034
Total shareholders' equity and liabilities	31,754	30,266	29,325
Shareholders' equity per common share, SEK ³	7.12	8.10	3.66
Interest-bearing assets	13,661	14,839	13,481
Interest-bearing liabilities	9,880	9,745	10,805
Working capital	-11,274	-10,574	-9,242

1) At October 31, 2016, including receivables from other financial institutions, MSEK 1,356 (1,163).

2) Including non-controlling interests.

3) Total shareholders' equity attributable to Parent Company shareholders excluding total preference share capital in relation to the 330,082,551 (329,000,000) common shares outstanding.

The SAS Group has not carried out any buyback programs.

SPECIFICATION OF FINANCIAL NET DEBT, OCTOBER 31, 2016

	According to balance sheet	Of which financial net debt
Financial fixed assets	6,201	1,931
Current receivables	3,753	745
Cash and cash equivalents	8,370	8,370
Long-term liabilities	9,822	7,733
Current liabilities	15,906	2,147
Financial net debt		-1,166

Information relating to financial net debt in the comparative periods is available in the Financial Key Ratios section on page 11. For a specification of financial net debt for the respective periods, please refer to www.sasgroup.net where each interim report is published.

CONDENSED CHANGES IN SHAREHOLDERS' EQUITY

MSEK	Share capital ¹	Other con- tributed capital ²	Hedging reserves	Transla- tion reserve	Retained earnings ³	Total shareholders' equity attributable to Parent Company shareholders	Non- controlling interests	Total share- holders' equity
Opening shareholders' equity in accordance with approved balance sheet, November 1, 2014	6,754	494	290	-109	-2,549	4,880	27	4,907
Preference share dividend					-350	-350		-350
Other contributed capital		-167			167	0		0
Non-controlling interests					27	27	-27	0
Comprehensive income, November–October			928	-177	1,031	1,782		1,782
Closing balance, October 31, 2015	6,754	327	1,218	-286	-1,674	6,339	0	6,339
Conversion of convertible bond loan	22				2	24		24
Preference share dividend					-350	-350		-350
Comprehensive income, November–October			107	212	-306	13		13
Closing balance, October 31, 2016	6,776	327	1,325	-74	-2,328	6,026		6,026

1) Number of shares in SAS AB: 330,082,551 (329,000,000) common shares with a quotient value of SEK 20.10 and 7,000,000 preference shares with a quotient value of SEK 20.10.

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

3) No dividends were paid on common shares for 2014/2015.

CASH-FLOW STATEMENT

CONDENSED CASH-FLOW STATEMENT

MSEK	Q4	Q4	Q1-Q4	Q1-Q4
	Aug-Oct 2016	Aug-Oct 2015	Nov-Oct 2015-2016	Nov-Oct 2014-2015
Income before tax	577	867	1,431	1,417
Depreciation, amortization and impairment	377	436	1,367	1,466
Income from sale of aircraft, buildings and shares	-57	-44	-269	-789
Adjustment for other items not included in the cash flow, etc.	247	374	277	539
Tax paid	0	-1	0	1
Cash flow from operations before change in working capital	1,144	1,632	2,806	2,634
Change in working capital	143	-199	857	402
Cash flow from operating activities	1,287	1,433	3,663	3,036
Investments including advance payments to aircraft manufacturers	-1,771	-2,309	-5,960	-4,246
Acquisition of subsidiaries	0	0	0	-60
Sale of subsidiaries and operations	0	0	-2	10
Sale of fixed assets, etc.	524	2,049	3,347	3,183
Cash flow before financing activities	40	1,173	1,048	1,923
Dividend on preference shares	-87	-87	-350	-350
External financing, net	-35	-337	-530	-787
Cash flow for the period	-82	749	168	786
Translation difference in cash and cash equivalents	3	-4	4	-5
Change in cash and cash equivalents according to the balance sheet	-79	745	172	781
Cash flow from operating activities per common share (SEK)	3.90	4.36	11.10	9.23

