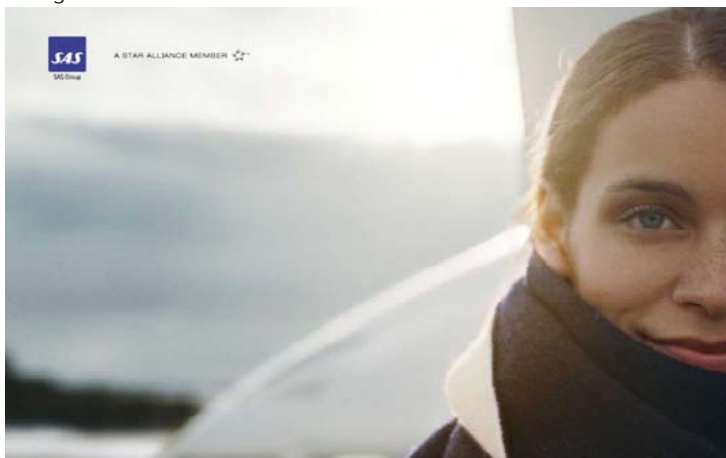


# SAS AB:s interim report

August 14<sup>th</sup> 2008



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### Weak second quarter due to unprecedented challenging market conditions

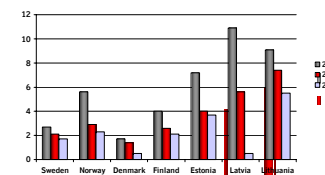
- Combination of record high fuel prices and economic slowdown probably largest industry challenge ever
- SAS Group EBT bef. non rec Apr-Jun 2008: MSEK 262 (806)
  - Not possible to fully offset Jet fuel prices in short term
- Profit 2008 intensified
  - Targeting SEK 1.5 bn result improvement (2008)
  - Total capacity adjustments 18 aircraft
  - 1 500 FTE's reduction
- Spanair launched 90 MEUR program with effect 2009
  - ➔ Total group capacity reduction 33 aircraft and 2500 FTE
- Stable financial situation

### Jet fuel crisis combined with lowered GDP forecast

GDP Development in key markets



➤ Weak 2<sup>nd</sup> Quarter among airlines both globally and locally



## Profit 2008 –program launched Q1 Intensified



Short term measures on top of Strategy 2011 to get us back "on course"  
Intensified August 2008

➔ **Secure performance in 2008**



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## Continued focus on S11 strategy including long term cost program



- P08 – Program to protect 2008 result
- ↳ Launched April 2008
  - Implementation on track
  - Intensified August 2008



- Cultural Turnaround
- Focus and concentration
- Harmonization and development of customer offer
- Competitiveness
- Cost Gap of 3-4 billion to be addressed as from 2009

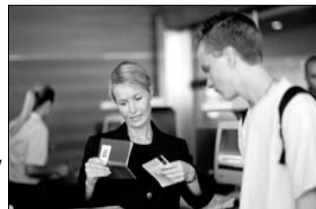
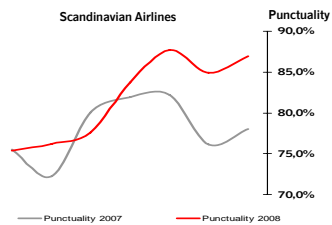
➔ **Profitable growth**

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## Customer offer: Punctuality and regularity best in many years

- SAS Norway was Europe's most punctual airline on arrivals in June



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Gunilla Berg  
CFO



## 2<sup>nd</sup> Quarter 2008 positive before non recurring

Result development MSEK	2 <sup>nd</sup> Quarter 2008	First half year 2008
Revenues	17703	32532
EBT bef nonrecurring items (cont. operations)	262	-1053
Ebt-margin	1.5%	-3.2%
Ebt	-106	-1421

EBT-margin (12 months rolling)	-0.9%
EBT margin target	7%

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## Scandinavian Airlines affected by yield pressure and record oil prices

Scandinavian Airlines	SAS Norge		SAS Danmark		SAS Sverige		SAS International	
	Q2 2008	Change	Q2 2008	Change	Q2 2008	Change	Q2 2008	Change
EBIT before nonrec. (MSEK)	205	-246	4	-268	76	-167	29	+9

### EBIT-margins, 12 months rolling

SAS Norge	2.9%
SAS Danmark	0.3%
SAS Sverige	2.5%
SAS International	1.3%

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## Underlying result with negative trend

MSEK	April-June		
	2008	2007	Change
Income before nonrecurring items in continuing operations	-262	-806	-604
Easter effect	-300	0	-300
Q400 effects	200	0	200
ECA/bmi	61	149	-88
Strike effect	0	300	-300
<b>Underlying result development</b>	<b>223</b>	<b>1255</b>	<b>-1032</b>

### Reasons for result development

- Rapidly increased fuel prices to record levels
- Increased competition
- Increased overcapacity
- ➔ Yield pressure

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## Mixed development for other group companies

### 2<sup>nd</sup> Quarter

Business Area	Subsidiary	EBIT	EBIT Margin, 12 months rolling	Change vs. last year
SAS Individually Branded Airlines	Widerøe	7	2.2%	➔
	Blue1	45	5.1%	➔
	Spanair	-197	-5.1%	➔
SAS Aviation Services	STS	22	-3.0%	➔
	SGS	-10	-3.1%	➔
	SAS Cargo	38	3.0%	➔

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## Fuel increased hedge level

- Expected to be approx SEK 14 bn in 2008 at current market levels

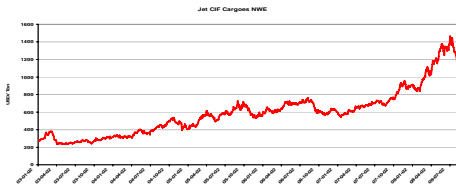
### More challenging but strategy intact

- Hedging 40-60% of expected consumption (12 months rolling)
- Yield management
- Cost initiatives

### Current hedges

- 60% of the consumption hedged for 2008
  - Of which appr. 11 p.u. with swaps
  - Of which appr. 45 p.u. with options
  - Remaining with 3-ways
- 47% of consumption hedged until June 2009

Fuel prices at all time high



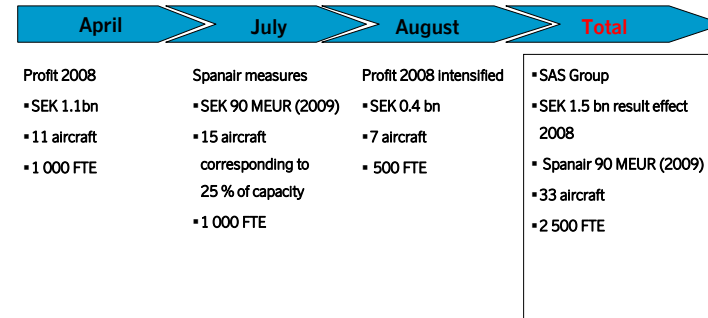
### Spanair

Add 2.5-3.0 billion to fuel cost

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## Profit 2008 & Spanair measures



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## Distribution of Profit 2008



MSEK	2008
Price adaptations	600-650
Changes in traffic program	300
Reduction regarding overhead admin and sales	225
Other activities	325

**Total** 1450-1500

### Capacity reduction

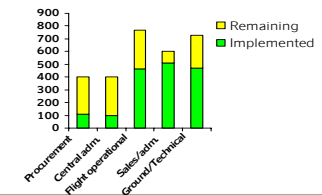
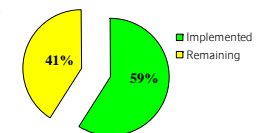
33 aircraft + Traffic program changes → ASK: down 10 % vs. plan

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## Underlying unit cost down by 2.3%.

