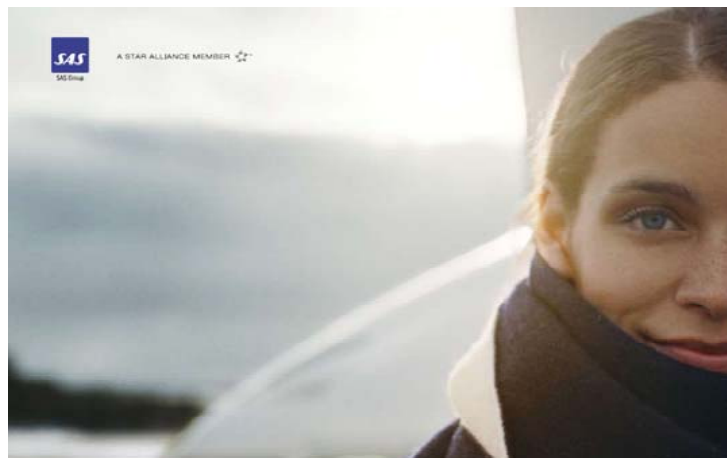


## SAS AB:s interim report

November 5<sup>th</sup> 2008



## Weak 3<sup>rd</sup> quarter, but still positive operating profit and signs of improvements

- Weak 3<sup>rd</sup> quarter, but still positive (101 MSEK)
- We have a three dimensional crisis:



- Discussions regarding structural possibilities is continuing. Simultaneously full focus on S11 and SAS Group as an independent company
  - Regardless outcome S11 cost program has been brought forward and is being implemented quicker than announced
- Quality (punctuality and regularity) has improved as well as customer satisfaction.

2



## 3<sup>rd</sup> Quarter 2008 result – affected by Spanair write down

| Result development MSEK                       | 3 <sup>rd</sup> Quarter 2008 | First nine months 2008 |
|---|------------------------------|------------------------|
| Revenues                                      | 16 365                       | 48 018                 |
| EBT bef nonrecurring items (cont. operations) | 101                          | -831                   |
| EBT-margin                                    | 0.6%                         | -1.7%                  |
| EBT   | -1 783                       | -3 083                 |

3



## Extraordinary negotiations with unions and other efficiency measures to close the cost gap"



- P08 – Program to protect 2008 result
  - Launched April 2008
  - Implementation on track
    - » 61 % implemented
    - » 11 aircraft reduced
    - » Remaining 7 during winter



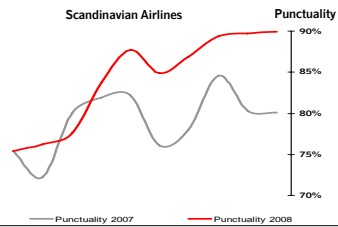
- Total cost Gap of 3-4 billion is now being addressed
  - extraordinary negotiations in process
  - other structural cost activities
- Unions general understanding of SAS situation and share the same "vision"
  - "Moment of truth"

4



## Sharp improvement in customer satisfaction

- Customer satisfaction improved significantly
- Scandinavian Airlines reaching punctuality and regularity targets
- Most punctual in Europe in Q3



5



Gunilla Berg  
CFO



## Income before non recurring items

| Income before non recurring items                                 | Jul-Sep 2008 (MSEK) | Jul-Sep 2007 (MSEK) | Jan-Sep 2008 (MSEK) | Jan-Sep 2007 (MSEK) |
|---|---------------------|---------------------|---------------------|---------------------|
| Income before nonrecurring items in continuing operations         | -1 783              | 457                 | -3 083              | 746                 |
| Impairment losses*  | 1 686               | 0                   | 1 686               | 0                   |
| Restructuring cost  | 196                 | 105                 | 229                 | 105                 |
| Capital gain/losses   | - 6                 | - 9                 | -12                 | -37                 |
| Other nonrecurring items **                                       | 8                   | 0                   | 349                 | 0                   |
| <b>Income before non recurring items in continuing operations</b> | <b>101</b>          | <b>553</b>          | <b>-831</b>         | <b>888</b>          |

\* Goodwill write down in Spanair, no cash effect but reduced equity

\*\* Fine SAS Cargo issue

7



## Scandinavian Airlines show weak Q3 but also signs of improvements

| Scandinavian Airlines             | SAS Norge  |             | SAS Danmark |             | SAS Sverige |             | SAS International |             |
|-----------------------------------|------------|-------------|-------------|-------------|-------------|-------------|-------------------|-------------|
|                                   | Q3 2008    | Change      | Q3 2008     | Change      | Q3 2008     | Change      | Q3 2008           | Change      |
| <b>EBIT before nonrec. (MSEK)</b> | <b>-23</b> | <b>-226</b> | <b>-66</b>  | <b>-337</b> | <b>-73</b>  | <b>-179</b> | <b>126</b>        | <b>-104</b> |

### EBIT-margins, 12 months rolling

|                   |       |
|-------------------|-------|
| SAS Norge         | 1.3%  |
| SAS Danmark       | -2.5% |
| SAS Sverige       | 0.5%  |
| SAS International | 0.0%  |

8



## Improved development in Aviation Services

### 3<sup>rd</sup> Quarter

| Business Area                        | Subsidiary | EBIT | EBIT Margin,<br>12 months rolling | Change vs.<br>last year |
|--------------------------------------|------------|------|-----------------------------------|-------------------------|
| SAS Individually Branded<br>Airlines | Widerøe    | -18  | 0.4%                              | ↓                       |
|                                      | Blue1      | -26  | 2.7%                              | ↓                       |
|                                      | Spanair    | -126 | -7.9%                             | ↓                       |
| SAS Aviation Services                | STS        | 43   | -0.1%                             | ↑                       |
|                                      | SGS        | 22   | -2.1%                             | ↑                       |
|                                      | SAS Cargo  | 53   | 3.9%                              | ↑                       |

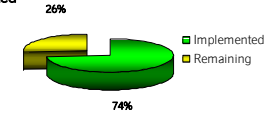
9



## S11 cost program is picking up and Profit 08 on track

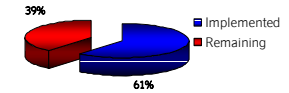
### S11 cost program picking up and 74% now implemented

- Structural cost program off SEK 2,8 bn by 2009
- New achievements
  - Procurement
  - Outsourcing activities
  - STS/SGS increased efficiency



### P08 on track and 61% now implemented

- SEK 1.5 bn result effect 2008
- 18 aircraft, 10% of capacity reduction
  - 11 aircraft reduced as from October
  - Remaining during winter
- Spanair 15 aircraft completed -25% capacity reduction



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## Sum up first 9 months

|                              |   |
|------------------------------|---|
| Market                       | <ul style="list-style-type: none"> <li>Three dimensional crisis                             <ul style="list-style-type: none"> <li>Financial</li> <li>Industrial</li> <li>SAS</li> </ul> </li> </ul>  |
| Profit 2008/S11              | <ul style="list-style-type: none"> <li>S11 is picking up                             <ul style="list-style-type: none"> <li>74% implemented</li> <li>Extraordinary negotiations initiated</li> </ul> </li> <li>P08 on track                             <ul style="list-style-type: none"> <li>61% implemented</li> </ul> </li> </ul> |
| Improved customer perception | <ul style="list-style-type: none"> <li>Scandinavian airlines regularity and punctuality strong</li> <li>Customer focus – product and quality improvements</li> </ul>  |

