



SAS Group 1st Half Report 2007
Teleconference
Stockholm, August 9



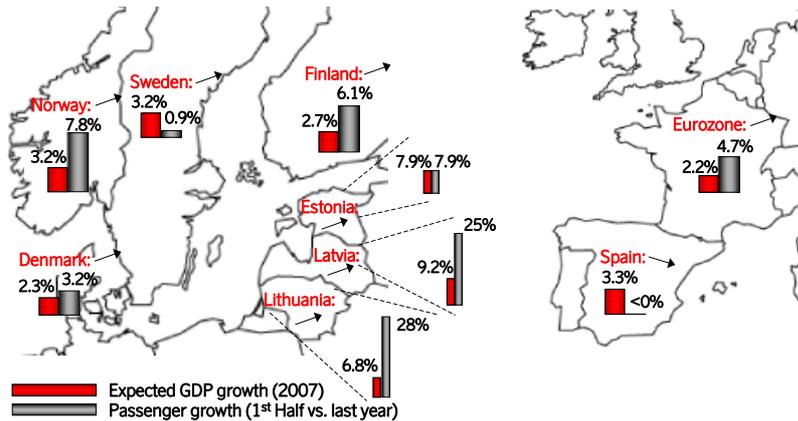
Highlights 1st Half

- Continued favorable economic cycle
 - Good traffic growth and record number of passengers
 - Positive yields
- Cost and capacity control
- Strategy 2011 launched in June
 - A number of activities in pipeline
 - New cost program
- First half hit by strikes
 - Cultural Turnaround necessary
- EBT before nonrecurring items MSEK 369 1st Half
 - improved by SEK 1 billion



Continued good growth in most SAS Group markets

- Continued favorable economic cycle
- Good growth on all markets
- Slightly slow down of growth rate in Q2



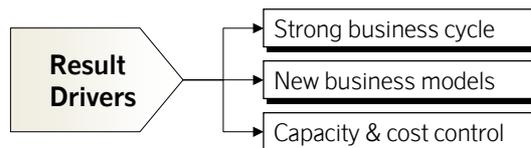
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Results improved by SEK 1 billion in 1st Half

Results improved even in Q2 despite strikes

SAS Group (MSEK)	Apr – Jun 2007	Change	Jan – Jun 2007	Change
Revenues	16 294	+0.1%	30 133	+3.4%
EBT before non-recurring items	844	+149	369	+957
EBT margin	5.2%	+0.9 p.u.	1.2%	+3.2 p.u.
Net income	607	+54	560	+1 071



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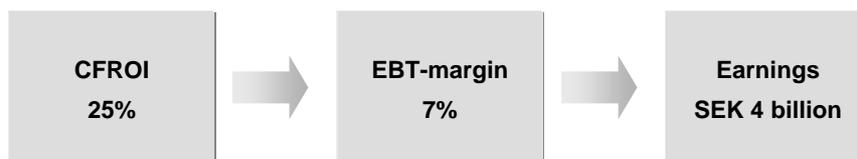




Gunilla Berg
CFO



SAS Group's new financial targets



Requirements for subsidiaries

Operating margin	≥ 9%
Exceptions:	
Widerøe	≥ 7%
SAS Technical Services	≥ 5%
SAS Ground Services	≥ 4%
SAS Cargo	≥ 4%

Target for financial strength, SAS Group

Adjusted equity/assets ratio	> 35 %
Adjusted debt/assets ratio	< 100 %
Financial preparedness	20% of rev.

