

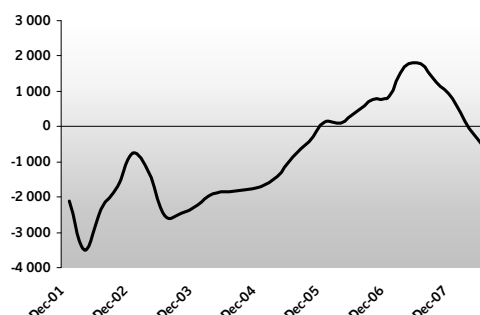
SAS Group

Interim Report January-June 2008

Key ratios for the second quarter

- Operating revenue: MSEK 17,703 (16,288) (+8.7%)
- Number of passengers: 11.6 million (+5.2%)
- Earnings before nonrecurring items in continuing operations: MSEK 262 (806)
- EBIT margin before nonrecurring items: 1.5% (4.9%)
- Net income for the period: MSEK -411 (607)
- Earnings per share: SEK -2.50 (3.55)
- A short-term earnings-improvement program corresponding to an earnings effect of SEK 1.5 billion in 2008 is being implemented.

EBT before nonrecurring items, 12 months rolling (MSEK)



Income and key ratios

	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jul-Jun	Jul-Jun
(MSEK)	2008	2007	2008	2007	2007-08	2006-07
Revenue	17,703	16,288	32,532	30,144	64,927	61,599
EBITDAR	1,210	2,183	1,309	3,123	4,210	7,395
Earnings before nonrecurring items in continuing operations	262	806	-1,053	344	-604	1,768
EBIT margins before nonrecurring items	1.5%	4.9%	-3.2%	1.1%	-0.9%	2.9%
Income before tax, EBT	-106	762	-1,421	298	-1,430	1,464
Net income for the period	-411	607	-1,545	560	-1,469	5,811
Earnings per share (SEK)	-2.50	3.55	-9.05	3.44	-8.61	34.85

Comments by the CEO

As expected, the SAS Group's earnings for the second quarter were weak, amounting to MSEK 262 before nonrecurring items, which is a clear decline compared with the year-earlier period. The reasons for the decrease in earnings are well-known: rapidly rising jet-fuel prices to record-high levels combined with weaker economic trends and overcapacity in the market. Managing this highly challenging situation is currently the primary focus of the SAS Group and the entire air-travel industry. We have seen how companies globally and in our local market have presented losses for the second quarter, which is seasonally a strong quarter. Most airlines have now initiated substantial capacity reductions to create a better balance between offering and demand.

We have discontinued the sale of Spanair due to the challenging market circumstances. The value that we could have been able to realize did not reflect the underlying strategic value inherent in the company. An extensive action program corresponding to MSEK 800 and capacity reductions of 25% to generate full effects in 2009 were announced in July. The measures to be implemented in Spanair correspond to approximately 1,000 FTEs and 15 aircraft.

To turn around the earnings trend in 2008, we announced an action plan – Profit 2008 – in conjunction with the interim report for the first quarter. We have now strengthened this program with an additional MSEK 400 and, accordingly, the total earnings effect for 2008 amounts to SEK 1.5 billion. We have also decided to reduce capacity by an additional seven aircraft, entailing a total reduction of 18 aircraft. For the entire Group, the total reduction corresponds to 33 aircraft and the number of positions will be reduced by a total of approximately 2,500, meaning an additional 500 positions added to the figure that was previously announced. These measures should be seen in the light of an expected further slowdown in the economy in 2008 and 2009.

In parallel with these measures, we will continue to implement the S11 strategy program – “Strategy 2011.” Major focus is being directed toward a cultural turnaround and to improving our customer satisfaction, for example by providing more stable delivery quality and continuous product improvements. It is gratifying to report that punctuality and regularity are at the highest level for many years. Scandinavian Airlines had the best arrival punctuality in Europe for the second quarter of 2008.

There is no doubt that the situation in the air-travel industry is serious and probably the most difficult it has ever been. Although we remain financially stable, with a satisfactory acid test ratio, it is essential in the short term that we carry out the measures in the Profit 2008 (P08) program to be able to implement the long-term S11 strategy.

Mats Jansson
President and CEO

Financial overview

Statement of income

	April-June		January-June		July-June	
(MSEK)	2008	2007	2008	2007	2007-08	2006-07
Revenue	17,703	16,288	32,532	30,144	64,927	61,599
Payroll expenses	-5,141	-4,692	-10,202	-9,147	-19,906	-17,624
Other operating expenses	-11,352	-9,413	-21,021	-17,874	-40,811	-36,580
Leasing costs for aircraft	-790	-874	-1,612	-1,751	-3,333	-3,493
Depreciation	-399	-407	-786	-799	-1,890	-1,743
Share of income in affiliated companies	-78	34	-143	49	-160	106
Income from sale of aircraft and buildings	6	-44	6	-46	79	0
Operating income	-51	892	-1,226	576	-1,094	2,265
Income from other shares and participations	0	0	0	0	5	-48
Net financial items	-55	-130	-195	-278	-341	-753
Income before tax	-106	762	-1,421	298	-1,430	1,464
Tax	-124	-212	76	-155	-46	-537
Net income from continuing operations	-230	550	-1,345	143	-1,476	927
Income from discontinued operations	-181	57	-200	417	7	4,884
Net income for the period	-411	607	-1,545	560	-1,469	5,811
Attributable to:						
Parent Company shareholders	-411	584	-1,488	566	-1,417	5,733
Minority interests	0	23	-57	-6	-52	78
Earnings per share (SEK) ¹	-2.50	3.55	-9.05	3.44	-8.61	34.85
Earnings per share (SEK) from continuing operations ¹	-1.40	3.23	-7.83	0.94	-8.63	5.56

¹⁾ Earnings per share is calculated on the basis of 164,500,000 outstanding shares (IAS 33). 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

Income before nonrecurring items

	April-June		January-June		July-June	
(MSEK)	2008	2007	2008	2007	2007-08	2006-07
Income before tax in continuing operations	-106	762	-1,421	298	-1,430	1,464
Impairment losses	0	0	0	0	300	146
Restructuring costs	33	0	33	0	249	82
Capital gains/losses	-6	44	-6	46	-84	-3
Other nonrecurring items	341	0	341	0	361	79
Income before nonrecurring items in continuing operations	262	806	-1,053	344	-604	1,768

Adjusted income trend

	April-June			January-June		
(MSEK)	2008	2007	Change	2008	2007	Change
Income before nonrecurring items in continuing operations	262	806	-544	-1,053	344	-1,397
Effects of Q400 (net)	200	0	200	250	0	250
ECA/bmi	61	149	-88	111	311	-200
Effect of strike	0	300	-300	0	300	-300
Effect of early Easter	-300	0	-300	0	0	0
Adjusted income	223	1,255	-1,032	-692	955	-1,647

Financial key ratios

	30 June	31 December	30 June	30 June
(MSEK)	2008	2007	2007	2006
CFROI (12 months rolling)	10%	14%	18%	13%
Equity/assets ratio	32%	35%	32%	21%
Adjusted equity/assets ratio	23%	24%	22%	15%
Financial net debt, MSEK	-34	1,231	1,576	11,815
Debt/equity ratio	0.00	0.07	0.10	1.00
Adjusted debt/equity ratio	1.34	1.42	1.50	2.96
Interest-coverage ratio (12 months rolling)	-0.4	1.8	5.8	1.3

SAS Group

Market and earnings trend

Market growth during the second quarter was slightly weaker compared with the year-earlier period. For the Group as a whole, the number of passengers rose by 5.2% compared with the corresponding period in the preceding year, while the load factor was marginally lower by 0.2%. The yield trend was weak for Scandinavian Airlines during the first quarter and was stable during the second quarter. Overcapacity increased during the first six months of the year and a clear slowdown in business travel was noted. Since there are now clear indications that the load factor is declining, the entire industry is implementing capacity adjustments. Fuel prices rose rapidly to record-high levels during the quarter, which impacted all airlines negatively. Many airlines in local markets and globally reported weaker earnings for the second quarter which is normally very strong.

Earnings for Scandinavian Airlines in the second quarter declined for the short-haul companies. However, Scandinavian Airlines International reported a favorable load factor and yield trend, due to such factors as increased seasonal adjustments and, accordingly, posted an improvement in earnings for the quarter.

airBaltic's capacity increases in the second quarter were not absorbed by corresponding passenger increases which, combined with hikes in jet-fuel prices, had a sharply negative impact on earnings.

