



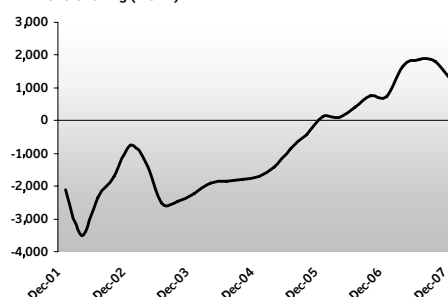
SAS Group

Year-end Report January-December 2007

Key ratios for the period

- Operating revenue: MSEK 52,251 (50,152) (+4.2%)
- Number of passengers: 31.2 million (+2.9%)
- Spanair is reported as an operation under discontinuation and goodwill impairment of MSEK 300 was made.
- Earnings before nonrecurring items in continuing operations: MSEK 1,242 (727)
- EBT margin before nonrecurring items: 2.4% (1.4%)
- Net income for the period: MSEK 636 (4,740)
- Earnings per share: SEK 3.87 (28.10)

EBT before nonrecurring items,
12 months rolling (MSEK)



Income and key ratios

(MSEK)	October-December		January-December	
	2007	2006	2007	2006
Revenue	13,384	12,832	52,251	50,152
EBITDAR	992	1,748	5,311	5,099
Income before nonrecurring items in continuing operations ¹⁾	40	619	1,242	727
EBT margin before nonrecurring items	0.3%	4.8%	2.4%	1.4%
Income before tax, EBT	-24	456	1,052	177
Net income for the period	-625	4,647	636	4,740
Earnings per share (SEK)	-3.62	28.01	3.87	28.10

1) Spanair and Aerolineas de Baleares are reported as operations under discontinuation in 2006-2007.

Comments by the CEO

The performance during the first three quarters was positive, with favorable demand and, consequently, a favorable traffic trend and yield. The fourth quarter was strongly affected by our withdrawal of the Q400 aircraft and replacement of these with leased capacity. Overall, capacity was greater than requirement, resulting in reduced load factors and contributing to weaker yields. However, from a customer perspective, it is important to maintain traffic to as high a degree as possible. As well as the direct Q400 effects, the end of the year was also generally weaker for Scandinavian Airlines' short-haul companies. This is probably a result of uncertainty from customers following the Q400 problems and the strike threat relating to the structural changes discussed, particularly in SGS, but also due to increased capacity in certain markets.

As a result of a weak fourth quarter, income before nonrecurring items for the year was slightly more than SEK 1.2 billion. The direct earnings effects of the Q400 totaled approximately MSEK 700, of which about MSEK 500 was charged to the fourth quarter. The ECA agreement, which is a cooperation between SAS, Lufthansa and British Midland, was charged to our earnings in an amount of slightly more than MSEK 600 in 2007 mainly as the result of a weak earnings trend in British Midland. However, the agreement expired at the end of 2007. In addition, a number of strikes impacted earnings in a net amount of approximately MSEK 200.

For the year as a whole, our airlines, except for our intercontinental operations, improved their earnings compared with 2006. The earnings improvements were the result of favorable market conditions, improved concepts, effective control, traffic optimization and continued cost measures. The traffic trend for our intercontinental operations was better, especially in the second half of the year, but earnings were impacted by lower cargo revenue. The divestment process for Spanair is in progress and is expected to be completed during the second quarter of 2008.

Earnings in STS and SGS were strongly negative in 2007. The reasons include the main focus being on delivery quality, as well as delays and difficulties in implementing the necessary cost program. A decision was made to divest Spirit within SAS Cargo and to outsource maintenance of the Boeing 737 Classic. An internal solution was approved for SGS, providing that the company implements cost reductions of MSEK 400 and a quality-improvement program within 18 months.

We take a very serious view of the weaker trend at the end of 2007 and the economic downturn that can be foreseen. We also take a serious view of the fact that S11, particularly due to cultural problems, is delayed and is generating major future challenges. This applies to the cost program and other structural changes. In parallel with the implementation of our "Strategy 2011," in which cultural turnaround is key, work is focusing on regaining the customers' confidence, adapting capacity where necessary and securing compensation for the record-high fuel prices. Our assessment is that we will also have a negative earnings effect in 2008 as a result of the Q400 decision of approximately MSEK 700-800.

