SAS Group

Interim Report January-September 2009

Key ratios for the third quarter

- **Operating revenue: MSEK 11,076 (13,287) (-16.6%)**
- **Number of passengers: 6.2 million (-14.7%)**
- **Earnings before nonrecurring items in continuing operations: MSEK 37 (301)**
- **EBT margin before nonrecurring items in continuing operations: 0.3% (2.3%)**
- **Income before tax: MSEK 114 (110)**
- **Net income for the period: MSEK 152 (-1,986)**
- **Earnings per share: SEK 0.06 (-1.97)**

Key ratios for January-September

- **Operating revenue: MSEK 34,595 (40,047) (-13.8%)**
- **Number of passengers: 18.8 million (-15.8%)**
- **Earnings before nonrecurring items in continuing operations: MSEK -814 (-50)**
- **EBT margin before nonrecurring items in continuing operations: -2.4% (-0.1%)**
- **Income before tax: MSEK -1,904 (-609)**
- **Net income for the period: MSEK -1,643 (-3,571)**
- **Earnings per share: SEK -0.86 (-3.49)**

Income and key ratios

	July-September		January-September		October-September	
(MSEK)	**2009**	2008	**2009**	2008	**2008-09**	2007-08
Revenue	**11,076**	13,287	**34,595**	40,047	**47,418**	52,980
EBITDAR before nonrecurring items	**1,071**	1,312	**2,413**	2,996	**3,337**	4,099
Income before nonrecurring items in continuing operations	**37**	301	**-814**	-50	**-1,084**	84
EBT margin before nonrecurring items	**0.3%**	2.3%	**-2.4%**	-0.1%	**-2.3%**	0.2%
Income before tax, EBT	**114**	110	**-1,904**	-609	**-2,264**	-539
Net income for the period	**152**	-1,986	**-1,643**	-3,571	**-4,432**	-4,196
Earnings per share (SEK)	**0.06**	-1.97	**-0.86**	-3.49	**-2.64**	-4.08

Comments by the CEO

During the third quarter, the global economy remained very weak. The effects of the global recession are tangible throughout the entire airline industry and significant savings programs are being implemented to address the record yield fall in the industry, which is resulting in major losses. IATA, the airline industry organization, is indicating a drop in yield of 20-30% for intercontinental services.

For the SAS Group, the third quarter was characterized by an increased load factor, but weaker yield. The fall in yield is primarily attributable to lower demand for business travel and increasing competition. However, the load factor was strengthened as a result of the comprehensive capacity reductions we implemented in line with the SAS Group's strategic approach, Core SAS, and the many aggressive market initiatives we have carried out. Despite the major challenges in the industry, third-quarter earnings were positive and amounted to MSEK 37 before nonrecurring items in continuing operations. In addition, there were nonrecurring items in a net amount of MSEK 77 and, accordingly, income before tax was MSEK 114.

Core SAS, which was initiated at the beginning of February and contains cost-saving measures totaling SEK 4.5 billion, was implemented according to plan. We have carried out cost-saving measures corresponding to SEK 2.5 billion on a full-year basis, which had an earnings effect for the first three quarters of the year totaling SEK 1.3 billion. A total of 1,884 full-time employees left the Group, while capacity was reduced according to plan. We are now approaching completion of the capacity reductions, but the full cost-saving effect of Core SAS, corresponding to approximately SEK 3.2 billion, remains for the rest of 2009 and for 2010. In parallel with implementation of the capacity and cost reductions mentioned above, further commercial initiatives are being undertaken to increase the Group's revenues. It is pleasing to see how punctuality continues at an excellent level and places SAS as the third most punctual airline in the world, at the same time as customer satisfaction is at its highest since January 2007. Our market position remains the strongest in the Nordic region, while our route network is the most comprehensive.

SAS is continuing the implementation of Core SAS with full vigor. In total, savings corresponding to SEK 5.2 billion are being implemented, of which approximately SEK 3.9 billion remains to impact the result in 2009 and 2010.

Mats Jansson
President and CEO

Financial overview

Condensed statement of income

(MSEK)	July-September 2009	July-September 2008	January-September 2009	January-September 2008	October-September 2008-09	October-September 2007-08
Revenue	**11,076**	13,287	**34,595**	40,047	**47,418**	52,980
Payroll expenses	**-3,994** 5)	-4,253	**-13,872** 5)	-13,235	**-18,269**	-17,604
Other operating expenses	**-6,257** 6)	-7,919	**-19,537** 6)	-24,387	**-27,109**	-31,979
Leasing costs for aircraft	**-476** 7)	-543	**-1,843** 7)	-1,609	**-2,516**	-2,176
Depreciation and impairment	**-497** 8)	-398	**-1,361** 8)	-1,106	**-1,805**	-1,458
Share of income in affiliated companies	**-15**	7	**-29**	-136	**-40**	-159
Income from sale of shares in subsidiaries and affiliated companies	**423**	0	**430**	0	**430**	0
Income from sale of aircraft and buildings	**-1**	6	**-50**	12	**-58**	79
Operating income	**259**	187	**-1,667**	-414	**-1,949**	-317
Net financial income	**-145**	-77	**-237**	-195	**-315**	-222
Income before tax	**114**	110	**-1,904**	-609	**-2,264**	-539
Tax	**142**	32	**419**	108	**315**	55
Net income from continuing operations	**256**	142	**-1,485**	-501	**-1,949**	-484
Income from discontinued operations	**-104**	-2,128	**-158**	-3,070	**-2,483**	-3,712
Net income for the period	**152**	-1,986	**-1,643**	-3,571	**-4,432**	-4,196
Attributable to:						
Parent Company shareholders	**152**	-1,986	**-1,643**	-3,514	**-4,432**	-4,110
Minority interests	**0**	0	**0**	-57	**0**	-86
Earnings per share (SEK)	**0.06** 1)	-1.97 4)	**-0.86** 2)	-3.49 4)	**-2.64** 3)	-4.08 4)
Earnings per share (SEK) from continuing operations	**0.10** 1)	0.14 4)	**-0.78** 2)	-0.50 4)	**-1.16** 3)	-0.48 4)
Earnings per share (SEK) from discontinued operations	**-0.04** 1)	-2.11 4)	**-0.08** 2)	-2.99 4)	**-1.48** 3)	-3.60 4)

1) Earnings per share is calculated based on the average number of outstanding shares, 2,467,500,000
2) Earnings per share is calculated based on the average number of outstanding shares, 1,899,618,583
3) Earnings per share is calculated based on the average number of outstanding shares, 1,676,522,313
4) Earnings per share is calculated on the basis of 164,500,000 outstanding shares until April 15, 2009, adjusted for a bonus element in the rights issue to existing shareholders of 6.123, or 1,007,233,500 shares
Since the SAS Group has no option, convertibles or share programs, no dilution occurs.
5) Includes restructuring costs of MSEK 226 for the third quarter and MSEK 1,198 for the period January-September
6) Includes restructuring costs of MSEK 5 for the third quarter and MSEK 11 for the period January-September
7) Includes restructuring costs of MSEK 11 for the third quarter and MSEK 121 for the period January-September
8) Includes restructuring costs of MSEK 88 for the third quarter and MSEK 122 for the period January-September

A detailed statement of income and terms and definitions are available at www.sasgroup.net

EBITDAR before nonrecurring items

(MSEK)	July-September 2009	July-September 2008	January-September 2009	January-September 2008	October-September 2008-09	October-September 2007-08
Revenue	**11,076**	13,287	**34,595**	40,047	**47,418**	52,980
Payroll expenses	**-3,994**	-4,253	**-13,872**	-13,235	**-18,269**	-17,604
Other operating expenses	**-6,257**	-7,919	**-19,537**	-24,387	**-27,109**	-31,979
EBITDAR	**825**	1,115	**1,186**	2,425	**2,040**	3,397
Restructuring costs	**231**	189	**1,209**	222	**1,271**	333
Other nonrecurring items	**15**	8	**18**	349	**26**	369
EBITDAR before nonrecurring items in continuing operations	**1,071**	1,312	**2,413**	2,996	**3,337**	4,099

Income before nonrecurring items

(MSEK)	July-September 2009	July-September 2008	January-September 2009	January-September 2008	October-September 2008-09	October-September 2007-08
Income before tax in continuing operations	**114**	110	**-1 904**	-609	**-2 264**	-539
Impairment losses	**0**	0	**0**	0	**12**	0
Restructuring costs	**330**	189	**1 452**	222	**1 514**	333
Capital gains	**-422**	-6	**-380**	-12	**-372**	-79
Other nonrecurring items	**15**	8	**18**	349 1)	**26**	369 1)
Income before tax and nonrecurring items in continuing operations	**37**	301	**-814**	-50	**-1 084**	84

1) Includes fines of MUSD 52 from the US Department of Justice pertaining to SAS Cargo.