As a result of a very weak Spanish economy, high fuel prices and considerable overcapacity in the Spanish air-travel industry, Spanair posted weak earnings, despite a positive load factor. Spanair is implementing a far-reaching program to meet the challenges in the Spanish air-travel industry and to turn around this earnings trend.

In SAS Aviation Services, STS turned around the negative trend and improved earnings in the second quarter. However, SGS is displaying a negative trend and extensive cost-saving measures continue to be implemented.

January-June 2008

During the spring, the Group's holding in Go Now AS rose from 45% to 92.3%, which is why the company is consolidated as a subsidiary. Go Now sells travel experiences on the Internet. The operations were transferred to SAS Norge on July 1. SAS Media, SAS Facility Management and the Group's remaining holding in ST Aerospace Solutions (Europe) were divested in the second quarter.

In June, it was decided to discontinue the sale of Spanair since the value that could have been realized was not deemed to reflect the underlying value inherent in Spanair and did not meet the demands and conditions for a divestment established by the Group. Accordingly, Spanair is reported in continuing operations in the Group's statement of income for the first six months of 2008 and in all comparative figures.

Spanair recently initiated an extensive action program which, including capacity reductions of 25%, will lead to a MEUR 90 improvement in earnings in 2009. Considering these measures and expectations that the Spanish market will stabilize, reporting impairment losses on goodwill is not currently deemed to be necessary.

The Latvian government recently decided that the privatization of airBaltic would not be completed. This makes it impossible for the SAS Group to assume a majority ownership in airBaltic on the basis of a conversion of loans. Accordingly, the holding is reported as an affiliated company from July 1, 2008.

Continuing operations:

The SAS Group's income before nonrecurring items in continuing operations amounted to MSEK -1,053 (344).

The net effect of currency fluctuations between the January-June periods of 2007 and 2008 was MSEK 800. The effect is MSEK 237 on revenue, MSEK 574 on operating expenses (of which slightly more than 50% of this amount is attributable to the closure of currency hedging contracts) and MSEK -11 on net financial items.

The SAS Group's revenue amounted to MSEK 32,532 (30,144), up MSEK 2,388 or 7.9%. Taking into account currency effects, revenue increased by 7.1%. The revenue increase includes the compensation received relating to the Q400 incidents in the preceding year. Passenger traffic (RPK) rose by 8.0% for the Group.

The Group's costs for jet fuel amounted to MSEK 6,598 (4,911), an increase of MSEK 1,678. Other operating expenses include MSEK 314 attributable to fines levied on SAS Cargo for breaches of competition regulations in the US. A total of MSEK 27 in legal expenses was also charged. In addition, operating expenses rose due to growth in the number of passengers and expanded capacity.

Operating income before depreciation and leasing costs, EBITDAR, was MSEK 1,309 (3,123).

Leasing costs and depreciation, after currency adjustments, were MSEK 33 higher than in the year-earlier period.

The share of income in affiliated companies amounted to MSEK -143 (49). This decline is primarily attributable to the negative earnings in British Midland. Air Greenland and Estonian Air also reported weaker earnings compared with the year-earlier period.

The Group's net financial items amounted to MSEK -195 (-278). Net interest was MSEK -179 (-262). The currency effect was MSEK 1 (12). Other net financial expenses were MSEK -17 (-28).

Discontinued operations:

Income from discontinued operations totaled MSEK -200 (417). In April, SAS Media was sold to Datagraf at a capital loss of MSEK 11. SAS Facility Management was sold to Coor Service Management in June, resulting in a capital loss of a total of MSEK 49.

The Group's holding in ST Aerospace Solutions (Europe) was sold to Singapore Technologies at the end of June. This transaction was based on a put option in the share-sale agreement from 2005, when 67% of the then SAS Component was divested. Income amounted to MSEK -139. Income after tax in the divested operations is also included.

Capital gains pertaining to Rezidor Hotel Group and SAS Flight Academy in the amount of MSEK 871 are reported for January-June 2007. In addition, MSEK -476 is included for an agreement in principle regarding the purchase consideration for the divestment of 67% of the shares in SAS Component in 2005, and income after tax in SAS Flight Academy, Newco, SAS Media, SAS Facility Management and ST Aerospace Solutions.

Second quarter 2008

Continuing operations:

The SAS Group's income before nonrecurring items in continuing operations amounted to MSEK 262 (806).

The Group's operating revenue amounted to MSEK 17,703 (16,288), up MSEK 1,439 or 8.8% taking into account currency effects. The Group's passenger traffic rose by 8.6%.

Operating expenses including payroll expenses amounted to MSEK 16,493 (14,105). Adjusted for currency effects and nonrecurring items of MSEK 374 (0), operating expenses were 18% higher than in the year-earlier period due to increased jet-fuel costs and larger volumes. Taking into account currency effects, fuel costs increased by MSEK 1,433 compared with the second quarter of 2007.

EBITDAR for the second quarter amounted to MSEK 1,210 (2,183). The Group's net financial items amounted to MSEK -55 (-130). Net interest was MSEK -59 (-121).

Discontinued operations:

Income from discontinued operations amounted to MSEK -181 (57). Capital gains/losses attributable to the divestment of SAS Media, SAS Facility Management and the holding in ST Aerospace Solutions are reported for 2008, as is income after tax until the date of sale.

The year-earlier period included gains/losses from the sale of shares in the Rezidor Hotel Group, the final settlement regarding the sale of SAS Component and income after tax in discontinued operations.

Profit 2008 – Short-term earnings-improvement program

The air-travel industry finds itself in a highly challenging situation characterized by record-high jet-fuel prices combined with a slowdown in the market. As a result, the SAS Group has reported a negative earnings trend since November 2007. In April 2008, the SAS Group was one of the first airlines to announce an action program – Profit 2008. The program is designed to reduce costs in the short term, but will result in a marginal, long-term increase in unit costs.

Since April, fuel prices have continued to soar to new record levels and we are seeing lower growth in SAS's local area and rising overcapacity. For this reason, we have intensified our earnings program – Profit 2008.

In total, the program is to generate an earnings effect of SEK 1.5 billion in 2008. The intensification of the program entails further earnings measures, changes in the traffic program and additional cost measures. Furthermore, we have decided to reduce capacity by a additional seven aircraft, which in terms of ASK corresponds to 3-4%, effective October 2008. In total, the number of aircraft is to be reduced by 18 or approximately 10% of capacity and the number of positions by 1,500, meaning an additional 500 positions to the figure that has already been announced.

The implementation of Profit 2008 is proceeding according to plan and, as of June 2008, MSEK 200 of the measures had been carried out and price adjustments corresponding to MSEK 500 had been implemented.

Profit 2008 – Specification of measures

Earnings measures	MSEK 600-650
Traffic program	MSEK 300
Reduction OH/adm. costs	MSEK 225
Other activities	MSEK 325
Total	MSEK 1,450-1,500

In addition to this program, Spanair launched an action plan corresponding to MEUR 90, corresponding to a capacity reduction of 15 aircraft in Spanair or nearly 25% of capacity and about 1,000 FTEs. These measures are expected to generate a full effect in 2009.

Accordingly, the Group will be reduced by a total of 2,500 FTEs and capacity reductions corresponding to 33 aircraft will be implemented.

Capacity reductions specified by the various companies in the SAS Group:

Reduced capacity per company measured in number of aircraft

SAS Scandinavian Airlines	16
Spanair	15
Blue1	1
Widerøe	1
Total	33 aircraft

Status of Q400 and deliveries of regional jets

Three of the 27 Q400 aircraft that SAS decided to phase out of the fleet remain cases for insurance companies. Of the remaining 24 aircraft, 20 are contracted for sale and four are contracted for leasing. To date, six aircraft have been delivered. The remaining aircraft will be delivered during the third and fourth quarters. The earnings effect of the Q400 problems amounted to MSEK 400 gross in the first quarter of 2008. For the second quarter, the effect totaled MSEK 200 and for the third and fourth quarters it will decline to MSEK 100 per quarter. The decrease in the earnings effect is partly due to the gradual discontinuation of the SAS Group's leased replacement capacity in line with planned capacity reductions being implemented and new aircraft being delivered.

The first delivery of the new CRJ 900 regional jet aircraft is expected in November and thereafter an average of one aircraft per month will be delivered.