FINANCIAL KEY RATIOS

	Oct 31, 2016	Oct 31, 2015	Oct 31, 2014
Return on shareholders' equity after tax, 12 months	24%	18%	-15%
Return on invested capital, 12 months	10%	12%	3%
Financial preparedness (target >20% of fixed costs)	41%	40%	37%
Equity/assets ratio	19%	21%	17%
Adjusted equity/assets ratio	12%	13%	11%
Financial net debt, MSEK	-1,166	-726	1,102
Debt/equity ratio	-0.19	-0.11	0.22
Adjusted debt/equity ratio	3.08	2.65	3.14
Interest-coverage ratio	3.6	3.2	0.2

The above returns are calculated using averages of the qualifying periods' balance-sheet items. The adjusted equity/assets ratio and adjusted debt/equity ratio are calculated using net capitalized leasing costs, whereby operational leasing commitments for aircraft were taken into consideration, see Definitions and concepts on page 20. The following average balance-sheet items and net capitalized leasing costs were used in the above key ratios.

	Oct 31, 2016	Oct 31, 2015	Oct 31, 2014
Aircraft leasing costs and revenue, 12 months	-2,822	-2,505	-2,041
Net capitalized leasing costs, 12 months (x7)	19,754	17,535	14,287
Net capitalized leasing costs, 12 months (x7), average	18,791	16,105	13,017
Average shareholders' equity	5,434	5,234	5,068
Average financial net debt	-439	459	2,641

PARENT COMPANY SAS AB

The number of common and preference shareholders in SAS AB amounted to 64,394 at October 31, 2016. SAS AB paid a shareholders' contribution in April 2015 of a total of SEK 7 billion to the SAS Consortium's parent companies: SAS Danmark A/S, SAS Norge AS and SAS Sverige AB. Thereafter, these companies paid capital contributions of SEK 12 billion to the Consortium. The valuation of SAS AB's shareholding is based on the assumption that the structural measures set out in the report are implemented. In the first quarter of 2015/2016, shares outstanding increased by 1,082,551 common shares due to conversions of SAS's convertible bond loan. The average number of employees amounted to 4 (5). An expense of MSEK 63 pertaining to a guarantee commitment was charged to earnings for the first quarter of 2015/2016.

CONDENSED STATEMENT OF INCOME

MSEK	Q1–Q4	
	Nov–Oct 2015–2016	Nov–Oct 2014–2015
Revenue	10	0
Payroll expenses	-33	-30
Other operating expenses	-111	-19
Operating income	-134	-49
Income from participations in Group companies	0	864
Income from other securities holdings	1	-268
Net financial items	-36	-85
Income before tax	-169	462
Appropriations	0	31
Tax	33	5
Net income for the period	-136	498
Net income for the period attributable to: Parent Company shareholders	-136	498

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

CONDENSED BALANCE SHEET

MSEK	Oct 31, 2016	Oct 31, 2015
Financial fixed assets	14,790	14,828
Other current assets	769	1,174
Cash and cash equivalents	0	1
Total assets	15,559	16,003
Shareholders' equity	12,317	12,779
Long-term liabilities	3,010	3,003
Current liabilities	232	221
Total shareholders' equity and liabilities	15,559	16,003

CHANGES IN SHAREHOLDERS' EQUITY

MSEK	Share capital ¹	Restricted reserves	Unrestricted equity ²	Total share- holders' equity
Opening balance, November 1 2015	6,754	306	5,719	12,779
Conversion of convertible bond loan	22		2	24
Preference share dividend			-350	-350
Net income for the period			-136	-136
Shareholders' equity October 31 2016	6,776	306	5,235	12,317

1) Number of shares: 330,082,551 common shares with a quotient value of SEK 20.10 and 7,000,000 preference shares with a quotient value of SEK 20.10.

2) No dividends were paid on common shares for 2014/2015.

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 Swedish Annual Accounts Act and RFR 2.

A number of amendments of standards, new interpretations and new standards took effect for fiscal years beginning November 1, 2015 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 2014/2015.