Unfortunately, 2007 was a year characterized by several major negative events that affected our customers, our brand and our shareholders. In 2008, the management's focus will be on the continued implementation of Strategy 2011 and taking further measures as a result of the anticipated downturn in the economy.

Mats Jansson
President and CEO

The SAS Group's Annual & Sustainability Report will be available
on the Internet on March 3, 2008.

www.sas.group.net

Financial overview

Statement of income

(MSEK)	October-December		January-December	
	2007	2006	2007	2006
Revenue	13,384	12,832	52,251	50,152
Payroll expenses	-4,606	-3,952	-17,271	-16,229
Other operating expenses	-7,786	-7,132	-26,669	-28,824
Leasing costs for aircraft	-636	-624	-2,578	-2,481
Depreciation	-365	-462	-1,478	-1,757
Share of income in affiliated companies	-46	-4	9	59
Income from sale of aircraft and buildings	67	30	41	85
Operating income	12	688	1,305	1,005
Income from other shares and participations	0	-47	5	-46
Net financial items	-36	-185	-258	-782
Income before tax	-24	456	1,052	177
Tax	-51	-75	-286	35
Net income from continuing operations	-75	381	766	212
Income from discontinued operations	-550	4,266	-130	4,528
Net income for the period	-625	4,647	636	4,740
Attributable to:				
Parent Company shareholders	-596	4,608	637	4,622
Minority interests	-29	39	-1	118
Earnings per share (SEK) ¹	-3.62	28.01	3.87	28.10
Earnings per share (SEK) from continuing operations ¹	-0.27	2.27	4.62	1.11

¹⁾ Earnings per share is calculated on the basis of 164,500,000 outstanding shares (IAS33). Since the SAS Group has no option, convertibles or share programs, no dilution occurs. A detailed statement of income is available at www.sasgroup.net

Income before nonrecurring items

(MSEK)	October-December		January-December	
	2007	2006	2007	2006
Income before tax in continuing operations	-24	456	1,052	177
Impairment losses	0	126	0	126
Restructuring costs	111	23	216	328
Capital gains/losses	-67	-33	-46	-88
Other nonrecurring items	20	47	20	184
Income before nonrecurring items in continuing operations	40	619	1,242	727

Adjusted income trend

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

Financial key ratios

(MSEK)	December 31,	December 31,	December 31,
	2007	2006	2005
CFROI (12 months rolling)	14%	15%	13%
Equity/assets ratio	35%	32%	21%
Adjusted equity/assets ratio	24%	22%	15%
Financial net debt, MSEK	1,231	4,134	14,228
Debt/equity ratio	0.07	0.25	1.18
Adjusted debt/equity ratio	1.42	1.68	2.90
Interest-coverage ratio (12 months rolling)	1.8	4.4	1.3

SAS Group

Market and earnings trend

In several of the Group's markets, conditions remained positive, contributing to a favorable passenger trend. The Group has reported a record number of passengers for 34 consecutive months. During the fourth quarter, the load factor and yield trend slowed somewhat. Growth was strongest in the Finnish, Norwegian and Baltic markets.

Scandinavian Airlines Norge and Scandinavian Airlines Sverige are achieving earnings levels that are close to the profitability requirements, despite a weaker fourth quarter. Scandinavian Airlines Danmark's full-year earnings indicate a distinct improvement despite the negative effects the company experienced in the fourth quarter as a result of the withdrawal from service of the Q400. Scandinavian Airlines International was primarily affected by lower cargo revenue and posted a lower full-year result compared with 2006.

Blue1 and Widerøe reported continued favorable performance. Air Baltic reported a weak fourth quarter as a result of heavy expansion.

The companies in SAS Aviation Services had yet another weak quarter due to the focus on delivery quality and delayed cost savings.

In total, the direct earnings impact of the Q400 incidents for the airlines amounted to MSEK 500 for the fourth quarter of 2007. For full-year 2007, the direct earnings effects are estimated at approximately MSEK 700. The negative earnings effect of the ECA cooperation and JV with Lufthansa amounted to MSEK 678 for full-year 2007.

In total, the Group reports an earnings improvement for the full year of MSEK 1,445, adjusted for the Q400, strike effects and the negative effects of the ECA ¹⁾ agreement.