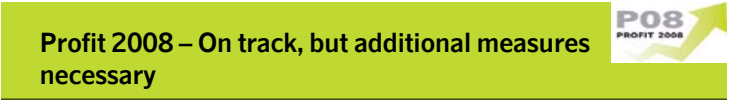
11



Appendices



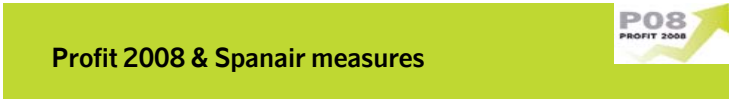
### P08, S11 & Spanair measures



### Profit 2008 – On track, but additional measures necessary

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

Secure performance in 2008



### Profit 2008 & Spanair measures

| April   | July   | August  | Total   |
|---|--|---|---|
| <b>Profit 2008</b><br>• SEK 1.1bn<br>• 11 aircraft<br>• 1 000 FTE | <b>Spanair measures</b><br>• SEK 90 MEUR (2009)<br>• 15 aircraft<br>corresponding to 25 % of capacity<br>• 1 000 FTE | <b>Profit 2008 Intensified</b><br>• SEK 0.4 bn<br>• 7 aircraft<br>• 500 FTE | • <b>SAS Group</b><br>• <b>SEK 1.5 bn result effect 2008</b><br>• <b>Spanair 90 MEUR (2009)</b><br>• <b>33 aircraft</b><br>• <b>2 500 FTE</b> |

• Spanair measures and Profit 08 Running accordingly  
 • S11 picking up and 74% are now implemented



### Spanair development

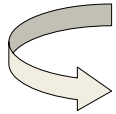
- The accident in Spain is a major human disaster for the entire SAS Group
- After the accident, colleagues in Spanair has shown a high degree of professionalism during extreme circumstances



The accident have a negative revenue impact of approximately 500 MSEK

Bookings has recovered to normal level in record time, but yields under pressure

## SAS response to Sterling bankruptcy



- Sterling in bankruptcy due to financial crisis

### SAS response

- Free tickets to all passengers on destinations we fly within 48 hours if space is available
- Spanair increases frequencies Spain – Scandinavia
- More capacity Stockholm – Gothenburg/ Malmö
- More Capacity Denmark – Europe

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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              |
| <b>Total</b>                                 | <b>1450-1500</b> |

### Capacity reduction

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

18



## Focusing and concentration



### Status:

|                     |   |
|---------------------|---|
| SGS                 | Keep internal, pending cost reductions of MSEK 400 and quality targets within 18 months.<br><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 and therefore divested  |

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## Business Environment- rest of 2008

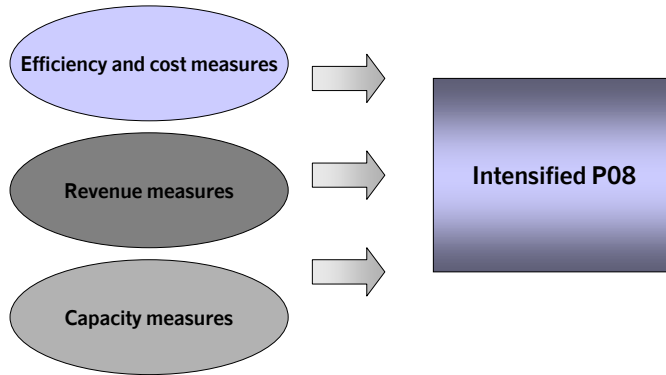
- Fuel Prices remains at a high level despite recent fall
- Financial crisis
- Changed Consumer behaviour
- Declining growth rates
- Reduced Corporate sales (volume and mix)
- Overcapacity
- Further pressure on yields

**Negative outlook**  
• Intensified P08

20



## Intensified 08 – earnings improvement

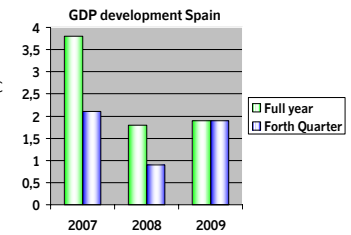


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## Spanair, External factors contributing to a negative outlook

- 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

## Fuel increased hedge level

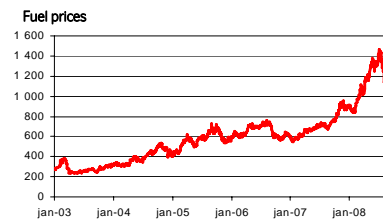
- Expected to be approx SEK 12,5 bn in 2008

### More challenging but strategy intact

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

### Current hedges

- 77% of the consumption hedged for Q4
- 53% of consumption hedged until September 2009



- Hedges mainly with options
- At Current prices fuel cost 2009 xx MRD

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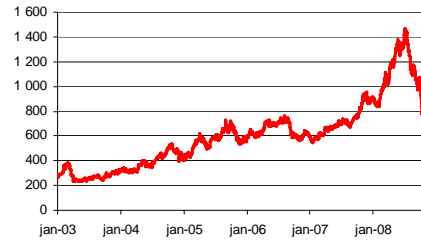
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## Jet fuel prices

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    |
| Q3 2007 | 718    |
| Q4 2007 | 867    |
| Q1 2008 | 949    |
| Q2 2008 | 1 255  |
| Q3 2008 | 1 181  |



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## Overview of the SAS Group's fuel hedging and costs

SAS Group's jet fuel hedging portfolio

|                      | Q4 2008 | Q1 2009 | Q2 2009 | Q3 2009 |
|----------------------|---------|---------|---------|---------|
| <b>Options</b>       |         |         |         |         |
| Strike price, USD/MT | 63%     | 42%     | 44%     | 28%     |
| Price, USD/MT        | 1 039   | 1 048   | 1 154   | 1 128   |
| <b>Swaps</b>         |         |         |         |         |
| Price, USD/MT        | 14%     | 16%     | 16%     | 13%     |
| Price, USD/MT        | 847     | 1 073   | 1 195   | 1 181   |

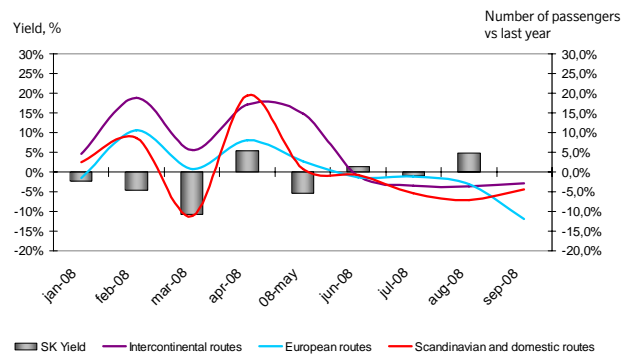
SAS Group's jet fuel costs in 2008 (annual average values)

| Market price | 6.50 SEK/USD | 7.00 SEK/USD | 7.50 SEK/USD | 8.00 SEK/USD |
|--------------|--------------|--------------|--------------|--------------|
| 600 USD/MT   | SEK 11.9 bn  | SEK 12.1 bn  | SEK 12.2 bn  | SEK 12.4 bn  |
| 800 USD/MT   | SEK 12.3 bn  | SEK 12.5 bn  | SEK 12.7 bn  | SEK 12.9 bn  |
| 1 000 USD/MT | SEK 12.7 bn  | SEK 12.9 bn  | SEK 13.1 bn  | SEK 13.3 bn  |
| 1 200 USD/MT | SEK 13.0 bn  | SEK 13.2 bn  | SEK 13.5 bn  | SEK 13.7 bn  |

