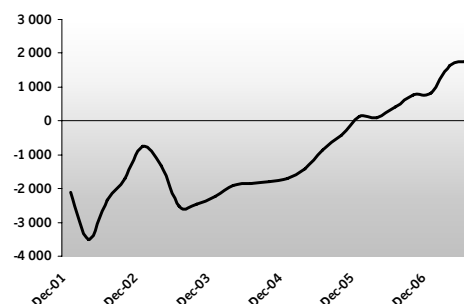


## Key ratios for first six months:

- Operating revenue: MSEK 30,133 (29,131) (+3.4%)
- Number of passengers : 20.1 million (+5.8%)
- Income before nonrecurring items in continuing operations: MSEK 369 (-588)
- EBT margin before nonrecurring items: 1.2% (-2.0%)
- Net income for the period: MSEK 560 (-511)
- Earnings per share: SEK 3.44 (-3.31)

EBT before nonrecurring items,  
12 months rolling (MSEK)



## Income and key ratios

(MSEK)	Apr-Jun 2007	Apr-Jun 2006	Jan-Jun 2007	Jan-Jun 2006	Jul-Jun 2006-07
Revenue	16,294	16,155	30,133	29,131	61,615
EBITDAR	2,230	2,035	3,174	2,225	7,477
Income before nonrecurring items in continuing operations	844	695	369	-588	1,785
EBT margin before nonrecurring items	5.2%	4.3%	1.2%	-2.0%	2.9%
Income before tax, EBT	800	442	323	-909	1,481
Net income for the period	607	553	560	-511	5,811
Earnings per share (SEK) from continuing and discontinued operations	3.55	2.97	3.44	-3.31	34.85

## Comments by the CEO

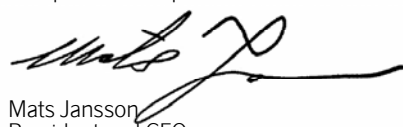
The quarter was characterized by continued favorable business conditions in our home market, which contributed to growth in the market for air travel. Consequently, the trend for passengers and yield remained positive and this, combined with effective cost and capacity control, generated income for the quarter of MSEK 844 before nonrecurring items, an improvement of MSEK 149. For the first six months of the year, the earnings improvement was approximately SEK 1 billion. For the first six months, the improvement in income amounted to approximately SEK 1 billion. During the period, there were strikes at SAS that had a negative impact on income of MSEK 300.

During the quarter, we carried 11 million passengers – the highest number ever for the SAS Group, which is 5.8% more than in the preceding year.

In June, we launched our strategy plan 2011. The premise for this is to reduce the Group's complexity to benefit the customer and the key terms are cultural turnaround, focus, concentration, harmonization and increased competitiveness, involving further cost adaptations of SEK 2.8 billion. The job of implementing the plan is now starting with full strength. The objective of the plan is to create the conditions for profitable growth and to achieve an earnings level that meets our investment requirements and shareholders' demands.

I deeply regret the strikes that have affected SAS customers and shareholders. Accordingly, a key part of our strategy is to implement a cultural turnaround and find a new model for cooperation with the trade unions.

There are currently no clear indications of a slowdown in the economy or the airline market, but uncertainty remains regarding the strength of growth, the competitive situation moving forward and the trend for jet fuel. The first and second quarters progressed in a positive direction and, for 2007 as a whole, continued positive passenger growth is expected in most of the SAS Group's markets. Competition is expected to remain intense in the markets in which SAS operates.



Mats Jansson  
President and CEO

# Financial overview

## Statement of income

(MSEK)	April-June		January-June		July-June	
	2007	2006	2007	2006	2006-07	2005-06
Revenue	16,294	16,155	30,133	29,131	61,615	58,498
Payroll expenses	-4,820	-4,731	-9,380	-9,304	-18,051	-18,418
Other operating expenses	-9,244	-9,389	-17,579	-17,602	-36,087	-34,588
Leasing costs for aircraft	-874	-893	-1,751	-1,784	-3,493	-3,465
Depreciation	-418	-501	-820	-959	-1,783	-1,989
Share of income in affiliated companies	38	19	48	17	90	52
Income from the sale of shares in subsidiaries and affiliated companies	0	0	0	0	0	43
Income from the sale of aircraft and buildings	-44	12	-46	39	0	122
<b>Operating income</b>	<b>932</b>	<b>672</b>	<b>605</b>	<b>-462</b>	<b>2,291</b>	<b>255</b>
Income from other shares and participations	0	1	0	1	-48	3
Net financial items	-132	-231	-282	-448	-762	-832
<b>Income before tax</b>	<b>800</b>	<b>442</b>	<b>323</b>	<b>-909</b>	<b>1,481</b>	<b>-574</b>
Tax	-218	-56	-163	267	-546	-17
<b>Net income from continuing operations</b>	<b>582</b>	<b>386</b>	<b>160</b>	<b>-642</b>	<b>935</b>	<b>-591</b>
Income from discontinued operations	25	167	400	131	4,876	807
<b>Net income for the period</b>	<b>607</b>	<b>553</b>	<b>560</b>	<b>-511</b>	<b>5,811</b>	<b>216</b>
Attributable to:						
Parent Company shareholders	584	489	566	-545	5,733	98
Minority interests	23	64	-6	34	78	118
Earnings per share (SEK) from continuing and discontinued operations <sup>1</sup>	3.55	2.97	3.44	-3.31	34.85	0.60
Earnings per share (SEK) from continuing operations <sup>1</sup>	3.40	2.21	1.01	-3.95	5.56	-3.71

<sup>1)</sup> Earnings per share is calculated as 164,500,000 outstanding shares (IAS33). Since the SAS Group has no option, convertibles or share programs, no dilution occurs. A detailed statement of income is available at [www.sasgroup.net](http://www.sasgroup.net)

## Income before nonrecurring items

(MSEK)	April-June		January-June		July-June	
	2007	2006	2007	2006	2006-07	2005-06
Income before tax in continuing operations	800	442	323	-909	1,481	-574
Impairment losses	0	0	0	0	146	0
Restructuring costs	0	160	0	255	82	590
Capital gains	44	-12	46	-39	-3	-167
Other nonrecurring items	0	105	0	105	79	105
<b>Income before nonrecurring items in continuing operations</b>	<b>844</b>	<b>695</b>	<b>369</b>	<b>-588</b>	<b>1,785</b>	<b>-46</b>

## Adjusted income improvement

(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
<b>Result improvement</b>			<b>472</b>			<b>1,137</b>

## Financial key ratios

(MSEK)	June	December	June	June
	2007	2006	2006	2005
CFROI (12 months rolling)	18%	15%	13%	12%
Equity/assets ratio	32%	32%	21%	20%
Adjusted equity/assets ratio	22%	22%	15%	15%
Financial net debt, MSEK	1,576	4,134	11,815	16,510
Debt/equity ratio	0.10	0.25	1.00	1.36
Adjusted debt/equity ratio	1.50	1.68	2.96	2.91
Interest coverage ratio (12 months rolling)	5.8	4.4	1.3	0.4

Definitions are available at [www.sasgroup.net](http://www.sasgroup.net)

# SAS Group

## Market and earnings trend

In several of the Group's markets the economic trend remained positive, resulting in a favorable passenger trend, while the yield trend was strong. Growth was strongest in the Finnish, Norwegian and Baltic markets. Scandinavian Airlines Norge and Scandinavian Airlines Sverige achieved respective earnings levels that are close to and in line with profitability requirements. Scandinavian Airlines Danmark's earnings also indicated an improvement despite the negative effects of the strike in April in contravention of agreements. Scandinavian Airlines International had increased competition and generated a lower result. Blue1, Widerøe and airBaltic reported continued favorable performance, while Spanair reported lower earnings due to redelivery of aircraft, higher production, increased competition and a three-day cabin crew strike. The companies in SAS Aviation Services had another difficult quarter, with poorer results. The earnings effects of the airline strikes totaled MSEK 300 for the second quarter of 2007. The adjusted income improvement before tax and nonrecurring items totaled approximately MSEK 500 for the second quarter and slightly more than SEK 1 billion for the six-month period.

### January-June 2007

At the end of June, the remaining 5.1% of shares in Spanair S.A. were acquired. Subsequently, the SAS Group holds 100% of the shares in Spanair S.A. SAS Flight Academy was divested in February 2007 and is reported as a discontinued operation in accordance with IFRS 5. The remaining 6.7% of the shares in Rezidor Hotel Group were divested in May. Income from discontinued operations for the second quarter includes a charge of MSEK 476 for an agreement in principle regarding the purchase conditions for the divestment of SAS Component in 2005.

In the preceding year, Rezidor Hotel Group was listed on the stock exchange and Norwegian Aviation College was divested. All of these operations' income after tax is reported as discontinued operations in comparative data for 2006. Income from discontinued operations also includes the Group's capital gains and losses.