January-December 2007

During the fourth quarter, the divestment process commenced for Spanair S.A. and Aerolineas de Baleares. Accordingly, the companies' assets and liabilities are reported as assets held for sale. Income after tax is reported among discontinued operations. Impairment testing of goodwill was conducted for both companies. Based on the indicative offers received, impairment was made in an amount of MSEK 300.

SAS Flight Academy was divested in February 2007 and is reported as a discontinued operation. The remaining 6.7% of the shares in the Rezidor Hotel Group were divested in May. An agreement regarding the final purchase consideration in the divestment of SAS Component in 2005 was concluded during the second quarter and was charged to earnings from discontinued operations in an amount of MSEK 445. At the end of June, the remaining 5.1% of the shares in Spanair S.A. were acquired. Subsequently, the SAS Group holds 100% of the shares in Spanair S.A. In September, the ground handling company Newco was divested.

Continuing operations:

The net effect of currency fluctuations between the January-December periods of 2006 and 2007 was MSEK 619. The effect is MSEK -587 on revenues, MSEK 1,193 on operating expenses and MSEK 13 on net financial items.

The SAS Group's revenue amounted to MSEK 52,251 (50,152), an increase of MSEK 2,099 or 4.2%. Taking into account currency effects, revenue increased by 5.4%. Passenger traffic (RPK) rose by 1.9% for the Group.

The Group's costs for jet fuel amounted to MSEK 8,104 (7,953). Adjusted for positive currency effect owing to a weaker USD, fuel costs rose by MSEK 811 due to higher prices and increased volume. In addition, operating expenses rose due to growth in the number of passengers, expanded capacity and higher costs for technical maintenance.

The earnings effect related to the ECA cooperation amounted to MSEK -652 (-415) for the full year.

Operating income before depreciation and leasing costs, EBITDAR, was MSEK 5,311 (5,099).

Leasing costs and depreciation, with regard to the currency effect, remain at the same level as during the period January-December 2006.

The Group's income from the sale of aircraft and buildings amounted to MSEK 41 (85) for the full year. During the year, a deHavilland Q100 was sold and the sale and leaseback of three Boeing 737s and three Airbus 319/321s was implemented. Income from other shares and participations of MSEK 5 (-46), comprises profit from the sale of shares in OMX. In the preceding year, a valuation was made at fair value of the shares in Aeroexchange amounting to MSEK -50.

The Group's net financial items amounted to MSEK -258 (-782). Net interest was MSEK -231 (-740). The currency effect was MSEK 13 (0). Other net financial expenses were MSEK -40 (-42).

Income before nonrecurring items in continuing operations amounted to MSEK 1,242 (727).

Discontinued operations:

Income from discontinued operations amounted to a total of MSEK -130 (4,528). SAS Flight Academy was sold in February 2007 to STAR Capital Partners for MSEK 550. The capital gain attributable to SFA amounted to MSEK 359. Income after tax in SAS Flight Academy was MSEK 5 until the date of the sale.

The SAS Group's remaining shareholding in Rezidor Hotel Group after the stock-exchange listing in 2006 was sold at the end of May, generating a gain of MSEK 513. Additionally, a dividend of MSEK 6 was received.

The earnings effect of an agreement on the purchase consideration for the divestment of 67% of the shares in SAS Component in 2005 amounted to MSEK -445. In the third quarter, Newco was divested for MSEK 322, with a capital gain of MSEK 169. Income after tax was MSEK 22 in Newco until the time of divestment. Income after tax and the impairment of goodwill in Spanair and Aerolineas de Baleares amounted to MSEK -713.

For full-year 2006, income after tax for Rezidor Hotel Group, Norwegian Aviation College, SAS Flight Academy, Newco and Spanair and Aerolineas de Baleares was reported in a total of MSEK 274. Added to this is a capital gain of MSEK 4,254 from the stock-exchange listing of Rezidor Hotel Group.

Fourth quarter 2007

Continuing operations:

The SAS Group reported income before nonrecurring items in continuing operations of MSEK 40 (619).

The fourth quarter of 2007 was negatively impacted compared with 2006 in a total of MSEK 500 due to incidents involving the Q400.

The Group's revenue amounted to MSEK 13,384 (12,832), a decline of MSEK 430 or 3.3% taking into account currency effects. The Group's passenger traffic increased by 2.9%.