- Unit cost development up by 5.1%. Fuel has a negative impact by 4.6 % and Q400 by 2.8% in 2nd quarter
- Structural cost program of SEK 2,8 bn by 2009
- Main reasons behind plan
  - Productivity
  - SGS
- Cost GAP after this program 2010 onwards

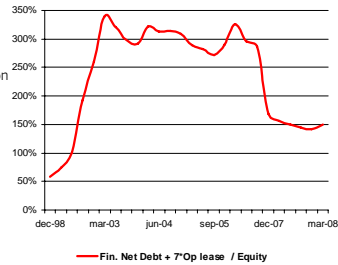


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## Stable financial position

- Solid liquidity of MSEK 8 204
- Available credit facilities of MSEK 5 767
- Interest bearing liabilities reduced by SEK 1.7 bn
- ⇒ Net Debt : 0
- MUSD 729 in aircraft CAPEX in 2008-2010
  - CRJ/ Q400- financing secured (several options)
  - B 737 2009 deliveries to be placed on operating leases



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## Sum up 1<sup>st</sup> Half

### Market

- Probably largest industry challenge ever
- Rapid increase of fuel prices to new records
- Economic slowdown

### Profit 2008

- 33 aircraft will be taken out (Incl Spanair)
- Capacity reduced by 10 %
- 1.5 SEK billion result effect plus Spanair effect
- Redundancy 2500 FTE'S (Incl Spanair)

### Strategy 2011

- 2,8 SEK billion cost program
- More cost reduction needed 2009
- Cultural turnaround
- Customer focus –product and quality improvements

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P08, S11 & Spanair measures

Appendices

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## Business Environment- remainder of 2008 and in 2009 lead to intensified P08



- Fuel Prices remains at a high level despite recent fall
- Changed Consumer behaviour
- Declining growth rates
- Reduced Corporate sales (volume and mix)
- Overcapacity
- Further pressure on yields



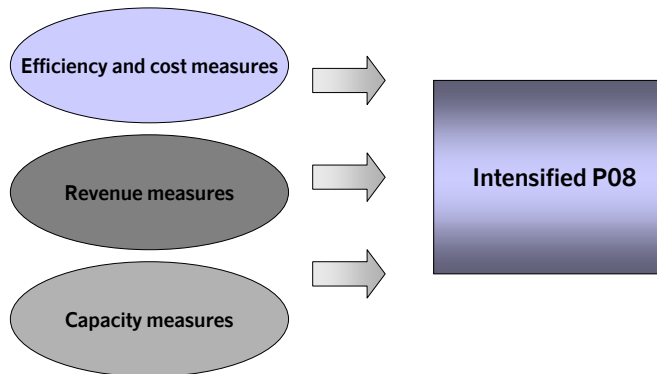
### Negative outlook

- Intensified P08

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## Intensified 08 – earnings improvement



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## Intensified P08 1. Revenue measures



### Earnings effect of 2008 600-650 MSEK

- New price strategy
- New optimization strategy
- New concept for contracted sales
- Strengthen relations with agents
- Sales strategy

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## Intensified P08 2. Efficiency and cost measures



- Earnings effect 2008 - 550 MSEK
  - Reduced charges/airports in Scandinavia
  - Benchmark prices – Component
  - Sales strategy
  - Pilots productivity improvements
  - Other measures

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## Intensified P08 3. Capacity measures



- Earnings effect 2008 - 300 MSEK
  - 18 aircraft (+7)
  - 10 % capacity reduction
  - Discontinuation of unprofitable round-trips
  - Discontinuation of unprofitable destinations

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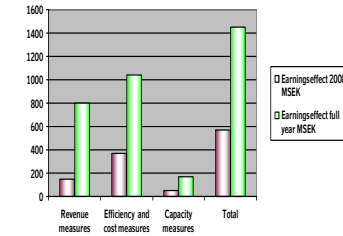


## Intensified P08, Sum up



### Intensified Effects P08

- Earnings effect 2008: 1450-1500 MSEK
- Reduction 1500 FTE



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## P08 total effects plus Spanair



### Total Effects P08

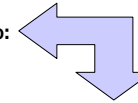
- Earnings effect 2008 1,5 billion SEK
- Spanair 90 MEUR in 2009
- Capacity reduction 10%
- 33 aircraft will be taken out incl Spanair
- Reduction FTE 2500 incl Spanair

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## Spanair sales process abandoned

Sales process abandoned due to:



1. Challenging market conditions SAS has not been able to reach its targeted terms and conditions on the divestment.
2. Spanair holds a greater strategic value than the value SAS could realize.
3. Spanair is a company with a competitive cost position and is the second largest carrier in the large Spanish market

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## SAS to keep Spanair, External factors contributing to a negative outlook

- Weakening demand
- Over capacity in the Spanish market
- Increasing fuel cost
- Extensive losses within the domestic airline industry
- Need for reconstruction of Spanair and
- Reduction of overcapacity in the market



➔ **90 MEUR program initiated 25 % capacity reduction**

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## Fuel & Yield

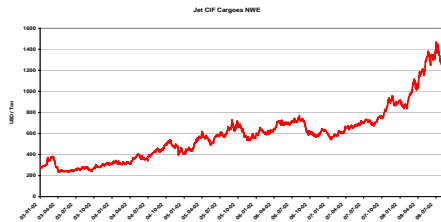
30



## Jet fuel prices

Average market prices on high jet fuel (2000-2008)

Year	USD/MT
2000	297
2001	245
2002	233
2003	282
2004	399
2005	568
2006	651
2007	712
Q1 2007	593
Q2 2007	674
Q3 2007	718
Q4 2007	867
Q1 2008	949
Q2 2008	1 255



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## Overview of the SAS Group's fuel hedging and expected cost 2008

### SAS Group's jet fuel hedging portfolio

	Q3 2008	Q4 2008	Q1 2009	Q2 2008
<b>Options</b>	36%	57%	31%	20%
Strike price, USD/MT	959	1 098	978	1 180
<b>Swaps</b>	10%	13%	6%	11%
Price, USD/MT	702	829	773	1 238
<b>3-Way</b>	5%			
Price, USD/MT	800			