NOTE 2 REVENUE

	Q4	Q4	Q1–Q4	Q1–Q4
	Aug–Oct 2016	Aug–Oct 2015	Nov–Oct 2015–2016	Nov–Oct 2014–2015
Passenger revenue	8,530	8,400	30,371	30,496
Charter	651	621	1,791	1,742
Mail and freight	327	318	1,253	1,265
Other traffic revenue	634	509	2,293	2,066
Other operating revenue	993	1,055	3,751	4,081
Total	11,135	10,903	39,459	39,650

NOTE 3 OTHER OPERATING EXPENSES

	Q4	Q4	Q1–Q4	Q1–Q4
	Aug–Oct 2016	Aug–Oct 2015	Nov–Oct 2015–2016	Nov–Oct 2014–2015
Sales and distribution costs	-628	-705	-2,372	-2,518
Jet fuel	-1,959	-1,764	-6,449	-8,430
Government user fees	-1,128	-1,118	-4,106	-4,087
Catering costs	-279	-228	-948	-836
Handling costs	-682	-556	-2,477	-1,998
Technical aircraft maintenance	-870	-896	-3,292	-2,757
Computer and telecommunication costs	-377	-337	-1,382	-1,159
Other	-1,347	-648	-3,526	-2,773
Total	-7,270	-6,252	-24,552	-24,558

NOTE 4 QUARTERLY BREAKDOWN**STATEMENT OF INCOME**

MSEK	2013–2014		2014–2015					2015–2016				
	Q4	FULL-YEAR	Q1	Q2	Q3	Q4	FULL-YEAR	Q1	Q2	Q3	Q4	FULL-YEAR
	Aug–Oct	Nov–Oct	Nov–Jan	Feb–Apr	May–Jul	Aug–Oct	Nov–Oct	Nov–Jan	Feb–Apr	May–Jul	Aug–Oct	Nov–Oct
Revenue	10,966	38,006	8,371	9,403	10,973	10,903	39,650	8,275	8,916	11,133	11,135	39,459
Payroll expenses	-2,756	-9,181	-2,478	-2,439	-2,386	-2,319	-9,622	-2,334	-2,311	-2,275	-2,185	-9,105
Other operating expenses	-7,435	-25,122	-5,668	-6,135	-6,503	-6,252	-24,558	-5,169	-5,429	-6,684	-7,270	-24,552
Leasing costs for aircraft	-617	-2,127	-601	-662	-659	-671	-2,593	-700	-706	-737	-697	-2,840
Depreciation, amortization and impairment	-422	-1,443	-282	-405	-343	-436	-1,466	-341	-312	-337	-377	-1,367
Share of income in affiliated companies	17	30	-10	-2	25	24	37	-12	-2	25	28	39
Income from the sale of shares in subsidiaries, affiliated companies and operations	1	6	11	0	0	-11	0	0	4	0	-11	-7
Income from the sale of aircraft, buildings and slot pairs	-4	-16	0	698	35	44	777	95	80	33	57	265
Operating income	-250	153	-657	458	1,142	1,282	2,225	-186	240	1,158	680	1,892
Income from other securities holdings	-49	-43	3	0	0	-303	-300	1	0	0	0	1
Financial revenue	24	102	22	41	30	31	124	22	32	20	17	91
Financial expenses	-175	-1,130	-204	-144	-141	-143	-632	-146	-145	-142	-120	-553
Income before tax	-450	-918	-836	355	1,031	867	1,417	-309	127	1,036	577	1,431
Tax	147	199	196	-76	-231	-350	-461	63	44	-231	14	-110
Net income for the period	-303	-719	-640	279	800	517	956	-246	171	805	591	1,321
Attributable to:												
Parent Company shareholders	-309	-736	-638	278	799	517	956	-246	171	805	591	1,321
Non-controlling interests	6	17	-2	1	1	0	0	0	0	0	0	0