SAS Group

Market and earnings trend

The market trend in the aviation industry during the quarter remained very weak and the passenger traffic development was negative in Europe and the Nordic region compared with the year-earlier period. For the SAS Group as a whole, the number of passengers fell 15.8% year-on-year as a result of the weaker market and capacity reductions. SAS has reduced capacity by 15.0% in 2009 by discontinuing unprofitable routes in accordance with the Core SAS strategy.

The load factor increased 2.2 percentage units in the third quarter, indicating stabilization, while the yield weakened further. The decline in yield for the third quarter was very sharp, particularly for long-haul routes where yield for the industry in general has fallen 20-30%. This trend further highlights the difficult situation in which the industry and network companies, in particular, find themselves. The economy remained weak in many parts of the industrialized world.

January-September 2009

The sale of the Group's stake in airBaltic was finalized during the first quarter with payment in respect of the shares received in January. The sale of Spanair was completed on March 31 in accordance with the conditions described in the 2008 Annual Report.

Spirit, which is a sub-group of SAS Cargo and provides freight handling services, is reported as an asset held for sale from the second quarter. A sales process has commenced and the transaction is expected to be completed within nine months.

Continuing operations:
The SAS Group's income before nonrecurring items in continuing operations amounted to MSEK -814 (-50).

Income was affected by the continued weak economy with increased pressure on currency-adjusted yield, which fell 4% during the quarter. The Group continued to reduce capacity in accordance with the Core SAS strategy, which had an adverse impact on passenger volumes. The Group's passenger traffic (RPK) declined 16.7%, primarily due to these reductions. Consequently, the SAS Group's revenue fell MSEK 5,452 or 13.6% to MSEK 34,595. Adjusted for currency effects, revenue declined 20.2%.

The net effect of currency fluctuations between the January-September periods of 2008 and 2009 was negative in the amount of MSEK -849. The effect was MSEK 3,309 on revenue, MSEK -4,321 on operating expenses and MSEK 163 on net financial items.

The Group's costs for jet fuel amounted to MSEK 6,182 (7,347). Adjusted for currency effects, fuel costs fell MSEK 3,338 as a result of lower prices and volumes.

Accumulated restructuring costs related to the implementation of Core SAS totaled MSEK 1,452, of which MSEK 243 pertained to leasing costs and non-recurring impairment losses for aircraft withdrawn from service.

Nonrecurring expenses for the year-earlier period amounted to MSEK 571. Of this amount, MSEK 349 related to the Cargo case. Operating expenses otherwise decreased due to both reduced capacity and the cost-saving measures implemented.

Operating income before depreciation, impairment losses and leasing costs, EBITDAR, was MSEK 2,413 (2,996) before nonrecurring items.

Leasing costs include a provision totaling MSEK 121 pertaining to leasing costs for aircraft withdrawn from operation. In addition, a nonrecurring impairment loss of MSEK 122 was posted pertaining to company-owned aircraft that have been withdrawn from operation.

Shares of income in affiliated companies amounted to MSEK -29 (-136). This improvement was primarily due to the share of income in British Midland no longer being included.

Cubic Air Cargo was divested in February, generating a capital gain of MSEK 3.

Six Q400 aircraft were sold in June. Furthermore, two Boeing 737s were divested through sale and leaseback agreements. The total sales price for the aircraft amounted to MSEK 1,134. The total capital loss from the aircraft sales was MSEK -54.

Discontinued operations:
Income from discontinued operations totaled MSEK -158 (-3,070). The January-September 2009 period includes Spirit's earnings after tax and a correction of the capital gain from the sale of airBaltic in 2008 amounting to MSEK -86. The corresponding period in 2008 includes a capital loss pertaining to ST Aerospace Solutions, SAS Media and SAS Facility Management of MSEK -174 and impairment loss pertaining to goodwill in Spanair of MSEK -1,686. In addition, net income for the period in airBaltic, Spanair, Aerolineas de Baleares, Spirit and divested operations totaled MSEK -1,210.

Third quarter

Continuing operations:
The SAS Group's income before nonrecurring items in continuing operations amounted to MSEK 37 (301).

The sale of British Midland generated a capital gain of MSEK 427.

The quarter was characterized by increased pressure on revenue as a result of a 7.6% decline in currency-adjusted yield, at the same time as the Group reduced capacity by 18.4%. Passenger traffic fell a total of 16%, while the Group's operating revenue amounted to MSEK 11,076 (13,287). Taking into account currency effects, revenue declined MSEK 2,983 or 21.2%.

Operating expenses including payroll expenses amounted to MSEK 10,251 (12,172). Adjusted for currency effects and nonrecurring items, operating expenses declined 23.4% compared with the year-earlier period due to the cost-saving measures under Core SAS, lower fuel costs and lower volumes. Despite the lower volumes, the total currency-adjusted unit cost for Scandinavian Airlines fell 9.2%.

Taking into account currency effects, jet fuel costs declined MSEK 1,029 compared with the third quarter of 2008, due to lower volumes and lower prices.

EBITDAR before nonrecurring items amounted to MSEK 1,071 (1,312) for the third quarter. The Group's net financial items amounted to MSEK -145 (-77).

Discontinued operations:
Income from discontinued operations amounted to MSEK -104 (-2,128). The third quarter of 2009 includes net income for the period in Spirit totaling MSEK -18 and a correction of the capital gain from the sale of airBaltic in 2008 amounting to MSEK -86. In the third quarter of 2008, income from discontinued operations included net income in airBaltic, Spanair, Aerolineas de Baleares and Spirit, and impairment loss on goodwill attributable to Spanair.

Core SAS

Core SAS, launched in 2009, is the SAS Group's new strategic plan and is based on five pillars that will facilitate an efficient and more profitable SAS.

Focus on Nordic home market:
Core SAS involves a strengthened focus on the Nordic home market. SAS has divested Spanair and completed the divestment of its stake in airBaltic, SGS Finland and the cargo agent Cubic, and its holding in bmi. In addition, Air Greenland, Spirit, Trust, Estonian Air and Skyways will be divested. SAS Cargo will focus exclusively on selling belly capacity for the Group's airlines. Part of the restructuring will also entail that units in STS and SGS, as well as certain central functions, will be outsourced.

Focus on business travelers and a strengthened commercial offering:
To facilitate profitability, Core SAS's focus on profitable business routes will be intensified. Core SAS will entail extensive cutbacks in the number of routes and in capacity (ASK, approx. 20%). Most of the discontinued routes are leisure routes. The fleet will be reduced by a total of 21 aircraft. This reduction comprises 19 short-haul aircraft and two long-haul aircraft.

A new commercial offering has been launched – Service And Simplicity. SAS intends to further enhance its customer offering by making the travel experience smoother, while simultaneously maximizing perceived value for the individual customer.

Improved cost base:
The launch of Core SAS entails the implementation of new cost-reduction measures corresponding to a total of approximately SEK 4.5 billion. The cost program originally totaled SEK 4 billion. However, new savings opportunities amounting to SEK 0.5 billion were identified, primarily relating to procurement-related projects in the technical operations. Other additional measures are found in SGS, Blue1 and Widerøe. Of the total of SEK 4.5 billion, SEK 1.3 billion will comprise annual savings within the framework of existing collective agreements, SEK 2.2 billion new initiatives and SEK 1 billion remaining effects from the S11 cost program. For further details, see "Core SAS's cost program" below.

The cost program is being continuously monitored by a program office, which has dedicated resources.

By implementing the Core SAS cost program, the existing cost gap relative to relevant competitors will diminish but not close completely. A large part of the remaining gap is associated with collective agreements. In June, SAS management initiated negotiations aimed at reducing payroll expenses and enhancing the efficiency of production within the framework of these collective agreements. This cost gap is currently estimated to amount to about SEK 2 billion (See New Measures, page 5).

Streamlined organization and intensified customer focus:
The SAS organization is being simplified within the framework of Core SAS. The most significant change involves changing the incorporation of the national companies, which to date have had full responsibility for the operations in their respective countries. The long-haul operation, SAS International, has ceased to be a separate business unit. Three new base organizations have been established in Copenhagen, Stockholm and Oslo, to assume responsibility for both short and long-haul services within Core SAS. SGS's operations are integrated with these organizations. STS, the remaining parts of SAS Cargo and the subsidiaries Widerøe and Blue1 remain independent companies within the Group.