Underlying 2nd Quarter Result improved by 475 MSEK

2nd Quarter

Underlying result development MSEK	April-June			January-June		
	2007	2006	Change	2007	2006	Change
Income before nonrecurring items in continuing operations	844	695	+149	369	-588	+957
Strike effects	300	100	+200	300	350	-50
Joint Venture Lufthansa/ECA	-92	63	+155	-302	-67	+235
Fuel/Currency			-29			-5
Result improvement			+475			+1 137

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Improvement in Scandinavian Airlines except SAS International

Scandinavian Airlines Results	SAS Norge		SAS Danmark		SAS Sverige		SAS International	
	Q2 2007	Change	Q2 2007	Change	Q2 2007	Change	Q2 2007	Change
EBIT margin	12.8%	+7.7 p.u.	8.9%	+1.7 p.u.	10.7%	+0,1 p.u.	1.0%	-3,4%
EBT before nonrec. (MSEK)	452	+280	275	+68	243	+14	19	-70
EBIT-margins, 12 months rolling	7,9%		4,7%		9,0%		1,5%	

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Sharp improvement in Widerøe and Blue1 Weak Quarter in Spanair, SAS Cargo and STS

2nd Quarter

Business Area	Subsidiary	EBT before non-recurring items	EBIT Margin, 12 months rolling	Change vs. last year
Individually Branded Airlines	Spanair	40	0.5%	↓
	Widerøe	74	4.6%	↑
	Blue1	56	3.9%	↑
	airBaltic	28	2.7%	→
SAS Aviation Services	STS	-124	-6.2% ¹⁾	↓
	SGS	-19	0.7% ¹⁾	→
	SAS Cargo	-11	1.7% ¹⁾	↓

1) Denotes EBIT before nonrecurring items.

Further cost reductions initiated

SEK bn

0.3-0.4	Group coordination of procurement – Centralized purchasing function with a clear mandate
0.3-0.4	Costs for joint Group administrative functions – Decentralized structure/leaner group structure/streamlining
2.1	Operational costs in SAS Group subsidiaries – Operational flight costs SEK 1000m – Administrative and sales cost SEK 600m – Ground/Technical SEK 500m

14% implemented as of 2nd Quarter 2007



Mats Jansson
President & CEO



**Overall reflection: Reduce our group's complexity to benefit our customers
New strategy will ensure SAS's future**

- **Cultural turnaround** through customer orientation and greater commitment
- **Focusing** on airline operations
- **Concentration** on Northern Europe
- **Harmonization and development** of customer offerings
- **Competitiveness** in all parts of the business

... lay the foundation for **profitable growth**

Changes for employees

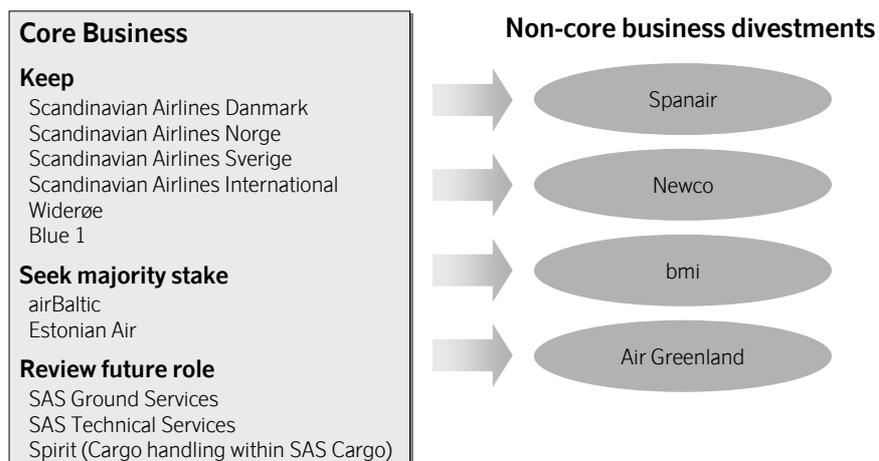
- Cultural turnaround
 - Customer orientation
 - Increased participation and commitment
 - New leadership model
- Common target and new cooperation model
- Profit sharing system and part-ownership program



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Changes in the corporate structure



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Sum up 2nd Quarter

Improved result

- Strong market growth
- Stable loads
- Strong yields
- Cost & capacity control



Next phase

- Strategy 2011 to be implemented
- Cost measures of SEK 2.8bn in process

2007 Outlook

- Currently no clear signs of weaker market
- Stable market growth in SAS Group markets
- Uncertainties about strength of future growth, fuel prices, and competitive situation