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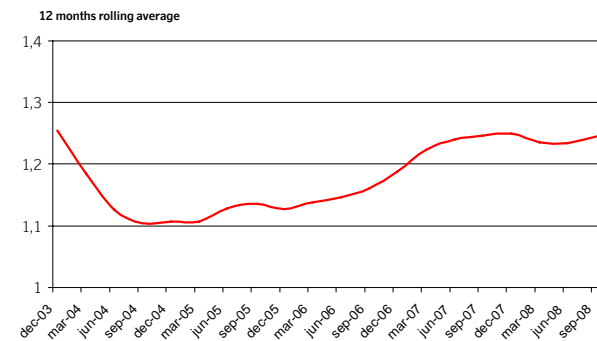
## Yield improving, but volumes lower as from July



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## Improving yield trend -0.4% in Jan-Sep 2008 and +3.8% in Q8

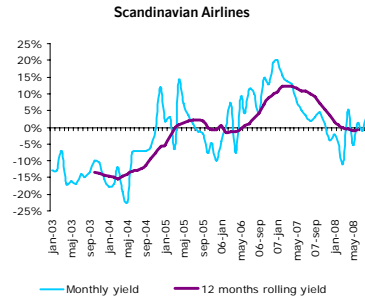


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## Significant measures being implemented to improve yield

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

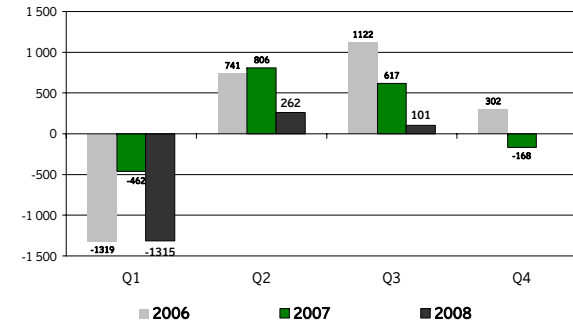


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## Weaker Quarter for SAS Group due to financial crisis and lower demand

MSEK, EBT before gains and nonrecurring items



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## Yield development

Yield, SAS Scandinavian Airlines

| MSEK                | Jul-Sep 2008 | Jul-Sep 2007 | Change |
|---------------------|--------------|--------------|--------|
| Yield (ore/RPK)     | 111.8        | 108.0        | +3.5%  |
| Currency adj. yield | 111.8        | 107.7        | +3.8%  |

| MSEK                | Jan-Sep 2008 | Jan-Sep 2007 | Change |
|---------------------|--------------|--------------|--------|
| Yield (ore/RPK)     | 118.7        | 118.7        | 0.0%   |
| Currency adj. yield | 118.7        | 119.2        | -0.4%  |

Yield, SAS Individually Branded Airlines

| Yield, local currency | Jul-Sep 2008 |
|-----------------------|--------------|
| SAS                   | -0.2%        |
| Sparnair              | +2.7%        |
| Widerøe               | 0.0%         |
| Blue 1                | 0.0%         |

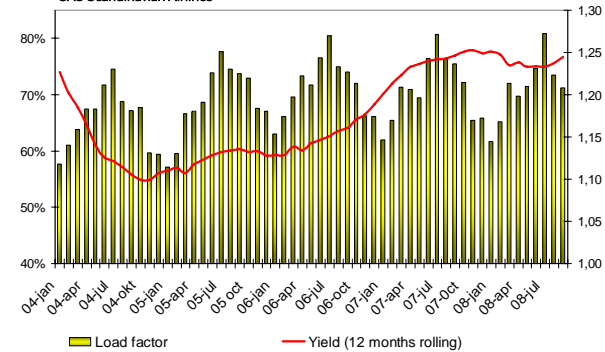
| Yield, local currency | Jan-Sep 2008 |
|-----------------------|--------------|
| SAS                   | -3.4%        |
| Sparnair              | -1.3%        |
| Widerøe               | +2.2%        |
| Blue 1                | +2.2%        |

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## Yield and load factor

SAS Scandinavian Airlines

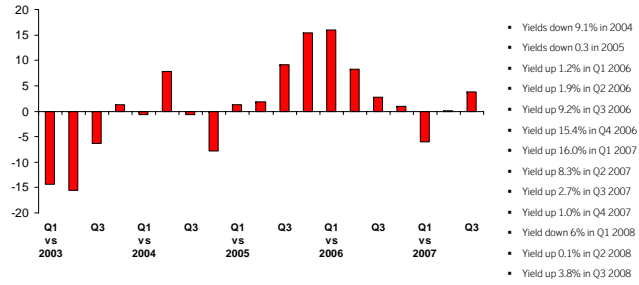


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## Yield development – SAS Scandinavian Airlines



33



## Business areas

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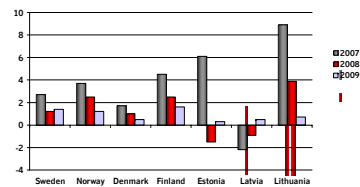


## Lowered GDP forecast in SAS core market due to financial crisis and slowing global economy

### GDP Development in key markets



➤ Weak 3<sup>rd</sup> Quarter among airlines both globally and locally and lowered GDP forecast in main markets



35



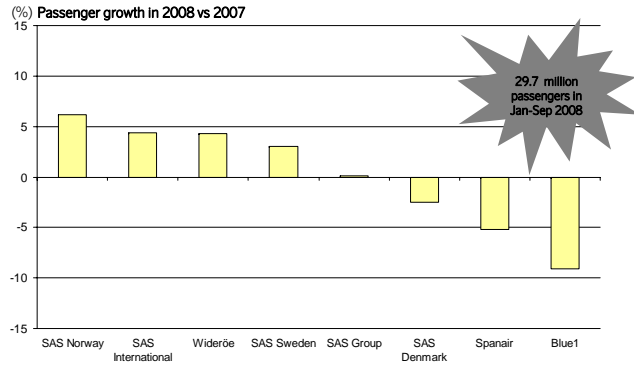
## SAS Group



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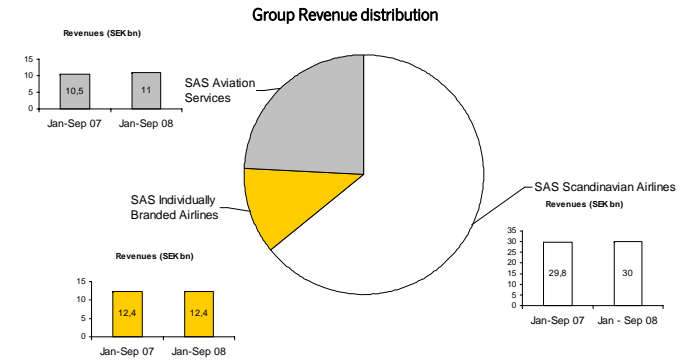
## Passenger volumes in line with last year



37



## Revenues growing in the airline business areas

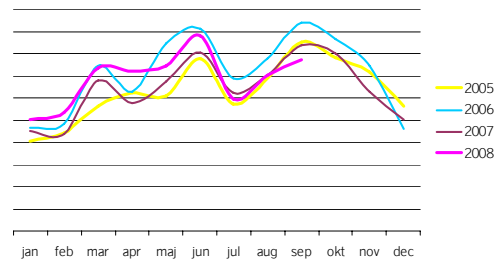


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## SAS Group's seasonal pattern