#### *Continuing operations:*

The net effect of currency fluctuations between the January-June periods of 2006 and 2007 was MSEK 423. The effect is MSEK -780 on revenues, MSEK 1,190 on operating expenses and MSEK 13 on net financial items.

The SAS Group's revenue amounted to MSEK 30,133 (29,131), an increase of MSEK 1,002 or 3.4%. Taking into account currency effect, revenue increased 6.1%. Passenger traffic (RPK) rose by 3.3% for the Group.

The Group's costs for jet fuel amounted to MSEK 4,911 (4,890). Adjusted for a positive currency effect owing to a weaker USD, fuel costs rose by MSEK 428 due to higher prices and increased volume. In addition, operating expenses rose due to growth in the number of passengers, expanded capacity and higher costs for technical maintenance in SAS Individually Branded Airlines.

Operating income before depreciation and leasing costs, EBITDAR, was MSEK 3,174 (2,225).

Leasing costs and depreciation, with regard to the currency effect, remained at the same level as during the first half of 2006.

Share of income in affiliated companies amounted to MSEK 48 (17). The change between 2006 and 2007 is primarily due to the positive trend in Estonian Air.

The Group's net financial items amounted to MSEK -282 (-448). Net interest was MSEK -266 (-427). The currency effect was MSEK 12 (-1). Other net financial expenses were MSEK -28 (-20).

The Group's income from the sale of aircraft and buildings during the period January-June amounted to MSEK -46 (39). During the second quarter, the sale and leaseback of two Boeing 737 aircraft was implemented.

Income before nonrecurring items in continuing operations amounted to MSEK 369 (-588).

#### *Discontinued operations:*

Income from discontinued operations amounted to a total of MSEK 400 (131). SAS Flight Academy was sold in February 2007 to STAR Capital Partners for MSEK 550. The capital gain attributable to SFA amounted to MSEK 370. Income after tax in SAS Flight Academy was MSEK 5 until the date of sale.

The SAS Group's remaining shareholding in Rezidor Hotel Group after the stock-exchange listing in 2006, was sold at the end of May, generating a capital gain of MSEK 495. Additionally, a dividend of MSEK 6 was received.

The earnings effect of an agreement in principle regarding the purchase conditions for the divestment of 67% of the shares in SAS Component in 2005 amounted to MSEK -476.

For January-June 2006, income after tax for Rezidor Hotel Group, Norwegian Aviation College and SAS Flight Academy was reported in a total of MSEK 131.

### Second quarter 2007

#### *Continuing operations:*

The SAS Group reports positive income before nonrecurring items, which is MSEK 149 better than the preceding year. This is despite the negative effect on earnings compared with the preceding year of MSEK 350 as a result of strikes, the joint venture with Lufthansa and the ECA partnership.

The Group's revenue amounted to MSEK 16,294 (16,155), an increase of MSEK 484 or 3%, taking into account currency effects. The Group's passenger traffic increased by 3.4%.

Operating expenses, including payroll expenses, amounted to MSEK 14,064 (14,120). Adjusted for currency effects and nonrecurring items of MSEK 0 (265), operating expenses were 4.8% higher than in the preceding year due to higher fuel prices and increased volumes. Adjusted for the currency effect, the fuel cost increased by MSEK 220 compared with the second quarter of 2006.

EBITDAR for the second quarter amounted to MSEK 2,230 (2,035).

The Group's net financial items amounted to MSEK -132 (-231). Net interest was MSEK -123 (-218).

Income before nonrecurring items in continuing operations was MSEK 844 (695).

#### *Discontinued operations:*

Income from discontinued operations amounted to MSEK 25 (167). In 2007, the capital gain from the divestment of the remaining shares in the Rezidor Hotel Group and income from the agreement in principle regarding SAS Component were reported. The preceding year includes income after tax in Rezidor Hotel Group, Norwegian Aviation College and SAS Flight Academy.

## Strategy 2011

Since 2001, the SAS Group has implemented a financial turnaround and now SAS, after years of billion-kronor losses, is able to report positive results again. However, a large gap still remains before the result will be reached that is required for the company to grow and meet the shareholders' demands for profitability.

To reduce this earnings gap, meet the increasingly intense competition in the air travel market and ensure future independence, the SAS Group launched its new Strategy 2011 plan on June 13. The customers are the focal point in the strategy plan and vision, strategy and implementation will be conducted with customer focus as the highest priority. A stronger customer orientation, more distinct leadership and increased commitment will drive forward a **cultural turnaround**. SAS will also **focus** on flight operations, with **concentration** on air travel to and from Northern Europe. The SAS strategy plan also includes a **harmonization and development** of the customer offering, whereby the customers shall be met by clear, consistent, flexible and value-for-money offerings regardless of the Group company used. The plan also addresses **competitiveness** in all areas of the operation, with continued cost reductions.

In specific terms, this means that the SAS Group's holdings in Spanair, Newco, BMI and Air Greenland will be sold.

For SAS Ground Services, SAS Technical Services and the terminal handling within SAS Cargo, Spirit, an evaluation will be made of their continued role in the SAS Group. The evaluation will be conducted as a process, with broad participation and decisions to be made in December

At the same time, the SAS Group is launching a new cost program corresponding to SEK 2.8 billion. Most of the earnings effect will occur in 2008 and 2009. During the second quarter, 14% of SEK 2.8 billion was implemented.

### Cost program

Procurement	SEK 0.3-0.4 billion
Central adm.	SEK 0.3-0.4 billion
Subsidiaries	SEK 2.1 billion
<b>Of which</b>	
Flight operations	MSEK 1,000
Sales/Admin	MSEK 600
Ground/Technical	MSEK 500

A decisive factor in competitiveness is having a high level of basic quality in the form of punctuality and regularity. This area is also prioritized within the plan.

The new strategy plan also expresses the company's growth target: 20% more passengers in 2011. This aggressive strategy requires strong growth, also in leisure travel. Accordingly, in parallel with the trend for business travel special efforts will be made in relation to leisure travelers. The ambition is for leisure travelers to account for not less than half of the number of passengers, compared with the current 40%.

In conjunction with the new strategy, the Group has also established new financial targets for the Group and its subsidiaries:

### Group requirements



### Requirements for subsidiaries

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

1) Spanair excluded

## Financial position

As of June 30, 2007, the SAS Group's cash and cash equivalents amounted to MSEK 9,955 (8,669), an increase of MSEK 1,286. Since year-end 2006, cash and cash equivalents have declined by MSEK 848. The decline since the beginning of the year is primarily attributable to the SAS Group amortizing about MSEK 3,600. In addition, the SAS Group had positive cash flow from operating activities, as well as the sale and leaseback of aircraft and the divestment of SAS Flight Academy and the remaining shares in the Rezidor Group. In addition to cash and cash equivalents, the SAS Group has unutilized contract loan commitments amounting to MSEK 6,074 (5,634). This increase is due to the fact that amortization amounting to MSEK 1,100 during the first six months was converted to a credit facility with a due date of 2011 and that a one-year credit facility of MSEK 500 was not extended by the SAS Group. In total, the SAS Group has financial preparedness corresponding to MSEK 16,029 or 26% of revenues.

The SAS Group's interest-bearing liabilities declined by MSEK 3,438 in 2007. In addition to planned amortization of MSEK 1,570, loans corresponding to MSEK 2,000 were amortized in advance. The remaining increase in interest-bearing liabilities is primarily attributable to the weaker Swedish krona.

The adjusted equity/assets ratio was 22% (15%) on June 30, 2007. The adjusted debt/equity ratio amounted to 1.50 (2.96). The SAS Group's targets are as follows:

### Targets for financial position

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

## Legal issues

On February 14, 2006, the European Commission and the U.S. Department of Justice each made public investigations into possible price fixing in the air cargo industry. SAS is one of several air cargo carriers involved in the investigations. In addition, a number of class-action civil lawsuits brought against SAS and other air cargo carriers in the United States, alleging civil damages and seeking monetary compensation, are pending in a consolidated civil case in New York.

SAS is continuing to cooperate with the government investigations and to defend itself in the civil litigation. SAS is also continuing to conduct its own internal review. No formal accusations have been made against SAS in either government investigation to date and SAS cannot now predict the outcome of those investigations. Nor is it possible at this time to predict the outcome of the civil lawsuits. While SAS cannot now evaluate the potential financial impact of these actions, adverse outcomes in either the government investigations or the civil lawsuits could have a material adverse impact on SAS.

## Currency and fuel hedging

In June 2007, the SAS Group had hedged approximately 80% of its USD deficit for the next 12 months. Other currencies are hedged in an amount of 60-90% in accordance with policy.

The SAS Group has hedged 44% of its expected fuel consumption for the period July 2007 – June 2008. This cost is hedged at an average price, including premium, amounting to USD 769/ton. Hedging is primarily performed on options, but due to high premium levels, swaps and other instruments have also been used. The proportion of swaps is about 11% of total consumption and is implemented at an average price of USD 709/MT.