Strategy 2011 – long-term strategy

The Strategy 2011 program is being implemented in parallel with Profit 2008. Within the framework of the S11 program, the SAS Group launched a long-term structural cost program corresponding to SEK 2.8 billion in June 2007, which is to be implemented by 2009. At the end of the second quarter, measures corresponding to 59% of the SEK 2.8 billion had been implemented. The aim of the program is to reduce unit costs. The unit cost for the second quarter for Scandinavian Airlines rose by 5.1%. Adjusted for jet fuel and the effects of the Q400 incidents, the unit cost fell by 2.3% (see page 12).

Some delays in the implementation of the plan have arisen compared with the original schedule. Most of the collective-agreement negotiations in 2007 did not result in any changes as regards increased productivity, or any other improvements, which is the main reason for the delay in the implementation process.

Cost measures in Ground/Technical have been adjusted due to the decision made about the future structure of SGS and STS. Flight operations costs have now declined to the corresponding extent.

Cost program

	<i>Target:</i>	<i>Implemented:</i>
Procurement	MSEK 400	MSEK 110
Central adm.	MSEK 300-400	MSEK 100
Subsidiaries	MSEK 2,100	MSEK 1,430
Of which:		
Flight operation	MSEK 770	MSEK 460
Sales/Admin	MSEK 600	MSEK 500
Ground/Technical	MSEK 730	MSEK 470

Total restructuring costs in 2008, including measures contained in Profit 2008, are expected to amount to the same level as in 2007. Incurred restructuring costs primarily relate to idle notice, which means the impact on cash flow is very limited.

New cost programs in 2009-2011 corresponding to savings of SEK 3-4 billion will be required within the framework of S11 to entirely eliminate the cost gap that the SAS Group has against relevant benchmarks.

Financial position

On June 30, 2008, the SAS Group's cash and cash equivalents amounted to MSEK 8,204 (9,955). Since year-end, cash and cash equivalents have declined by MSEK 789, which is mainly due to the large amortization made in June. In addition to cash and cash equivalents, the SAS Group has unutilized contract loan commitments amounting to MSEK 5,767 (6,074). The revolving credit facility was partly utilized in the amount of MEUR 240 during the second quarter, while two new credit facilities were contracted for a total of approximately MSEK 2,000, one of which will be used for deliveries of CRJ 900 aircraft. In total, the SAS Group has financial preparedness corresponding to MSEK 13,971 (16,029) or 22% (26%) of revenues.

The SAS Group's interest-bearing liabilities declined by MSEK 732 in 2008. Amortization in the first two quarters amounted to MSEK 4,060, including the repayment of a bond loan of MSEK 3,700 in the second quarter. New borrowing for the year amounted to MSEK 3,440, comprising the revolving credit facility corresponding to MSEK 2,240, financing via the Swedish commercial paper program corresponding to MSEK 1,020 and other new borrowing totaling MSEK 180.

Fines levied on SAS Cargo by the US Department of Justice amounting to MSEK 314 entail a limited impact on liquidity since the fines are paid over a five-year period at a very low interest rate.

The adjusted equity/assets ratio on June 30, 2008 was 23% (22%). The adjusted debt/equity ratio was 1.34 (1.50). 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 operating revenue

Legal issues

On February 14, 2006, the European Commission and the US Department of Justice each made public investigations into possible price fixing in the air cargo industry. SAS was 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.

As a result of the settlement negotiated with the US Department of Justice, SAS Cargo Group A/S admitted on July 21, 2008 that it had breached US competition regulations and accepted to pay MUS\$ 52 in fines in the form of installments over four years. This marked the conclusion of the US authorities' investigation into SAS and, consequently, all liability issues for SAS in relation to the investigation by the US authorities have now been resolved. SAS has initiated settlement discussions regarding the civil lawsuits in the US.

A separate investigation is being conducted by the European Commission and SAS is cooperating with the Commission in this investigation. The European Commission issued a Statement of Objections on 20 December 2007 to a large number of air carriers, including SAS Cargo. In the Statement of Objections, the European Commission alleges that certain investigated practices in the air cargo sector constituted infringements of EC competition rules. In April 2008, SAS Cargo submitted a written response to the European Commission's Statement of Objections and presented a verbal account of its view of the allegations at a hearing held at the beginning of July 2008. The Commission is not expected to make a final decision on this matter until 2009 at the earliest.

It is not possible at this time for SAS to predict the outcomes of the European Commission's investigation or of the civil lawsuits in the US. Accordingly, no provisions have been established for these proceedings. Taking the nature of the allegations into account, adverse outcomes are likely to have a substantial negative financial impact on SAS.

SAS Group pension plans

The SAS Group follows International Accounting Standards, IAS 19, for the reporting of the Group's defined-benefit based pension plans. The reporting of pension commitments is based on established parameters for each country, which are based on the local market situation, expected future trends and in the manner described in IAS 19. Accordingly, calculations are based on an estimated interest-rate level and expectations regarding inflation and future salary increases.

Overfunding exists in several of the Group's pension plans, which means that as of December 31, 2007, the Group had a total positive difference of SEK 1.5 billion between funded assets and pension commitments.

Currency and fuel hedging

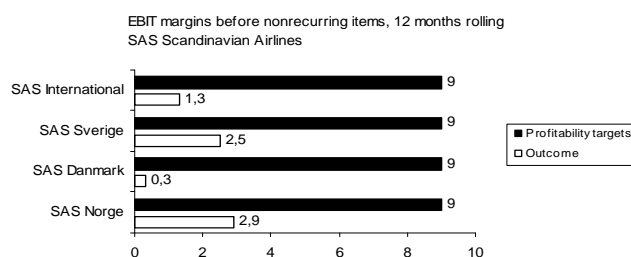
The SAS Group has hedged 60% of its anticipated fuel consumption for the final six months of 2008 and 47% for the period from July 2008 to June 2009. This hedging was achieved through ceiling options, swaps and other instruments, although the hedging for 2008 was primarily achieved through options. The value of the hedge portfolio amounted to MUS\$ 335 on June 30.

Under current plans for flight capacity, the cost of jet fuel in 2008 is expected to be in line with Appendix 3, page 15 (the table pertains to hedge levels before capacity adjustments as a result of Profit 2008 and measures implemented in Spanair), assuming various prices and USD exchange rates. SAS's policy is to handle increases in jet-fuel costs through price adjustments and yield management. However, during the first six months of 2008, the SAS Group's airlines were unable to offset this to any great extent since the price of fuel rapidly rose to a record high level. The ambition for the full-year 2008 is to fully offset this, although this requires price levels to stabilize.

In June 2008, the SAS Group had hedged 64% of its anticipated USD deficit for the next twelve months. Other currencies are hedged 60-90% in accordance with the financial policy.

SAS Scandinavian Airlines

The SAS Scandinavian Airlines business area's earnings for the first six months of the year amounted to MSEK 227 before nonrecurring items. All three short-haul carriers reported lower earnings for the first six months of 2008 compared with the year-earlier period. The main reason for the decline is less favorable market conditions, as reflected in, for example, a decrease in business travel and sharp fuel increases. Jet-fuel costs for the first six months rose by slightly more than SEK 1.1 billion (+35%) compared with the year-earlier period.



Scandinavian Airlines Norge

(MSEK)	Apr-Jun		Jan-Jun	
	2008	2007	2008	2007
Passenger revenue	3,347	2,905	5,962	5,458
Other revenue	641	614	1,223	1,124
Revenue	3,988	3,519	7,185	6,583
EBITDAR	445	703	498	1,153
EBIT before nonrecurring items	205	451	13	647
EBIT margin before nonrecurring items	5.1%	12.8%	0.2%	9.8%
Average number of employees	2,454	2,469	2,434	2,467

Scandinavian Airlines Norge reported a decline in earnings compared with 2007. Load factors remained stable, while revenue levels are being pressed, which can be seen primarily in lower yield and also in a slightly lower load factor. The lower yield is one of the consequences of a decline in business travel and the company's focus on increased capacity to leisure-travel destinations in Europe. In addition to higher fuel costs, the company's expenses were charged with rising costs for maintenance after adjustments in price levels with STS.