EARNINGS-RELATED KEY RATIOS AND AVERAGE NUMBER OF EMPLOYEES

MSEK	Q1	Q1	Q2	Q2	Q3	Q3	Q4	Q4	Q1–Q4	Q1–Q4
	Nov–Jan 2015–2016	Nov–Jan 2014–2015	Feb–Apr 2016	Feb–Apr 2015	May–Jul 2016	May–Jul 2015	Aug–Oct 2016	Aug–Oct 2015	Nov–Oct 2015–2016	Nov–Oct 2014–2015
Revenue	8,275	8,371	8,916	9,403	11,133	10,973	11,135	10,903	39,459	39,650
EBITDAR	772	225	1,176	829	2,174	2,084	1,680	2,332	5,802	5,470
EBITDAR margin	9.3%	2.7%	13.2%	8.8%	19.5%	19.0%	15.1%	21.4%	14.7%	13.8%
EBIT	-186	-657	240	458	1,158	1,142	680	1,282	1,892	2,225
EBIT margin	-2.2%	-7.8%	2.7%	4.9%	10.4%	10.4%	6.1%	11.8%	4.8%	5.6%
Income before tax and non-recurring items	-404	-829	-601	-331	1,003	996	941	1,338	939	1,174
Income before tax	-309	-836	127	355	1,036	1,031	577	867	1,431	1,417
Net income for the period	-246	-640	171	279	805	800	591	517	1,321	956
Earnings per common share (SEK)	-1.01	-2.21	0.25	0.58	2.17	2.16	1.53	1.31	2.94	1.84
Cash flow before financing activities	-728	-993	2,247	1,328	-511	415	40	1,173	1,048	1,923
Average number of employees (FTE)	10,932	11,484	10,339	11,172	10,815	11,329	10,753	11,167	10,710	11,288

NOTE 5 FINANCIAL ASSETS AND LIABILITIES**FAIR VALUES AND CARRYING AMOUNTS OF FINANCIAL ASSETS AND LIABILITIES**

MSEK	Oct 31, 2016		Oct 31, 2015	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets at fair value	651	651	444	444
Financial assets held for trading	5,801	5,801	6,629	6,629
Other assets	4,594	4,594	3,398	3,398
Total	11,046	11,046	10,471	10,471
Financial liabilities				
Financial liabilities at fair value	222	222	136	136
Financial liabilities held for trading	34	34	19	19
Financial liabilities at amortized cost	9,624	8,975	9,590	8,820
Total	9,880	9,231	9,745	8,975

Fair value is generally determined by using official market quotes. When market quotes are not available, the fair value is determined using generally accepted valuation methods such as discounted future cash flows based on observable market inputs.

The Group's financial assets and liabilities are measured at fair value as stated below:

Level 1: Financial instruments for which fair value is based on observable (unadjusted) quoted prices in active markets for identical assets and liabilities. This category includes mainly treasury bills and standardized derivatives, where the quoted price is used in the valua-

tion. Cash and bank balances are also categorized as level 1.

Level 2: Financial instruments for which fair value is based on valuation models that utilize other observable data for the asset or liability other than the quoted prices included within level 1, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Financial instruments for which fair value is based on valuation models, whereby significant input is based on unobservable data. At present, SAS has no financial assets or liabilities where the valuation is essentially based on unobservable data.

FAIR VALUE HIERARCHY

MSEK	Oct 31, 2016			Oct 31, 2015		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Financial assets						
Financial assets at fair value	-	651	651	-	444	444
Financial assets held for trading	2,752	3,049	5,801	3,480	3,149	6,629
Total	2,752	3,700	6,452	3,480	3,593	7,073
Financial liabilities						
Financial liabilities at fair value	-	222	222	-	136	136
Financial liabilities held for trading	-	34	34	-	19	19
Total	0	256	256	0	155	155

The Board of Directors and President hereby assure that this full-year 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, December 13, 2016

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

Berit Svendsen
Board member

Sanna Suvanto-Harsaae
Board member

Carsten Dilling
Board member

Jens Lippestad
Board member

Sven Cahier
Board member

Janne Wegeberg
Board member

Rickard Gustafson
President and CEO

This full-year report is unaudited.

TRAFFIC DATA INFORMATION

SCHEDULED PASSENGER TRAFFIC, YIELD, PASK AND UNIT COST FOR SAS

	Aug–Oct 2016	Aug–Oct 2015	Year-on-year change	Nov–Oct 2015–2016	Nov–Oct 2014–2015	Year-on-year change
Number of passengers (000)	7,793	7,535	+3.4%	27,738	26,941	+3.0%
RPK, Revenue Passenger Kilometers (mill)	9,741	8,786	+10.9%	33,508	30,561	+9.6%
ASK, Available Seat Kilometers (mill)	12,300	11,241	+9.4%	44,956	40,877	+10.0%
Load factor	79.2%	78.2%	+1.0*	74.5%	74.8%	-0.2*
Passenger yield (currency-adjusted)	0.88	0.96	-9.0%	0.91	0.98	-7.7%
Unit revenue, PASK (currency-adjusted)	0.69	0.75	-7.7%	0.68	0.73	-8.0%