For the second half of 2007, the SAS Group has hedged 51% of its anticipated fuel consumption. For full-year 2007, the total costs for jet fuel are expected to amount to SEK 10.5 – 11.0 billion based on a jet-fuel price of USD 725/ton and SEK 6.90 per USD.

## SAS Scandinavian Airlines business area

The SAS Scandinavian Airlines business area reported clearly improved earnings compared with the first half of 2006. The market was favorable, with good growth and higher yields. The six months were affected by cabin strikes in Sweden and Denmark. The strikes had a negative effect on Scandinavian Airlines of MSEK 265 (100) in the second quarter. In addition, earnings were negatively affected in an amount of MSEK 150 compared with the preceding year by the joint venture cooperation and the ECA agreement. All companies within the business area, except Scandinavian Airlines International, reported earnings improvements despite this.

### Scandinavian Airlines Norge



(MSEK)	Apr-Jun 2007	Apr-Jun 2006	Jan-Jun 2007	Jan-Jun 2006
Passenger revenue	2,905	2,684	5,458	5,001
Other revenue	614	632	1,125	1,122
Revenue	3,519	3,316	6,583	6,123
EBITDAR	703	448	1,153	491
EBIT	452	169	647	-67
EBIT margin	12.8%	5.1%	9.8%	-1.1%
Average number of employees	2,469	2,610	2,467	2,637
EBT before nonrecurring items	452	172	650	16

Scandinavian Airlines Norge reported a distinct earnings improvement compared with the preceding year and is close to achieving the Group's profitability requirement. The improvement was partly driven by a strong Norwegian economy, which substantially increased the number of business passengers and resulted in positive yield effects. The company's improvement can also be attributed to a cost trend lower than the Norwegian inflation rate and weak comparative figures from the preceding year due to labor disputes and other factors. While the domestic market was favorable, competition on the southern European destinations to and from Norway intensified increasingly.

### Scandinavian Airlines Sverige



(MSEK)	Apr-Jun 2007	Apr-Jun 2006	Jan-Jun 2007	Jan-Jun 2006
Passenger revenue	1,812	1,748	3,527	3,210
Other revenue	459	455	898	862
Revenue	2,271	2,203	4,425	4,072
EBITDAR	379	408	680	514
EBIT	243	234	406	157
EBIT margin	10.7%	10.6%	9.2%	3.9%
Average number of employees <sup>1)</sup>	1,676	1,682	1,687	1,564
EBT before nonrecurring items	243	229	404	145

Except for the effects of the strike, the trend for Scandinavian Airlines Sverige was stable and positive and the company reported a favorable level of profitability. The result for the first six months was a clear improvement over 2006 and, on a rolling 12-month basis, met the Group's established requirement of a 9% EBIT margin. The income improvement is primarily attributable to an increased number of passengers through a higher load factor. The cabin crew strike had an estimated negative impact on earnings of MSEK 125. The market remains strong, with a favorable economic climate.

<sup>1)</sup> Increase pertains to transfer of pilots from the consortium.

<sup>2)</sup> Increase pertains to transfer within the SAS Consortium on August 1, 2006.

### EBIT margins, 12 months rolling

Scandinavian Airlines	Outcome	Profitability targets
SAS Norge	7.9%	9%
SAS Danmark	4.7%	9%
SAS Sverige	9.0%	9%
SAS International	1.5%	9%

### Scandinavian Airlines Danmark



(MSEK)	Apr-Jun 2007	Apr-Jun 2006	Jan-Jun 2007	Jan-Jun 2006
Passenger revenue	2,503	2,469	4,681	4,450
Other revenue	552	462	977	794
Revenue	3,055	2,931	5,658	5,244
EBITDAR	442	403	614	321
EBIT	272	211	273	-78
EBIT margin	8.9%	7.2%	4.8%	-1.5%
Average number of employees	2,151	2,054	2,163	1,886
EBT before nonrecurring items	275	207	278	-82

Scandinavian Airlines Danmark's second quarter began with the unlawful strike in April. The strike is estimated to have a negative impact of MSEK 100 on the first half of the year. Despite the strike, the company reported clearly higher earnings. The improvement is largely driven by good revenue control, resulting in higher traffic revenue. Use of resources also improved, contributing to higher productivity, mainly for aircraft but also for pilots. The company also encountered weak comparative data for 2006, with low demand and costs for conflicts.

### Scandinavian Airlines International



(MSEK)	Apr-Jun 2007	Apr-Jun 2006	Jan-Jun 2007	Jan-Jun 2006
Passenger revenue	1,481	1,640	2,691	2,867
Other revenue	454	457	838	822
Revenue	1,935	2,097	3,529	3,689
EBITDAR	188	276	153	240
EBIT	20	93	-185	-134
EBIT margin	1.0%	4.4%	-5.2%	-3.6%
Average number of employees <sup>2)</sup>	785	556	792	559
EBT before nonrecurring items	19	89	-178	-145

Scandinavian Airlines International reported weaker earnings than in 2006. The Danish strike resulted in a negative earnings impact of MSEK 40. The company was challenged by implementation of the heavy maintenance plan, resulting in one aircraft being out of service in April-May. The number of passengers was lower and, accordingly passenger revenues. Competition on North America-Europe also intensified. To secure its revenue targets, the company initiated activities in all central functional areas, comprising sales, marketing, traffic program adaptation and revenue control. In October, the new Copenhagen – Dubai and Stockholm – Bangkok routes will be launched.

## SAS Individually Branded Airlines business area

Within SAS Individually Branded Airlines, Widerøe and Blue1 reported particularly clear earnings improvements for the first half of 2007 compared with 2006. Spanair faced certain challenges during the period, while airBaltic is on a par with 2006 results in absolute figures, but with a lower margin due to an increase in revenue of more than 35%. In June, the SAS Group announced, in conjunction with its strategy plan, that Spanair will be divested because the Group wants to concentrate its operations in Northern Europe. The divestment will be conducted as an open process.

EBIT margins, 12 months rolling			
SAS Individually Branded Airlines		Outcome	Profitability targets
Spanair		0.5%	9%
Widerøe		4.6%	7%
Blue1		3.9%	9%
airBaltic		2.7%	9%

### Spanair



(MSEK)	Apr-Jun 2007	Apr-Jun 2006 <sup>1)</sup>	Jan-Jun 2007	Jan-Jun 2006 <sup>1)</sup>
Passenger revenue	2,330	2,150	3,969	3,625
Other revenue	657	810	1,176	1,398
Revenue	2,987	2,960	5,145	5,023
EBITDAR	374	443	314	540
EBIT	87	132	-252	-73
EBIT margin	2.9%	4.5%	-4.9%	-1.5%
Average number of employees	3,413	3,367	3,341	3,313
EBT before nonrecurring items	40	92	-339	-143

<sup>1)</sup> Charter revenue and wet lease expenses reclassified.

A detailed statement of income is available at [www.sasgroup.net](http://www.sasgroup.net)

Spanair's earnings represent a decline compared with the first half of 2006. The primary explanation for this development is a more difficult market that contributed to reduced traffic revenue. The company offset this to a certain extent through reduced operating costs. Spanair's expansion did not result in a corresponding increase in passengers, which resulted in a lower load factor. However, in June, the trend was considerably better than in April and May. Competition is intensifying and Spain's largest route, Madrid-Barcelona, is suffering from overcapacity, partly due to expansion by competitors. Spanair's share of the Spanish market remains nonetheless constant at about 20%. In addition, earnings were negatively impacted in an amount of about MSEK 100 for the redelivery of aircraft. The impact on earnings of the cabin crew conflict in June was approximately MSEK 35.

### Widerøe



(MSEK)	Apr-Jun 2007	Apr-Jun 2006	Jan-Jun 2007	Jan-Jun 2006
Passenger revenue	523	534	1,009	1,007
Other revenue	252	235	496	483
Revenue	775	769	1,505	1,490
EBITDAR	140	84	244	152
EBIT	78	18	122	23
EBIT margin	10.1%	2.3%	8.1%	1.5%
Average number of employees	1,347	1,380	1,360	1,377
EBT before nonrecurring items	74	19	113	17

Widerøe recorded the best six months in the company's history and continues its positive earnings trend. This trend is primarily attributable to revenue, which has developed extremely well as a result of the favorable economy. Widerøe also actively improved its results through comprehensive route adaptations, better revenue optimization, with a stronger focus on short-term control, and a new low-fare concept that had a positive effect. Passenger revenue increased and revenue from procured routes is higher compared with 2006. The latter is the result of the new bid for Finnmark (with higher compensation) and the takeover of the bid for Andenes. Compared with 2006, Widerøe had a higher load factor and higher yield.