Scandinavian Airlines Danmark

(MSEK)	Apr-Jun		Jan-Jun	
	2008	2007	2008	2007
Passenger revenue	2,637	2,504	4,763	4,681
Other revenue	605	551	1,392	976
Revenue	3,242	3,055	6,155	5,658
EBITDAR	148	441	185	614
EBIT before nonrecurring items	4	272	-122	273
EBIT margin before nonrecurring items	0.1%	8.9%	-2.0%	4.8%
Average number of employees	2,185	2,194	2,188	2,163

Scandinavian Airlines Danmark's half-yearly earnings were negative and significantly lower than in the year-earlier period. SAS Danmark's production increase (+8%) during the six-month period was primarily driven by replacement capacity for the Q400, which contributed to the company incurring a certain imbalance between capacity and demand. One of the consequences of this trend is a lower load factor which, combined with a decline in business travel and substantially elevated fuel costs, had a clearly negative impact on earnings. In the latter part of the second quarter 2008, SAS Danmark intensified changes in capacity, meaning that capacity was adjusted additionally compared with the year-earlier period.

Scandinavian Airlines Sverige

(MSEK)	Apr-Jun		Jan-Jun	
	2008	2007	2008	2007
Passenger revenue	1,969	1,813	3,558	3,527
Other revenue	484	458	996	898
Revenue	2,453	2,271	4,554	4,425
EBITDAR	189	378	253	680
EBIT before nonrecurring items	76	243	7	405
EBIT margin before nonrecurring items	3.1%	10.7%	0.2%	9.2%
Average number of employees	1,707	1,702	1,703	1,687

Scandinavian Airlines Sverige's half-yearly earnings were significantly lower than in the year-earlier period despite the airline being impacted by a strike in May of last year which affected earnings in the amount of about MSEK 100. This year, SAS Sverige has implemented several price adjustments mainly aimed at offsetting elevated jet-fuel costs, although these adjustments have not been fully effective due to the rapidly rising fuel costs and weaker trend in business travel. Yield is clearly under pressure and the load factor is declining compared with the year-earlier period. In addition, the company is continuing to suffer from the consequences of the Q400 incidents, for example, aircraft and crew leasing costs and re-training costs for the airline's pilots. Viewed over the six-month period, the unit cost excluding fuel declined slightly compared with the year-earlier period.

Scandinavian Airlines International

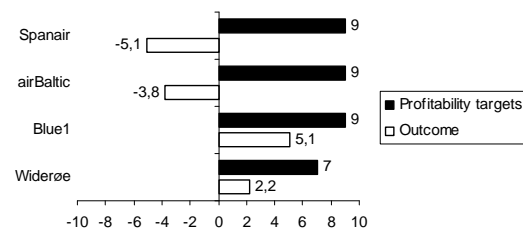
(MSEK)	Apr-Jun		Jan-Jun	
	2008	2007	2008	2007
Passenger revenue	1,676	1,480	3,058	2,691
Other revenue	500	455	911	838
Revenue	2,175	1,935	3,969	3,529
EBITDAR	180	188	192	153
EBIT before nonrecurring items	29	20	-121	-184
EBIT margin before nonrecurring items	1.4%	1.0%	-3.1%	-5.2%
Average number of employees	759	785	756	792

Scandinavian Airlines International's earnings for the first six months of the year were negative, but represent an improvement compared with the year-earlier period. Viewed over the six-month period, the earnings improvement was driven by a clearly higher yield and load factor, which led to an increase in unit earnings. SAS International was also relatively successful on the revenue side in offsetting the excessively high jet-fuel costs, although the challenge of achieving such offsetting was more difficult during the second quarter of 2008. Demand in the US market during the six-month period was adversely affected by the weak USD, although the decline was offset by increased sales successes in Scandinavia.

SAS Individually Branded Airlines

After the decision not to divest Spanair, the airline is once again included in the SAS Individually Branded Airlines business area. As a whole, the business area reported a loss for the first six months of the year. Blue1 reported an EBIT nearly in line with the year-earlier period, while Spanair, Widerøe and airBaltic all reported earnings that were substantially lower. Rapidly rising fuel prices and a downturn in the economy are pressing the carriers. Widerøe continued to experience the negative effects of the Q400 incidents and the expansion of airBaltic has not yet generated the desired effect on earnings.

EBIT margins before nonrecurring items, 12 months rolling
SAS Individually Branded Airlines



Blue1

Blue1

(MSEK)	Apr-Jun		Jan-Jun	
	2008	2007	2008	2007
Passenger revenue	503	478	925	899
Other revenue	64	62	130	126
Revenue	567	540	1,055	1,026
EBITDAR	72	91	103	133
EBIT before nonrecurring items	45	54	46	55
EBIT margin before nonrecurring items	7.9%	10.1%	4.4%	5.4%
Average number of employees	467	528	465	521

Blue1 reported an EBIT that was only slightly weaker than in the year-earlier period, despite sharp rises in fuel prices and an economic slowdown. The EBIT margin remained the highest in the Group. Blue1 was relatively successful in offsetting the negative effects of elevated jet-fuel prices. The yield was nearly 5 percentage units higher compared with the year-earlier period. This figure is counteracted by a lower load factor and rising fuel prices. Blue1 discontinued operations on a number of routes during the first quarter. The review of operations continued in the second quarter and capacity was adjusted during this quarter to match changes in demand in the various markets.

airBaltic

airBaltic

(MSEK)	Apr-Jun		Jan-Jun	
	2008	2007	2008	2007
Passenger revenue	683	480	1,091	793
Other revenue	76	89	180	141
Revenue	760	569	1,271	934
EBITDAR	100	91	83	119
EBIT before nonrecurring items	3	29	-105	10
EBIT margin before nonrecurring items	0.4%	5.1%	-8.2%	1.1%
Average number of employees	1,149	905	1,098	879

airBaltic reported distinctly weaker earnings compared with the year-earlier period. The company continued its substantial expansion and launched some ten new routes during the second quarter. This expansion resulted in larger market shares but has not yet generated the desired effect on earnings. Passenger revenue did not rise at the same rate as production, due mainly to a significantly lower load factor. Yield remained relatively stable. Rising fuel prices adversely impacted earnings. airBaltic was more heavily affected by elevated fuel prices than the other companies in the Group since, in relation to them, the proportion of fuel in the carrier's cost base is larger.

Widerøe

widerøe

(MSEK)	Apr-Jun		Jan-Jun	
	2008	2007	2008	2007
Passenger revenue	612	522	1,087	1,009
Other revenue	303	253	655	496
Revenue	915	775	1,742	1,505
EBITDAR	59	140	135	244
EBIT before nonrecurring items	7	79	17	123
EBIT margin before nonrecurring items	0.8%	10.1%	1.0%	8.1%
Average number of employees	1,353	1,347	1,357	1,360

Widerøe reported half-yearly earnings that were weaker than the year-earlier period. This was primarily due to the company's additional costs as a result of the Q400 problems and increased fuel costs. Widerøe has contracted five new Q400 aircraft and the first delivery was made in April. All new Q400 NGs are scheduled to be in operation by August. The competitive situation has changed compared with the preceding year when two of the carrier's competitors discontinued their operations. As a result, Widerøe launched the Haugesund-Copenhagen route.

Spanair

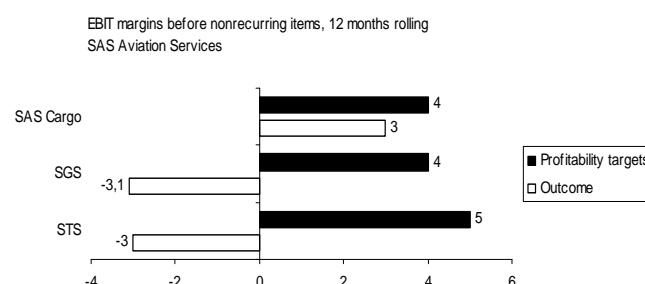
Spanair

(MSEK)	Apr-Jun		Jan-Jun	
	2008	2007	2008	2007
Passenger revenue	2,239	2,331	3,982	3,970
Other revenue	624	657	1,096	1,176
Revenue	2,864	2,987	5,078	5,145
EBITDAR	51	375	-13	314
EBIT before nonrecurring items	-197	88	-515	-251
EBIT margin before nonrecurring items	-6.9%	2.9%	-10.1%	-4.9%
Average number of employees	3,493	3,413	3,436	3,341

Spanair reported earnings for the first six months that were slightly more than MSEK 260 lower than in the year-earlier period. The difference arose in its entirety in the second quarter. The reasons for this are the higher fuel costs and weaker yield. The main underlying causes are the significantly weaker economic conditions and increased capacity in the Spanish domestic market, primarily in the Canary Islands. After the end of June, the company presented an extensive program of measures corresponding to savings of MEUR 90, which will have a full effect in 2009, entailing a capacity reduction of 15 aircraft.