### SAS Group's jet fuel costs in 2008 (annual average values)

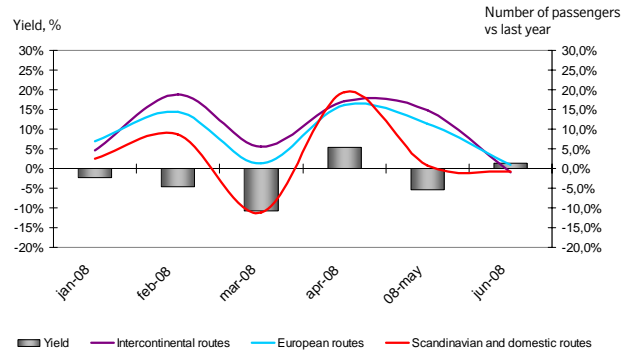
Market price	5.50 SEK/USD	6.00 SEK/USD	6.50 SEK/USD
800 USD/MT	SEK 12.5 bn	SEK 13.0 bn	SEK 13.6 bn
1 000 USD/MT	SEK 13.1 bn	SEK 13.7 bn	SEK 14.2 bn
1 200 USD/MT	SEK 13.7 bn	SEK 14.3 bn	SEK 14.9 bn
1 400 USD/MT	SEK 14.2 bn	SEK 14.9 bn	SEK 15.6 bn

32





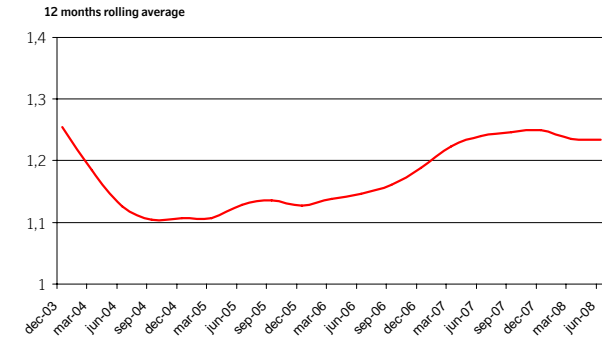
## Increasing number of passengers in 2008, but the yield has been under pressure



33



## Yield -2.8% in 1st Half 2008 and +0.1% in Q2

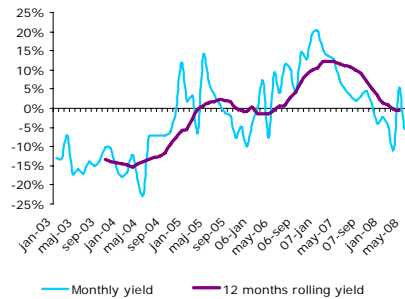


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## Significant measures being implemented to improve yield going forward

- Round trip management
- Introduction of jet fuel surcharges
- Yield management
- Closure of unprofitable routes
- Grounding of more aircraft for the winter season

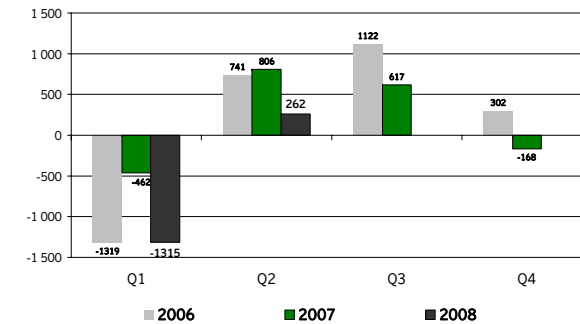


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## Weaker Quarter due to Q400 problems and lower yield

MSEK, EBT before gains and nonrecurring items



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## Yield development

### Yield, SAS Scandinavian Airlines

MSEK	Apr-Jun 2008	Apr-Jun 2007	Change
Yield (ore/RPK)	121.8	122.0	-0.1%
Currency adj. yield	121.8	121.7	+0.1%

MSEK	Jan-Jun 2008	Jan-Jun 2007	Change
Yield (ore/RPK)	122.4	125.0	-2.1%
Currency adj. yield	122.4	125.9	-2.8%

### Yield, SAS Individually Branded Airlines

Yield, local currency	Apr-Jun 2008
-----------------------	--------------

 -5.6%
 +1.1%
 +3.4%
 +13.3%

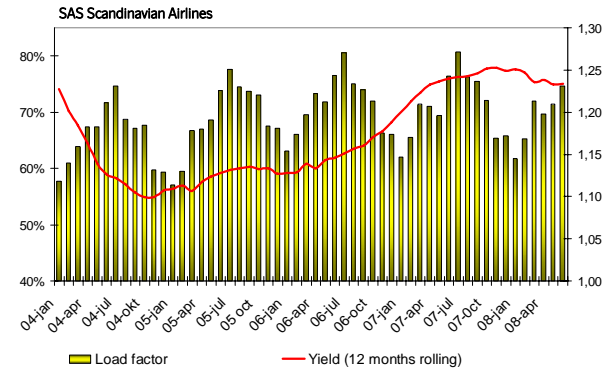
Yield, local currency	Jan-Jun 2008
-----------------------	--------------

 -5.7%
 -3.0%
 +4.6%
 +3.9%

37



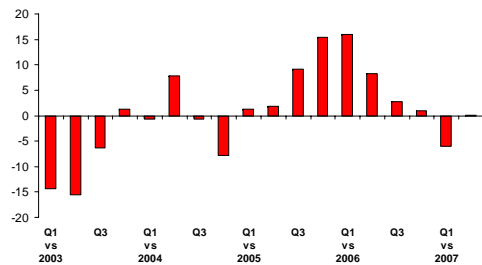
## Yield and load factor



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## Yield development – SAS Scandinavian Airlines



- Yields down 9.1% in 2004
- Yields down 0.3% in 2005
- Yield up 1.2% in Q1 2006
- Yield up 1.9% in Q2 2006
- Yield up 9.2% in Q3 2006
- Yield up 15.4% in Q4 2006
- Yield up 16.0% in Q1 2007
- Yield up 8.3% in Q2 2007
- Yield up 2.7% in Q3 2007
- Yield up 1.0% in Q4 2007
- Yield down 6% Q1 2008
- Yield up 0.1% Q2 2008

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## Business areas

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## Focusing and concentration

### Status:

SGS	Keep internal, pending cost reductions of MSEK 400 and quality targets within 18 months. <b>If targets not reached: Outsourcing/ Seek external partner</b>
STS	Decision to outsource B737 – classic heavy maintenance
SAS Cargo	Decision to sell cargo handling (Spirit)
BMI	In process, many interested parties
Air/Baltic/Estonian	Air Baltic will not be privatized

## Follow up on Profit 2008

- Detailed follow up of implementation of P 08 established
- Contingent measures available if necessary
- Capacity can be adjusted up/down depending on how demand is developing
  - Flexibility in wet lease agreements



## Very satisfying settlement

- More than SEK 1 billion in financial compensation from Bombardier and Goodrich
  - Cash and credits
- New aircraft order
  - Firm order of 27 CRJ 900 NextGen (13) and Q400 NextGen (14)
  - Option for 24 aircraft (17 CRJ900 NextGen and 7 Q400 NextGen)
- Milestone in SAS Group's fleet renewal
  - Speedy delivery, starting November 2008 – 2011
  - Rejuvenates regional network fleet
    - Differentiated premium product for CPH feeder network
    - New and upgraded Q400s for Widerøe and airBaltic