TOTAL TRAFFIC (SCHEDULED AND CHARTER TRAFFIC) FOR SAS

	Aug–Oct 2016	Aug–Oct 2015	Year-on-year change	Nov–Oct 2015–2016	Nov–Oct 2014–2015	Year-on-year change
Number of passengers (000)	8,255	7,949	+3.8%	29,009	28,094	+3.3%
RPK, Revenue Passenger Kilometers (mill)	10,951	9,911	+10.5%	36,940	33,780	+9.4%
ASK, Available Seat Kilometers (mill)	13,579	12,427	+9.3%	48,620	44,288	+9.8%
Load factor	80.6%	79.8%	+0.9*	76.0%	76.3%	-0.3*
Total unit cost (CASK), (currency-adjusted)	0.66	0.71	-6.5%	0.70	0.79	-11.1%
Unit cost (CASK) excluding jet fuel (currency-adjusted)	0.52	0.56	-8.3%	0.57	0.60	-4.1%

SCHEDULED TRAFFIC TREND FOR SAS BY ROUTE SECTOR

	Aug–Oct 2016 vs. Aug–Oct 2015		Nov–Oct 2015–2016 vs. Nov–Oct 2014–2015	
	Traffic (RPK)	Capacity (ASK)	Traffic (RPK)	Capacity (ASK)
Intercontinental	+27.8%	+26.0%	+25.2%	+27.6%
Europe/Intra-Scandinavia	+1.0%	+2.5%	+1.6%	+2.9%
Domestic	+4.4%	-0.3%	+2.6%	+0.6%

SCHEDULED DESTINATIONS AND FREQUENCIES FOR SAS

	Aug–Oct 2016	Aug–Oct 2015	Year-on-year change	Nov–Oct 2015–2016	Nov–Oct 2014–2015	Year-on-year change
Number of destinations	113	113	0.0	118	119	-0.8%
Number of daily departures	881	867	+1.6%	813	805	+0.9%
No. of departures per destination/day	7.8	7.7	+1.6%	6.9	6.8	+1.8%

PRODUCTIVITY AND ENVIRONMENTAL EFFICIENCY

Block hours, 12-month rolling	Oct 2016	Oct 2015	Year-on-year change
Aircraft	9.3	8.8	+5.9%
Cabin crew	759	762	-0.4%
Pilots	681	688	-1.0%

Environmental efficiency	Aug–Oct 2016	Aug–Oct 2015	Year-on-year change	Nov–Oct 2015–2016	Nov–Oct 2014–2015	Year-on-year change
CO ₂ emissions per passenger kilometer, grams	95.0	97.3	-2.4%	99.2	100.9	-1.7%

* Figures given in percentage points

AIRCRAFT FLEET

THE SAS AIRCRAFT FLEET AT OCTOBER 31, 2016

Aircraft in service under SAS's (SK) own traffic license	Age	Owned	Leased	Total	On purchase order	On lease order
Airbus A330/A340/A350	11.4	9	7	16	8	
Airbus A319/A320/A321	11.3	8	18	26	29	
Boeing 737 NG	13.7	20	61	81		
Total	12.9	37	86	123	37	0

Aircraft in service under a traffic license other than SAS's (SK)	Age	Owned	Wet-leased	Total	On wet lease order
Bombardier CRJ900	4.1	11	8	19	4
Boeing 737 NG/BBJ	11.0		1	1	
ATR-72	1.8		13	13	
Total	3.4	11	22	33	4

Total SAS in-service aircraft fleet	Age	Owned	Leased	Total	On purchase order	On wet lease order
Total	10.9	48	108	156	37	4

Aircraft to be phased out	Age	Owned	Leased	Total	Leased out	Parked
Bombardier CRJ900	7.7	1		1		1
Bombardier Q400	8.8		1	1	1	
Total	8.3	1	1	2	1	1

Aircraft on firm order 2016–2021 at October 31, 2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Airbus A320neo	12	8	8	1	
Airbus A350				3	5

SAS DESTINATIONS

— Existing routes — New routes for 2017



SAS is Scandinavia's leading airline and has an attractive offering to frequent travelers. SAS offers more than 800 flights daily and more than 29 million passengers travel with SAS to 118 destinations in Europe, the US and Asia. Membership in Star Alliance™ provides SAS's customers with access to a far-reaching network and smooth connections. Altogether, Star Alliance offers more than 18,500 daily departures to 1,300 destinations in 190 countries around the world. In addition to airline operations, activities at SAS include ground han-

dling services (SAS Ground Handling), technical maintenance (SAS Technical) and air cargo services (SAS Cargo).