As a result of the restructuring process, about 3,000 FTEs at SAS will be redundant. In addition, a further 5,600 FTEs will leave the Group along with the operations that will be divested or outsourced. Of these, Spanair accounts for approximately 3,000 employees. A total of about 9,000 employees will be affected in current Group companies. The new Core SAS organization is resulting in a more efficient and simplified SAS, with a strengthened customer orientation.

Strengthened capital structure
To facilitate the implementation of Core SAS, SAS implemented a rights issue of approximately SEK 6 billion in 2009, with subscription rights for the shareholders to subscribe for new ordinary shares. SAS's rights issue was oversubscribed by 24.2%. The issue improved SAS's equity and financial key ratios.

Status of Core SAS's cost program

One of the main pillars of Core SAS is the Group's cost-saving measures corresponding to savings of approximately SEK 4.5 billion. Of this amount, a total of SEK 1.3 billion will comprise annual savings within the framework of collective agreements and about SEK 3.2 billion will derive from a new cost program, where SEK 1.0 billion will be transferred from the former S11 program.

Restructuring costs under Core SAS for full-year 2009 are now expected to amount to MSEK 1,700 for the current cost program. Restructuring costs for the third quarter amount to MSEK 330. In 2010, restructuring costs under Core SAS are expected to total approximately MSEK 200. Core SAS includes cost-saving measures corresponding to SEK 4.5 billion.

Status of the implementation of Core SAS after the first three quarters of the year

The Core SAS cost program has been reported and monitored as a single program since the first quarter of 2009 and includes the total effect of new initiatives and the continuing cost-savings effects of S11.

Cost program (Amounts in parenthesis correspond to figures for the second quarter)

	Annual effect total 2009-2011	*Implemented Q3 2009*
Flight operations	~900 (850)	~500 (500)
Ground	~450 (400)	~350 (300)
Other production	~650 (700)	~450 (400)
Technical maintenance	~950 (950)	~500 (300)
Procurement	~500 (600)	~300 (150)
Sales and marketing	~400 (400)	~150 (150)
Cargo	~150 (100)	~50 (50)
Other	~500 (500)	~200 (200)
Total	**MSEK ~4,500 (4,500)**	**MSEK ~2,500 (2,050)**

Implementation of Core SAS

Total annual effect	MSEK 4,500
Implemented	MSEK 2,500
Percentage	56%

FTE reduction in Core SAS	
Total number of FTE reductions	3,000
Number of reductions implemented	1,884
Percentage	65%

Earnings effect 2009	
Annual effect (2009)	MSEK 1,960
Effect achieved January-September	MSEK 1,256
Percentage	64%

Up to September 30, 56% of the cost program had been implemented, which is according to schedule. Of estimated layoffs of 3,000 FTEs under Core SAS, the reduction on September 30 was 1,884.

The earnings effect during the period January-September 2009 totaled MSEK 1,256. The implementation of Core SAS involves the reduction of a total of 21 aircraft. Up to September 30, a total of 14 aircraft had been withdrawn from operation. From November, a total of 18 of 21 aircraft will have been withdrawn from service.

New measures

SAS is implementing personnel reductions within the Group's administration and other measures that are expected to generate a cost-saving effect amounting to MSEK 700.

The management and Board of the SAS Group are working continuously to identify further cost-saving measures to ultimately close the remaining cost gap.

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 Cargo is one of several air cargo carriers involved in the investigations. On July 21, 2008, SAS Cargo entered a plea of guilty to violation of U.S. antitrust laws and will pay a fine of MUSD 52 in installments over the next four years as a settlement following the Department of Justice's investigation. This concludes the investigation of SAS by the U.S. authorities and resolves all liability in connection with the U.S. investigation.

A decision resulting from the investigation being conducted by the European Commission is expected in 2009 or at the beginning of 2010, although it is not possible for SAS to predict the exact date of the announcement of the decision. It is the opinion of Group Management that SAS will probably be fined by the Commission. The final amount of the fine could be impacted by a variety of factors, including the arguments the SAS Group has made in its defense. Taking the nature of the allegations into account, an adverse outcome is likely to have a substantial negative financial impact on SAS. However, it is impossible to quantify such a potential liability and for this reason no provisions have been made in the SAS Group's financial statements with respect to the European Commission investigation.

SAS is cooperating with the authorities in other jurisdictions such as Switzerland and South Korea in conjunction with the investigations of these authorities into possible price fixing in the air cargo market. A formal investigation was launched by the South Korean authorities against several airlines, including SAS, but in relation to SAS the investigation is not of any material importance. It cannot be ruled out that other authorities may launch formal investigations or bring charges against SAS in the future.

Moreover, a number of class-action civil lawsuits brought against SAS Cargo and other air cargo carriers in the United States are pending in a consolidated civil case in New York. The plaintiffs claim to have suffered damage and are suing for financial compensation. SAS continues to be engaged in settlement negotiations relating to this civil case. Furthermore, a related lawsuit is pending in Canada and the risk of further claims for damages in other jurisdictions and relating to other markets cannot be ruled out. Since it is impossible to quantify the potential liability of the lawsuits in New York and Canada or predict the outcomes of any other suits in other jurisdictions, no provisions have been made in SAS's financial statements with respect to the litigation. An unfavorable outcome to these disputes or other potential claims could have a significantly negative effect on SAS's operations, financial position and earnings.

Currency and fuel hedging

The SAS Group has hedged 57% of its anticipated fuel consumption for the remainder of 2009. For the period between October 2009 and September 2010, the SAS Group hedged 53% of its anticipated fuel consumption. Hedging was achieved primarily through swaps, capped options and a small percentage of collars. Under current plans for flight capacity, the cost of jet fuel in 2009 is expected to be in line with the table on page 15, assuming different prices and USD exchange rates. SAS's policy is to handle changes in jet-fuel costs primarily through price adjustments and yield management.

In September 2009, the SAS Group had hedged 64% of its anticipated USD deficit for the next twelve months. A specification of hedging on a quarterly basis is provided below. The SAS Group has hedged its USD deficit using a combination of forward contracts, purchased call options and issued put options in zero-cost solutions, and independently purchased call options. Other currencies are to be hedged at a rate of 60-90% in accordance with the financial policy.

	Q4 2009	Q1 2010	Q2 2010	Q3 2010
USD hedging (upside)	73%	63%	60%	60%

SAS Group

Segment information

January-September (MSEK)	Scandinavian Airlines 2009	2008	Blue1 2009	2008	Widerøe 2009	2008	Other Core SAS 2009	2008	Eliminations Core SAS 2009	2008	Core SAS 2009	2008
External revenue	**30,019**	34,520	**1,352**	1,458	**2,486**	2,539	**409**	321	**0**	0	**34,266**	38,838
Sales between segments	**578**	1,535	**34**	53	**4**	53	**902**	958	**-1,275**	-1,376	**243**	1,223
Revenue	**30,597**	36,055	**1,386**	1,511	**2,490**	2,592	**1,311**	1,279	**-1,275**	-1,376	**34,509**	40,061
Payroll expenses*)	**-11,754**	-11,160	**-274**	-258	**-971**	-953	**-252**	-205	**0**	0	**-13,251**	-12,576
Other expenses	**-18,052**	-22,963	**-1,157**	-1,149	**-1,298**	-1,453	**-320**	-360	**1,215**	1,324	**-19,612**	-24,601
EBITDAR	**791**	1,932	**-45**	104	**221**	186	**739**	714	**-60**	-52	**1,646**	2,884
Leasing costs for aircraft	**-1,702**	-1,512	**-81**	-81	**-120**	-68	**0**	0	**60**	52	**-1,843**	-1,609
EBITDA	**-911**	420	**-126**	23	**101**	118	**739**	714	**0**	0	**-197**	1,275
Depreciation and impairment	**-1,209**	-953	**-4**	-3	**-109**	-119	**-34**	-30	**5**	4	**-1,351**	-1,101
Share of income in affiliated companies	**-47**	-9	**0**	0	**0**	0	**0**	0	**0**	0	**-47**	-9
Capital gains	**-52**	-5	**0**	0	**1**	17	**1**	0	**1**	0	**-49**	12
EBIT	**-2,219**	-547	**-130**	20	**-7**	16	**706**	684	**6**	4	**-1,644**	177
Unallocated income items:												
Net financial income												
Tax												
Net income from continuing operations												
Income before nonrecurring items in continuing operations	**-1,063**	-138	**-131**	23	**22**	-13	**814**	828	**5**	4	**-353**	704

January-September (MSEK)	Other operations 2009	2008	Eliminations 2009	2008	SAS Group 2009	2008
External revenue	**329**	1,209	**0**	0	**34,595**	40,047
Sales between business segments	**625**	909	**-868**	-2,132	**0**	0
Revenue	**954**	2,118	**-868**	-2,132	**34,595**	40,047
Payroll expenses*)	**-621**	-659	**0**	0	**-13,872**	-13,235
Other expenses	**-793**	-1,954	**868**	2,168	**-19,537**	-24,387
EBITDAR	**-460**	-495	**0**	36	**1,186**	2,425
Leasing costs for aircraft	**0**	0	**0**	0	**-1,843**	-1,609
EBITDA	**-460**	-495	**0**	36	**-657**	816
Depreciation and impairment	**-10**	-5	**0**	0	**-1,361**	-1,106
Share of income in affiliated companies	**18**	-127	**0**	0	**-29**	-136
Capital gains	**429**	0	**0**	0	**380**	12
EBIT	**-23**	-627	**0**	36	**-1,667**	-414
Unallocated income items:						
Net financial income					**-237**	-195
Tax					**419**	108
Net income for the period from continuing operations					**-1,485**	-501
Income before nonrecurring items in continuing operations	**-461**	-790	**0**	36	**-814**	-50

*) Restructuring expenses of MSEK 1,198 are included in the Group's payroll expenses for 2009.