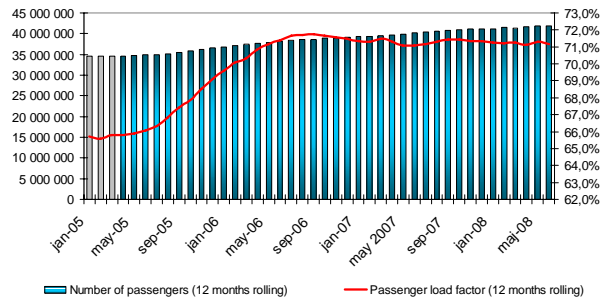


## SAS Group structure



## Increasing number of passengers

- Focus to improve the load factor

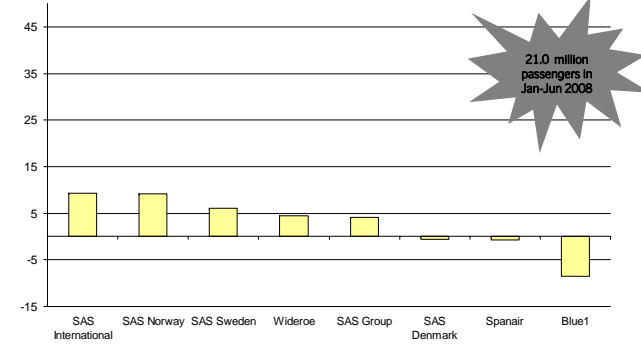


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## Stable growth in 1<sup>st</sup> Half 2008

(%) Passenger growth in 2008 vs 2007



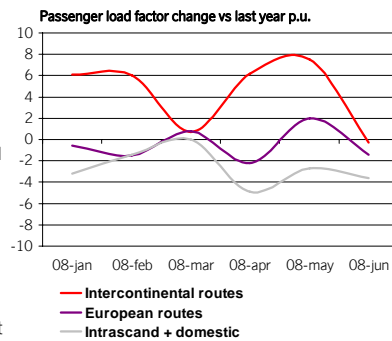
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## Focus on improving load factor

- positive development on intercontinental routes

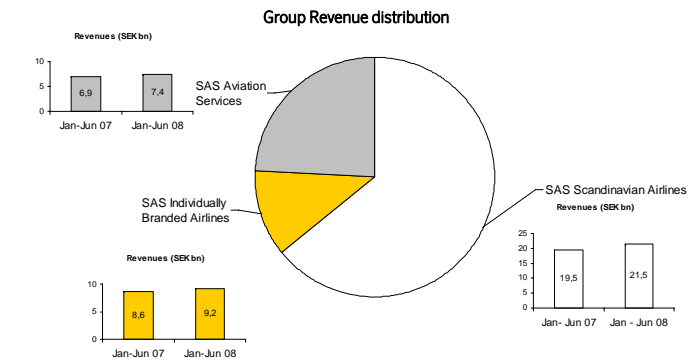
- Positive development on intercontinental routes
  - Greater degree of seasonal adjustments combined with good demand
- Load factor negative on short haul routes
  - Affected by Q400 replacement capacity
  - Overcapacity
- Capacity reductions in 2<sup>nd</sup> Half expected to have a positive impact on load factors



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## Revenues growing in the airline business areas

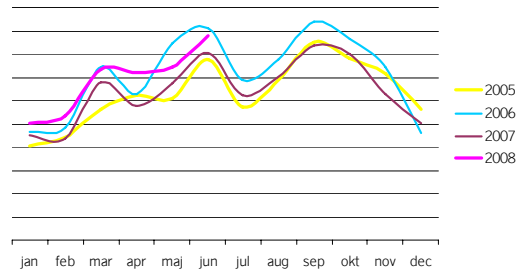


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## SAS Group's seasonal pattern

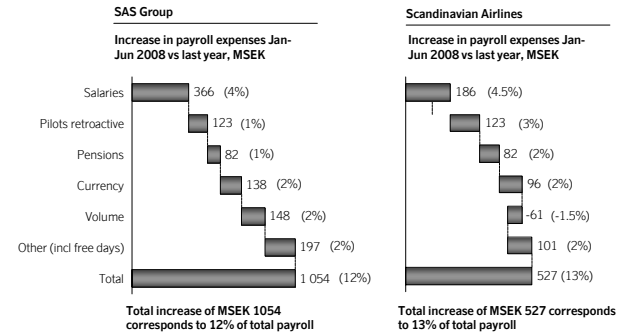
SAS Group Revenues (per month)



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## Development of payroll expenses



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SAS Scandinavian Airlines



## Underlying negative development in SAS Scandinavian Airlines

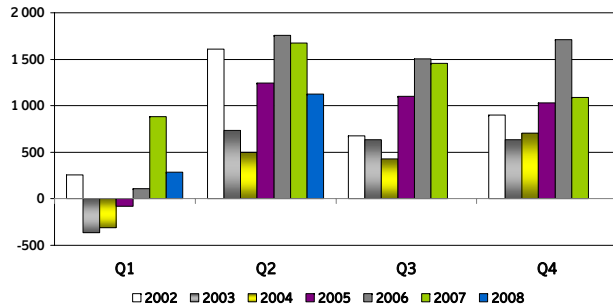
SAS Scandinavian Airlines	Apr-Jun 2008 (MSEK)	Apr-Jun 2007 (MSEK)	Change	Jan-Jun 2008 (MSEK)	Jan-Jun 2007 (MSEK)	Change
Revenues	11634	10 368	+1266	21474	19505	+1969
Operating expenses	- 10185	- 8693	-1492	- 19739	- 16947	-2793
<b>EBITDAR</b>	<b>1 449</b>	<b>1647</b>	<b>-198</b>	<b>1735</b>	<b>2558</b>	<b>-823</b>
Lease	- 495	- 538	+43	- 1 001	- 1087	+86
<b>EBITDA</b>	<b>954</b>	<b>1136</b>	<b>-182</b>	<b>734</b>	<b>1 471</b>	<b>-737</b>
Depreciation	- 251	- 252	+1	- 495	- 495	0
Income from sales/affiliated	-19	0	-19	-15	2	-13
<b>EBIT</b>	<b>680</b>	<b>875</b>	<b>-195</b>	<b>220</b>	<b>967</b>	<b>-747</b>
EBT	691	757	-66	223	742	-519
<b>EBT before nonrecurring items</b>	<b>694</b>	<b>766</b>	<b>+72</b>	<b>227</b>	<b>753</b>	<b>-526</b>