SAS AB is the Parent Company of SAS and is listed on the stock exchanges in Stockholm (primary listing), Copenhagen and Oslo. With the exception of SAS Cargo and SAS Ground Handling, which are directly owned by the Parent Company SAS AB, the majority of the operations and assets are directly owned by the SAS Consortium.

DEFINITIONS & CONCEPTS

SAS uses various key figures, including alternative performance measures (APM), for internal analysis purposes and for external communication of the operations' results, performance and financial position.

The key figures support stakeholders in their assessment of SAS's earnings and performance. In the APMs based on capitalized leasing costs ($\times 7$), SAS's level of debt is raised to a level that would correspond to a situation where aircraft under operating leases would instead be owned or under finance leases. In the airline industry, capitalized leasing costs ($\times 7$) is an established method for estimating unrecognized liabilities pertaining to operating leases for aircraft.

The aim of the APMs is to illustrate the performance measures tailored to operations that, in addition to the other key figures, enable various stakeholders to more accurately assess and value SAS's historical, current and future performance and positions.

Adjusted debt/equity ratio — The net of financial net debt plus capitalized leasing costs ($\times 7$) in relation to equity.

Adjusted equity/assets ratio — The net of equity in relation to total assets plus capitalized leasing costs ($\times 7$).

ASK, Available Seat Kilometers — The total number of seats available for passengers multiplied by the number of kilometers which they are flown.

CAPEX (Capital Expenditure) — Future payments for aircraft on firm order.

Capital employed — Total capital according to the balance sheet less non-interest-bearing liabilities.

Capitalized leasing costs ($\times 7$) — The net annual operating lease costs for aircraft multiplied by seven.

Debt/equity ratio — Financial net debt in relation to equity.

Earnings per common share (EPS) — Net income for the period attributable to Parent Company shareholders less preference share dividends in relation to the average number of common shares outstanding.

EBIT — Operating income.

EBIT margin — EBIT divided by total revenue.

EBITDA — Operating income before tax, net financial items, income from the sale of fixed assets, share of income in affiliated companies, and depreciation and amortization.

EBITDAR — Operating income before tax, net financial items, income from the sale of fixed assets, share of income in affiliated companies, depreciation and amortization, and leasing costs for aircraft.

EBITDAR margin — EBITDAR divided by revenue.

Equity method — Shares in affiliated companies are taken up at the SAS Group's share of equity, taking acquired surplus and deficit values into account.

Equity/assets ratio — Equity in relation to total assets.

Financial net debt — Interest-bearing liabilities less interest-bearing assets excluding net pension funds.

Financial preparedness — Cash and cash equivalents, excluding receivables from other financial institutions, plus unutilized credit facilities in relation to fixed costs. In this ratio, fixed costs are defined as payroll and other operating expenses, and exclude jet-fuel costs and government user fees as well as leasing costs for aircraft.

FTE — Full Time Equivalent.

Interest-coverage ratio — Operating income plus financial revenue in relation to financial expenses.

Load factor — RPK divided by ASK, shown in percent. Describes the capacity utilization of available seats. Also called occupancy rate.

PASK (unit revenue) — Passenger revenue divided by ASK (scheduled).

Return on Invested Capital (ROIC) — EBIT plus the standard interest portion corresponding to 33% of operating leasing costs after subtracting dividends to shareholders in relation to average shareholders' equity, net financial debt and net capitalized leasing costs ($\times 7$).

Return on shareholders' equity — Net income for the period attributable to shareholders in the Parent Company in relation to average equity excluding non-controlling interests.

RPK, Revenue passenger kilometers — Number of paying passengers multiplied by the distance they are flown in kilometers.