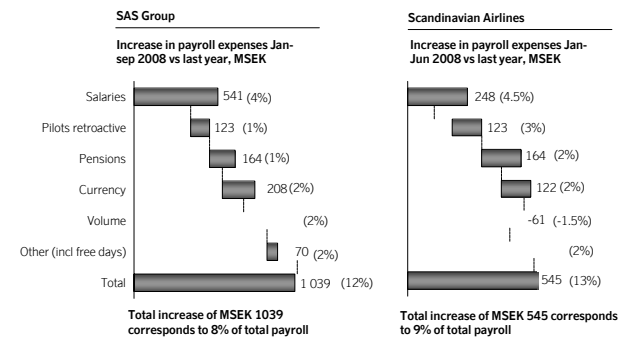
SAS Group Revenues (per month)



39



## Development of payroll expenses



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SAS Scandinavian Airlines



## Underlying negative development in SAS Scandinavian Airlines

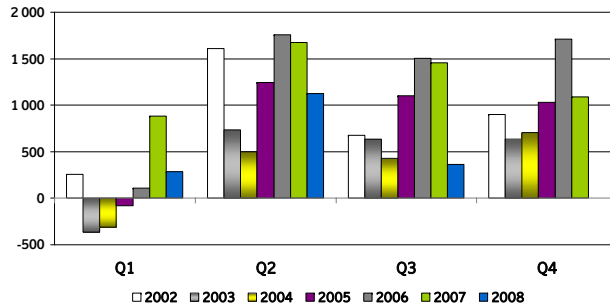
| SAS Scandinavian Airlines            | Jul-Sep 2008 (MSEK) | Jul-Sep 2007 (MSEK) | Change      | Jan-Sep 2008 (MSEK) | Jan-Sep 2007 (MSEK) | Change       |
|--------------------------------------|---------------------|---------------------|-------------|---------------------|---------------------|--------------|
| Revenues                             | 10567               | 10322               | +245        | 32042               | 29826               | +2216        |
| Operating expenses                   | -9922               | -8863               | +1059       | -29971              | -25810              | +4161        |
| <b>EBITDAR</b>                       | <b>645</b>          | <b>1647</b>         | <b>-198</b> | <b>2070</b>         | <b>4017</b>         | <b>-1947</b> |
| Lease                                | -495                | -538                | +43         | -1512               | -1633               | -121         |
| <b>EBITDA</b>                        | <b>954</b>          | <b>1459</b>         | <b>505</b>  | <b>558</b>          | <b>2383</b>         | <b>1825</b>  |
| Depreciation                         | -283                | -249                | +34         | -779                | -744                | 35           |
| Income from sales/affiliated         | 2                   | -20                 | +22         | -13                 | -18                 | +5           |
| <b>EBIT</b>                          | <b>-149</b>         | <b>663</b>          | <b>-812</b> | <b>-239</b>         | <b>1631</b>         | <b>-1870</b> |
| EBT                                  | -147                | 638                 | -785        | -234                | 1380                | -1614        |
| <b>EBT before nonrecurring items</b> | <b>-31</b>          | <b>658</b>          | <b>-689</b> | <b>-113</b>         | <b>1411</b>         | <b>-1524</b> |

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## EBITDAR in 3<sup>rd</sup> Quarter MSEK 335

EBITDAR, SAS Scandinavian Airlines (MSEK)

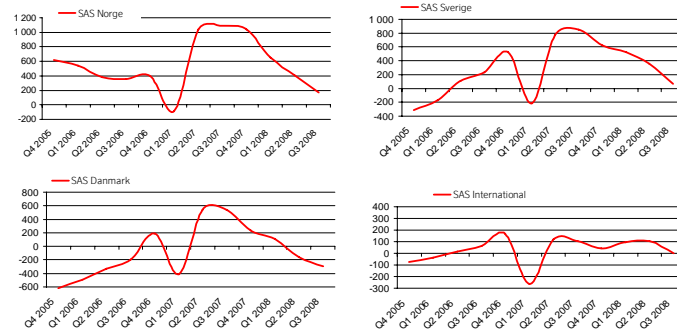


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## Result development in SAS Scandinavian Airlines affected by Q400 incidents and record jet fuel price

EBIT before nonrecurring items (12 months rolling)



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## Results negatively affected by increased jet fuel costs but yields are improving in Q3

| SK Results (MSEK)              | SAS Norge |        | SAS Danmark |        | SAS Sweden |        | SAS International |        |
|--------------------------------|-----------|--------|-------------|--------|------------|--------|-------------------|--------|
|                                | Jan-Sep   | Change | Jan-Sep     | Change | Jan-Sep    | Change | Jan-Sep           | Change |
| Total Revenues                 | 10 795    | +829   | 9 136       | +310   | 6 450      | +36    | 6 149             | +437   |
| EBITDAR                        | +723      | -893   | +268        | -787   | +189       | -731   | +473              | -77    |
| EBIT before nonrecurring items | -9        | -858   | -188        | -732   | -66        | -578   | +4                | -42    |

### SAS Norge Jan-Sep 2008

- Weak yield in 1<sup>st</sup> Half, but stabilization in Q3
  - No of pass up 6.2%
  - Cabin factor down 2.2 p.u. to 68.2%
  - Yield down 2.7% but up 4.4% in Q3
  - Unit cost up 7.3%

### SAS Danmark Jan-Sep 2008

- Yield and load factor down
  - No of pass down 2.5%
  - Cabin factor down 3.5 p.u. to 68.2%
  - Yield down 1.2%, but up 1% in Q3
  - Unit cost down 1.7%

### SAS Sverige Jan-Sep 2008

- Weak yield in 1<sup>st</sup> Half, but stabilization in Q3
  - No of pass up 3.0%
  - Cabin factor down 4.9 p.u. to 67.6%
  - Yield down 6.8% and 2.3% in Q3
  - Unit cost up 4.3%

### SAS International Jan-Sep 2008

- Improved yield and load in 1<sup>st</sup> Half
  - No of pass up 4.4%
  - Cabin factor up 2.1 p.u. to 85%
  - Yield up 4.5% and 3.6% in Q3
  - Unit cost up 9% and up 9.9% in Q3

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## Key ratios 2008

|                              | Jan-Sep     | Jul-Sep     |
|------------------------------|-------------|-------------|
| <b>SAS Group</b>             |             |             |
| Traffic (RPK)                | ↑ +3.4%     | ↓ -2.3%     |
| Cabin Factor                 | ↓ -1.1 p.u. | ↓ -3.4 p.u. |
| <b>Scandinavian Airlines</b> |             |             |
| Yields (RPK)                 | ↓ -0.4%     | ↑ +3.8%     |
| RASK                         | ↓ -2.7%     | ↓ -2.2%     |
| Fuel adj. unit cost          | ↑ +4.3%     | ↑ +3.0%     |

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## Break down of SAS Scandinavian Airlines Unit Cost Jul-Sep 2008

