



SAS Group 4th Quarter Presentation 2007
 Press Conference
 February 6



A challenging year but underlying result improved

- EBT bef. non rec. Jan-Dec 2007: MSEK 1 242
 - Record number of passengers
 - Group airlines perform well
- Weak 4th Quarter
 - Q400
 - Capacity
 - Risk of strikes
- Profit protection actions
 - Secure compensation for record fuel prices
 - Capacity adjustment
- Strong focus on S11 implementation
 - Challenge: Speed of cultural change



Q400 replacement in process

- Two accidents in September
 - Three weeks grounding
- Third accident in October
 - Unique and strong decision to permanently stop operations
 - Customers, Employees, SAS brand
- All capacity now secured with wet leases
- Ongoing discussions with Bombardier including compensation



Overall reflection: Complex company and thereby difficult to manage S11 strategy fundamentally the right track



- Cultural Turnaround
- Focus and concentration
- Harmonization and development of customer offer
- Competitiveness

➔ Profitable growth



Cultural Turnaround – Sigtuna meeting, a step in right direction

- Cooperation with unions
- Organizational development
- Management development
- Sigtuna November 2007:
 - First meeting
 - Common understanding of Group's situation, vision and targets
 - New cooperation model agreed



Focusing and concentration

Status:

SGS	Keep internal, pending cost reductions of MSEK 400 and quality targets within 18 months. If targets not reached: Outsourcing/ Seek external partner
STS	Decision to outsource B737 – classic heavy maintenance
SAS Cargo	Decision to sell cargo handling (Spirit)
Spanair	Bids received – expecting closing 1st half 2008
BMI	In process, many interested parties
Air/Baltic/Estonian	In process

Harmonization and development of customer offer Renewed focus on customer perception

Current main focus:

- Punctuality
 - Regularity
- + Continued focus on added value products
- SAS takes market shares in premium segments
 - Economy Extra well received
 - Increased Business traffic– London f.ex.



Gunilla Berg
CFO

Underlying a positive result but a weak 4th Quarter

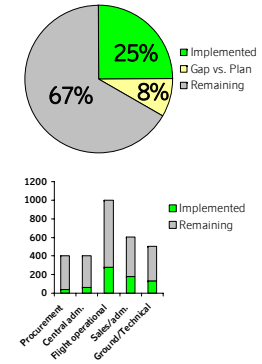
2007 full year and Q4

Underlying result development MSEK	October-December			January-December		
	2007	2006	Change	2007	2006	Change
Income before nonrecurring items in continuing operations	40	619	-579	1 242	727	+515
Strike effects	-88	0	-88	212	350	-138
Joint Venture Lufthansa/ECA	108	163	-55	678	310	+368
Q400 effects	500	0	+500	700	0	+700
Underlying result improvement	560	782	-222	2 832	1 387	+1 445

Competitiveness: Status of the cost reductions of SEK 2.8 bn

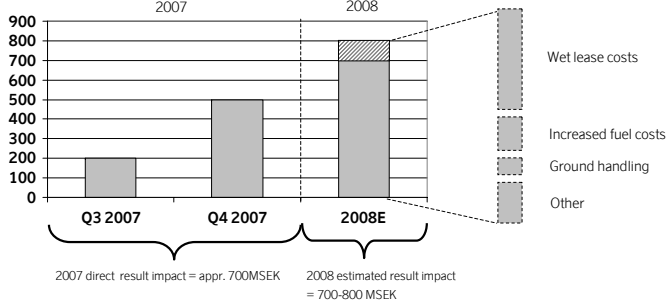
Cost program

- Group administrative functions 300-400 MSEK
 - Central staff reduction 20%
- Group coordination of procurement 400 MSEK
 - Centralized purchasing function with a clear mandate
 - Many activities in process
- SAS Group subsidiaries SEK 2.1 bn
 - Operational flight costs SEK 1000m
 - Administrative and sales cost SEK 600m
 - Ground/Technical SEK 500m



Full year Q400 direct result effect estimated to MSEK 700-800 in 2008

SAS Group Q400 incidents direct result effect



SAS Norge and SAS Sverige strong, but weaker in Q4

Scandinavian Airlines Results	SAS Norge		SAS Danmark		SAS Sverige		SAS International	
	Q4 2007	Change	Q4 2007	Change	Q4 2007	Change	Q4 2007	Change
EBIT margin	5.5%	-2.0 p.u.	-3.9%	-10.7 p.u.	4.6%	-9.9 p.u.	-0.1%	-3.2 p.u.
EBT before nonrec. (MSEK)	199	-43	-102	-295	113	-215	4	-60

EBIT-margins, 12 months rolling

SAS Norge	7.7%
SAS Danmark	3.7%
SAS Sverige	7.1%
SAS International	0.6%

Strong improvement in Widerøe and Blue1 Challenging for aviation services

4th Quarter

Business Area	Subsidiary	EBT before non-recurring items	EBIT Margin, 12 months rolling	Change vs. last year
Individually Branded Airlines	Widerøe	12	5.8%	→
	Blue1	37	5.6%	→
	airBaltic	-47	1.1%	→
SAS Aviation Services	STS	-130	-7.6%	↓
	SGS	-98	-2.3%	↓
	SAS Cargo	34	1.0%	↓

Fuel cost at 8.1 billion in 2007*

- Ambition to offset increased jet fuel prices

More challenging but strategy intact

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

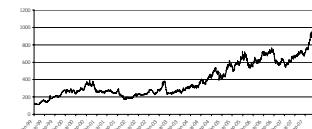
Current hedges

- 42% of the consumption hedged for 2008
 - Of which appr. 10 p.u. with swaps at 700 USD/MT

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

	6.50	6.75	7.00
Market price	SEK/USD	SEK/USD	SEK/USD
600 USD/MT	SEK 7.1 bn	SEK 7.4 bn	SEK 7.7 bn
800 USD/MT	SEK 8.8 bn	SEK 9.1 bn	SEK 9.5 bn
1000 USD/MT	SEK 10.2 bn	SEK 10.7 bn	SEK 11.0 bn

Fuel prices at all time high



*)Spain excluded

Sum up 4th Quarter

Ongoing activities

- Strategy 2011 under implementation
- Cost measures of SEK 2.8bn in process

Action Plan

- Focus on customer confidence
- Capacity adjustments
- Fuel price compensation
- Step up cost program

2008

- Risk of slowdown
- Q400 to affect full year negative by 700-800 MSEK