The Group's operations are governed and reported by business segment according to the following:

Scandinavian Airlines, which includes airline operations in the consortium of Scandinavian Airlines System, SAS Ground Services in Sweden, Norway and Denmark, SAS Tech and the remaining parts of SAS Cargo.

Blue1 as an independent airline based in Finland.

Widerøe as an independent airline based in Norway.

The three segments above jointly comprise Core SAS, along with certain shared services and management functions.

Other operations include SAS Individual Holdings, the Parent Company SAS AB (Group functions) and other non-reportable segments.

The operations in SAS Individual Holdings are being successively discontinued through divestment.

Core SAS

Scandinavian Airlines, Blue1, Widerøe and other operations directly related to airline operations are reported in the Core SAS segment. SGS, SAS Tech and SAS Cargo are integrated in the airline Scandinavian Airlines. In total, Core SAS comprises more than 95% of operating revenue in the Group.

The earnings trend was affected by a very weak market with declining demand and increased pressure on yields. Scandinavian Airlines is continuing to make capacity reductions in line with the Core SAS strategy.

Scandinavian Airlines posted income before nonrecurring items of MSEK -336 (67) for the third quarter of 2009. Widerøe's income before nonrecurring items amounted to MSEK 6 (-11) for the third quarter of 2009. Blue 1's income before nonrecurring items totaled MSEK -56 (-26) for the third quarter of 2009.

Statement of income Scandinavian Airlines

		Jul-Sep		Jan-Sep
(MSEK)	**2009**	2008	**2009**	2008
Passenger revenue	**6,886**	8,559	**21,968**	25,843
Charter revenue	**812**	577	**1,795**	1,312
Other traffic revenue	**560**	749	**2,131**	2,674
Other revenue	**1,540**	2,113	**4,702**	6,227
Revenue	**9,798**	11,999	**30,597**	36,055
Payroll expenses	**-3,350**	-3,566	**-11,754**	-11,160
Selling costs	**-115**	-125	**-365**	-410
Jet fuel	**-1,946**	-2,397	**-5,667**	-6,765
Government user fees	**-931**	-1,037	**-2,896**	-3,051
Catering costs	**-308**	-322	**-890**	-950
Handling costs	**-438**	-511	**-1,441**	-1,499
Technical aircraft maintenance	**-553**	-750	**-2,018**	-2,068
Computer and telecommunications costs	**-451**	-446	**-1,381**	-1,488
Other operating costs	**-1,297**	-2,066	**-3,394**	-6,731
Operating expenses	**-9,390**	-11,220	**-29,805**	-34,123
Income before depreciation and leasing costs, EBITDAR	**408**	779	**791**	1,932
Leasing costs for aircraft	**-435**	-511	**-1,702**	-1,512
Income before depreciation, EBITDA	**-27**	267	**-911**	420
Depreciation	**-447**	-347	**-1,209**	-953
Share of income in affiliated companies	**-50**	4	**-47**	-9
Capital gains	**-6**	-2	**-52**	-5
Operating income, EBIT	**-531**	-77	**-2,219**	-547
Net financial items	**-123**	-48	**-324**	-143
SAS Scandinavian Airlines - Income before tax	**-654**	-124	**-2,543**	-690
Income before nonrecurring items	**-336**	67	**-1,063**	-138

Scandinavian Airlines reported a loss for the third quarter entailing a weakening compared with the year-earlier period. The earnings trend during the third quarter was impacted by the prevailing difficult market conditions in the aviation industry. Accordingly, Scandinavian Airlines has continued to reduce capacity so as to adjust the operations to demand levels in the market. Scheduled capacity (ASK) in the third quarter was reduced by about 20% compared with the year-earlier period, and by 16% for the first nine months of 2009. Capacity adjustments are being implemented in accordance with Core SAS.

Passenger revenue during the quarter was weak but in line with capacity reductions. The currency-adjusted yield fell 7.6% during the third quarter. However, this decline was slightly offset by a higher load factor. Freight revenue for the quarter was adversely impacted by the weak freight market and the capacity reductions implemented on intercontinental routes.

Passenger traffic (RPK) for the quarter did not decline as much as production, meaning that the load factor rose. The increase is primarily attributable to European routes, while the load factor for intercontinental routes was lower than previously.

Payroll expenses performed well and, taking into account currency effects, expenses fell in line with the number of FTEs. Jet fuel expenses declined mainly as a result of lower volumes, while the lower USD price rate was partially offset by a less favorable exchange-rate trend. Other operating expenses were positively impacted by such items as lower costs for leasing Q400 replacement capacity, lower volumes and the effects of the ongoing cost program.

Despite capacity reductions, the currency-adjusted unit cost excluding fuel was lower than for the year-earlier period and the full-year 2008, which is largely the result of the current cost program.

Quality, in the form of regularity and punctuality, was positive and exceeded the level for the year-earlier period.

Statements of income Blue1 and Widerøe

Blue1

(MSEK)	Jul-Sep 2009	Jul-Sep 2008	Jan-Sep 2009	Jan-Sep 2008
Passenger revenue	368	397	1,247	1,322
Other revenue	43	59	139	189
Revenue	410	456	1,386	1,511
EBITDAR	-34	1	-45	104
EBIT before nonrecurring items	-56	-26	-130	20
EBIT margin before nonrecurring items	-13.7%	-5.8%	-9.4%	1.3%
Average number of employees	431	459	438	463

Blue1 reported third-quarter earnings of MSEK -56, down MSEK 30 compared with the year-earlier period. The trend for Blue1 remains unsatisfactory. The reasons for the trend include weak market conditions that have led to reduced business travel, which has consequently affected Blue1. The combination of a lower yield and a lower load factor put additional pressure on revenue. The primary reason for this is reduced business travel between Finland and Scandinavia. Compared with the preceding year, the company has reallocated capacity on its domestic and Scandinavian routes to European routes. However, overall capacity (ASK) is slightly higher compared with the year-earlier period. Blue1 reduced its unit cost during the quarter but not to an extent that was sufficient to offset the decline in revenue.

Widerøe

(MSEK)	Jul-Sep 2009	Jul-Sep 2008	Jan-Sep 2009	Jan-Sep 2008
Passenger revenue	559	529	1,795	1,616
Other revenue	250	320	695	975
Revenue	809	849	2,490	2,592
EBITDAR	74	51	221	186
EBIT before nonrecurring items	6	-11	-7	16
EBIT margin before nonrecurring items	0.7%	-1.2%	-0.3%	0.6%
Average number of employees	1,180	1,384	1,289	1,366

Widerøe reported third-quarter earnings of MSEK 6, up MSEK 17 compared with the year-earlier period. The company's earnings trend has stabilized slightly. Production during the quarter was in line with the year-earlier period, while passenger traffic (RPK) performed positively. The load factor rose compared with the year-earlier period every single month for the past six months. At the same time, yield is in line with the year-earlier period, meaning that overall passenger revenue developed positively. The company's costs are falling, although additional cost-savings measures must be implemented. The number of employees was reduced by 200 during the period, corresponding to about 15%. The decrease is partially attributable to ground services no longer being performed by the company itself and the scope of such services has been reduced.

SAS Individual Holdings

Divestments in progress and outsourcing

To ensure full management focus on Core SAS and the measures in progress within Core SAS, a special business segment has now been established for companies that are not included in core operations. This segment includes the affiliated companies Estonian Air, Skyways and Air Greenland. Spirit Air Cargo and Trust are wholly owned subsidiaries within cargo operations.