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

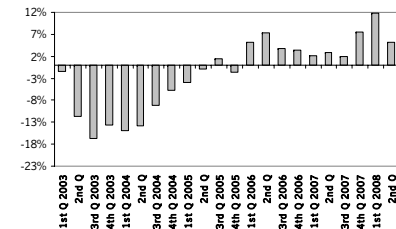
| Cost break down                 | Jul-Sep 08     | Jul-Sep 07    | Var %       | Share of total var% |
|---------------------------------|----------------|---------------|-------------|---------------------|
| Personnel                       | -2 387         | -1 897        | 25.8%       | 5.1%                |
| Fuel                            | -122           | -136          | -10.7%      | -0.2%               |
| Gov. Charges                    | -1 300         | -1 250        | 4.0%        | 0.5%                |
| Selling cost                    | -1 001         | -988          | 1.4%        | 0.1%                |
| Ground Services                 | -2 070         | -2 181        | -5.1%       | -1.2%               |
| Technical                       | -1 201         | -1 003        | 19.7%       | 2.1%                |
| Other operating costs           | -1 727         | -1 539        | 12.2%       | 2.0%                |
| <b>TOTAL OPERATING EXPENSES</b> | <b>-9 807</b>  | <b>-8 994</b> | <b>9,0%</b> | <b>8,5%</b>         |
| Aircraft costs                  | -511           | -554          | -7.7%       | -0.4%               |
| <b>ADJUSTED EBIT</b>            | <b>-10 319</b> | <b>-9 548</b> | <b>8,1%</b> | <b>8,1%</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%
- Unit cost up 8.1% in Q3 2008
  - Adjusted for fuel, unit cost was up 3.0%

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

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

| Cost break down                 | Jan-Sep 08     | Jan-Sep 07     | Var %        | Share of total var% |
|---------------------------------|----------------|----------------|--------------|---------------------|
| Fuel                            | -6 749         | -5 337         | 26,4%        | 4,9%                |
| Selling cost                    | -400           | -411           | -2,6%        | 0,0%                |
| Ground Services                 | -3 970         | -3 886         | 2,2%         | 0,3%                |
| Gov. Charges                    | -2 947         | -2 862         | 3,0%         | 0,3%                |
| Payroll expenses                | -6 739         | -6 595         | 2,2%         | 0,5%                |
| Technical                       | -3 452         | -3 071         | 12,4%        | 1,3%                |
| Other operating costs           | -5 600         | -4 860         | 15,2%        | 2,6%                |
| <b>TOTAL OPERATING EXPENSES</b> | <b>-29 856</b> | <b>-27 021</b> | <b>10,5%</b> | <b>9,9%</b>         |
| Aircraft costs                  | -1 512         | -1 711         | -11,6%       | -0,7%               |
| <b>ADJUSTED EBIT</b>            | <b>-31 369</b> | <b>-28 733</b> | <b>9,2%</b>  | <b>9,2%</b>         |

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## Productivity

Block hours, 12 months rolling, Oct 07 - Sep 08

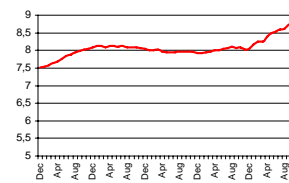
| 12 months rolling         | Aircraft  | Pilots     | Cabin      |
|---------------------------|-----------|------------|------------|
|                           | hours/day | hours/year | hours/year |
| SAS Scandinavian Airlines | 8,73      | 574        | 633        |
| Spanair                   | 8,86      | 712        | 787        |
| Widerøe                   | 7,11      | 467        | 427        |
| Blue1                     | 7,97      | 616        | 712        |

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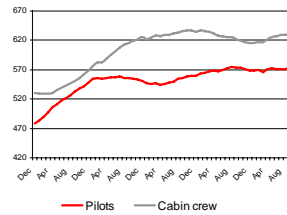


## Key productivity ratios for SAS Scandinavian Airlines

Aircraft utilization (12 months rolling)



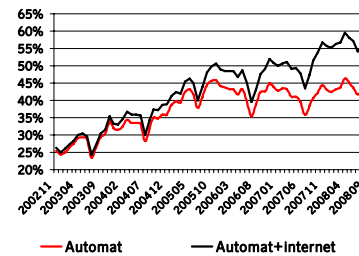
Cabin, pilot utilization (12 month rolling)



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## Self Service check in at 60% Internet check at 15%

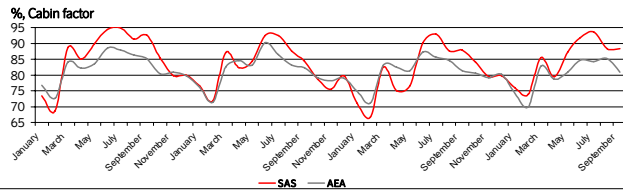


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## North Atlantic cabin factor above AEA

- 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
- Traffic development in Jan-Sep 2008
  - SK traffic down 0.1%
  - AEA traffic up 0.8%

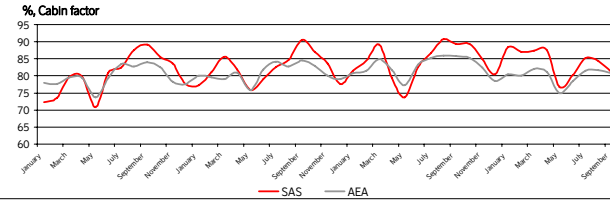


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## Strong Asian traffic during the winter season

- 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 January-September 2008:
  - AEA traffic up 1.2%
  - SAS traffic up 10.4%

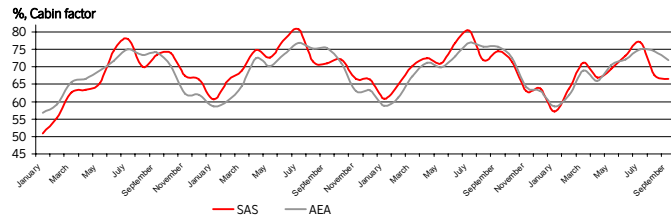


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## SAS has gained market shares on European routes during January-September 2008

- Load factors negatively affected by grounding of Q400 and jet fuel surcharges
- SAS has introduced 14 new routes from Oslo and a number of new routes from Stockholm and Copenhagen in 2008
- Traffic development January – September 2008:
  - AEA traffic up 3.8%
  - SAS traffic up 8.6%



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SAS Individually Branded Airlines



## SAS Individually Branded Airlines

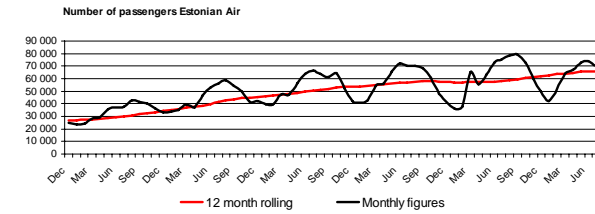
| SAS Individually Branded Airlines    | Jul-Sep 2008 (MSEK) | Jul-Sep 2007 (MSEK) | Change       | Jan-Sep 2008 (MSEK) | Jan-Sep 2007 (MSEK) | Change       |
|--------------------------------------|---------------------|---------------------|--------------|---------------------|---------------------|--------------|
| Revenues                             | 4515                | 4719                | -204         | 12402               | 12407               | -5           |
| Operating expenses                   | -4352               | -4106               | -246         | -12019              | -11098              | -921         |
| <b>EBITDAR</b>                       | <b>163</b>          | <b>613</b>          | <b>-450</b>  | <b>383</b>          | <b>1309</b>         | <b>-926</b>  |
| Lease                                | -271                | -316                | 45           | -818                | -944                | 126          |
| <b>EBITDA</b>                        | <b>-108</b>         | <b>297</b>          | <b>-405</b>  | <b>-435</b>         | <b>365</b>          | <b>-800</b>  |
| Depreciation                         | -1753               | -71                 | -1682        | -1885               | -209                | -1676        |
| Income from sales/affiliated         | 10                  | 68                  | -58          | -110                | 113                 | -223         |
| <b>EBIT</b>                          | <b>-1851</b>        | <b>294</b>          | <b>-2145</b> | <b>-2430</b>        | <b>269</b>          | <b>-2699</b> |
| EBT                                  | -1887               | 248                 | -2135        | -2529               | 135                 | -2664        |
| <b>EBT before nonrecurring items</b> | <b>-202</b>         | <b>205</b>          | <b>-407</b>  | <b>-854</b>         | <b>92</b>           | <b>-946</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 12% during January-August 2008
- CRJ900NG ordered