### Blue1



(MSEK)	Apr-Jun 2007	Apr-Jun 2006	Jan-Jun 2007	Jan-Jun 2006
Passenger revenue	478	504	899	890
Other revenue	62	60	127	102
Revenue	540	564	1,026	992
EBITDAR	91	37	132	48
EBIT	54	-9	55	-41
EBIT margin	10.0%	-1.6%	5.4%	-4.1%
Average number of employees	532	470	521	465
EBT before nonrecurring items	56	-12	57	-38

Blue1's six-month results were clearly better than the corresponding period in 2006. This trend is primarily attributable to improvements in terms of expenses and weak comparative figures. In the preceding year, the company had major additional costs in conjunction with its expansion. Blue1 has increased its share of the domestic market by 7 percentage points and is also capturing shares of the European market, for which the number of passengers increased by 38%. The company has faced challenges in phasing in new aircraft and is working successively with continued capacity adaptations compared with the plan.

### airBaltic



(MSEK)	Apr-Jun 2007	Apr-Jun 2006	Jan-Jun 2007	Jan-Jun 2006
Passenger revenue	480	366	793	617
Other revenue	89	34	141	70
Revenue	569	400	934	687
EBITDAR	90	71	119	83
EBIT	29	33	10	16
EBIT margin	5.1%	8.3%	1.1%	2.3%
Average number of employees	913	762	879	746
EBT before nonrecurring items	28	31	9	13

airBaltic's earnings for the first six months are a decline relative to the first half of 2006. Although the result in absolute figures is in line with the preceding year, the margins are lower as the company's revenues increased strongly. airBaltic operates in a rapidly expanding market, but the company's production increase has not been matched by a correspondingly rapid increase in the number of passengers.

## SAS Aviation Services business area

Within SAS Aviation Services, SAS Ground Services' earnings are marginally weaker, while SAS Technical Services' and SAS Cargo's results are clearly poorer than for the first half of 2006. This weak trend is partly due to declining volumes, but also intensified competition, with price pressure as a result. The challenges are primarily to adapt operations to lower volumes. This results in efficiency enhancement, while the high quality of production is retained.

### EBIT margins before nonrecurring items, 12 months rolling

#### SAS Aviation Services

	Outcome	Profitability targets
STS	-6,2 %	5 %
SGS	0,7 %	4 %
SAS Cargo	1,7 %	4 %

### STS

(MSEK)	Apr-Jun 2007	Apr-Jun 2006	Jan-Jun 2007	Jan-Jun 2006
Revenue	1,195	1,287	2,359	2,517
EBITDA	-69	-156	-119	-120
EBIT before nonrecurring items	-94	-69	-175	-52
EBIT margin before nonrecurring items	-7.9%	-5.4%	-7.4%	-2.1%
Average number of employees	2,436	2,548	2,430	2,471
EBT before nonrecurring items	-124	-80	-231	-72

**SAS Technical Services (STS)** recorded a clearly poorer underlying result (EBT before nonrecurring items) compared with 2006. In the short term, SAS Technical Services has primarily focused on improved delivery quality, in the longer term, a new, more effective production structure and increased productivity shall lead to enhanced competitiveness and an improved cost level. SAS Component, which is 29% owned by SAS Technical Services had a continued weak trend. The external market for technical maintenance is growing, but is characterized by strong competition, overcapacity and price pressure.

### SGS

(MSEK)	Apr-Jun 2007	Apr-Jun 2006	Jan-Jun 2007	Jan-Jun 2006
Revenue	1,524	1,442	2,984	2,971
EBITDA	6	11	30	46
EBIT before nonrecurring items	-14	-10	-11	3
EBIT margin before nonrecurring items	-0.9%	-0.7%	-0.4%	0.9%
Average number of employees	6,824	6,686	6,699	6,597
EBT before nonrecurring items	-19	-13	-21	-3

**SAS Ground Services' (SGS)** revenue increased somewhat during the first six months compared with the preceding year. Despite this, profitability was somewhat weaker than in 2006, which is due to such factors as delays in the cost program, salary increases and higher pension costs. The volume trend is in line with the plan for the first six months. Revenue from external customers increased relatively sharply, while Group companies reduced their production. The ground handling industry has favorable growth, about 5% per year, and is primarily driven by the expansion of low-fare airlines. However, profitability is relatively low, with an EBIT margin of about 1-4%. The low margins reflect an underlying price pressure in the market.

### SAS Cargo

(MSEK)	Apr-Jun 2007	Apr-Jun 2006	Jan-Jun 2007	Jan-Jun 2006
Traffic revenue	417	538	877	1,016
Other revenue	427	370	760	744
Revenue	844	908	1,637	1,760
EBITDA	3	34	-7	45
EBIT before nonrecurring items	-8	20	-30	19
EBIT margin before nonrecurring items	-0.9%	2.2%	-1.8%	1.1%
Average number of employees	1,391	1,455	1,391	1,467
EBT before nonrecurring items	-11	16	-33	11

**SAS Cargo's** weaker load factor had a negative impact on sales during the first six months of the year. Overall sales declined by MSEK 123 compared with 2006. The underlying reasons for this trend are production realignments and capacity adjustments. However, the degree of compensation on the cost side is relatively high and the earnings effect was therefore limited.

# SAS Group

## Balance sheet

(MSEK)	June 30 2007	December 31 2006	June 30 2006	June 30 2005
Intangible assets	3,343	2,932	3,820	3,862
Tangible fixed assets	14,397	14,941	17,885	23,489
Financial fixed assets	12,893	13,316	13,427	12,466
<b>Total fixed assets</b>	<b>30,633</b>	<b>31,189</b>	<b>35,132</b>	<b>39,817</b>
Current assets	963	996	1,097	1,377
Current receivables	9,706	8,176	11,079	11,879
Cash, bank and short-term investments	9,955	10,803	8,669	8,680
<b>Total current assets</b>	<b>20,624</b>	<b>19,975</b>	<b>20,845</b>	<b>21,936</b>
<b>Total assets</b>	<b>51,257</b>	<b>51,164</b>	<b>55,977</b>	<b>61,753</b>
Shareholders' equity <sup>1)</sup>	16,463	16,388	11,810	12,106
Long-term liabilities	11,976	17,847	20,252	23,918
Short-term liabilities	22,818	16,929	23,915	25,729
<b>Total shareholders' equity and liabilities</b>	<b>51,257</b>	<b>51,164</b>	<b>55,977</b>	<b>61,753</b>
Equity per share <sup>2)</sup>	99.76	99.49	68.13	70.41
Interest-bearing assets	20,533	21,149	19,302	19,772
Interest-bearing liabilities	13,040	16,478	22,581	28,198

1) Including minority interests.

2) Calculated on 164,500,000 outstanding shares. The SAS Group has not carried out any buyback programs.

## Change in shareholders' equity

(MSEK)	Shareholders' equity attributable to Parent Company shareholders							Minority interests	Total equity
	Share capital <sup>1)</sup>	Other contributed capital <sup>2)</sup>	Hedge reserve	Fair value reserve	Trans-lation reserve	Retained earnings <sup>4)</sup>	Total		
<b>Opening balance, January 1, 2006</b>	<b>1,645</b>	<b>658</b>	<b>631</b>	<b>-</b>	<b>287</b>	<b>8,283</b>	<b>11,504</b>	<b>577</b>	<b>12,081</b>
Transition to IFRS in affiliated companies						-154	-154		-154
Change in hedge reserve			889			889		6	895
Tax charged directly to equity			-249			-249		-2	-251
Translation differences					17	17		-13	4
Revenue and expenses for the period									
charged directly to equity			640		17	-154	503	-9	494
Hedge reserve charged against income			-353			-353			-353
Tax on items charged against income			99			99			99
Net income for the period						-545	-545	34	-511
<b>Total revenue and expenses for the period</b>			<b>386</b>		<b>17</b>	<b>-699</b>	<b>-296</b>	<b>25</b>	<b>-271</b>
<b>Closing balance, June 30, 2006</b>	<b>1,645</b>	<b>658</b>	<b>1,017</b>	<b>-</b>	<b>304</b>	<b>7,584</b>	<b>11,208</b>	<b>602</b>	<b>11,810</b>
Divestment Rezidor Hotel Group								-650	-650
Transfer of equity		-488				488			
Change in fair value reserve				508			508	-5	503
Change in hedge reserve			-190			-190		2	-188
Tax charged directly to equity			53				53		53
Translation differences					-18		-18	-11	-29
Revenue and expenses for the period									
charged directly to equity		-488	-137	508	-18	488	353	-664	-311
Hedge reserve charged against income			-502			-502			-502
Tax on items charged against income			140			140			140
Net income for the period						5,167	5,167	84	5,251
<b>Total revenue and expenses for the period</b>		<b>-488</b>	<b>-499</b>	<b>508</b>	<b>-18</b>	<b>5,655</b>	<b>5,158</b>	<b>-580</b>	<b>4,578</b>
<b>Closing balance, December 31, 2006</b>	<b>1,645</b>	<b>170</b>	<b>518</b>	<b>508</b>	<b>286</b>	<b>13,239</b>	<b>16,366</b>	<b>22</b>	<b>16,388</b>
Change of ownership share in subsidiary								38	38
Changed accounting principles in affiliated companies						-26	-26		-26
Change in fair value reserve				-508			-508		-508
Change in hedge reserve			-1			-1			-1
Tax charged directly to equity			0				0		0
Translation differences					-64		-64	-2	-66
Revenue and expenses for the period									
charged directly to equity			-1	-508	-64	-26	-599	36	-563
Hedge reserve charged against income			108			108			108
Tax on items charged against income			-30			-30			-30
Net income for the period						566	566	-6	560
<b>Total revenue and expenses for the period</b>			<b>77</b>	<b>-508</b>	<b>-64</b>	<b>540</b>	<b>45</b>	<b>30</b>	<b>75</b>
<b>Closing balance, June 30, 2007</b>	<b>1,645</b>	<b>170</b>	<b>595</b>	<b>-</b>	<b>222</b>	<b>13,779</b>	<b>16,411</b>	<b>52</b>	<b>16,463</b>

1) The share capital in SAS AB is distributed among 164,500,000 shares with a par value of SEK 10 per share in both the opening and closing balances.