The SAS Group's ownership in airBaltic and Cubic has been divested. SAS also divested a majority share corresponding to 80.1% in Spanair to Consorci de Turisme de Barcelona and Catalana d'Inciatives and outsourced SGS Finland to ISS A/S. SAS's 20% share of bmi was divested to LHBD Holding Ltd. during the third quarter of 2009. In accordance with the agreement, LHBD will purchase all of SAS's shares in bmi for approximately MGBP 19. In addition, Lufthansa will pay an additional MGBP 19 to SAS for the cancellation of its rights resulting from the shareholder agreement dated 1999. In total, SAS will receive a cash consideration of MGBP 38 resulting in a capital gain of approx MSEK 427. SAS will receive an additional payment from Lufthansa if further value in bmi can be realized within a period limited to two years.

Following the transaction, SAS will have a maximum exposure of MGBP 19 within a period limited to two years, in case of the material adverse financial development of bmi and lack of financial support from Lufthansa.

The SAS Group also has an interest-bearing receivable from Spanair of MSEK 109, which will be amortized depending on Spanair's future cash flow. SAS is also leasing out a total of 19 aircraft to Spanair on market conditions and remains as guarantor of certain operational measures within Spanair's operations of MSEK 24 for a limited period. In addition, there are loan commitments of MEUR 40 to Spanair and MEUR 30 to IEASA. SAS also has a cash receivable from airBaltic that will be repaid in 2010.

The SAS Group also intends to divest Air Greenland, Skyways and Trust. A process aimed at divesting Spirit is underway. SAS's intention regarding the divestment of Estonian Air remains. Other sales/outsourcing within such units as SAS Tech and SAS Ground Services are proceeding according to plan.

SAS Group

Condensed cash-flow statement

(MSEK)	July-September 2009	July-September 2008	January-September 2009	January-September 2008	October-September 2008-09	October-September 2007-08
Income before tax	**114**	110	**-1,904**	-609	**-2,264**	-539
Depreciation and impairment	**497**	398	**1,361**	1,106	**1,805**	1,458
Income from the sale of fixed assets	**-422**	-6	**-380**	-12	**-372**	-79
Discontinued operations	**-21**	-148	**-469**	-825	**-2,026**	-1,108
Adjustment for items not included in cash flow, etc.	**-316**	-585	**-266**	-429	**138**	-390
Paid tax	**-1**	-2	**-3**	-17	**-5**	-8
Cash flow from operations	**-149**	-233	**-1,661**	-786	**-2,724**	-666
Change in working capital	**-1,629**	-1,978	**-970**	-70	**-1,702**	58
Cash flow from operating activities	**-1,778**	-2,211	**-2,631**	-856	**-4,426**	-608
Investments, including prepayments to aircraft manufacturers	**-1,229**	-818	**-3,639**	-3,411	**-4,683**	-4,215
Acquisition of subsidiaries	**0**	0	**0**	7	**0**	7
Sale of subsidiaries and affiliated companies	**-1**	11	**222**	177	**148**	177
Sale of fixed assets, etc.	**501**	127	**1,245**	1,430	**1,247**	2,046
Cash flow before financing activities	**-2,507**	-2,891	**-4,803**	-2,653	**-7,714**	-2,593
Rights issue	**0**	0	**6,057**	0	**6,057**	0
External financing, net	**1,404**	2,167	**-1,704**	1,141	**-365**	1,149
Cash flow for the period	**-1,103**	-724	**-450**	-1,512	**-2,022**	-1,444
Translation difference in cash and cash equivalents	**-3**	-3	**40**	-4	**26**	7
Cash and cash equivalents transferred from/to assets held for sale	**28**	-22	**108**	80	**22**	-22
Change in cash and cash equivalents according to the balance sheet	**-1,078**	-749	**-302**	-1,436	**-1,974**	-1,459

Comments on the cash flow statement

Cash flow from operating activities declined during the first nine months by MSEK 1,775, compared with the year-earlier period and amounted to MSEK -2,631 (-856). The decline was primarily attributable to weaker earnings but also to increased working capital tied up. However, taking into account the Group's lower operating revenue, the proportion of working capital was unchanged.

Investments amounted to MSEK 3,639 (3,411), of which MSEK 3,176 (2,950) pertained to aircraft that were previously contracted, other flight equipment and prepayments. This figure included delivery payments for eight new CRJ-900s, two Boeing 737s and two Q400 NGs, as well as the repurchase of five Q400s, which were then sold onward as part of the discontinuation of the fleet. In addition, a used McDonald Douglas MD87, an Airbus A321 and a Q100 were purchased. Prepayments totaled MSEK 45 (589).

In January, MSEK 216 was received as payment for airBaltic, which was sold in December 2008. Operations within Cubic Air Cargo were divested in February.

In June, six Q400 aircraft were sold. In addition, during the summer two Boeing 737s were divested as a sale and leaseback transaction. The total sales price for these aircraft amounted to MSEK 1,134.

Cash flow before financing activities thus amounted to MSEK -4,803 (-2,653).

Since the beginning of the year, net borrowing declined by approximately SEK 1.7 billion, compared with an increase of about SEK 1.1 billion in the year-earlier period.

Cash and cash equivalents according to the balance sheet amounted to MSEK 5,481 (7,455).

The SAS Group has approximately MSEK 6,400 in unutilized tax loss carryforwards in continuing operations. This will have a positive impact on cash flow in future periods because the SAS Group will not have tax payable until these loss carryforwards have been utilized. Deferred tax assets are valued at approximately 80% of their full value.

Financial key ratios

(MSEK)	**September 30, 2009**	December 31, 2008	September 30, 2008	September 30, 2007
CFROI (12 months rolling)	**1%**	5%	9%	17%
Equity/assets ratio	**28%**	17%	25%	34%
Adjusted equity/assets ratio	**21%**	13%	19%	26%
Financial net debt, MSEK	**5,219**	8,912	4,172	1,618
Debt/equity ratio	**0.42**	1.22	0.36	0.09
Adjusted debt/equity ratio	**1.57**	3.08	1.47	0.95
Interest coverage ratio (12 months rolling)	**-5.0**	-5.3	-3.1	6.1

SAS Group

Condensed balance sheet

(MSEK)	**September 30, 2009**	December 31, 2008	September 30, 2008	September 30, 2007
Intangible assets	**1,217**	1,092	1,223	3,263
Tangible fixed assets	**15,767**	14,132	14,239	14,077
Financial fixed assets	**12,557**	11,616	12,818	13,071
Total fixed assets	**29,541**	26,840	28,280	30,411
Current assets	**726**	820	1,058	907
Current receivables	**7,254**	6,000	10,194	10,505
Cash and cash equivalents	**5,481**	5,783	7,455	8,914
Assets held for sale	**382**	3,921	145	-
Total current assets	**13,843**	16,524	18,852	20,326
Total assets	**43,384**	43,364	47,132	50,737
Shareholders' equity [1]	**12,343**	7,312	11,695	17,211
Long-term liabilities	**15,450**	19,160	17,512	11,645
Current liabilities	**15,137**	14,427	17,851	21,881
Liabilities relating to assets held for sale	**454**	2,465	74	-
Total shareholders' equity and liabilities	**43,384**	43,364	47,132	50,737
Shareholders' equity per share [2]	**5.00**	44.45	71.09	104.33
Interest-bearing assets	**18,830**	16,863	19,364	20,037
Interest-bearing liabilities	**14,003**	16,117	13,826	12,301

1) Including minority interests.
2) Calculated on 164,500,000 outstanding shares up to and including December 31, 2008. On September 30, 2009, shareholders' equity is calculated on the basis of the total number of shares after the rights issue, 2,467,500,000 shares. The SAS Group has not carried out any buyback programs.

Changes in shareholders' equity

	Shareholders' equity attributable to Parent Company shareholders							
(MSEK)	**Share capital [1]**	**Other contributed capital [2]**	**Hedge reserve**	**Trans-lation reserve**	**Retained earnings [3]**	**Total equity Attributable to Parent Company owners**	**Minority interests**	**Total equity**
Opening shareholders' equity in accordance with approved balance sheet, January 1, 2008	**1,645**	**170**	**1,105**	**361**	**13,849**	**17,130**	**19**	**17,149**
Effect of change of accounting principle to IFRIC 13					-1,331	-1,331		-1,331
Opening shareholders' equity in accordance with new accounting principle,, January 1, 2008	**1,645**	**170**	**1,105**	**361**	**12,518**	**15,799**	**19**	**15,818**
Total comprehensive income			-536	-54	-3,514	-4,104	-19	-4,123
Closing balance, September 30, 2008	**1,645**	**170**	**569**	**307**	**9,004**	**11,695**	**0**	**11,695**
Total comprehensive income			-1,312	-282	-2,789	-4,383		-4,383
Closing balance, December 31, 2008	**1,645**	**170**	**-743**	**25**	**6,215**	**7,312**	**0**	**7,312**
Reduction of share capital	-1,234				1,234	0		0
Rights issue	5,757				300	6,057		6,057
Net issue costs					-184	-184		-184
Total comprehensive income			818	-17	-1,643	-842		-842
Closing balance, September 30, 2009	**6,168**	**170**	**75**	**8**	**5,922**	**12,343**	**0**	**12,343**

1) The share capital in SAS AB is distributed as follows: an opening balance of 164,500,000 shares, with a quotient value of SEK 10 per share and a closing balance of 2,467,500,000 shares, with a quotient value of SEK 2.5. per share
2) The entire amount comprises share premium reserves.
3) No dividends were paid in 2008 and 2009.