Sale and leaseback — Sale of an asset (aircraft, building, etc.) that is then leased back.

Unit cost, CASK — Total operating expenses for airline operations including aircraft leasing costs and total depreciation less other non-traffic-related revenue per total ASK (scheduled and charter).

Working capital — The total of non-interest-bearing current assets and non-interest-bearing financial fixed assets excluding equity in affiliated companies and other securities holdings less non-interest-bearing liabilities.

Yield — Passenger revenue divided by RPK (scheduled).

A more detailed list of definitions & concepts is available at www.sasgroup.net under Investor relations/Financial data/Financial definitions.

SIGNIFICANT EVENTS

EVENTS AFTER OCTOBER 31, 2016

- SAS signed agreements for the financing of 12 Airbus A320neos through sale and leaseback.
- SAS contracted the financing of two Boeing 737s and four Airbus A319s until 2018 through a MUSD 75 credit facility.

FOURTH QUARTER 2015/2016

- SAS has signed letters of intent for the financing of Airbus A320neos with deliveries in 2016 to 2017 through a sale and leaseback agreement.
- SAS signed an agreement for installation of the fastest Wi-Fi in the market on board all of SAS's Airbus A320 and Boeing 737 aircraft in Europe.

THIRD QUARTER 2015/2016

- SAS decided to retain ground handling services at primary airports.
- SAS and the cabin crew unions in Norway and Sweden signed new collective agreements.
- SAS and the pilot associations in Norway signed new collective agreements.
- SAS and the pilot associations in Sweden signed new collective agreements following a strike that resulted in around 1,000 cancelled flights and a negative earnings impact of about MSEK 140 for SAS.

SECOND QUARTER 2015/2016

- SAS's Annual Report contained an updated dividend policy for the common share, stipulating that SAS is to pay dividends of SEK 50 per year to preference shareholders, with a quarterly payment of SEK 12.50 per preference share in accordance with the terms and conditions of the issue of preference shares.
- The European Commission announced that it will not appeal the European Court of Justice's judgment to annul the European Commission's fines of MEUR 70.2 from 2010. However, the European Commission can make a new decision in relation to this matter.
- The AGM resolved to pay a maximum dividend to preference shareholders over the period until the next AGM of SEK 50 per preference share. The AGM resolved not to pay a dividend to holders of common shares for the 2014/2015 fiscal year. Berit Svendsen was elected as a new member of the Board.
- SAS opened two new long-haul routes: Stockholm–Los Angeles and Copenhagen–Boston.

FIRST QUARTER 2015/2016

- SAS completed the sale of Blue1 to Cityjet. From spring 2016, Cityjet will operate regional jet services on behalf of SAS using eight, brand new, Bombardier CRJ900s.
- SAS decided to open Café Lounges at Malmö and Luleå airports.
- The European Court of Justice annulled the European Commission's MEUR 70.2 fine from 2010. However, the European Commission could decide to appeal this ruling.
- Mattias Forsberg took office as Executive Vice President and CIO on January 1, 2016.
- SAS completed the financing of PDPs for five Airbus aircraft.
- Following conversion of SAS's convertible bond loan, the number of common shares issued for SAS AB increased 1,082,551 to 330,082,551.

FINANCIAL CALENDAR

Annual Report 2015/2016	February 1, 2017
Annual General Meeting 2017	February 22, 2017
Q1 Interim report, 2017 (November–January)	March 8, 2017
Q2 Interim report, 2017 (February–April)	June 21, 2017
Q3 Interim report, 2017 (May–July)	September 5, 2017
Q4 Interim report, 2017 (August–October)	December 12, 2017

All reports are available in English and Swedish and can be downloaded at www.sasgroup.net.

SAS'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 under Investor Relations.

For further definitions, refer to the Annual Report or www.sasgroup.net, under Investor Relations/Financial data/Financial definitions.

PRESS/INVESTOR RELATIONS

Telephone conference at 10:00 a.m., December 13, 2016.

This information is information that SAS AB is obliged to disclose pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 8.00 a.m. CET on December 13, 2016.

Any questions about the report can be addressed to Björn Tibell, Investor Relations, +46 70 997 1437 or alternatively to investor.relations@sas.se.