SAS Aviation Services

All companies in the SAS Aviation Services business area improved their margins compared with the preceding year and, as a whole, posted a slightly positive EBIT before nonrecurring items. This represents an improvement of more than MSEK 220 compared with the year-earlier period. However, extensive improvements remain to be implemented to achieve the established profitability requirements.



STS

(MSEK)	Apr-Jun		Jan-Jun	
	2008	2007	2008	2007
Revenue	1,210	1,194	2,472	2,359
EBITDA	52	-70	110	-119
EBIT before nonrecurring items	22	-93	47	-175
EBIT margin before nonrecurring items	1.8%	-7.8%	1.9%	-7.4%
Average number of employees	2,365	2,436	2,383	2,430

SAS Technical Services' (STS) earnings for the first six months were significantly better than in the year-earlier period. These improved earnings were mainly due to the ongoing earnings-improvement program and the new agreements with the airlines in the SAS Group. Furthermore, STS is continuing to work on improving its delivery quality. The external market for technical maintenance is growing and is characterized by fierce competition, overcapacity and price pressure. STS's focus on delivery quality combined with a more efficient production organization will generate increased productivity and efficiency, and thereby enhance the company's competitiveness and profitability.

SGS

(MSEK)	Apr-Jun		Jan-Jun	
	2008	2007	2008	2007
Revenue	1,628	1,524	3,196	2,984
EBITDA	-19	7	-51	30
EBIT before nonrecurring items	-10	-15	-63	-12
EBIT margin before nonrecurring items	-0.6%	-1.0%	-2.0%	-0.4%
Average number of employees	7,137	6,824	7,101	6,699

SAS Ground Services (SGS) reported half-yearly earnings before nonrecurring items that were slightly more than MSEK 50 weaker than in the year-earlier period. In 2008, SGS has incurred restructuring costs of slightly more than MSEK 30. The primary reason for the deviation is SGS's focus on enhancing delivery quality, which has led to a higher cost level. The greatest challenge faced by the company is on the costs side, particularly in Denmark. To attain the profitability requirement, a cost program corresponding to more than MSEK 400 was defined and the implementation process for this has been initiated and is proceeding according to plan.

SAS Cargo

(MSEK)	Apr-Jun		Jan-Jun	
	2008	2007	2008	2007
Traffic revenue	378	418	781	878
Other revenue	518	427	957	760
Revenue	896	845	1,738	1,638
EBITDA	-281	0	-266	-18
EBIT before nonrecurring items	38	-7	42	-29
EBIT margin before nonrecurring items	4.3%	-0.9%	2.4%	-1.8%
Average number of employees	1,255	1,391	1,256	1,391

SAS Cargo reported a first half-year that was a substantial improvement on the year-earlier period, disregarding the fine of MSEK 314 levied on the company in the US and associated lawyers' fees. These expenses are reported as nonrecurring items. The primary reason for the improved earnings is the company's ability to generate revenue in a market characterized by price pressure and that is significantly affected by rising jet-fuel costs. The company's earnings-improvement program had a positive impact on earnings. In addition to capacity adjustments, the program includes structural changes, commercial initiatives and efficiency enhancements.

SAS Group

Balance sheet

(MSEK)	June 30, 2008	December 31, 2007	June 30, 2007	June 30, 2006
Intangible assets	3,022	1,226	3,343	3,820
Tangible fixed assets	14,343	13,436	14,397	17,885
Financial fixed assets	12,920	12,001	12,893	13,427
Total fixed assets	30,285	26,663	30,633	35,132
Current assets	1,097	850	963	1,097
Current receivables	11,287	6,168	9,706	11,079
Cash, bank and short-term investments	8,204	8,891	9,955	8,669
Assets held for sale	-	6,198	-	-
Total current assets	20,588	22,107	20,624	20,845
Total assets	50,873	48,770	51,257	55,977
Shareholders' equity ¹⁾	16,469	17,149	16,463	11,810
Long-term liabilities	13,779	11,274	11,976	20,252
Current liabilities	20,625	15,024	22,818	23,915
Liabilities relating to assets held for sale	-	5,323	-	-
Total shareholders' equity and liabilities	50,873	48,770	51,257	55,977
Shareholders' equity per share ²⁾	100.35	104.13	99.76	68.13
Interest-bearing assets	21,111	20,307	20,533	19,302
Interest-bearing liabilities	11,310	12,042	13,040	22,581

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)	Share capital ¹⁾	Other contributed capital ²⁾	Hedge reserves	Fair value reserve	Translation reserve	Retained earnings ³⁾	Total shareholders' equity attributable to Parent Company shareholders	Minority interest	Total equity
Opening balance, January 1, 2007	1,645	170	518	508	286	13,239	16,366	22	16,388
Change in participating interest in subsidiaries							0	38	38
Changed accounting principle in affiliated companies						-26	-26		-26
Change in fair value reserve				-508			-508		-508
Change in hedge reserve			-1				-1		-1
Translation differences					-64		-64	-2	-66
Revenue and expenses for the period reported directly against shareholders' equity	0	0	-1	-508	-64	-26	-599	36	-563
Hedge reserve dissolved against earnings			108				108		108
Tax on items dissolved against earnings			-30				-30		-30
Net income for the period						566	566	-6	560
Total revenue and expenses for the period	0	0	77	-508	-64	540	45	30	75
Closing balance, June 30, 2007	1,645	170	595	0	222	13,779	16,411	52	16,463
Change in participating interest in subsidiaries						0	0	-38	-38
Change in fair value reserve						-1	-1		-1
Change in hedge reserve			584				584		584
Tax charged directly to equity			-163				-163		-163
Translation differences					139		139		139
Revenue and expenses for the period reported directly against shareholders' equity	0	0	421	0	139	-1	559	-38	521
Hedge reserve dissolved against earnings			124				124		124
Tax on items dissolved against earnings			-35				-35		-35
Net income for the period						71	71	5	76
Total revenue and expenses for the period	0	0	510	0	139	70	719	-33	686
Closing balance, December 31, 2007	1,645	170	1,105	0	361	13,849	17,130	19	17,149
Change in hedge reserve			1,750				1,750		1,750
Tax charged directly to equity			-490		7		-483		-483
Translation differences					0		0		0
Revenue and expenses for the period reported directly against shareholders' equity	0	0	1,260	0	7	0	1,267	0	1,267
Hedge reserve dissolved against earnings			-558				-558		-558
Tax on items dissolved against earnings			156				156		156
Net income for the period						-1,488	-1,488	-57	-1,545
Total revenue and expenses for the period	0	0	858	0	7	-1,488	-623	-57	-680
Closing balance, June 30, 2008	1,645	170	1,963	0	368	12,361	16,507	-38	16,469

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⁾ No dividends were paid in 2006 and 2007.

SAS Group

Cash-flow statement

	April-June		January-June		July-June	
(MSEK)	2008	2007	2008	2007	2007-08	2006-07
Income before tax	-106	762	-1,421	298	-1,430	1,464
Depreciation	399	407	786	799	1,890	1,743
Income from sale of fixed assets	-6	44	-6	46	-84	-3
Discontinued operations	4	55	-13	61	-4	461
Adjustment for items not included in cash flow	353	-47	426	-108	519	-120
Paid tax	-7	-8	-15	-14	-39	-23
Cash flow from operations	637	1,213	-243	1,082	852	3,522
Change in working capital	1,052	644	1,908	1,284	1,313	491
Cash flow from operating activities	1,689	1,857	1,665	2,366	2,165	4,013
Investments, including prepayments to aircraft manufacturers	-2,005	-605	-2,593	-993	-4,283	-2,365
Acquisition of subsidiary	0	-225	0	-225	0	-225
Sale of subsidiary	166	0	166	506	209	5,354
Sale of fixed assets, etc.	1,274	1,031	1,310	1,010	2,446	3,672
Cash flow before financing activities	1,124	2,058	548	2,664	537	10,449
External financing, net	-1,049	-945	-1,336	-3,529	-2,299	-9,164
Cash flow for the period	75	1,113	-788	-865	-1,762	1,285
Translation difference in cash and cash equivalents	5	-2	-1	17	11	1
Cash and cash equivalents transferred to assets held for sale	122	0	102	0	0	0
Change in cash and cash equivalents according to the balance sheet	202	1,111	-687	-848	-1,751	1,286

Comments on the cash-flow statement

Cash flow from operations declined by MSEK 1,325 compared with the year-earlier period, as a result of the weaker earnings trend during the six-month period. This figure includes an adjustment of MSEK 314 pertaining to the fines levied on SAS Cargo in the US and which were charged to earnings but have not yet been paid. The favorable trend in working capital continued, which led to cash flow from operating activities declining by only MSEK 701 and amounting to MSEK 1,665 (2,366).