Statement of other comprehensive income

	January-September	
(MSEK)	**2009**	2008
Loss for the period	**-1,643**	-3,571
Other comprehensive income:		
Exchange-rate differences in translation of foreign operations	**-17**	-54
Change in minority interests	**-**	38
Cash-flow hedges – hedging reserve	**1,110**	-743
Tax attributable to components relating to other income	**-292**	207
Net total comprehensive income for the year after tax	**801**	-552
Total comprehensive income	**-842**	-4,123

Parent Company SAS AB

Earnings before tax for the period amounted to MSEK -1,136 (-2,468).

Available liquid for SAS AB at September 30, 2009 amounted to MSEK 0, compared with MSEK 90 at the beginning of the year.

The number of shareholders in SAS AB totaled 33,956 at September 30, 2009. The average number of employees in SAS AB was 275 (250).

Condensed statement of income

(MSEK)	January-September 2009	2008
Revenue	**163**	168
Payroll expenses	**-281**	-253
Other operating expenses	**-224**	-241
Operating income before depreciation	**-342**	-326
Depreciation	**0**	0
Operating income	**-342**	-326
Income from divested shares	**-33**	-26
Dividend from subsidiaries	**-**	30
Impairment of shares	**-813**	-2,128
Net financial income	**52**	-18
Income before tax	**-1,136**	-2,468
Tax	**76**	96
Net loss for the year	**-1,060**	-2,372

Condensed balance sheet

(MSEK)	Sep. 30, 2009	Dec. 31, 2008	Sep. 30, 2008
Fixed assets	**6,709**	6,814	7,484
Current assets	**5,629**	4,507	7,324
Total assets	**12,338**	11,321	14,808
Shareholders' equity	**9,078**	4,265	9,168
Long-term liabilities	**1,896**	6,402	4,473
Current liabilities	**1,364**	654	1,167
Total shareholders' equity and liabilities	**12,338**	11,321	14,808

Change in shareholders' equity

(MSEK)	Share capital	Restricted reserves	Unrestricted equity	Total equity
Opening balance, Jan. 1, 2008	1,645	306	9,589	11,540
Loss for the period			-2,372	-2,372
Equity, Sep. 30, 2008	1,645	306	7,217	9,168
Group contribution rec'd, net			38	38
Loss for the period			-4,941	-4,941
Equity, Dec. 31, 2008	1,645	306	2,314	4,265
Reduction of share capital	-1,234		1,234	0
Rights issue	5,757		300	6,057
Net costs in conjunction with rights issue*			-184	-184
Loss for the period			-1,060	-1,060
Equity, Sep. 30, 2009	6,168	306	2,604	9,078

* Costs in conjunction with the rights issue include a positive tax effect of MSEK 65.

Accounting policies and financial reports

This interim report was prepared in accordance with IAS 34 Interim Financial Reporting. A number of amendments of standards, new interpretations and a new standard (IFRS 8) took effect as of January 1, 2009. For the SAS Group, the following changes in standards and interpretations were deemed relevant for the preparation of this financial report.

IAS 1 Presentation of Financial Statements. The amendment of this standard entails a change in how the financial reports must be presented. In accordance with IAS 1, the SAS Group elected to present the Group's comprehensive income in two statements, a statement of income and a statement of other comprehensive income. In addition, the statement of changes in consolidated shareholders' equity only reflects transactions with the owners.

IFRIC 13 Customer Loyalty Programs. According to IFRIC 13, awarding of loyalty points is to be considered as a separately identifiable portion of tickets for air travel. The portion of the ticket price allocated to the loyalty points must be measured at fair value and recognized as revenue during the period in which the obligation is fulfilled. The fair value of future travel is based on the lowest price offered to paying passengers. The effect of the revaluation of the EuroBonus liability in accordance with IFRIC 13 was charged against shareholders' equity at January 1, 2008 in an amount of MSEK 1,331. For comparability, earnings for the January-September 2008 period were charged in an amount of MSEK -21.

IFRS 8 Operating segments. This standard takes the view that segment information must be presented from the perspective of company management. Up until December 31, 2008, the SAS Group's segment information was based on the Group's three business areas. Against the background of the implementation of Core SAS, a new segmentation was implemented in accordance with IFRS 8.

In other respects, the SAS Group continues to apply the same accounting policies as in the 2008 Annual Report.

The Group's other formal financial statements appear on pages 2, 6, 9 and 10.

Financial position

On September 30, 2009, the SAS Group's cash and cash equivalents amounted to MSEK 5,481 (7,455). Since the beginning of the year, cash and cash equivalents decreased by MSEK 302. In addition to cash and cash equivalents, the SAS Group has unutilized contract loan commitments amounting to MSEK 4,314 (3,904). The SAS Group has total financial preparedness corresponding to MSEK 9,795 (11,359) or 21% (21) of revenues.

In the third quarter, a loan facility of approximately MUSD 160 was received from the EDC, Export Development Canada. This loan facility is related to the remaining CRJ and Q400 aircraft included in the order from Bombardier that was made in spring 2008. The delivery of these aircraft is scheduled for 2009 and 2010.

The SAS Group's interest-bearing liabilities decreased during 2009 by approximately MSEK 2,100 to MSEK 14,003. The decline comprises net amortization of MSEK 1,480 of the revolving credit facility in EUR, other amortization totaling MSEK 1,490, long-term borrowing related to aircraft acquisitions totaling MSEK 1,420 and a positive currency effect of MSEK 550.

As of the end of September, the financial net debt was MSEK 5,219, down MSEK 3,693 since year-end. The decline was primarily due to the implementation of the rights issue amounting to approximately SEK 6 billion during the first six months of the year. At the end of September, SAS signed an agreement with Lufthansa for the divestment of its 20% shareholding in British Midland to Lufthansa. The transaction had a positive impact of MSEK 427 on the SAS Group's financial net debt.

As of September 30, 2009, the adjusted equity/assets ratio was 21% (19). The adjusted debt/equity ratio was 1.57 (1.47).

SAS Group's targets are specified below:

Targets for financial position

Adjusted equity/assets ratio >35%

Adjusted debt/equity ratio <1,00

Financial preparedness 20% of operating revenue

SAS Group Management and areas of responsibility

Mats Jansson, President and CEO.

John S. Dueholm, Deputy CEO and Executive Vice President. Responsible for the Core SAS business area.

Mats Lönnqvist, CFO and Deputy President.

Benny Zakrisson, Executive Vice President, responsible for SAS Individual Holdings.

Mats Lönnkvist, Executive Vice President and Chief Legal Officer.

Full-year 2009

The global economy continued to weaken during the third quarter. The problems in financial markets have adversely affected the real economy, which has led to a sharp decline in growth and harsh market conditions. Growth in 2009 will be negative, and official forecasts in the Nordic region and on a global scale have been revised significantly downward. Uncertainty with regard to the timing of the recovery remains considerable. As a consequence, passenger growth in the market is declining during 2009, primarily in business travel. Uncertainty with regard to the price of jet fuel, the trend in the USD exchange rate and the effects of pandemics remains. Factors expected to negatively impact yield are primarily the weaker GDP trend and reduced activity in the business travel segment. The yield trend for the third quarter was weaker than the second quarter. Trends indicate continued pressure on yields during the fourth quarter that will have a further negative impact on revenues and earnings. The SAS Group is implementing cost measures within the framework of the Core SAS strategy corresponding to a total of SEK 4.5 billion, of which realized earnings effects amount to SEK 1.3 billion. The remaining earnings effect of SEK 3.2 billion will be realized during the fourth quarter of 2009 and the full-year 2010. Restructuring costs are expected to total SEK 1.7 billion for 2009 and about SEK 0.2 billion for 2010. The implementation of Core SAS is progressing according to plan. In total, measures corresponding to SEK 5.2 billion are being implemented, of which SEK 3.9 billion remain to impact earnings in 2009 and 2010.

