Statement of the Board of Directors pursuant to Chapter 18 Section 4 of the Swedish Companies Act

On account of the Board of Directors' of SAS AB (the "**Board**") proposal for appropriation of profits, the Board hereby delivers the following statement in accordance with the provisions of Chapter 18 Section 4 of the Swedish Companies Act (2005:551).

Proposed dividend

It is clear from the proposal for appropriation of profits, that the Board proposes that no dividend be paid on ordinary shares for the fiscal year 1 November 2015 – 31 October 2016. Further, it is clear from the proposal for appropriation of profits, that the Board proposes a dividend on preference shares as follows.

For each preference share, a dividend shall be paid quarterly in an amount of SEK 12,50, but not total more than SEK 50 per preference share. The following dates are proposed as record dates for the quarterly dividends on preference shares before the next Annual General Meeting: 5 May 2017, 4 August 2017, 3 November 2017 and 5 February 2018. Payment from Euroclear Sweden AB is expected to be executed on 10 May 2017, 9 August 2017, 8 November 2017 and 8 February 2018.

Dividend on preference shares will amount to SEK 350 000 000, which equals 2.8 per cent of the company's equity and 5.8 per cent of the group's equity as per 31 October 2016. The funds remaining after dividend on preference shares, SEK 4 885 058 013, shall be carried forward.

The financial position of the company and the group

The financial position of the company and the group at 31 October 2016 is presented in the most recent annual report. Furthermore, the principles for valuation of assets, depreciations and liabilities are presented in the annual report.

Non-restricted equity in the parent company as well as the group's total equity as of 31 October 2016 amounted to SEK 5 235 million and SEK 6 026 million, respectively.

As of 31 October 2016, the parent company's solidity amounted to 79 per cent.

The nature, scope and risks of the operations

The nature and scope of the company's operations are set out in the Articles of Association and published annual reports. The company's operations do not entail any risks in addition to those that exist or may be expected to exist in the industry or those risks generally associated with commercial operations. The Board has taken into consideration the company's and group's consolidation needs by way of a general assessment of the company's and the group's financial position and abilities to fulfil their obligations in the long term. The Board's assessment is that the proposed dividend do not affect the company's and the group's ability to meet existing and anticipated payment obligations in time. The liquidity forecasts of the company and the group include preparedness that is assessed to manage reasonably foreseeable variations in current payment obligations. The company's and group's financial position does not give rise to any assessment other than that the company and the group can continue their operations and that they can be expected to fulfil their obligations in both the short and long term. Improved profitability and the implementation of structural measures are necessary to develop the company's business and strengthen the company's financial position ahead of future investments and maturing loans.

The Board's assessment is that the size of equity, even after the proposed dividend, stands in reasonable proportion to the scope of the company's and group's operation, the risks associated with conducting those operations as well as the company's and the group's consolidation needs. With respect to significant events, reference is made to what is stated in the directors' report in the most recent annual report. In addition to this, no events have occurred that negatively impacts the company's ability to distribute the proposed dividend to its shareholders.

Justification for the dividend

With reference to the above, and to what has otherwise come to the knowledge of the Board, the assessment of the Board is that the financial position of the company and the group means that the proposed dividends are justifiable with reference to the demands that the nature, scope and risks, including effects of the macroeconomic situation, impose on the size of the company's and the group's equity, and on the company's and the group's consolidation needs, liquidity and position in general.

Stockholm in January 2017
SAS AB
The Board of Directors