Investments amounted to MSEK 2,593 (1,218), of which MSEK 2,269 (518) related to aircraft, other flight equipment and prepayments. This includes the buyback of seven Q400s that have been sold on as part of the discontinuation of the fleet, and delivery payments for three new Boeing 737s. In addition, three used Boeing 737s and two McDonnell Douglas MD 87s were purchased. Prepayments amounted to MSEK 522 (107).

The subsidiaries SAS Media and SAS Facility Management were divested in April and June, respectively, as was the

remaining holding in ST Aerospace Solutions (formerly SAS Component). These transactions affected the Group's cash and cash equivalents in the amount of MSEK 166.

Five Dash 8 Q400 aircraft were sold and four of the Boeing 737s acquired during the period were divested through sale and leaseback deals at a total sales price of MSEK 1,333.

Accordingly, cash flow before financing activities amounted to MSEK 548 (2,664).

Cash and cash equivalents according to the balance sheet amounted to MSEK 8,204 (9,955).

The SAS Group has about MSEK 8,600 in unutilized tax loss carryforwards in continuing operations. 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 68% 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	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
External sales	20,761	18,864	8,971	8,568	2,600	2,526	200	186	32,532	30,144
Sales between business segments	713	641	181	51	4,779	4,409	-5,673	-5,101	0	0
Revenue	21,474	19,505	9,152	8,619	7,379	6,935	-5,473	-4,915	32,532	30,144
Payroll expenses	-4,669	-4,141	-1,769	-1,592	-3,360	-3,093	-404	-321	-10,202	-9,147
Other expenses	-15,380	-12,806	-7,100	-6,218	-4,247	-3,937	5,706	5,087	-21,021	-17,874
EBITDAR per business segment	1,425	2,558	283	809	-228	-95	-171	-149	1,309	3,123
Leasing costs for aircraft	-1,001	-1,087	-718	-722	0	0	107	58	-1,612	-1,751
EBITDA per business segment	424	1,471	-435	87	-228	-95	-64	-91	-303	1,372
Depreciation	-495	-495	-143	-146	-128	-122	-20	-36	-786	-799
Share of income in affiliated companies	-15	2	-130	45	2	2	0	0	-143	49
Capital gains/losses	-4	-11	10	0	0	0	0	-35	6	-46
EBIT per business segment	-90	967	-698	-14	-354	-215	-84	-162	-1,226	576
Unallocated income items:										
Net financial items									-195	-278
Tax									76	-155
Net income for the period from continuing operations									-1,345	143
Earnings before nonrecurring items in continuing operations	-83	753	-774	-103	-86	-285	-110	-21	-1,053	344

Parent Company SAS AB

Income before tax for the period amounted to MSEK -251 (-57).

Available liquidity for SAS AB at June 30, 2008 amounted to MSEK 56 compared with MSEK 258 at the beginning of the year.

The number of shareholders in SAS AB amounted to 34,961 on June 30, 2008. The average number of employees in SAS AB was 250 (161). This increase is due to transfers from the consortium.

Statement of income

(MSEK)	2008	January-June 2007
Revenue	87	6
Payroll expenses	-174	-138
Other operating expenses	-162	-130
Operating income before depreciation	-249	-262
Depreciation	0	0
Operating income	-249	-262
Income from shares	-8	277
Net financial items	6	-72
Income before tax	-251	-57
Tax	72	94
Net income for the period	-179	37

Balance sheet

(MSEK)	June 30, 2008	December 31, 2007
Fixed assets	9,586	8,619
Current assets	7,238	7,925
Total assets	16,824	16,544
Shareholders' equity	11,361	11,540
Long-term liabilities	4,355	4,704
Current liabilities	1,108	300
Total shareholders' equity and liabilities	16,824	16,544

Change in shareholders' equity

(MSEK)	Share capital	Rest. reserves	Unrestr. equity	Total equity
Opening balance, Jan. 1, 2007	1,645	306	10,32	12,27
Group contribution rec'd, net			19	19
Net income for the period			-752	-752
Equity, Dec. 31, 2007	1,645	306	9,589	11,54
Net income for the period			-179	-179
Equity, June 30, 2008	1,645	306	9,410	11,36

Accounting principles and financial reports

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

This interim report was prepared in accordance with IAS 34 Interim Financial Reporting, and the accounting principles are unchanged since the most recent Annual Report.

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

SAS Group management and areas of responsibility

Mats Jansson, President and CEO. Responsible for the SAS Individually Branded Airlines business area.

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

Gunilla Berg, CFO and Deputy President.

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

Claus Sonberg, Senior Vice President Communications and Public Affairs.

Henriette Fenger Ellekrog, Group Head of Personnel.

Full-year 2008

Economic growth is expected to be significantly lower in 2008 in the SAS Group's markets compared with 2007. Official forecasts have gradually been revised downwards, and we will probably see signs of an economic downturn in the not too distant future. As a result of this, the market's passenger growth is expected to be lower in 2008, while competition and overcapacity increase. The price of jet fuel has risen rapidly to record levels, which entails an increasing challenge.

To turn around the earnings trend and manage the challenging market situation, the SAS Group has extended the action plan announced in February, named Profit 2008. The program is expected to generate an earnings effect of SEK 1.5 billion in 2008. In addition to this, measures corresponding to MEUR 90 are being implemented in Spanair to generate effects in 2009. In total, these measures entail a capacity reduction of 33 aircraft, of which 15 aircraft in Spanair.

Mats Jansson
President and CEO

The Board of Directors and President hereby assure that the half-yearly 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, August 14, 2008

Fritz H. Schur
Chairman of the Board

Jacob Wallenberg
Vice Chairman

Jens Erik Christensen
Board Member

Berit Kjøl
Board Member

Timo Peltola
Board Member

Dag Mejdell
Board Member

Anitra Steen
Board Member

Ulla Gröntvedt
Board Member

Asbjørn Wikestad
Board Member

Carsten Bardrup Nielsen
Board Member

Mats Jansson
President and CEO

This interim report is unaudited

Traffic data information

SAS Group's passenger traffic

	April-June			January-June		
	2008	2007	Change	2008	2007	Change
Number of passengers (000)	11,622	11,045	5.2%	20,971	20,133	4.2%
Passenger km (mill.)	11,851	10,915	8.6%	21,013	19,458	8.0%
Seat km (mill.)	16,465	15,091	9.1%	30,243	27,935	8.3%
Load factor	72.0%	72.3%	-0.3 p.u.	69.5%	69.7%	-0.2 p.u.