2) The entire amount comprises share premium reserves.

3) Includes MSEK -207 of currency hedging of net investment in foreign subsidiaries.

4) No dividends were paid in 2005 and 2006.



## Cash-flow statement

(MSEK)	April-June		January-June		July-June	
	2007	2006	2007	2006	2006-07	2005-06
Income before tax	800	442	323	-909	1,481	-574
Depreciation	418	501	820	959	1,783	1,989
Income from the sale of fixed assets	44	-12	46	-39	-3	-167
Divested operations	6	257	15	286	404	740
Adjustment for items not included in cash flow, etc.	-47	-101	-108	-137	-120	-467
Paid tax	-8	2	-14	-56	-23	-104
<b>Cash flow from operations</b>	<b>1,213</b>	<b>1,089</b>	<b>1,082</b>	<b>104</b>	<b>3,522</b>	<b>1,417</b>
Change in working capital	644	281	1,284	351	491	-190
<b>Cash flow from operating activities</b>	<b>1,857</b>	<b>1,370</b>	<b>2,366</b>	<b>455</b>	<b>4,013</b>	<b>1,227</b>
Investments, including prepayments to aircraft manufacturers	-830	-528	-1,218	-927	-2,590	-1,931
Sale of subsidiaries	0	0	506	877	5,354	1,499
Sale of fixed assets, etc.	1,031	738	1,010	1,397	3,672	2,940
<b>Cash flow before financing activities</b>	<b>2,058</b>	<b>1,580</b>	<b>2,664</b>	<b>1,802</b>	<b>10,449</b>	<b>3,735</b>
External financing, net	-945	-1,764	-3,529	-1,803	-9,164	-3,718
<b>Cash flow for the period</b>	<b>1,113</b>	<b>-184</b>	<b>-865</b>	<b>-1</b>	<b>1,285</b>	<b>17</b>
Translation difference in cash and cash equivalents	-2	-11	17	-14	1	-28
<b>Change in cash and cash equivalents according to the balance sheet</b>	<b>1,111</b>	<b>-195</b>	<b>-848</b>	<b>-15</b>	<b>1,286</b>	<b>-11</b>

### Comments on the cash-flow statement

Cash flow from operating activities improved by MSEK 1,911 during the first six months of 2007 and amounted to MSEK 2,366 (455). The improvement is primarily due to an upturn in the earnings trend in the Group, but also to decreased tied-up working capital.

Investments amounted to MSEK 1,218 (927), of which MSEK 518 (278) related to aircraft, other flight equipment and prepayments. In June, the minority owner's share was acquired in Spanair, which has thus become a wholly owned subsidiary. In February, SAS Flight Academy was divested, which had an impact on the Group's cash flow of MSEK 506 after deductions for selling expenses and SAS Flight Academy's cash and cash equivalents. In May, the remaining shares in Rezidor Hotel Group were divested for MSEK 584. In addition, sale and leaseback of two Boeing 737 aircraft was implemented at a total sales price of MSEK 455. Accordingly, cash flow before financing activities amounted to MSEK 2,664 (1,802).

Since the beginning of the year, MSEK 3,600 (1,900) has been amortized.

Cash and cash equivalents according to the balance sheet amounted to MSEK 9,955 (8,669).

The SAS Group has about MSEK 8,200 in unutilized tax loss carryforwards. This means that the SAS Group will not have tax payable until these loss carryforwards have been utilized, which will have a positive impact on cash flow in future periods.

Deferred tax assets have been reported for approximately 85% of the accumulated loss carryforwards.

### Segment reporting: income by business area

January-June (MSEK)	SAS Scandinavian Airlines		SAS Individually Branded Airlines		SAS Aviation Services		Groupwide & eliminations		SAS Group	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
External sales	18,779	17,979	8,482	8,133	2,526	2,644	346	375	30,133	29,131
Sales between business segments	726	766	92	80	4,409	4,553	-5,227	-5,399	0	0
<b>Revenue</b>	<b>19,505</b>	<b>18,745</b>	<b>8,574</b>	<b>8,213</b>	<b>6,935</b>	<b>7,197</b>	<b>-4,881</b>	<b>-5,024</b>	<b>30,133</b>	<b>29,131</b>
Payroll expenses	-4,141	-4,060	-1,758	-1,632	-3,093	-3,290	-388	-322	-9,380	-9,304
Other expenses	-12,806	-12,822	-5,967	-5,732	-3,937	-4,050	5,131	5,002	-17,579	-17,602
<b>EBITDAR per business segment</b>	<b>2,558</b>	<b>1,863</b>	<b>849</b>	<b>849</b>	<b>-95</b>	<b>-143</b>	<b>-138</b>	<b>-344</b>	<b>3,174</b>	<b>2,225</b>
Leasing costs for aircraft	-1,087	-1,044	-722	-753	0	0	58	13	-1,751	-1,784
<b>EBITDA per business segment</b>	<b>1,471</b>	<b>819</b>	<b>127</b>	<b>96</b>	<b>-95</b>	<b>-143</b>	<b>-80</b>	<b>-331</b>	<b>1,423</b>	<b>441</b>
Depreciation	-495	-607	-164	-163	-122	-150	-39	-39	-820	-959
Share of income in affiliated companies	2	28	45	25	1	-36	0	0	48	17
Capital gains	-11	12	0	0	0	0	-35	27	-46	39
<b>EBIT per business segment</b>	<b>967</b>	<b>252</b>	<b>8</b>	<b>-42</b>	<b>-216</b>	<b>-329</b>	<b>-154</b>	<b>-343</b>	<b>605</b>	<b>-462</b>
Unallocated income items:										
Income from other shares and participations									0	1
Net financial items									-282	-448
Tax									-163	267
<b>Net income for the period from continuing operations</b>									<b>160</b>	<b>-642</b>
<b>Income before nonrecurring items in continuing operations</b>	<b>753</b>	<b>-54</b>	<b>-84</b>	<b>-114</b>	<b>-286</b>	<b>-78</b>	<b>-14</b>	<b>-342</b>	<b>369</b>	<b>-588</b>

## Parent Company SAS AB

Income before tax amounted to MSEK -57 (2,371) for the period.

Available liquidity for SAS AB at June 30, 2007, amounted to MSEK 655, compared with MSEK 301 at the beginning of the year.

The number of shareholders in SAS AB amounted to 21,224 at June 30, 2007. The average number of employees of SAS AB totaled 166 (181).

### Statement of income

(MSEK)	January-June	
	2007	2006
Revenue	6	11
Payroll expenses	-138	-150
Other operating expenses	-130	-115
<b>Operating income before depreciation</b>	<b>-262</b>	<b>-254</b>
Depreciation	0	0
<b>Operating income</b>	<b>-262</b>	<b>-254</b>
Income from divestment of shares	277	4
Dividend from subsidiaries	-	2,658
Net financial items	-72	-37
<b>Income before tax</b>	<b>-57</b>	<b>2,371</b>
Tax	94	80
<b>Net income for the period</b>	<b>37</b>	<b>2,451</b>

### Balance sheet

(MSEK)	June 30	Dec 31
	2007	2006
Fixed assets	8,986	9,453
Current assets	6,598	5,981
<b>Total assets</b>	<b>15,584</b>	<b>15,434</b>
Shareholders' equity	12,310	12,273
Long-term liabilities	3,062	2,859
Short-term liabilities	212	302
<b>Total shareholders' equity and liabilities</b>	<b>15,584</b>	<b>15,434</b>

### Change in shareholders' equity

(MSEK)	Share	Rest.	Unrestr.	Total
	capital	reserves	equity	equity
Opening balance, January 1, 2006	1,645	306	3,933	5,884
Group contribution rec'd, net			206	206
Net income for the period			6,183	6,183
<b>Equity, Dec. 31, 2006</b>	<b>1,645</b>	<b>306</b>	<b>10,322</b>	<b>12,273</b>
Net income for the period			37	37
<b>Equity, June 30, 2007</b>	<b>1,645</b>	<b>306</b>	<b>10,359</b>	<b>12,310</b>

The Board of Directors and President hereby assure that the six-month report provides a fair overview of the Parent Company and the Group's operations, financial position and earnings, and describes the significant risks and uncertainty factors to which the Parent Company and the companies included in the Group are exposed.