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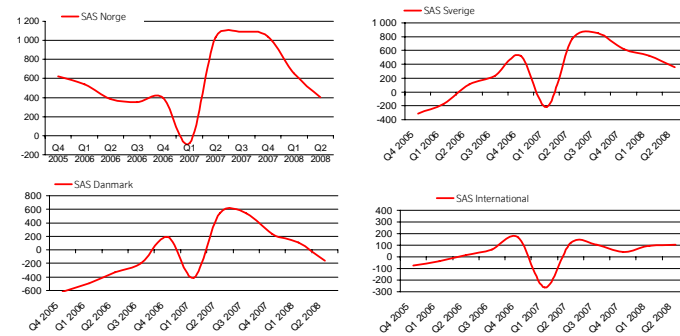
## EBITDAR in 2st Quarter MSEK 1128

EBITDAR, SAS Scandinavian Airlines (MSEK)



## Result development in SAS Scandinavian Airlines still affected by Q400 incidents

EBIT before nonrecurring items (12 months rolling)



## Results negatively affected by increased jet fuel costs and lower load factors on short haul routes

SK Results (MSEK)	SAS Norge		SAS Danmark		SAS Sweden		SAS International	
	Jan-Jun	Change	Jan-Jun	Change	Jan-Jun	Change	Jan-Jun	Change
Total Revenues	7 185	+602	6 155	+497	4 554	+129	3 969	+440
EBITDAR	498	-397	1857	-429	253	-427	192	+39
EBIT before nonrecurring items	+13	-634	-122	-395	+7	-398	-121	+63

### SAS Norge Jan-Jun 2008

- Weak yield in 1<sup>st</sup> Half
  - No of pass up 9.1%
  - Cabin factor down 0.4 p.u. to 68.2%
  - Yield down 7.3%
  - Unit cost up 7.3%

### SAS Danmark Jan-Jun 2008

- Yield and load factor down
  - No of pass down 0.5%
  - Cabin factor down 3.2 p.u. to 66.5%
  - Yield down 1.2%
  - Unit cost down 1.7%

### SAS Sverige Jan-June 2008

- Weak load and yield in 1<sup>st</sup> Half
  - No of pass up 6.0%
  - Cabin factor down 4.5 p.u. to 67.1%
  - Yield down 9.3%
  - Unit cost up 4.3%

### SAS International Jan-Jun 2008

- Improved yield and load in 1<sup>st</sup> Half
  - No of pass up 9.3%
  - Cabin factor up 4.2 p.u. to 83.6%
  - Yield up 6.1%
  - Unit cost up 9%

## Key ratios in the 1<sup>st</sup> Half 2008

### 2008 vs 2007 Jan-Jun

#### SAS Group

- Traffic (RPK) ↑ +8.3%
- Cabin Factor ↓ -0.6 p.u.

#### Scandinavian Airlines

- Yields (RPK) ↓ -2.8%
- RASK ↓ -3.0%
- Fuel adj. unit cost ↑ -0.5%

## Break down of SAS Scandinavian Airlines Unit Cost Jan-Jun 2008

Cost break down, volume, currency and method adjusted SAS Scandinavian Airlines

Cost break down	Jan-Jun 08	Jan-Jun 07	Var %	Share of total var%
Personnel	-4 519	-4 669	3,3%	0,8%
Fuel	-3 439	-4 362	26,8%	4,6%
Gov. Charges	-1 889	-1 946	3,0%	0,3%
Selling cost	-275	-278	1,3%	0,0%
Ground Services	-2 642	-2 671	1,1%	0,1%
Technical	-2 071	-2 251	8,7%	0,9%
Other operating costs	-3 337	-3 563	6,8%	1,1%
<b>TOTAL OPERATING EXPENSES</b>	<b>-18 171</b>	<b>-19 739</b>	<b>8,6%</b>	<b>7,9%</b>
Aircraft costs	-1 688	-1 496	-11,4%	-1,0%
<b>ADJUSTED EBIT</b>	<b>-19 859</b>	<b>-21 235</b>	<b>6,9%</b>	<b>6,9%</b>

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## Break down of SAS Scandinavian Airlines Unit Cost Apr-Jun 2008

Cost break down, volume, currency and method adjusted SAS Scandinavian Airlines

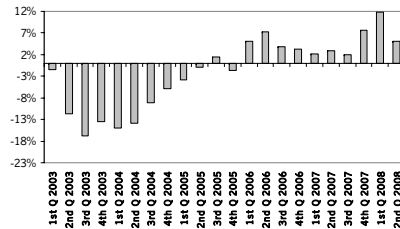
Cost break down	Apr-Jun 08	Apr-Jun 07	Var %	Share of total var%
Personnel	-2 316	-2 322	0,3%	0,1%
Fuel	-1 839	-2 496	35,7%	6,3%
Gov. Charges	-993	-1 034	4,1%	0,4%
Selling cost	-148	-151	2,2%	0,0%
Ground Services	-1 375	-1 386	0,8%	0,1%
Technical	-1 070	-1 128	5,5%	0,6%
Other operating costs	-1 804	-1 667	-7,6%	-1,3%
<b>TOTAL OPERATING EXPENSES</b>	<b>-9 544</b>	<b>-10 185</b>	<b>6,7%</b>	<b>6,2%</b>
Aircraft costs	-861	-747	-13,3%	-1,1%
<b>ADJUSTED EBIT</b>	<b>-10 405</b>	<b>-10 931</b>	<b>5,1%</b>	<b>5,1%</b>

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## Unit cost significantly up in 2008 due to fuel costs and Q400 wet lease costs

SAS Scandinavian Airlines unit cost change



- Unit cost down 10,9% in 2004
- Unit cost down 1,7% in 2005
- Unit cost up 5,2% in 2006
- Unit cost up 3,9% in 2007
- Unit cost up 11,9% in Q1 2008
  - Adjusted for fuel, unit cost was up 2,6%
- Unit cost up 5,1% in Q2 2008
  - Adjusted for fuel and q400 effect unit cost was down 2,6%

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## Productivity

Block hours, 12 months rolling, Jul 07 - Jun 08

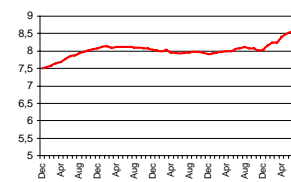
12 months rolling	Aircraft	Pilots	Cabin
	hours/day	hours/year	hours/year
SAS Scandinavian Airlines	8,54	562	627
Spanair	8,87	704	804
Widerøe	6,84	456	422
Blue1	8,03	631	697
airBaltic	9,40	830	784

60

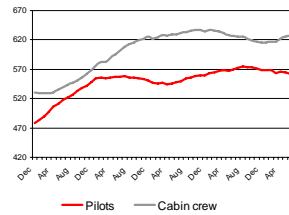


## Key productivity ratios for SAS Scandinavian Airlines

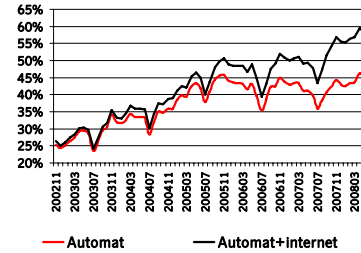
Aircraft utilization (12 months rolling)



Cabin, pilot utilization (12 month rolling)