SAS Group's traffic-related key data

	January-March		April-June		July-September		October-December		July-June	
	2008	2007	2008	2007	2007	2006	2007	2006	2007-08	2006-07
Number of passengers (000)	9,348	9,088	11,622	11,045	11,031	10,319	9,923	9,704	41,925	40,156
RPK (mill.)	9,162	8,543	11,851	10,915	11,890	11,059	9,701	9,343	42,604	39,860
ASK (mill.)	13,778	12,844	16,465	15,091	15,352	14,468	14,263	13,672	59,858	56,075
Load factor	66.5%	66.5%	72.0%	72.3%	77.4%	76.4%	68.0%	68.3%	71.2%	71.1%
Yield, SEK	1.18	1.24	1.15	1.15	1.01	1.01	1.21	1.20	1.14	1.15
Total unit cost, SEK	0.83	0.79	0.73	0.73	0.70	0.70	0.79	0.75	0.76	0.74

SAS Group traffic operation by route sector

	Apr-Jun 08 vs. Apr-Jun 07		Jan-Jun 08 vs. Jan-Jun 07	
	Traffic (RPK)	Capacity (ASK)	Traffic (RPK)	Capacity (ASK)
Intercontinental	10.1%	4.5%	8.2%	2.7%
Europe	8.7%	9.6%	9.4%	10.2%
Intra-Scandinavia	10.0%	21.2%	5.8%	15.0%
Denmark (domestic)	12.0%	9.3%	8.5%	12.5%
Norway (domestic)	3.6%	5.7%	2.7%	2.2%
Sweden (domestic)	8.7%	21.5%	3.8%	15.9%

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

SAS Scandinavian Airlines traffic-related key data

		April-June		January-June	
		2008	Change	2008	Change
Number of passengers (000)		7,248	+8.1%	13,205	+5.2%
Passenger km, RPK (mill.)		7,901	+10.8%	14,167	+8.3%
Seat km, ASK (mill.)		10,688	+12.9%	19,643	+9.2%
Load factor		73.9%	-1.4 p.u.	72.1%	-0.6 p.u.
Currency-adjusted yield trend			0.1%		-2.8%
Total unit cost, incl. charter			+5.1% ²⁾		+6.9% ¹⁾
Operational unit cost, incl. charter			+6.2% ²⁾		+7.9% ¹⁾

1) Higher fuel costs had a negative effect of 4.6 percentage units on unit costs and additional costs for the Q400 incidents had a negative effect of 2.8 percentage units.

2) Higher fuel costs had a negative effect of 6.3 percentage units on unit costs and additional costs for the Q400 incidents had a negative effect of 1.9 percentage units.

SAS Scandinavian Airlines traffic and production

	Scandinavian Airlines Norge				Scandinavian Airlines Danmark				Scandinavian Airlines Sverige				SAS International			
	Apr-Jun		Jan-Jun		Apr-Jun		Jan-Jun		Apr-Jun		Jan-Jun		Apr-Jun		Jan-Jun	
	2008	Change	2008	Change	2008	Change	2008	Change	2008	Change	2008	Change	2008	Change	2008	Change
Scheduled traffic																
Number of passengers (000)	2,912	+12.9%	5,226	+9.1%	2,172	+0.3%	3,990	-0.5%	1,796	+10.7%	3,311	+6.0%	369	+9.5%	678	+9.3%
RPK (mill.)	2,154	+15.9%	3,695	+11.9%	1,640	+2.9%	2,957	+2.2%	1,471	+14.3%	2,663	+10.8%	2,636	+10.1%	4,852	+8.2%
ASK (mill.)	3,093	+19.6%	5,422	+12.5%	2,344	+8.6%	4,447	+7.1%	2,128	+22.6%	3,972	+18.3%	3,124	+4.5%	5,802	+2.7%
Load factor	69.7%	-2.2 p.u.	68.2%	-0.4 p.u.	70.0%	-3.9 p.u.	66.5%	-3.2 p.u.	69.1%	-5.0 p.u.	67.1%	-4.5 p.u.	84.4%	+4.3 p.u.	83.6%	+4.2 p.u.
Yield, currency-adjusted		-3.5%		-6.4%		+1.3%		-2.4%		-5.0%		-9.0%		+2.8%		+5.1%
Total unit cost tot, incl. charter (local currency)		+7.8%		+7.3%		+9.4%		+1.7%		+5.0%		+4.3%		+9.9%		+9.0%
Charter traffic																
Number of passengers (000)	96	-27.5%	179	-14.0%	134	-7.8%	259	+9.3%	39	-47.7%	81	-49.5%	-	-	-	-

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	
	2008	Change	2008	Change	2008	Change	2008	Change	2008	Change	2008	Change	2008	Change	2008	Change
Scheduled traffic																
Number of passengers (000)	2,708	-3.9%	4,779	-0.8%	551	8.8%	1,023	4.4%	461	-5.0%	841	-8.5%	654	23.5%	1,122	29.1%
RPK (mill.)	2,612	-0.2%	4,538	4.1%	177	12.5%	321	6.6%	401	3.5%	701	-2.1%	761	22.9%	1,286	28.9%
ASK (mill.)	3,642	-5.2%	6,752	0.9%	286	10.5%	530	3.9%	589	6.5%	1,100	-0.2%	1,259	30.3%	2,219	34.5%
Load factor	71.7%	+3.6 p.u.	67.2%	+2.1 p.u.	61.7%	+1.1 p.u.	60.7%	+1.5 p.u.	68.0%	-1.9 p.u.	63.7%	-1.2 p.u.	60.5%	-3.6 p.u.	57.9%	-2.5 p.u.
Yield, currency-adjusted		-5.6%		-5.7%		+1.1%		-3.0%		+3.4%		+4.6%		+13.3%		+3.9%
Total unit cost tot, incl. charter (local currency)		+12.0%		+4.0%		+19.2%		+12.6%		+2.0%		+2.5%		-1.2%		+4.0%
Charter traffic																
Number of passengers (000)	275	+3.0%	417	-9.0%												

Statement of income

Statement of income – Quarterly breakdown

	2006			2007					2008		
(MSEK)	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	16,116	16,337	15,118	60,522	13,856	16,288	16,794	15,601	62,539	14,829	17,703
Payroll expenses	-4,637	-4,159	-4,318	-17,597	-4,455	-4,692	-4,722	-4,982	-18,851	-5,061	-5,141
Other operating expenses	-9,480	-9,894	-8,812	-36,475	-8,461	-9,413	-10,202	-9,588	-37,664	-9,669	-11,352
Leasing costs for aircraft	-893	-875	-867	-3,526	-877	-874	-887	-834	-3,472	-822	-790
Depreciation	-492	-435	-509	-1,884	-392	-407	-400	-704	-1,903	-387	-399
Share of income in affiliated companies	38	50	7	111	15	34	6	-23	32	-65	-78
Income from the sale of aircraft and buildings	3	16	30	76	-2	-44	4	69	27	0	6
Operating income	655	1,040	649	1,227	-316	892	593	-461	708	-1,175	-51
Income from other shares and participations	1	0	-48	-47	0	0	5	0	5	0	0
Net financial items	-230	-256	-219	-922	-148	-130	-77	-69	-424	-140	-55
Income before tax	426	784	382	258	-464	762	521	-530	289	-1,315	-106
Tax	-50	-246	-136	-107	57	-212	-64	-58	-277	200	-124
Net income from continuing operations	376	538	246	151	-407	550	457	-588	12	-1,115	-230
Income from discontinued operations	177	66	4,401	4,589	360	57	244	-37	624	-19	-181
Net income for the period	553	604	4,647	4,740	-47	607	701	-625	636	-1,134	-411
Attributable to:											
Parent Company shareholders	489	559	4,608	4,622	-18	584	667	-596	637	-1,077	-411
Minority interests	64	45	39	118	-29	23	34	-29	-1	-57	0

Earnings overview

	January-Mars		April-June		July-September		October-December		April-Mars	
(MSEK)	2008	2007	2008	2007	2007	2006	2007	2006	2007-08	2006-07
Revenue	14,829	13,856	17,703	16,288	16,794	16,337	15,601	15,118	64,927	61,599
EBITDAR	99	940	1,210	2,183	1,870	2,284	1,031	1,988	4,210	7,395
EBITDAR margin	0.7%	6.8%	6.8%	13.4%	11.1%	14.0%	6.6%	13.1%	6.5%	12.0%
EBIT	-1,175	-316	-51	892	593	1,040	-461	649	-1,094	2,265
EBIT margin	-7.9%	-2.3%	-0.3%	5.5%	3.5%	6.4%	-3.0%	4.3%	-1.7%	3.7%
Income before nonrecurring items	-1,315	-462	262	806	617	850	-168	574	-604	1,768
Income before tax	-1,315	-464	-106	762	521	784	-530	382	-1,430	1,464
Net income for the period	-1,134	-47	-411	607	701	604	-625	4,647	-1,469	5,811
Earnings per share (SEK)	-6.55	-0.11	-2.50	3.55	4.05	3.40	-3.62	28.01	-8.61	34.85
Cash flow before financing activities	-576	606	1,124	2,058	-71	668	60	7,117	537	10,449

SAS Group average number of employees (FTE)

	April-June		January-June	
	2008	2007	2008	2007
SAS Scandinavian Airlines	7,442	7,611	7,421	7,564
SAS Individually Branded Airlines	6,749	6,476	6,643	6,376
SAS Aviation Services	10,757	10,651	10,740	10,520
Groupwide functions	641	568	640	573
Continuing operations	25,589	25,306	25,444	25,033
Discontinued operations	94	1,610	136	1,493
SAS Group	25,683	26,916	25,580	26,526

Investments, aircraft fleet and fuel

SAS Group's investments

		April-June		January-June
		2007	2008	2007
SAS Scandinavian Airlines	1,528	324	1,995	501
SAS Individually Branded Airlines	433	84	496	206
SAS Aviation Services	43	129	98	197
Groupwide functions and eliminations	1	271	4	277
Continuing operations	2,005	808	2,593	1,181
Discontinued operations	0	64	0	79
SAS Group	2,005	872	2,593	1,260

SAS Group's aircraft under firm order *)

	Total	2008	2009	2010
Boeing 737	3	0	3	0
CRJ 900	10	2	8	0
Q400	14	0	7	7
No. of aircraft	27	2	18	7
CAPEX (MUSD)	596	61	407	128

*) Excluding Estonian Air.