The Board of Directors and President hereby assure that this interim report provides a true and fair overview of the performance of the Parent Company's 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, November 5, 2009

Fritz H. Schur
Chairman of the Board

Jacob Wallenberg
Vice Chairman

Jens Erik Christensen
Board Member

Timo Peltola
Board Member

Anitra Steen
Board Member

Berit Kjøll
Board Member

Dag Mejdell
Board Member

Carsten Bardrup Nielsen
Board Member

Ulla Gröntvedt
Board Member

Asbjørn Wikestad
Board Member

Mats Jansson
President and CEO

Review Report

We have conducted a review of the interim report for SAS AB (publ) at September 30, 2009 and of the nine-month period ending on that date. The Board of Directors and the President are responsible for correctly preparing and presenting this financial interim information in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express an opinion on this financial interim information based on our review.

We have conducted our review in accordance with the Standard on Review Engagements SÖG 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially more limited in scope than an audit conducted in accordance with Standards on Auditing in Sweden RS and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the opinion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects, the accompanying financial interim information for the Group has not been prepared in accordance with IAS 34 and the Annual Accounts Act, and the interim report for the Parent Company has not been prepared in accordance with the Annual Accounts Act.

Stockholm, November 5, 2009
Deloitte AB
Peter Gustafsson
Authorized Public Accountant

Traffic data information

SAS Group's passenger traffic

		July-September			January-September		
		2009	2008	Change	**2009**	2008	Change
Number of passengers	(000)	**6,245**	7,325	-14.7%	**18,843**	22,388	-15.8%
Passenger km	(mill.)	**6,868**	8,180	-16.0%	**19,464**	2, 357	-16.7%
Seat km	(mill.)	**8,958**	10,984	-18.4%	**2, 411**	32,243	-15.0%
Load factor		**76.7%**	74.5%	+2.2 p.u.	**71.0%**	72.4%	-1.4 p.u.

SAS Group's charter traffic

		July-September			January-September		
		2009	2008	Förändr.	**2009**	2008	Förändr.
Number of passengers	(000)	**559**	439	+27.1%	**1,169**	959	+21.9%
Passenger km	(mill.)	**1,395**	1,087	+28.3%	**3,084**	2,512	+22.8%
Seat km	(mill.)	**1,545**	1,253	+23.3%	**3,515**	2,955	+18.9%
Load factor		**90.3%**	86.8%	+3.5 p.e.	**87.8%**	85.0%	+2.7 p.u.

SAS Group's traffic-related key data

	January-March		April-June		July-September		October-December		October-September	
	2009	2008	**2009**	2008	**2009**	2008	**2008**	2007	**2008-09**	2007-08
Number of passengers (000)	**5,748**	6,803	**6,850**	8,260	**6,245**	7,325	**6,612**	7,195	**25,456**	29,583
RPK (mill.)	**5,541**	6,700	**7,055**	8,479	**6,868**	8,180	**6,559**	7,034	**26,023**	30,392
ASK (mill.)	**8,870**	9,696	**9,584**	11,564	**8,958**	10,984	**9,750**	9,985	**37,161**	42,229
Load factor	**62.5%**	69.1%	**73.6%**	73.3%	**76.7%**	74.5%	**67.3%**	70.4%	**70.0%**	72.0%

SAS Group's traffic operation by route sector

	July-September 09 vs. July-September 08		January-September 09 vs. January-September 08	
	Traffic (RPK)	Capacity (ASK)	**Traffic (RPK)**	Capacity (ASK)
Intercontinental	**-18.7%**	-17.8%	**-18.8%**	-13.3%
Europe	**-15.7%**	-20.6%	**-15.4%**	-15.9%
Intra-Scandinavian	**-15.1%**	-22.8%	**-15.1%**	-17.7%
Denmark (domestic)	**-42.3%**	-38.6%	**-29.4%**	-25.5%
Norway (domestic)	**-9.7%**	-12.1%	**-14.8%**	-12.5%
Sweden (domestic)	**-14.0%**	-10.1%	**-18.9%**	-17.9%

Passenger traffic for Scandinavian Airline, Widerøe and Blue1.

Scandinavian Airlines traffic-related key data

		July-September		January-September	
		2009	Change	**2009**	Change
No. of passengers	(000)	**5,377**	-16.4%	**16,216**	-17.4%
Passenger km, RPK	(mill.)	**6,315**	-17.3%	**17,947**	-17.7%
Seat km, ASK	(mill.)	**8,139**	-20.0%	**25,033**	-16.1%
Load factor		**77.6%**	+2.6 p.u.	**71.7%**	-1.4 p.u.
Yield, currency-adjusted			-7.6%		-4.0%
Total traffic revenue/total ASK (currency-adjusted)			-6.6%		-7.7%
Total unit cost, incl. Charter (currency-adjusted)			-9.2% [1]		-8.8% [2]
Operational unit cost, incl. Charter (currency-adjusted)			-8.1% [1]		-8.5% [2]

1) Lower jet fuel costs had a positive effect on unit costs of 6.2 percentage units.

2) Lower jet fuel costs had a positive effect on unit costs of 7.4 percentage units.

Unit cost, total – The airline's total operating costs including aircraft leasing adjusted for currency and restructuring costs less non-traffic-related revenue per total ASK (scheduled and charter).

Unit cost, operations – The airline's operational operating costs adjusted for currency and restructuring costs less non-traffic-related revenue per total ASK (scheduled and charter).

Other traffic and production

	Widerøe				Blue1			
	Jul-Sep		Jan-Sep		Jul-Sep		Jan-Sep	
	2009	Change	**2009**	Change	**2009**	Change	**2009**	Change
Scheduled traffic								
No. of passengers (000)	**523**	3.3%	**1 531**	0.1%	**345**	-11.5%	**1,097**	-10.4%
RPK (mill.)	**182**	5.8%	**501**	1.6%	**371**	-0.1%	**1,017**	-4.2%
ASK (mill.)	**286**	-0.3%	**828**	1.4%	**533**	2.5%	**1,550**	-3.5%
Load factor	**63.6%**	+3.7 p.u.	**60.5%**	+0.1 p.u.	**69.7%**	-1.9 p.u.	**65.6%**	-0.5 p.u.
Yield, currency-adjusted		-0.5%		7.1%		-15.9%		-13.8%
Unit cost, total incl. charter (local currency)		0.4%		7.3%		-13.4%		-4.7%

Statement of income

Statement of income – quarterly breakdown

(MSEK)	2007 JUL-SEP	OCT-DEC	FULL-YEAF JAN-DEC	2008 JAN-MAR	APR-JUN	JUL-SEP	OCT-DEC	FULL-YEAR JAN-DEC	**2009 JAN-MAR**	**APR-JUN**	**JUL-SEP**
Revenue	12,901	12,933	50,338	12,348	14,412	13,287	12,823	52,870	**11,296**	**12,223**	**11,076**
Payroll expenses	-4,007	-4,369	-16,371	-4,497	-4,485	-4,253	-4,397	-17,632	**-4,609**	**-5,269**	**-3,994**
Other operating expenses	-7,583	-7,592	-28,942	-7,642	-8,826	-7,919	-7,572	-31,959	**-6,501**	**-6,779**	**-6,257**
Leasing costs for aircraft	-592	-567	-2,342	-547	-519	-543	-673	-2,282	**-741**	**-626**	**-476**
Depreciation and impairment loss	-357	-352	-1,416	-348	-360	-398	-444	-1,550	**-401**	**-463**	**-497**
Share of income in affiliated companies	6	-23	32	-65	-78	7	-11	-147	**-33**	**19**	**-15**
Income from the sale of shares in subsidiaries and affiliated companies	0	0	0	0	0	0	0	0	**5**	**2**	**423**
Income from the sale of aircraft and buildings	20	67	41	0	6	6	-8	4	**0**	**-49**	**-1**
Operating income	388	97	1,340	-751	150	187	-282	-696	**-984**	**-942**	**259**
Income from other shares and participations	5	0	5	0	0	0	0	0	**0**	**0**	**0**
Net financial items	-29	-27	-241	-99	-19	-77	-78	-273	**5**	**-97**	**-145**
Income before tax	364	70	1 104	-850	131	110	-360	-969	**-979**	**-1 039**	**114**
Tax	-78	-53	-286	200	-124	32	-104	4	**264**	**13**	**142**
Net income from continuing operations	286	17	818	-650	7	142	-464	-965	**-715**	**-1 026**	**256**
Income from discontinued operations	415	-642	-182	-513	-429	-2,128	-2,325	-5,395	**-33**	**-21**	**-104**
Net income for the period	701	-625	636	-1,163	-422	-1,986	- 2,789	-6,360	**-748**	**-1,047**	**152**
Attributable to:											
Parent Company shareholders	667	-596	637	-1,106	-422	-1,986	-2,789	-6,303	**-748**	**-1,047**	**152**
Minority interests	34	-29	-1	-57	0	0	0	-57	**0**	**0**	**0**