Stockholm, August 9, 2007

Egil Myklebust  
Chairman of the Board

Jacob Wallenberg  
Deputy Chairman

Jens Erik Christensen  
Board Member

Berit Kjøl  
Board Member

Timo Peltola  
Board Member

Fritz H. Schur  
Board Member

Anitra Steen  
Board Member

Ulla Grøntvedt  
Board Member

Olav H. Lie  
Board Member

Verner Lundtoft Jensen  
Board Member

Mats Jansson  
President and CEO

This interim report is unaudited.

SAS Group: Interim Report January-June 2007

## SAS Group management and areas of responsibility

Mats Jansson, President and CEO. Mats Jansson will hold the chairmanship of the companies in Individually Branded Airlines as of August 15.

John S. Dueholm, Deputy CEO, with responsibility within Group management for the Scandinavian Airlines business area and STS.

Gunilla Berg, CFO and Deputy President.

Benny Zakrisson, responsible for the Group's structure and strategy issues, and SGS and SAS Cargo.

Svein Oppegaard, Acting Group Head of Personnel.

Henriette Fenger Ellekrog, Group Head of Personnel, will take office on October 1, 2007.

Hans Ollongren, Acting Senior Vice President Corporate Communications and Public Affairs.

## Accounting principles and financial reports

The SAS Group has applied International Financial Reporting Standards (IFRS) since January 1, 2005. Income from discontinued operations is reported in accordance with IFRS 5.

The Group's other formal financial statements appear on page 2 and pages 8-9.

## Full-year 2007

There are currently no clear indications of a slowdown in the economy or the airline market, but uncertainty remains regarding the strength of growth, the future competitive situation and the trend for jet fuel prices. The trend in the first and second quarters was in a positive direction and continued favorable passenger growth is expected in most of the SAS Group's markets for the full-year 2007. Competition is expected to remain intense in the markets in which the SAS Group is active.

# Traffic data information

## SAS Group's passenger traffic

	April-June			January-June		
	2007	2006	Change	2007	2006	Change
Number of passengers (000)	<b>11,045</b>	10,436	5.8%	<b>20,133</b>	19,035	5.8%
Passenger km (mill.)	<b>10,915</b>	10,551	3.4%	<b>19,458</b>	18,844	3.3%
Seat km (mill.)	<b>15,091</b>	14,279	5.7%	<b>27,935</b>	26,767	4.4%
Load factor	<b>72.3%</b>	73.9%	-1.6 p.p.	<b>69.7%</b>	70.4%	-0.7 p.p.

## SAS Group's traffic-related key data

	January-March		April-June		July-September		October-December		July-June	
	2007	2006	2007	2006	2006	2005	2006	2005	2006-07	2005-06
No. of passengers (000)	<b>9,088</b>	8,599	<b>11,045</b>	10,437	<b>10,319</b>	9,831	<b>9,704</b>	9,312	<b>40,156</b>	38,179
RPK (mill.)	<b>8,543</b>	8,293	<b>10,915</b>	10,551	<b>10,059</b>	10,454	<b>9,343</b>	9,101	<b>39,860</b>	38,399
ASK (mill.)	<b>12,844</b>	12,488	<b>15,091</b>	14,279	<b>14,468</b>	13,899	<b>13,672</b>	13,114	<b>56,075</b>	53,780
Load factor	<b>66.5%</b>	66.4%	<b>72.3%</b>	73.9%	<b>76.4%</b>	75.2%	<b>68.3%</b>	69.4%	<b>71.1%</b>	71.4%
Yield, SEK	<b>1.25</b>	1.15	<b>1.15</b>	1.14	<b>1.01</b>	0.96	<b>1.20</b>	1.10	<b>1.14</b>	1.19
Total unit cost, SEK	<b>0.79</b>	0.78	<b>0.73</b>	0.76	<b>0.72</b>	0.74	<b>0.75</b>	0.75	<b>0.77</b>	0.76

## SAS Group traffic operation by route sector

	Apr-Jun 07 vs. Apr-Jun 06		Jan-Jun 07 vs. Jan-Jun 06	
	Traffic (RPK)	Capacity (ASK)	Traffic (RPK)	Capacity (ASK)
Intercontinental	-11.2%	-7.6%	-10.3%	-7.7%
Europe	10.4%	12.6%	9.9%	11.1%
Intra-Scandinavia	-0.9%	-0.7%	1.6%	0.1%
Denmark (domestic)	5.0%	21.4%	1.7%	13.0%
Norway (domestic)	5.5%	2.2%	6.0%	1.3%
Sweden (domestic)	-0.6%	-3.7%	0.0%	-6.2%

\* Passenger traffic for Scandinavian Airlines, Spanair, Widerøe, Blue1 and airBaltic.

## SAS Scandinavian Airlines traffic-related key figures

	April-June		January-June	
	2007	change	2007	change
No. of passengers (000)	<b>6,704</b>	+0.4%	<b>12,547</b>	+1.3%
Passenger km, RPK (mill.)	<b>7,133</b>	-3.6%	<b>13,085</b>	-3.0%
Seat km, ASK (mill.)	<b>9,468</b>	-1.6%	<b>17,981</b>	-2.1%
Load factor	<b>75.3%</b>	-1.6 p.p.	<b>72.8%</b>	-0.7 p.p.
Currency-adjusted yield trend		8.3%		11.7%
Total unit cost, incl. charter		2.9% <sup>1)</sup>		2.5% <sup>2)</sup>
Operational unit cost, incl. charter		3.4% <sup>1)</sup>		3.0% <sup>2)</sup>

1) Higher fuel costs had a negative effect of 1.4 percentage points on unit cost.

2) Higher fuel costs had a negative effect of 1.8 percentage points on unit cost.

## SAS Scandinavian Airlines traffic and production

	Scandinavian Airlines Norge				Scandinavian Airlines Danmark				Scandinavian Airlines Sverige				Scandinavian Airlines International			
	Apr-Jun		Jan-Jun		Apr-Jun		Jan-Jun		Apr-Jun		Jan-Jun		Apr-Jun		Jan-Jun	
	2007	Change	2007	Change	2007	Change	2007	Change	2007	Change	2007	Change	2007	Change	2007	Change
<b>Scheduled traffic</b>																
No. of passengers (000)	<b>2,579</b>	2.8%	<b>4,792</b>	2.9%	<b>2,165</b>	-2.7%	<b>4,011</b>	-0.9%	<b>1,623</b>	3.1%	<b>3,125</b>	4.5%	<b>337</b>	-9.2%	<b>620</b>	-11.0%
RPK (mill.)	<b>1,859</b>	-0.6%	<b>3,303</b>	-0.1%	<b>1,595</b>	-2.3%	<b>2,893</b>	-1.7%	<b>1,287</b>	6.9%	<b>2,403</b>	7.8%	<b>2,393</b>	-11.2%	<b>4,486</b>	-10.3%
ASK (mill.)	<b>2,586</b>	-0.3%	<b>4,819</b>	-1.0%	<b>2,157</b>	0.7%	<b>4,153</b>	0.4%	<b>1,735</b>	5.3%	<b>3,359</b>	4.0%	<b>2,989</b>	-7.6%	<b>5,650</b>	-7.7%
Load factor	<b>71.9%</b>	-0.2 p.p.	<b>68.5%</b>	0.6 p.p.	<b>73.9%</b>	-2.3 p.p.	<b>69.7%</b>	-1.5 p.p.	<b>74.2%</b>	1.1 p.p.	<b>71.6%</b>	2.5 p.p.	<b>80.0%</b>	-3.2 p.p.	<b>79.4%</b>	-2.3 p.p.
Yield, currency-adjusted		12.8%		13.4%		4.5%		8.2%		-2.5%		2.2%		4.0%		7.9%
Total unit cost, incl. charter (local currency)		1.5%		1.8%		-4.6%		-3.8%		6.2%		4.9%		0.5%		3.1%
<b>Charter traffic</b>																
No. of passengers (000)	<b>132</b>	+13.9%	<b>208</b>	+12.5%	<b>148</b>	+65.8%	<b>242</b>	+67.8%	<b>74</b>	-36.4%	<b>161</b>	-22.7%				