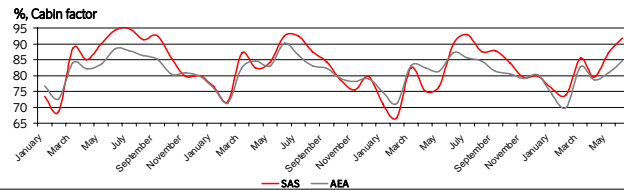


## Self Service check close to 60% Internet check close to 15%



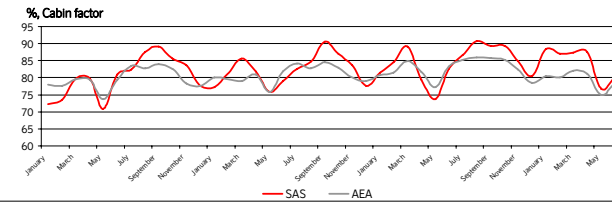
## North Atlantic cabin factor above AEA

- Daily departures from Copenhagen to New York, Washington DC, Chicago, Seattle
  - Launch of San Francisco postponed
- Daily departures from Stockholm to New York and Chicago
- Positive development in 1<sup>st</sup> Half
- Traffic development in Jan-Jun 2008
  - SK traffic up 2.9%
  - AEA traffic up 1.4%



## Strong Asian traffic during the winter season

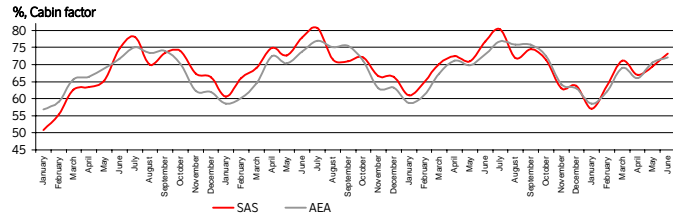
- Scandinavian Airlines serving Bangkok, Beijing, Tokyo and Dubai
- Stockholm-Bangkok and Copenhagen-Dubai in the winter season
- Launch of Copenhagen-Delhi in October 2008
- SK passenger load factor above AEA
- Traffic development in Jan-June 2008:
  - AEA traffic up 1.6%
  - SAS traffic up 15.9% as capacity has been increased and seasonally adjusted





## SAS is gaining market shares on European routes in 1<sup>st</sup> Half 2008

- Load factors negatively affected by grounding of Q400, but still in line with AEA
- SAS has introduced 14 new routes from Oslo and a number of new routes from Stockholm and Copenhagen in 1<sup>st</sup> Half 2008
- Traffic development Jan-Jun 2008:
  - AEA traffic up 5.6%
  - SAS traffic up 10.7%



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## SAS Individually Branded Airlines



## Underlying negative development in SAS Individually Branded Airlines

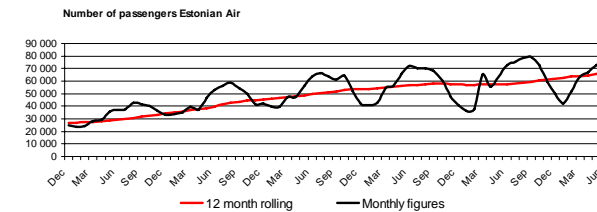
SAS Individually Branded Airlines	April-June 2008 (MSEK)	April-June 2007 (MSEK)	Change	Jan-June 2008 (MSEK)	Jan-June 2007 (MSEK)	Change
Revenues	5107	4877	+230	7086	6671	+415
Operating expenses	-4834	-4177	-657	-8868	-7812	-1056
<b>EBITDAR</b>	<b>273</b>	<b>699</b>	<b>-426</b>	<b>283</b>	<b>806</b>	<b>-525</b>
Lease	-353	-371	+18	-718	-722	+4
<b>EBITDA</b>	<b>-79</b>	<b>327</b>	<b>-406</b>	<b>-435</b>	<b>86</b>	<b>+521</b>
Depreciation	-72	-74	+2	-143	-145	+2
Income from sales/affiliated	-60	33	-93	-130	45	-175
<b>EBIT</b>	<b>-201</b>	<b>288</b>	<b>-489</b>	<b>-698</b>	<b>-14</b>	<b>-684</b>
EBT	-231	241	-472	-764	-104	+660
<b>EBT before nonrecurring items</b>	<b>-241</b>	<b>241</b>	<b>-482</b>	<b>-774</b>	<b>-104</b>	<b>-670</b>

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## Estonian Air's growth continues

- The SAS Group holds 49% in Estonian Air
- Competitive cost position
- Estonian Air number of passengers up 13% in 1<sup>st</sup> Half 2008
- CRJ900NG ordered



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## Weaker earnings, but stabilisation in airBaltic and Blue1 in Q2

SAS Individually Branded Airlines Results (MSEK)	Spanair		Widerøe		Blue1		airBaltic	
	Jan-Jun	Change	Jan-Jun	Change	Jan-Jun	Change	Jan-Jun	Change
Total Revenues	5 078	-67	1 742	+237	1 055	+29	1 271	+337
EBITDAR	-13	-327	135	-109	103	-30	83	-36
<b>EBIT before nonrecurring items</b>	<b>-515</b>	<b>-264</b>	<b>+17</b>	<b>-106</b>	<b>46</b>	<b>-9</b>	<b>-105</b>	<b>-115</b>

### Spanair Jan-Jun 2008

- Result affected by overcapacity
  - No of pass down 0.8%
  - Cabin factor up 2.1 p.u. to 67.2%
  - Yield down 5.7%

### Blue1 Jan-Jun 2008

- Result in line with last year
  - No of pass down 8.5%
  - Cabin factor down 1.2 p.u. to 63.7%
  - Yield up 4.6%

### Widerøe Jan-Jun 2008

- Result affected by Q400 replacement
  - No of pass up 4.4%
  - Cabin factor up 1.5 p.u. to 60.7%
  - Yield down 3%

### airBaltic Jan-Jun 2008

- Strong growth, but yield down
  - No of pass up 29%
  - Cabin factor down 2.5 p.u. to 57.9%
  - Yield down 3.9%

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SAS Aviation Services



## SAS Aviation Services

SAS Aviation Services	Apr-Jun 2008 (MSEK)	Apr-Jun 2007 (MSEK)	Change	Jan-Jun 2008 (MSEK)	Jan-Jun 2007 (MSEK)	Change
Revenues	3721	3541	+180	7379	6935	+1969
Operating expenses	-3968	-3600	-368	-3361	-3094	-267
<b>EBITDA</b>	<b>-247</b>	<b>-59</b>	<b>-188</b>	<b>-228</b>	<b>-96</b>	<b>-132</b>
Depreciation	-65	-62	-3	-128	-122	-6
Income from sales/affiliated	-1	+1	0	+2	+2	0
<b>EBIT</b>	<b>-312</b>	<b>-120</b>	<b>-192</b>	<b>-354</b>	<b>-215</b>	<b>-139</b>
EBT	-352	-159	-193	-449	-285	-164
<b>EBT before nonrecurring items</b>	<b>+11</b>	<b>-159</b>	<b>+170</b>	<b>-86</b>	<b>-285</b>	<b>+200</b>