SAS Group aircraft fleet June 30, 2008

	Age	Owned	Leased	Wet-leased	Total	Leased out	Order
Airbus A330/A340	6.1	5	6		11	0	
Airbus A319/A320/A321	5.5	4	31		35	0	
Boeing 737 series	10.6	22	76		98	4	3
Boeing 717	8.1	0	8		8	0	
Boeing 757	12.8	0	2		2	0	
McDonnell Douglas MD-80 series	18.9	15	65		80	0	
McDonnell Douglas MD-90	11.2	8	0		8	3	
Avro RJ-85/100	10.4	0	6	5	11	0	
Fokker 50	18.6	0	14		14	0	
deHavilland Q series *)	10.7	19	29		48	0	14
BAe 146	21.6	0	0	2	2	0	
Bombardier CRJ200	8.0	0	0	4	4	0	
Bombardier CRJ900 NG **)	0.0	0	0		0	0	10
Total	12.1	73	237	11	321	7	27

By airline:

SAS Scandinavian Airlines	11.8				164	7	13
Widerøe	13.5				26		6
Blue 1	8.5				11		
airBaltic	14.9				26		8
Spanair	13.0				65		
Total	12.4				292***	7	27

*) Including 27 deHavilland Q-400 aircraft withdrawn from operation.

**) Excluding Estonian Air.

***) Excluding seven leased out 737s and MD-90s, and 22 Q400s withdrawn from traffic.

Facts and vulnerability – jet fuel ***

	Q3 2008	Q4 2008	Q1 2009	Q2 2009
Options	36%	57%	31%	20%
Redemption price	959	1,098	978	1 180
Swaps	10%	13%	8%	11%
price (USD/ton)	702	829	773	1,238
Three-way **	5%			
price (USD/ton)	800			

* Excluding premium

** Three-ways have a ceiling for the protection level of USD 800 or 900/ton

*** Before capacity adjustments as a result of Profit 2008 and measures implemented in Spanair.

Estimated jet-fuel expense 2008 *

Market price, USD	SEK 5.5/USD	SEK 6.0/USD	SEK 6.5/USD
Jet-fuel hedging			
USD 800/ton	12,500	13,000	13,600
USD 1,000/ton	13,100	13,700	14,200
USD 1,200/ton	13,700	14,300	14,900
USD 1,400/ton	14,200	14,900	15,600

* Pertains to the full-year values for SEK/USD and jet fuel per ton. The SAS Group's hedging of jet fuel at June 30, 2008 has been taken into account

SAS Scandinavian Airlines

Statement of income

(MSEK)	Apr-Jun		Jan-Jun	
	2008	2007	2008	2007
Passenger revenue	9,625	8,700	17,336	16,354
Charter revenue	389	509	735	844
Other traffic revenue	864	485	1,607	962
Other revenue	756	673	1,797	1,344
Revenue	11,634	10,368	21,474	19,505
Payroll expenses	-2,322	-2,099	-4,669	-4,141
Selling costs	-151	-136	-278	-256
Jet fuel	-2,496	-1,688	-4,362	-3,221
Government user fees	-1,034	-915	-1,946	-1,757
Catering costs	-337	-325	-628	-590
Handling costs	-1,386	-1,263	-2,671	-2,473
Technical aircraft maintenance	-1,128	-982	-2,251	-1,940
Computer and telecommunication costs	-396	-397	-800	-784
Other operating costs	-1,244 ^{*)}	-888	-2,445 ^{*)}	-1,785
Operating expenses	-10,495	-8,693	-20,049	-16,947
Income before depreciation and leasing costs, EBITDAR	1,139	1,674	1,425	2,558
Leasing costs for aircrafts	-495	-538	-1,001	-1,087
Income before depreciation, EBITDA	644	1,136	424	1,471
Depreciation	-251	-252	-495	-495
Share of income in affiliated companies	-19	0	-15	2
Capital gains	-4	-9	-4	-11
Operating income, EBIT	370	875	-90	967
Net financial items	11	-118	3	-225
SAS Scandinavian Airlines - Income before tax	381	757	-87	742
Income before nonrecurring items	384	766	-83	753

^{*)} Includes cost of leased replacement capacity for Q400 aircraft.

Important events

First quarter 2008

- The SAS Group decided to purchase six MD-87 and two Boeing 737-600 aircraft from another operator as replacements for the Q400.
- SAS took over delivery positions on three Boeing 737-800 aircraft with delivery during 2008.
- The Board of Directors of the SAS Group decided in February that SGS would be provided an opportunity to implement cost reductions of MSEK 400 within 18 months and a quality program, otherwise an external solution will be sought. At the same time, it was decided that the maintenance of Boeing 737 Classics be outsourced and that terminal management, Sprit, in SAS Cargo, be divested.
- SAS agreed a settlement with Bombardier and Goodrich for compensation to SAS regarding the incidents involving the Dash aircraft in the autumn of 2007. The details of the agreement are confidential but the total financial compensation is slightly more than SEK 1 billion. As part of the agreement, an order was placed for 27 aircraft, with an option for a further 24 aircraft.

Second quarter 2008

- On April 1, 2008, SAS and the Danish Pilots' Association (DPF), the Norwegian SAS Pilots' Association (NSF) and the Swedish Pilots' Association (SPF) signed a two-year collective agreement on salaries and general terms of service. The agreement period is April 1, 2007, through March 31, 2009.
- The SAS Group sold SAS Media AB to Danish company Danska Datagraf.
- At SAS's Annual General Meeting, Fritz H. Schur was elected the new Chairman of the Board of Directors. Dag Mejdell, CEO of Posten Norge AS, took office as new Board member. The Annual General Meeting resolved not to issue any dividends for the 2007 fiscal year.
- The SAS Group signed a letter of intent with Amadeus, under which parts of SAS's commercial IT platform will be replaced. These parts are sales, booking, ticketing, check-in and load control.
- SAS sold Facility Management to Coor Service Management, which thus became a total supplier of service to SAS in Denmark, Norway and Sweden.
- SAS Norge was fined MNOK 132 as compensation to the airline Norwegian in a civil dispute. SAS has appealed the verdict which, accordingly, has not become legally effective.
- SAS discontinued the sales process concerning Spanair.
- SAS admitted an infringement of US competition legislation and agreed to a settlement entailing the payment of fines amounting to MSEK 314.
- SAS divested the remaining portion of SAS Component.

Events after June 30, 2008

- Spanair is initiating an extensive savings program corresponding to MEUR 90, due to the highly challenging market conditions in the Spanish air-travel market and the record-high fuel prices. Capacity is to be reduced by 15 aircraft or 25% starting in the autumn of 2008.

Financial calendar

Interim Report 3, July-September 2008
 Year-end Report 2008
 Annual Report & Sustainability Report 2008
 Annual General Meeting
 Interim Report 1, January-March 2009
 Interim Report 2, April-June 2009
 Interim Report 3, July-September 2009

November 5, 2008
 February 3, 2009
 March 3, 2009
 March 31, 2009
 April 28, 2009
 August 12, 2009
 November 5, 2009

Direct questions to: Investor Relations SAS Group: Vice President Sture Stølen +46 8 797 14 51, e-mail: investor.relations@sas.se

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

Media/Investor Relations activities

Press conference, Frösundavik
 Telephone conference, analysts
 Analysts' meeting, Stockholm

10:30 a.m., August 14, 2008
 2:00 p.m., August 14, 2008
 August 15, 2008