## SAS Individually Branded Airlines traffic and production

	Spanair				Widerøe				Blue1				airBaltic			
	Apr-Jun		Jan-Jun		Apr-Jun		Jan-Jun		Apr-Jun		Jan-Jun		Apr-Jun		Jan-Jun	
	2007	Change	2007	Change	2007	Change	2007	Change	2007	Change	2007	Change	2007	Change	2007	Change
<b>Scheduled traffic</b>																
No. of passengers (000)	<b>2,819</b>	19.3%	<b>4,818</b>	15.8%	<b>507</b>	1.2%	<b>981</b>	2.9%	<b>485</b>	-7.0%	<b>918</b>	2.5%	<b>530</b>	43.0%	<b>869</b>	36.6%
RPK (mill.)	<b>2,618</b>	19.4%	<b>4,358</b>	16.4%	<b>157</b>	-2.7%	<b>302</b>	1.1%	<b>387</b>	-6.0%	<b>716</b>	10.3%	<b>619</b>	60.7%	<b>997</b>	48.7%
ASK (mill.)	<b>3,844</b>	22.1%	<b>6,693</b>	16.3%	<b>259</b>	-4.1%	<b>510</b>	-3.9%	<b>553</b>	-9.6%	<b>1,103</b>	9.1%	<b>967</b>	53.2%	<b>1,649</b>	48.0%
Load factor	<b>68.1%</b>	-1.6 p.p.	<b>65.1%</b>	0.1 p.p.	<b>60.7%</b>	0.9 p.p.	<b>59.2%</b>	2.9 p.p.	<b>70.0%</b>	2.6 p.p.	<b>64.9%</b>	0.7 p.p.	<b>64.1%</b>	3.0 p.p.	<b>60.5%</b>	0.3 p.p.
Yield, currency-adjusted		-10.9%		-6.0%		4.9%		3.4%		1.6%		-5.5%		-14.8%		-9.4%
Total unit cost, incl. charter (local currency)		-		-		-6.3%		-2.0%		-9.0%		-14.4%		-4.3%		-5.2%
<b>Charter traffic</b>																
No. of passengers (000)	<b>269</b>	-33.8%	<b>458</b>	-32.3%												

# Statement of income

## Statement of income – Quarterly breakdown

(MSEK)	2005				2006				2007		
	APR- JUN	JUL- SEP	OCT- DEC	FULL-YEAR JAN-DEC	JAN- MAR	APR- JUN	JUL- SEP	OCT- DEC	FULL-YEAR JAN-DEC	JAN- MAR	APR- JUN
Revenue	14,347	14,911	14,456	55,386	12,976	16,155	16,365	15,117	60,613	<b>13,839</b>	<b>16,294</b>
Payroll expenses	-4,523	-4,363	-4,751	-18,051	-4,573	-4,731	-4,263	-4,408	-17,975	<b>-4,560</b>	<b>-4,820</b>
Other operating expenses	-7,785	-8,575	-8,411	-31,776	-8,213	-9,389	-9,791	-8,717	-36,110	<b>-8,335</b>	<b>-9,244</b>
Leasing costs for aircraft	-765	-843	-838	-3,132	-891	-893	-875	-867	-3,526	<b>-877</b>	<b>-874</b>
Depreciation	-521	-510	-520	-2,094	-458	-501	-445	-518	-1,922	<b>-402</b>	<b>-418</b>
Share of income in affiliated companies	29	48	-13	76	-2	19	45	-3	59	<b>10</b>	<b>38</b>
Income from the sale of shares in subsidiaries and affiliated companies	-2	35	8	41	0	0	0	0	0	<b>0</b>	<b>0</b>
Income from the sale of aircraft and buildings	43	-12	95	148	27	12	16	30	85	<b>-2</b>	<b>-44</b>
<b>Operating income</b>	<b>823</b>	<b>691</b>	<b>26</b>	<b>598</b>	<b>-1,134</b>	<b>672</b>	<b>1,052</b>	<b>634</b>	<b>1,224</b>	<b>-327</b>	<b>932</b>
Income from other shares and participations	48	0	2	50	0	1	0	-48	-47	<b>0</b>	<b>0</b>
Net financial items	-372	-227	-157	-969	-217	-231	-257	-223	-928	<b>-150</b>	<b>-132</b>
<b>Income before tax</b>	<b>499</b>	<b>464</b>	<b>-129</b>	<b>-321</b>	<b>-1,351</b>	<b>442</b>	<b>795</b>	<b>363</b>	<b>249</b>	<b>-477</b>	<b>800</b>
Tax	-77	-34	-250	-54	323	-56	-248	-135	-116	<b>55</b>	<b>-218</b>
<b>Net income from continuing operations</b>	<b>422</b>	<b>430</b>	<b>-379</b>	<b>-375</b>	<b>-1,028</b>	<b>386</b>	<b>547</b>	<b>228</b>	<b>133</b>	<b>-422</b>	<b>582</b>
Income from discontinued operations	77	99	577	630	-36	167	57	4,419	4,607	<b>375</b>	<b>25</b>
<b>Net income for the period</b>	<b>499</b>	<b>529</b>	<b>198</b>	<b>255</b>	<b>-1,064</b>	<b>553</b>	<b>604</b>	<b>4,647</b>	<b>4,740</b>	<b>-47</b>	<b>607</b>
Attributable to:											
Parent Company shareholders	495	499	144	174	-1,034	489	559	4,608	4,622	<b>-18</b>	<b>584</b>
Minority interests	4	30	54	81	-30	64	45	39	118	<b>-29</b>	<b>23</b>

## Earnings overview

(MSEK)	Jan-Mar		Apr-Jun		Jul-Sep		Oct-Dec		Jul-Jun	
	2007	2006	2006	2005	2006	2005	2006	2005	2006-07	2005-06
Revenue	<b>13,839</b>	12,976	<b>16,294</b>	16,155	<b>16,365</b>	14,911	<b>15,117</b>	14,456	<b>61,615</b>	58,498
EBITDAR	<b>944</b>	190	<b>2,230</b>	2,035	<b>2,311</b>	1,973	<b>1,992</b>	1,294	<b>7,477</b>	5,492
EBITDAR margin	<b>6.8%</b>	1.5%	<b>13.7%</b>	12.6%	<b>14.1%</b>	13.2%	<b>13.2%</b>	9.0%	<b>12.1%</b>	9.4%
EBIT	<b>-327</b>	-1,134	<b>932</b>	672	<b>1,052</b>	691	<b>634</b>	26	<b>2,291</b>	255
EBIT margin	<b>-2.4%</b>	-8.7%	<b>5.7%</b>	4.2%	<b>6.4%</b>	4.6%	<b>4.2%</b>	0.2%	<b>3.7%</b>	0.4%
Income before nonrecurring items	<b>-475</b>	-1,283	<b>844</b>	695	<b>861</b>	543	<b>555</b>	-1	<b>1,785</b>	-46
Income before tax	<b>-477</b>	-1,351	<b>800</b>	442	<b>795</b>	464	<b>363</b>	-129	<b>1,481</b>	-574
Income for the period	<b>-47</b>	-1,064	<b>607</b>	553	<b>604</b>	529	<b>4,647</b>	198	<b>5,811</b>	216
Earnings per share (SEK) from continuing and discontinued operations	<b>-0.11</b>	-6.29	<b>3.55</b>	2.97	<b>3.40</b>	3.03	<b>28.01</b>	0.88	<b>34.85</b>	0.60
Cash flow before financing activities	<b>606</b>	222	<b>2,058</b>	1,580	<b>668</b>	449	<b>7,117</b>	1,484	<b>10,449</b>	3,735

## Investments, aircraft fleet and number of employees

**SAS Group's investments**

	April-June		January-June	
	2007	2006	2007	2006
SAS Scandinavian Airlines	324	341	501	543
SAS Individually Branded Airlines	148	72	279	108
SAS Aviation Services	129	29	197	96
Groupwide functions and eliminations	271	7	277	15
<b>Continuing operations</b>	<b>872</b>	<b>449</b>	<b>1,254</b>	<b>762</b>
Discontinued operations	0	79	6	165
<b>SAS Group</b>	<b>872</b>	<b>528</b>	<b>1,260</b>	<b>927</b>

**SAS Group's aircraft under firm order**

SAS Group	Total	2007
Airbus A319	2	2
Boeing 737	1	1
No. of aircraft	3	3
CAPEX (MUSD)	73	73

**SAS Group aircraft fleet, June 30, 2007**

Aircraft type	Average age <sup>1)</sup>	Owned	Leased	Total	Leased out	Order
Airbus A340/330	5.1	5	6	11		
Airbus A321/ A320/ A319	4.6	4	28	32		2
Boeing 737 series	9.8	19	70	89	4	1
Boeing 717 (MD-95)	6.3		6	6		
McDonnell Douglas MD-80 series	18.0	13	68	81	2	
McDonnell Douglas MD-90 series	10.4	8		8	3	
Avro RJ-85/100	5.7		9	9		
Fokker F50	17.6		14	14		
deHavilland Q series	9.4	17	34	51		
<b>Total</b>	<b>11.3</b>	<b>66</b>	<b>235</b>	<b>301</b>	<b>9</b>	<b>3</b>
SAS Scandinavian Airlines	11.0			196	9	3
Spanair	11.3			49		
Widerøe	12.1			27		
Blue1	5.7			9		
airBaltic	15.1			20		
<b>Total</b>	<b>11.3</b>			<b>301</b>	<b>9</b>	<b>3</b>

In addition to the above aircraft fleet, the SAS Group has four CRJ200s, three Fokker F100s, one Avro RJ-70 and one MD-82 leased on wetlease agreements.