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## Breakdown SAS Aviation Services

SAS Aviation Services	Revenues		EBIT before nonrec. items	
	Jan-June 2008	Change	Jan-June 2008	Change
SAS Ground Services	3196	+212	-63	-51
SAS Technical Services	2472	+113	47	222
SAS Cargo	781	-97	42	+71

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## Financial update

### SAS Group has SEK 14 bn in available funds

Available Funds MSEK			
	Jun 08	Jun 07	Change
<b>Liquid Funds</b>	<b>8204</b>	<b>9 955</b>	<b>-1 751</b>
<b>Available Credit Facilities:</b>			
Revolving Credit Facility (MEUR 366)	1 191	3 383	-2 192
Revolving Credit Facility (MUSD 156)	932	1 072	-140
Revolving Credit Facility (MSEK 250)	0	250	-250
Credit Facility (MUSD 212.5)	1 271	0	+1 271
Credit Facility (MUSD 125)	747	0	+747
Bi-lateral Facilities	1 250	1 000	+250
Others	376	309	+67
<b>Total Available Facilities</b>	<b>5 767</b>	<b>6 074</b>	<b>-307</b>
Available facilities:	5 767	6 074	-307
Utilized facilities	<b>2 509</b>	<b>250</b>	<b>2 259</b>
<b>Total facilities</b>	<b>8 276</b>	<b>6 324</b>	<b>1 952</b>

75



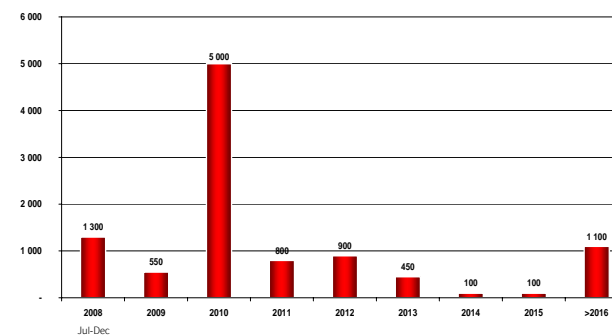
### SAS Group Balance Sheet

SAS Group Balance Sheet	Jun 31, 2008	Mar 31, 2007
Liquid funds	8204	8 002
Aircraft, spare parts	12304	11 870
Other assets	30365	23 276
Assets for sale	0	6 005
<b>Total assets</b>	<b>50873</b>	<b>49 153</b>
Operating liabilities	18964	15 278
Interest-bearing liabilities	11310	8 418
Deferred tax	4130	3 729
Liabilities attributable to assets held for sale	0	5 500
Equity	16469	16 228
<b>Total liabilities and equity</b>	<b>50873</b>	<b>49 153</b>
<b>Financial net debt</b>	<b>-34</b>	<b>1 534</b>

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### Amortization profile of interest bearing liabilities



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## Improved financial ratios

Key figures	Jun 08	Dec 07	Jun 07	Target
Equity/assets ratio (solidity)	32%	35%	32%	
Adjusted equity/assets ratio	23%	24%	22%	>30%
Adjusted gearing	134%	142%	150%	<100%
Financial net debt/ equity	0%	7%	10%	<50%

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## SAS Group Financial Net January – June 2008

(MSEK)	08-06-30	07-12-31	Difference
Interest net and others	-196	-437	N/A
Exchange rate differences	+1	+13	N/A
Financial net	-195	-424	N/A

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## SAS Group Financial Net January – June 2008

(MSEK)	08-06-30	07-06-30	Difference
Interest net and others	-196	-290	+94
Exchange rate differences	+1	+12	-11
Financial net	-195	-278	+83

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## SAS Group Financial Net April – June 2008

(MSEK)	Q2-2008	Q2-2007	Difference
Interest net and others	-67	-133	+66
Exchange rate differences	+12	+3	+9
Financial net	-55	-130	+75

80



## Development and Break Down of Financial Net Debt

(MSEK)	080630	071231	Difference
Cash	8 204	8 993	-789
Other interest bearing assets	3 140	1 818	+1 322
Interest bearing liabilities	-11 310	-12 042	+732
Financial Net debt	+34	-1 231	+1 265

81



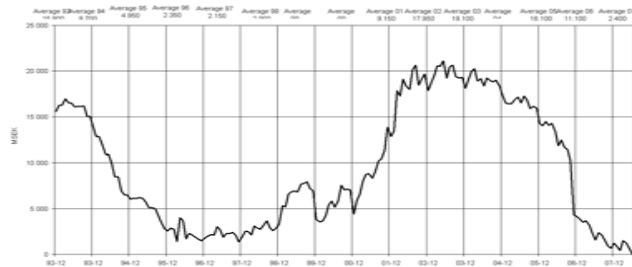
## Development and Break Down of Financial Net Debt

(MSEK)	080630	070630	Difference
Cash	8 204	9 955	-1 751
Other interest bearing assets	3 140	1 509	+1 631
Interest bearing liabilities	-11 310	-13 040	+1 730
Financial Net debt	+34	-1 576	+1 610

82



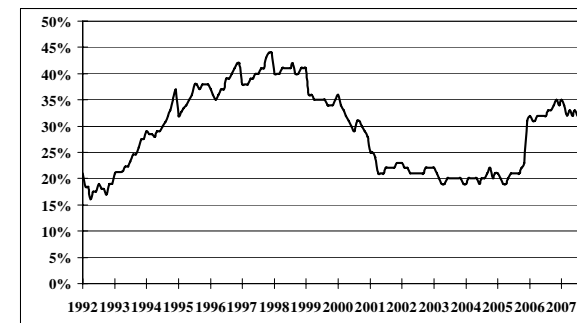
## Development of financial net debt 1992-2008



83



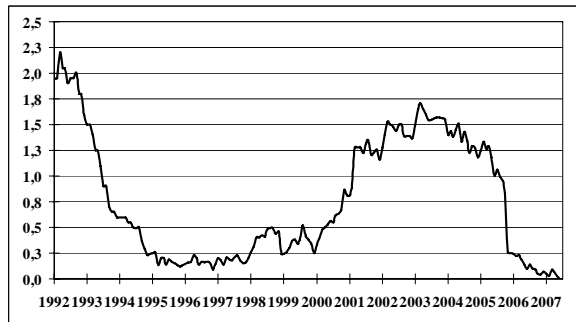
## Equity / Assets Ratio 1992-2008



84



## Financial Net Debt / Equity Ratio 1992-2008



85



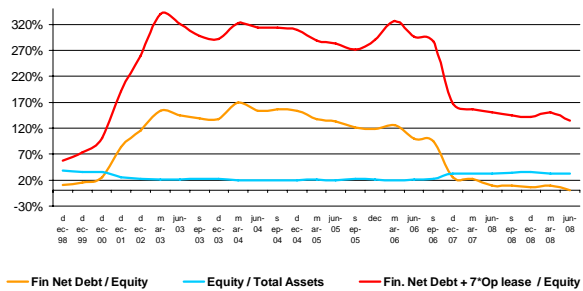
## Development of Financial Net Debt January – June 2008