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## Weaker earnings, but stabilisation of yields during Q3

| SAS Individually Branded Airlines Results (MSEK) | Spanair     |             | Widerøe   |             | Blue1      |            |
|--|-------------|-------------|-----------|-------------|------------|------------|
|  | Jan-Sep     | Change      | Jan-Sep   | Change      | Jan-Sep    | Change     |
| Total Revenues                                   | 8 282       | -36.3       | 2 591     | +339        | 1 511      | +19        |
| EBITDAR  | +97         | -66.5       | +186      | -163        | +104       | -86        |
| <b>EBIT before nonrecurring items</b>            | <b>-641</b> | <b>-550</b> | <b>-1</b> | <b>-164</b> | <b>+20</b> | <b>-58</b> |

### Spanair Jan-Sep 2008

- Load factor positive, but yield negative
  - No of pass down 5.2%
  - Cabin factor up 0.9 p.u. to 69.9%
  - Yield down 3.4%, but only down 0.2% in Q3.

### Blue1 Jan-Sep 2008

- Result affected by lower load and jet fuel costs
  - No of pass down 9.1%
  - Cabin factor down 2.1 p.u. to 66.2%
  - Yield up 2.2% and stable during Q3.

### Widerøe Jan-Sep 2008

- Result affected by Q400 replacement
  - No of pass up 4.3%
  - Cabin factor up 0.5 p.u. to 60.4%
  - Yield down 1.3%, but up 2.7% in Q3

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SAS Aviation Services



## SAS Aviation Services, continuing operations

| SAS Aviation Services                | Jul-Sep<br>2008<br>(MSEK) | Jul-Sep<br>2007<br>(MSEK) | Change      | Jan-Sep<br>2008<br>(MSEK) | Jan-Sep<br>2007<br>(MSEK) | Change      |
|--------------------------------------|---------------------------|---------------------------|-------------|---------------------------|---------------------------|-------------|
| Revenues                             | 3654                      | 3604                      | 50          | 11033                     | 10539                     | 494         |
| Operating expenses                   | -3546                     | -3694                     | 148         | -11153                    | -10724                    | -429        |
| <b>EBITDA</b>                        | <b>108</b>                | <b>-90</b>                | <b>198</b>  | <b>-120</b>               | <b>-185</b>               | <b>+65</b>  |
| Depreciation                         | -70                       | -66                       | -4          | -198                      | -188                      | -10         |
| Income from sales/affiliated         | 2                         | 2                         | 0           | 4                         | 4                         | 0           |
| <b>EBIT</b>                          | <b>40</b>                 | <b>-154</b>               | <b>194</b>  | <b>-314</b>               | <b>-369</b>               | <b>+55</b>  |
| EBT                                  | -4                        | -203                      | +199        | -453                      | -488                      | 35          |
| <b>EBT before nonrecurring items</b> | <b>+74</b>                | <b>-165</b>               | <b>+239</b> | <b>-12</b>                | <b>-450</b>               | <b>+438</b> |

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Financial update

## Breakdown SAS Aviation Services

| SAS Aviation Services  | Revenues     |        | EBIT before nonrec. items |        |
|------------------------|--------------|--------|---------------------------|--------|
|                        | Jan-Sep 2008 | Change | Jan-Sep 2008              | Change |
| SAS Ground Services    | 4717         | +253   | -41                       | +10    |
| SAS Technical Services | 3733         | +84    | 91                        | 367    |
| SAS Cargo              | 2624         | +141   | 95                        | +102   |

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## SAS Group Balance Sheet

| SAS Group Balance Sheet                          | Sep 30, 2008 | Sep 30, 2007  |
|--|--------------|---------------|
| Liquid funds                                     | 7455         | 8 914         |
| Aircraft, spare parts                            | 12378        | 12420         |
| Other assets                                     | 27154        | 29401         |
| Assets for sale                                  | 145          | 0             |
| <b>Total assets</b>                              | <b>47132</b> | <b>50 737</b> |
| Operating liabilities                            | 16422        | 17436         |
| Interest-bearing liabilities                     | 13862        | 12301         |
| Deferred tax                                     | 3763         | 3789          |
| Liabilities attributable to assets held for sale | 74           | 0             |
| Equity   | 13047        | 17211         |
| <b>Total liabilities and equity</b>              | <b>47132</b> | <b>50 737</b> |
| <b>Financial net debt</b>                        | <b>4174</b>  | <b>1618</b>   |

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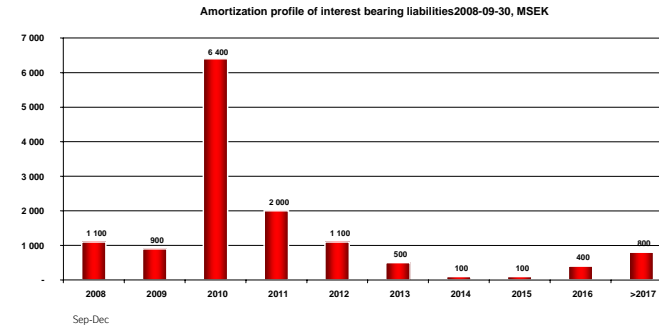
## SAS Group has SEK 11 bn in available funds

| Available Funds MSEK                 | Sep 08        | Sep 07        | Change        |
|--------------------------------------|---------------|---------------|---------------|
| <b>Liquid Funds</b>                  | <b>7455</b>   | <b>8 914</b>  | <b>-1 459</b> |
| <b>Available Credit Facilities:</b>  |               |               |               |
| Revolving Credit Facility (MEUR 366) | 59            | 3 371         | -3 312        |
| Revolving Credit Facility (MUSD 156) | 45            | 1 013         | -968          |
| Credit Facility (MUSD 212.5)         | 1 441         | 0             | +1 441        |
| Credit Facility (MUSD 125)           | 848           | 0             | +848          |
| Bi-lateral Facilities                | 1 250         | 1 000         | +250          |
| Others                               | 261           | 644           | -383          |
| <b>Total Available Facilities</b>    | <b>3 904</b>  | <b>6 028</b>  | <b>-2 124</b> |
| <b>Total Available Funds</b>         | <b>11 359</b> | <b>14 942</b> | <b>-3 583</b> |
| Available facilities:                | 3 904         | 6 028         | -2 124        |
| Utilized facilities                  | 4 886         | 229           | +4657         |
| <b>Total facilities</b>              | <b>8 790</b>  | <b>6 257</b>  | <b>+2533</b>  |

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## Amortization profile of interest bearing liabilities

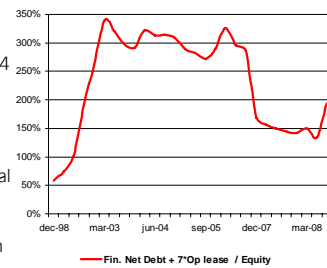


66



## Liquidity at 7,5 SEK billion

- Liquidity of MSEK 7455
- Available credit facilities of MSEK 3904
- ⇒ **Total available funds: MSEK 11359**
  - CAPEX total MUSD 477
- CRJ/ Q400- financing secured (several options)
- B 737 2009 deliveries to be placed on operating leases



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## Well positioned for downturn

- SAS has significant flexibility in aircraft fleet
- SAS enjoy low CAPEX (477 MUSD)
- Limited need for short term capital
  - ⇒ Low CAPEX offer a flexible financial position
- Challenging market conditions is forcing industry to reduce capacity.