Earnings overview

(MSEK)	January-March 2009	2008	April-June 2009	2008	July-September 2009	2008	October-December 2008	2007	October-September 2008-09	2007-08
Revenue	**11,296**	12,348	**12,223**	14,412	**11,076**	13,287	**12,823**	12,933	**47,418**	52,980
EBITDAR	**186**	209	**175**	1,101	**825**	1,115	**854**	972	**2,040**	3,397
EBITDAR margin	**1.6%**	1.7%	**1.4%**	7.6%	**7.4%**	8.4%	**6.7%**	7.5%	**4.3%**	6.4%
EBIT	**-984**	-751	**-942**	150	**259**	187	**-282**	97	**-1,949**	-317
EBIT margin	**-8.7%**	-6.1%	**-7.7%**	1.0%	**2.3%**	1.4%	**-2.2%**	0.8%	**-4.1%**	-0.6%
Income before nonrecurring items	**-889**	-850	**38**	499	**37**	301	**-270**	134	**-1,084**	84
Income before tax	**-979**	-850	**-1,039**	131	**114**	110	**-360**	70	**-2,264**	-539
Income for the period	**-748**	-1,163	**-1,047**	-422	**152**	-1,986	**-2,789**	-625	**-4,432**	-4,196
Earnings per share (SEK)	**-0.74**	-1.10	**-0.47**	-0.42	**0.06**	-1.97	**-2.77**	-0.59	**-2.64**	-4.08
Cash flow before financing activities	**-877**	-576	**-1,419**	814	**-2,507**	-2,891	**-2,911**	60	**-7,714**	-2,593

SAS Group's average number of employees (FTE)

	July-September 2009	2008	January-September 2009	2008
Scandinavian Airlines	**14,343**	16,427	**14,839**	16,422
Blue1	**431**	459	**437**	463
Widerøe	**1,180**	1,384	**1,209**	1,366
Other Core SAS	**472**	483	**465**	487
Total Core SAS	**16,426**	18,753	**16,950**	18,738
Other operations	**692**	1,030	**927**	1,095
Continuing operations	**17,118**	19,783	**17,877**	19,833
Discontinued operations	**707**	4,515	**1,668**	5,319
SAS Group	**17,825**	24,298	**19,545**	25,152

Investments, aircraft fleet, fuel and financial position

SAS Group's investments

	July-September		January-September	
	2009	2008	**2009**	2008
Core SAS	**1,217**	786	**3,476**	3,115
Other operations and eliminations	**3**	7	**43**	7
Continuing operations	**1,220**	793	**3,519**	3,122
Discontinued operations	**9**	25	**120**	289
SAS Group	**1,229**	818	**3,639**	3,411

SAS Group's aircraft under firm order

	Total	2009	2010
Boeing 737-700	**2**	1	1
CRJ900	**3**	2	1
Q400	**4**	1	3
No. of aircraft	**9**	4	5
CAPEX (MUSD)	**180**	82	98

SAS Group's aircraft fleet September 30, 2009

	Age	Owned	Leased	Wet-leased	**Total**	Leased out	Order
Airbus A330/A340	7.3	5	6	0	**11**	0	
Airbus A319/A320/A321	6.4	5	10	0	**15**	3	
Boeing 737 Classic	9.6	0	16	0	**16**	0	
Boeing 737 NG	8.4	22	45	0	**67**	2	2
Boeing 717	0.0	0	5	0	**5**	5	
McDonnell Douglas MD-80-series	20.3	48	14	0	**62**	12	
McDonnell Douglas MD-90-series	12.6	8	0	0	**8**	3	
Avro RJ-85/-100	8.6	0	7	0	**7**	0	
Fokker 50	19.5	0	5	0	**5**	0	
deHavilland Q-series	13.3	24	17	0	**41**	4	4
ATR42/72	16.5	0	0	2	**2**	0	
SAAB2000	12.6	0	0	2	**2**	0	
Bombardier CRJ200	9.2	0	0	7	**7**	0	
Bombardier CRJ900NG	0.5	9	0	0	**9**	0	3
Total	11.6	121	125	11	**257**	29	9
Distributed by airline:							
SAS Scandinavian Airlines	11.4				**212**	29	5
Widerøe	13.3				**30**		4
Blue 1	11.0				**15**		
Total	11.6				**257**	29	9

Facts and vulnerability – jet fuel

	Q4 2009	**Q1 2010**	**Q2 2010**	**Q3 2010**
Options	21%	14%	10%	3%
Redemption price (USD/ton)	752	624	646	682
Swaps	32%	41%	45%	43%
price (USD/ton)	743	682	691	704
Collars	4%			-
Average ceiling level	1,125			
Average floor level	978			

Estimated jet fuel expense 2009 *

Market price, USD	**SEK 6.00/USD**	**SEK 7.00/USD**	**SEK 8.00/USD**
Jet fuel			
USD 400/ton	7,099	7,257	7,416
USD 600/ton	7,341	7,540	7,739
USD 800/ton	7,564	7,800	8,036
USD 1,000/ton	7,759	8,028	8,297

* Pertains to full-year values for SEK/USD and the price per ton for jet fuel. The SAS Group's hedging of jet fuel per September 30, 2009 was taken into consideration.

Important events

Fourth quarter 2008

- The SAS Group sold airBaltic to the company's management.
- The SAS Group initiated the sales process regarding Spanair.
- The SAS Group sold AeBal to Proturin.

First quarter 2009

- The SAS Group signed an agreement with Statoil/Hydro regarding air travel.
- SAS completed the sale of its holding in airBaltic, amounting to 47.2% to airBaltic's management in accordance with the terms of sale announced on December 18, 2008.
- As part of the Core SAS Strategy, the SAS Group implemented new collective agreements with its trade unions.
- The SAS Group completed the sale of Spanair to a group of investors in Catalonia in Spain.
- The SAS Group launched Core SAS, a renewed strategic approach.
- The SAS Group's Board of Directors resolved on a rights issue, with subscription rights for the Group's shareholders, of approximately SEK 6 billion.
- An SAS Extraordinary General Meeting approved the rights issue.
- The SAS Credits loyalty program was launched.
- At the SAS Annual General Meeting, the entire Board of Directors was re-elected, with Fritz H. Schur as Chairman. The Meeting resolved not to issue any dividend for the 2008 fiscal year.
- SAS launched its campaign "the biggest sale ever."
- SAS' s punctuality remained among the best in Europe, and customer satisfaction showed substantial improvement.

Second quarter 2009

- SAS signed a ten-year full technical content agreement with Amadeus.
- The SAS rights issue of SEK 6 billion was oversubscribed by 24.2%.
- SAS signed an extensive procurement contract with the Swedish government for international travel.
- SAS launched mobile telephone boarding passes.
- As part of Core SAS, SGS Finland was outsourced to ISS.

Third quarter 2009

- The SAS Group launched new cost-savings measures totaling SEK 2 billion to close the remaining cost gap to competitors.
- The SAS Group divested its holdings in bmi. The sales price totaled MGBP 38, which generated a capital gain of MSEK 427.
- As part of the ongoing savings program in the SAS Group, the Board of Directors of SAS decided, with retroactive effect from September 1, 2009, to reduce Board remuneration by 25%.

Events after September 30, 2009

- SAS introduced mobile telephone boarding passes to further enhance travel efficiency.
- SAS is the third most punctual airline in the world, according to the "Flight Stats" website.
- Skyways Express, which is a subsidiary of Skyways Holding AB, will be divested to the company's President. However, the transaction has not been implemented and SAS remains as a 25% shareholder in Skyways Holding AB.

Financial calendar

Interim report 3, July-September 2009	November 5, 2009
Year-end report 2009	February 9, 2010
Annual Report & Sustainability Report 2009	March 12, 2010
Annual General Meeting 2010	April 13, 2010
Interim report 1, January-March 2010	April 27, 2010
Interim report 2, April-June 2010	August 10, 2010
Interim report 3, July-September 2010	November 10, 2010

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All reports are available in English and Swedish and can be ordered on the Internet: www.sasgroup.net or from: 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

For definitions, refer to the SAS Group website, www.sasgroup.net, or contact investor.relations@sas.se.

Press-/Investor Relations activities

Press conference, Frösundavik	10:30 a.m., November 5, 2009
Telephone conference, investors/analysts	3:00 p.m., November 5, 2009

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