<sup>1)</sup> Pertains to the average age of the aircraft fleet.

**SAS Group's average number of employees (FTE)**

	April-June		January-June	
	2007	2006	2007	2006
SAS Scandinavian Airlines	7,611	7,577	7,564	7,632
SAS Individually Branded Airlines	7,886	7,116	7,637	7,020
SAS Aviation Services	10,651	10,703	10,520	10,634
Groupwide functions	768	833	775	837
<b>Continuing operations</b>	<b>26,916</b>	<b>26,229</b>	<b>26,496</b>	<b>26,123</b>
Discontinued operations	-	6,197	30	6,029
<b>SAS Group</b>	<b>26,916</b>	<b>32,426</b>	<b>26,526</b>	<b>32,152</b>

# SAS Scandinavian Airlines

## Statement of income

(MSEK)	2007	April-June 2006	2007	January-June 2006
Passenger revenue	8,700	8,538	16,354	15,516
Charter revenue	509	454	844	730
Other traffic revenue	486	689	962	1,115
Other revenue	673	691	1,345	1,384
<b>Revenue</b>	<b>10,368</b>	10,372	<b>19,505</b>	18,745
Payroll expenses	-2,099	-1,983	-4,141	-4,060
Selling costs	-136	-158	-256	-271
Jet fuel	-1,688	-1,725	-3,221	-3,289
Government user fees	-916	-924	-1,757	-1,777
Catering costs	-325	-321	-590	-600
Handling costs	-1,264	-1,231	-2,474	-2,508
Technical aircraft maintenance	-982	-1,027	-1,940	-2,049
Computer and telecommunication costs	-396	-488	-783	-928
Other operating expenses	-888	-757	-1,785	-1,400
<b>Operating expenses</b>	<b>-8,694</b>	-8,614	<b>-16,947</b>	-16,882
<b>Income before depreciation and leasing costs, EBITDAR</b>	<b>1,674</b>	1,758	<b>2,558</b>	1,863
Leasing costs for aircraft	-539	-517	-1,087	-1,044
<b>Income before depreciation, EBITDA</b>	<b>1,135</b>	1,241	<b>1,471</b>	819
Depreciation	-252	-308	-495	-607
Share of income in affiliated companies	0	14	2	28
Capital gains	-9	3	-11	12
<b>Operating income, EBIT</b>	<b>874</b>	950	<b>967</b>	252
Net financial items	-117	-187	-225	-368
<b>SAS Scandinavian Airlines – Income before tax</b>	<b>757</b>	763	<b>742</b>	-116
<b>Income before nonrecurring items</b>	<b>766</b>	760	<b>753</b>	-54

## SAS Individually Branded Airlines

## Statement of income

(MSEK)	2007	April-June 2006	2007	January-June 2006
Passenger revenue	3,812	3,489	6,671	6,018
Freight revenue	40	42	76	78
Charter revenue	325	674	638	1,160
Other traffic revenue	184	130	329	227
Other revenue	507	364	860	730
<b>Revenue</b>	<b>4,868</b>	<b>4,699</b>	<b>8,574</b>	<b>8,213</b>
Payroll expenses	-936	-844	-1,758	-1,632
Selling costs	-125	-125	-197	-224
Jet fuel	-976	-911	-1,711	-1,643
Government user fees	-609	-571	-1,108	-1,061
Catering costs	-326	-162	-457	-295
Handling costs	-260	-290	-507	-557
Technical aircraft maintenance	-339	-371	-784	-670
Computer and telecommunication costs	-84	-97	-167	-164
Other operating expenses	-483	-675	-1,036	-1,118
<b>Operating expenses</b>	<b>-4,138</b>	<b>-4,046</b>	<b>-7,725</b>	<b>-7,364</b>
<b>Income before depreciation and leasing costs, EBITDAR</b>	<b>730</b>	<b>653</b>	<b>849</b>	<b>849</b>
Leasing costs for aircraft	-372	-386	-722	-753
<b>Income before depreciation, EBITDA</b>	<b>358</b>	<b>267</b>	<b>127</b>	<b>96</b>
Depreciation	-84	-81	-164	-163
Share of income in affiliated companies	33	23	45	25
<b>Operating income, EBIT</b>	<b>307</b>	<b>209</b>	<b>8</b>	<b>-42</b>
Net financial items	-48	-42	-92	-72
<b>SAS Individually Branded Airlines - Income before tax</b>	<b>259</b>	<b>167</b>	<b>-84</b>	<b>-114</b>
<b>Income before nonrecurring items</b>	<b>259</b>	<b>167</b>	<b>-84</b>	<b>-114</b>

## SAS Aviation Services

## Statement of income

(MSEK)	2007	April-June 2006	2007	January-June 2006
<b>Revenue</b>	<b>3,541</b>	<b>3,611</b>	<b>6,935</b>	<b>7,197</b>
Payroll costs	-1,579	-1,736	-3,093	-3,290
Handling costs	-262	-247	-504	-522
Technical aircraft maintenance	-645	-646	-1,324	-1,271
Computer and telecommunications costs	-122	-145	-227	-245
Other operating costs	-992	-1,062	-1,882	-2,012
<b>Operating expenses</b>	<b>-3,600</b>	<b>-3,836</b>	<b>-7,030</b>	<b>-7,340</b>
<b>Income before depreciation, EBITDA</b>	<b>-59</b>	<b>-225</b>	<b>-95</b>	<b>-143</b>
Depreciation	-62	-92	-122	-150
Share of income in affiliated companies	5	-18	1	-36
<b>Operating income, EBIT</b>	<b>-116</b>	<b>-335</b>	<b>-216</b>	<b>-329</b>
Net financial items	-39	-19	-70	-35
<b>SAS Aviation Services - Income before tax</b>	<b>-155</b>	<b>-354</b>	<b>-286</b>	<b>-364</b>
<b>Income before nonrecurring items</b>	<b>-155</b>	<b>-89</b>	<b>-286</b>	<b>-78</b>

## Important events

### First quarter 2007

- Mats Jansson assumed the position of President and CEO on January 1, 2007.
- The SAS Group changed the structure and increased seasonable adjustments of its intercontinental operations. The new route between Stockholm and Beijing was launched on March 27. Shanghai was discontinued from April 2007. In addition, more frequencies will be added to New York and the seasonal routes Copenhagen-Dubai and Stockholm-Bangkok will be launched in October 2007.
- The SAS Group presented and introduced product and service innovations for its largest customer group – frequent flyers.
- The SAS Group sold SAS Flight Academy for MSEK 550 to STAR Capital Partners.
- Scandinavian Airlines Sverige announced the launch of 11 new direct routes during the first half of 2007.
- The SAS Group began offering passengers the opportunity to offset carbon dioxide emissions.

### Second quarter 2007

- At SAS AB's Annual General Meeting, the Board of Directors was reelected and it was resolved not to pay a dividend for the 2006 financial year.
- Danish cabin crew undertook illegal industrial action.
- Swedish cabin crew carried out industrial action in May 2007.
- The SAS Group divested its remaining ownership share in Rezidor to Carlson Companies.
- The SAS Group launched its new strategy plan – Strategy 2011.
- The SAS Group acquired a further 5% of the shares in Spanair from Teinver.
- An agreement in principle regarding the purchase conditions for SAS Component was made, which will be charged to earnings in the amount of MSEK 476.

## Financial calendar

Interim report 3, January-September 2007	November 8, 2007
Year-end report 2007	February 6, 2008
Annual Report & Sustainability Report 2007	March 3, 2008
Annual General Meeting	April 9, 2008
Interim report 1, January-March 2008	April 29, 2008
Interim report 2, April-June 2008	August 14, 2008
Interim report 3, July-September 2008	November 5, 2008

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All reports are available in English and Swedish and can be ordered on the Internet: [www.sasgroup.net](http://www.sasgroup.net) or from: [investor.relations@sas.se](mailto:investor.relations@sas.se)

The SAS Group's monthly traffic data information is normally issued on the fifth business day of the following month. A continuously updated financial calendar can be found at: [www.sasgroup.net](http://www.sasgroup.net)

## Media/Investor Relations activities

Press conference, Frösundavik	10.30 a.m., August 9, 2007
Analysts' meeting, Frösundavik	1.00 p.m., August 9, 2007
Teleconference, Frösundavik	3.00 p.m., August 9, 2007
Analysts' meeting, London	8.00 a.m., August 10, 2007