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## Improved financial ratios

| Key figures                    | Sep 08 | Dec 07 | Sep 07 | Target |
|--------------------------------|--------|--------|--------|--------|
| Equity/assets ratio (solidity) | 28%    | 35%    | 34%    |        |
| Adjusted equity/assets ratio   | 19%    | 24%    | 23%    | >30%   |
| Adjusted gearing               | 193%   | 142%   | 145%   | <100%  |
| Financial net debt/ equity     | 32%    | 7%     | 10%    | <50%   |

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## SAS Group Financial Net January – September 2008

| (MSEK)                    | 08-09-30 | 07-12-31 | Difference |
|---------------------------|----------|----------|------------|
| Interest net and others   | - 316    | -435     | N/A        |
| Exchange rate differences | +8       | +14      | N/A        |
| Financial net             | - 308    | -421     | N/A        |

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## SAS Group Financial Net January – September 2008

| (MSEK)                    | 08-09-30 | 07-09-30 | Difference |
|---------------------------|----------|----------|------------|
| Interest net and others   | -316     | -360     | +44        |
| Exchange rate differences | +8       | +6       | +2         |
| Financial net             | - 308    | -354     | +46        |

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## SAS Group Financial Net July – September 2008

| (MSEK)                    | Q3-2008 | Q3-2007 | Difference |
|---------------------------|---------|---------|------------|
| Interest net and others   | -123    | -71     | -52        |
| Exchange rate differences | +7      | -6      | +13        |
| Financial net             | - 116   | -77     | -39        |

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### SAS Group - Development and Break Down of Financial Net Debt September 2008

| (MSEK)                        | 080930  | 071231  | Difference |
|-------------------------------|---------|---------|------------|
| Cash                          | 7 477   | 8 993   | -1 516     |
| Other interest bearing assets | 2 177   | 1 818   | + 359      |
| Interest bearing liabilities  | -13 826 | -12 042 | -1 784     |
| Financial Net debt            | -4 172  | -1 231  | -2 941     |

73



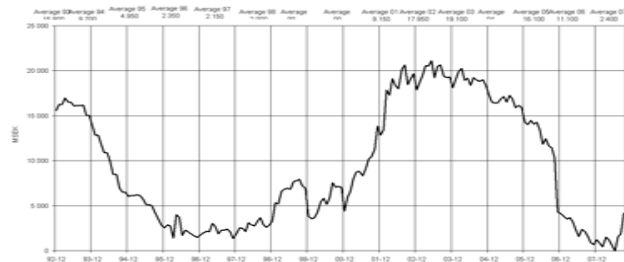
### SAS Group - Development and Break Down of Financial Net Debt September 2008

| (MSEK)                        | 080930  | 070930  | Difference |
|-------------------------------|---------|---------|------------|
| Cash                          | 7 477   | 8 914   | -1 437     |
| Other interest bearing assets | 2 177   | 1 769   | + 408      |
| Interest bearing liabilities  | -13 826 | -12 301 | -1 525     |
| Financial Net debt            | -4 172  | -1 618  | -2 554     |

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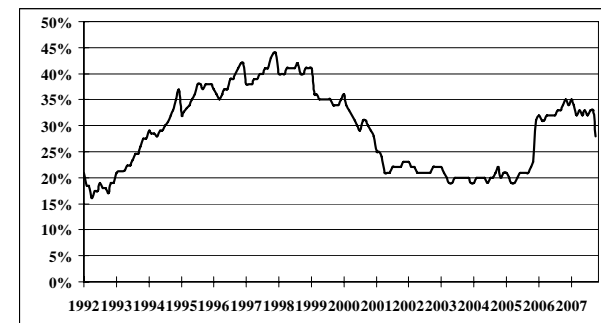
### SAS Group Development of financial net debt 9212-0809



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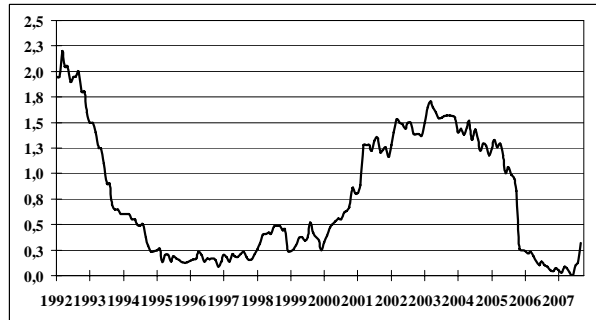
### SAS Group Equity / Assets Ratio 9212-0809



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## SAS Group Financial Net Debt / Equity Ratio 9212-0809



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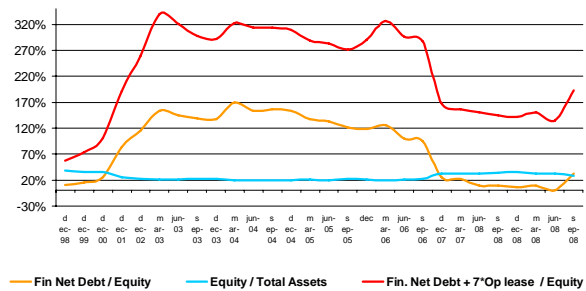
## Development of Financial Net Debt January – September 2008

| Financial Net Debt                  | Jan-Sep 2008  |
|-------------------------------------|---------------|
| Financial net debt Dec 07           | -1 231        |
| Cash flow from operating activities | -856          |
| Sale of subsidiaries, net           | +1 614        |
| Investments                         | -3 411        |
| Deconsolidation, currency & other   | -288          |
| <b>Financial Net Debt Mar 08</b>    | <b>-4 172</b> |

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## Gearing ratios



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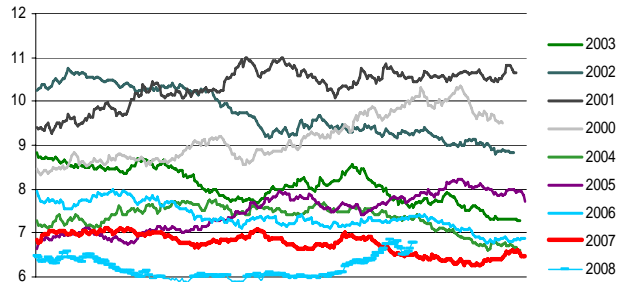
## APPENDICES

- Yield
- Unit cost
- Fleet
- Financial key figures

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**Very weak USD in 2008 but stronger i September due to financial crisis**