Operating expenses, including payroll expenses, amounted to MSEK 12,392 (11,084). Adjusted for currency effects and nonrecurring items, operating expenses were 11.4% higher than in the preceding year due to higher fuel prices, increased capacity and the negative effects associated with the Q400. Adjusted for the currency effect, the fuel cost increased by MSEK 441 compared with the fourth quarter of 2006.

EBITDAR for the fourth quarter amounted to MSEK 992 (1,748).

The Group's net financial items amounted to MSEK -36 (-185). Net interest was MSEK -34 (-157).

Discontinued operations:

Income from discontinued operations amounted to MSEK -550 (4,266), comprising income after tax of MSEK -250 and goodwill impairment of MSEK -300 in Spanair and Aerolineas de Baleares. In addition to the capital gain from Rezidor Hotel Group, the preceding year included income after tax in Rezidor Hotel Group, Norwegian Aviation College, SAS Flight Academy, Newco and Aerolineas de Baleares.

1) European Cooperation Agreement: cooperation between British Midland, Lufthansa and Scandinavian Airlines. The agreement expired on December 31, 2007.

Strategy 2011

To reduce the Group's gap between earnings and the profitability requirement, meet the increasingly intense competition in the air travel market and secure future independence, the SAS Group launched its new Strategy 2011 plan in June. The starting point for the strategy plan is to reduce complexity. The vision and the strategy have customer focus as their highest priority. A stronger customer orientation, more distinct leadership and increased commitment will drive a cultural Turnaround. SAS will also focus on flight operations, with concentration on air travel to and from Northern Europe. The SAS strategy plan also includes a harmonization and development of the customer offering, whereby the customers shall be met by clear, consistent, flexible and value-for-money offerings, regardless of the Group company used. Increased competitiveness in all areas of the operation also imply continued costs reductions. In specific terms, this means that the SAS Group's holdings in Spanair, BMI and Air Greenland will be sold. During the autumn, SAS prepared the divestment of Spanair. There has been strong interest from both industry and financial buyers, although these buyers are not unaffected by a challenging trend in the Spanish market. Indicative offers have been received and SAS has chosen to proceed with a small group of potential buyers that have relevant market knowledge and a strong financial position. The selling process, which from the beginning has assumed a broad approach, is expected to be completed during the second quarter of 2008, as announced earlier. The process for the divestment of British Midland is in progress and several parties have expressed their interest. SAS is in talks with Lufthansa regarding the shares in British Midland. During the third quarter, the sale was completed of the Spanish ground handling company Newco to Teinver.

Cost program:

Within the framework of Strategy 2011, the SAS Group launched a new cost program corresponding to SEK 2.8 billion. The bulk of the earnings effect will occur in 2008 and 2009. During the fourth quarter, 25% of SEK 2.8 billion was implemented. The plan was for 33% of the measures to be implemented in the corresponding period.

Cost program

	Target:	Implemented:
Procurement	MSEK 400	MSEK 40
Central adm.	MSEK 300-400	MSEK 60
Subsidiaries	MSEK 2,100	MSEK 593
Of which:		
Flight operations	MSEK 1,000	MSEK 278
Sales/Admin	MSEK 600	MSEK 181
Ground/Technical	MSEK 500	MSEK 134

As a result of the structural decisions regarding SGS and STS, cost measures within Ground/Technical will be adjusted.

Restructuring expenses, primarily attributable to the work-free period of notice for personnel, are charged to full-year earnings in an amount of MSEK 216.

A decisive factor in competitiveness is providing a high level of basic quality in the form of punctuality and regularity. This area is also prioritized within the plan. The new strategy plan also expresses the company's growth target: 20% more passengers by 2011. This aggressive strategy requires strong growth, also in leisure travel. The ambition is for leisure travelers to account for not less than half of the passengers, compared with the current 40%. A special focus was launched, starting in Norway, with 12 new destinations at lower prices. In conjunction with the new strategy, the Group also established new financial targets for the Group and its subsidiaries:

Group profitability targets

CFROI 25%	EBT margin 7%	Earnings SEK 4 billion ¹⁾
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Targets for subsidiaries

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

1) Spanair excluded

Measures relating to the Q400 aircraft

Discontinuation of the Q400:

On October 28, following the three incidents involving landing gear, the Board of Directors of the SAS Group decided to permanently withdraw from operation its entire fleet of 27 Dash 8 Q400 aircraft.