Financial Net Debt	Jan-Jun 2008
Financial net debt Dec 07	-1 231
Cash flow from operating activities	+1 665
Sale of subsidiaries, net	+1 476
Investments	-2 593
Deconsolidation, currency & other	+717
<b>Financial Net Debt Mar 08</b>	<b>+34</b>

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## Gearing ratios improved



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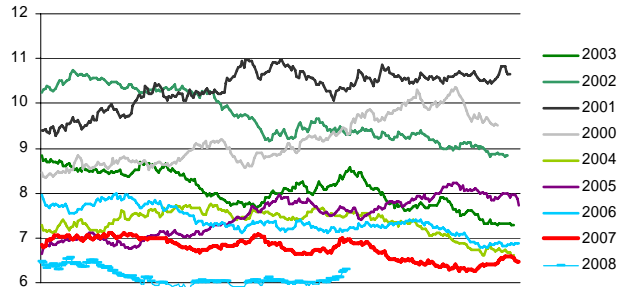
## APPENDICES

- Yield
- Unit cost
- Fleet
- Financial key figures

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## Very weak USD in 2008 but stronger i July



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## Currency effect – SAS Group 2008 vs 2007

MSEK	Jan-Jun 2008
Total revenues	237
Total costs	590
Forward cover costs & working cap	-16
<b>Income before depreciation</b>	<b>811</b>
Financial items	-11
<b>Income before tax</b>	<b>800</b>

MSEK	Apr-Jun 2008
Total revenues	-24
Total costs	492
Forward cover costs & working cap	148
<b>Income before depreciation</b>	<b>616</b>
Financial items	9
<b>Income before tax</b>	<b>625</b>

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## Breakdown of currency effect – SAS Group January-June 2008 vs 2007

Total revenues & costs	Currency effect
<b>Total revenues &amp; costs</b>	
USD	732
DKK	-17
NOK	147
EUR	25
Asian currencies	-23
All others	-37
<b>Total</b>	<b>827</b>
<b>Forward cover costs</b>	
2007	32
2008	-47
<b>Difference</b>	<b>-79</b>
<b>Working capital</b>	
2007	-29
2008	34
<b>Difference</b>	<b>63</b>
<b>Financial items</b>	
2007	12
2008	1
<b>Difference</b>	<b>-11</b>
<b>Total currency effect</b>	<b>800</b>

91



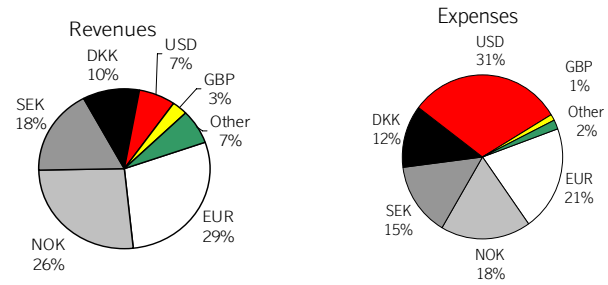
## Breakdown of currency effect – SAS Group April-June 2008 vs 2007

Total revenues & costs	Currency effect
<b>Total revenues &amp; costs</b>	
USD	440
DKK	-2
NOK	62
EUR	12
Asian currencies	-16
All others	-28
<b>Total</b>	<b>468</b>
<b>Forward cover costs</b>	
2007	24
2008	132
<b>Difference</b>	<b>108</b>
<b>Working capital</b>	
2007	-25
2008	15
<b>Difference</b>	<b>40</b>
<b>Financial items</b>	
2007	3
2008	12
<b>Difference</b>	<b>9</b>
<b>Total currency effect</b>	<b>625</b>

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## Currency distribution in the SAS Group 2007



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## SAS Group fleet – June 2008

SAS Group fleet	Average age	Owned	Leased	WetLease	Total	Leased out	On order
Airbus A330/340	6,1	5	6		11	0	
Airbus A321/A320/A319	5,5	4	31		35	0	
Boeing 737-series	10,0	22	76		98	4	3
Boeing 717	8,1	0	8		8	0	
Boeing 757	12,8	0	2		2	0	
Douglas MD-80-series	19,0	13	65		78	0	
Douglas MD-90-series	11,4	8	0		8	3	
Avro RJ-70/-85/-100	10,4	0	6	5	11	0	
Fokker F50	18,6	0	14		14	0	
deHavilland Q-series*	10,6	20	29		49	0	14
BAe 146	21,6	0	0	2	2	0	
Bombardier CRJ200	8,0	0	0	4	4	0	
Bombardier CRJ900 NG	0,0	0	0		0	0	10
<b>Total</b>	<b>12,5</b>	<b>72</b>	<b>237</b>	<b>11</b>	<b>320</b>	<b>7</b>	<b>27</b>

SAS Scandinavian Airlines	11,8				216	7	13
Wideroe	13,4				26		6
Blue1	8,5				6		
airBaltic	14,9				26		8
Spanair	13,0				46		
<b>Total</b>	<b>12,4</b>				<b>320</b>	<b>7</b>	<b>27</b>

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## CAPEX in June 2008

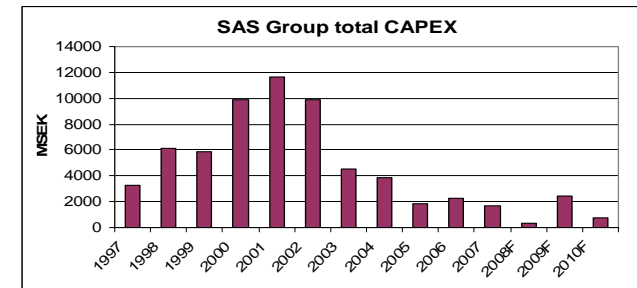
	Total	2008	2009	2010
Boeing 737	3	0	3	0
CRJ900	10	2	8	0
Q400	14	0	7	7
Number of Aircraft	27	2	18	7
CAPEX (MUSD)	596	61	407	128

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## SAS Group CAPEX

increased in 2009-2010 mainly to replace Q400



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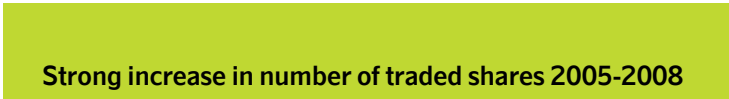
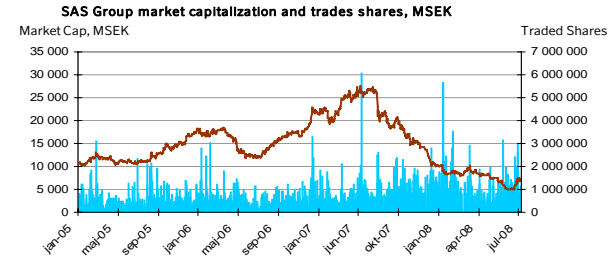




SAS share



### Development of the SAS Group's Market Capitalization



### Strong increase in number of traded shares 2005-2008