**Currency effect – SAS Group, continuing operations 2008 vs 2007**

| MSEK                              | Jan-Sep 2008 |
|-----------------------------------|--------------|
| Total revenues                    | 266          |
| Total costs                       | 931          |
| Forward cover costs & working cap | 241          |
| <b>Income before depreciation</b> | <b>1 438</b> |
| Financial items                   | 2            |
| <b>Income before tax</b>          | <b>1 440</b> |

| MSEK                              | Jul-Sep 2008 |
|-----------------------------------|--------------|
| Total revenues                    | 17           |
| Total costs                       | 361          |
| Forward cover costs & working cap | 268          |
| <b>Income before depreciation</b> | <b>646</b>   |
| Financial items                   | 13           |
| <b>Income before tax</b>          | <b>659</b>   |

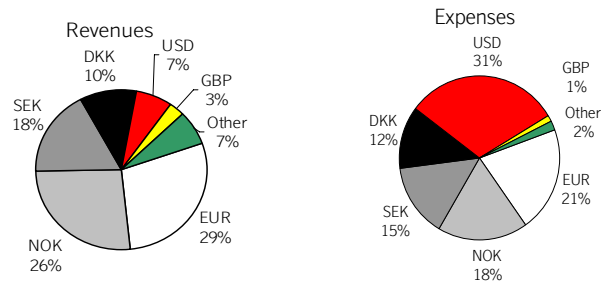
**Breakdown of currency effect SAS Group, continuing operations January-September 2008 vs 2007**

| Total revenues & costs       |                   | Currency effect |
|------------------------------|-------------------|-----------------|
| Total revenues & costs       | USD               | 1 095           |
|                              | DKK               | -20             |
|                              | NOK               | 185             |
|                              | EUR               | 59              |
|                              | Asian currencies  | -36             |
|                              | All others        | -86             |
|                              | <b>Total</b>      | <b>1 197</b>    |
| Forward cover costs          | 2007              | -53             |
|                              | 2008              | 245             |
|                              | <b>Difference</b> | <b>298</b>      |
| Working capital              | 2007              | -9              |
|                              | 2008              | -66             |
|                              | <b>Difference</b> | <b>-57</b>      |
| Financial items              | 2007              | 6               |
|                              | 2008              | 8               |
|                              | <b>Difference</b> | <b>2</b>        |
| <b>Total currency effect</b> |                   | <b>1 440</b>    |

**Breakdown of currency effect SAS Group, continuing operations July-September 2008 vs 2007**

| Total revenues & costs       |                   | Currency effect |
|------------------------------|-------------------|-----------------|
| Total revenues & costs       | USD               | 371             |
|                              | DKK               | -4              |
|                              | NOK               | 35              |
|                              | EUR               | 26              |
|                              | Asian currencies  | -13             |
|                              | All others        | -37             |
|                              | <b>Total</b>      | <b>378</b>      |
| Forward cover costs          | 2007              | -85             |
|                              | 2008              | 292             |
|                              | <b>Difference</b> | <b>377</b>      |
| Working capital              | 2007              | 17              |
|                              | 2008              | -92             |
|                              | <b>Difference</b> | <b>-109</b>     |
| Financial items              | 2007              | -6              |
|                              | 2008              | 7               |
|                              | <b>Difference</b> | <b>13</b>       |
| <b>Total currency effect</b> |                   | <b>659</b>      |

## Currency distribution in the SAS Group 2007



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## SAS Group fleet – September 2008

| SAS Group Aircraft Fleet  | Average age | Owned     | Leased     | Wet leased | Total      | Leased out | On order  |
|---------------------------|-------------|-----------|------------|------------|------------|------------|-----------|
| Airbus A330/340           | 6,3         | 5         | 6          |            | 11         |            |           |
| Airbus A321/A320/A319     | 5,6         | 4         | 32         |            | 36         |            |           |
| Boeing 737-series         | 9,6         | 22        | 60         |            | 82         | 4          | 4         |
| Boeing 717                | 8,1         |           | 5          |            | 5          |            |           |
| Douglas MD-80-series      | 19,2        | 16        | 65         |            | 81         |            |           |
| Douglas MD-90-series      | 11,7        | 8         |            |            | 8          | 3          |           |
| Avro RJ-70/-85/-100       | 10,9        |           | 6          | 5          | 11         |            |           |
| Fokker F50                | 18,4        |           | 6          |            | 6          |            |           |
| deHavilland Q-series*     | 10,7        | 21        | 27         |            | 48         | 3          | 6         |
| BAe 146                   | 21,9        |           |            | 2          | 2          |            |           |
| Bombardier CRJ200         | 8,3         |           |            | 4          | 4          |            |           |
| Bombardier CRJ900 NG      | 0,0         |           |            |            | 0          |            | 12        |
| <b>Total</b>              | <b>12,1</b> | <b>76</b> | <b>207</b> | <b>11</b>  | <b>294</b> | <b>10</b>  | <b>22</b> |
| <b>Airlines</b>           |             |           |            |            |            |            |           |
| SAS Scandinavian Airlines | 12,1        |           |            |            | 194        | 10         | 16        |
| Wideroe                   | 13,2        |           |            |            | 28         |            | 6         |
| Blue1                     | 6,8         |           |            |            | 11         |            |           |
| Spanair                   | 12,5        |           |            |            | 61         |            |           |
| <b>Total</b>              | <b>12,1</b> |           |            |            | <b>294</b> | <b>10</b>  | <b>22</b> |

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## CAPEX as of September 2008

### Firm Aircraft Orders (SAS and Wideroe) 30-sep-08

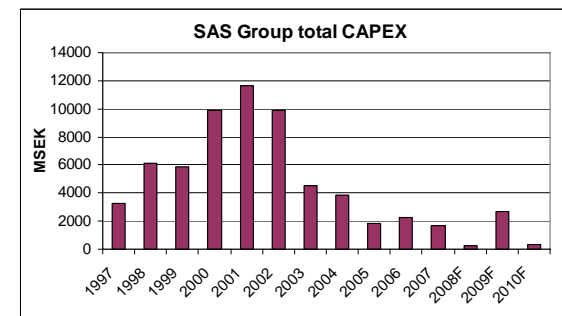
|                           | Total      | 2008      | 2009       | 2010      |
|---------------------------|------------|-----------|------------|-----------|
| Boeing 737                | 4          | 0         | 3          | 1         |
| CRJ900                    | 12         | 1         | 10         | 1         |
| Q400                      | 6          | 0         | 6          | 0         |
| <b>Number of Aircraft</b> | <b>22</b>  | <b>1</b>  | <b>19</b>  | <b>2</b>  |
| <b>CAPEX (MUSD)</b>       | <b>477</b> | <b>32</b> | <b>397</b> | <b>48</b> |

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## SAS Group CAPEX

increased in 2009-2010 mainly to replace Q400



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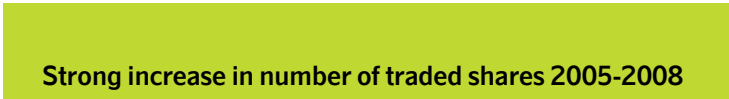
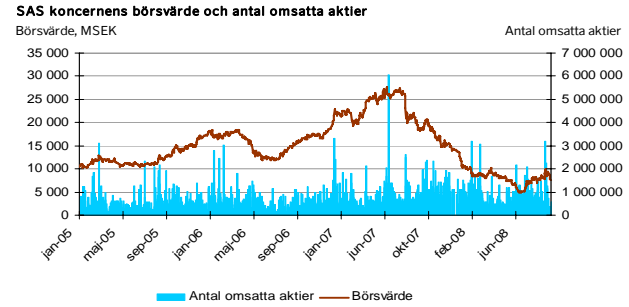




SAS share



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



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