The aircraft were used on Swedish domestic, Danish domestic and international routes, as well as by the subsidiary Widerøe in Norway. This affects a total of 27 of the Group's 303 aircraft, an estimated 5% of the total capacity in terms of the number of seats.

At year-end, nearly 100% of this capacity had been replaced by wet lease capacity.

The direct earnings effect for the Group in relation to the Q400 problems is approximately MSEK 700 for the full year. This includes wet lease contracts and operating costs, as well as initial direct loss of earnings.

A negative earnings effect of MSEK 700-800 is anticipated for full-year 2008.

Legal issues

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

SAS is continuing to cooperate with the authorities in the investigations and to defend itself in the civil litigation. SAS is also continuing to conduct its own internal review.

In the US, no formal accusations have been made against SAS to date. As part of its cooperation with the U.S. authorities, SAS is engaged in discussions with them concerning a possible resolution of the investigation.

In the EU, 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. Due to the complexity of international air transportation rules and the existence of alliances, a full analysis and understanding of the European Commission's allegations requires access to the European Commission's underlying comprehensive documentation. Since SAS has only obtained access to this documentation in the last few days, SAS is unable to comment further on the Statement of Objections.

It is not possible at this time to predict the outcomes of either investigation by the authorities or of the civil lawsuits. Taking the nature of the allegations into account, adverse outcomes are likely to have a substantial negative financial impact on SAS.

Currency and fuel hedging

The SAS Group has hedged 42% of its anticipated fuel consumption in 2008. This hedging was achieved through options, swaps and other instruments. A more detailed overview of hedging of the anticipated fuel cost for 2008 is presented in the table on page 13.

Under current plans for flight capacity, the cost of jet fuel in 2008 is expected to be in line with Appendix 3, assuming various prices and USD rates. SAS's ambition is to handle increases in jet fuel costs through price adjustments and yield management.

In December, the SAS Group had hedged 68% of its anticipated USD deficit for the next twelve months. Other currencies are hedged in accordance with the 60-90% policy.

SAS Scandinavian Airlines

The SAS Scandinavian Airlines business area's full-year earnings were SEK 1.8 billion before nonrecurring items. The ECA agreement and Q400 had a total negative impact on annual earnings of slightly less than SEK 1.3 billion. The fourth quarter was strongly affected by the Q400, approximately MSEK 500, but in addition, the revenue trend was weaker in combination with high fuel prices. It is probable that the weaker revenue trend is due to the consequences of the Q400, strike threats and more capacity in the market.

EBIT margins, 12 months rolling		
Scandinavian Airlines		
	Outcome	Profitability targets
SAS Norge	7.7 %	9 %
SAS Danmark	3.7 %	9 %
SAS Sverige	7.1 %	9 %
SAS International	0.6 %	9 %

Scandinavian Airlines Norge

(MSEK)	Oct-Dec		Jan-Dec	
	2007	2006	2007	2006
Passenger revenue	2,781	2,612	10,905	10,173
Other revenue	664	600	2,507	2,406
Revenue	3,445	3,212	13,411	12,579
EBITDAR	429	507	2,045	1,414
EBIT before nonrecurring items	189	241	1,038	396
EBIT margin before nonrecurring items	5.5%	7.5%	7.7%	3.1%
Average number of employees	2,436	2,527	2,465	2,604
EBT before nonrecurring items	199	242	1,057	404

Scandinavian Airlines Norge reported full-year earnings of MSEK 1,057, corresponding to an EBIT margin of 7.7%, which is close to the profitability requirement. The improvement was driven by a favorable Norwegian economy, resulting in a higher number of higher-yield passengers. Compared with 2006, traffic revenues rose by MSEK 750, an increase of 8%. The company also implemented measures within the framework of the cost program, which contributed to the full-year result. However, earnings over the 12-month rolling period were lower than in the preceding quarter, since the company's positive revenue trend slowed during the fourth quarter, partly due to capacity lent to Denmark and relatively strong comparative data. The yield trend is downward.

Scandinavian Airlines Danmark

(MSEK)	Oct-Dec		Jan-Dec	
	2007	2006	2007	2006
Passenger revenue	2,329	2,307	9,382	9,045
Other revenue	504	523	2,277	1,879
Revenue	2,833	2,830	11,659	10,924
EBITDAR	98	392	1,153	975
EBIT before nonrecurring items	-111	193	433	186
EBIT margin before nonrecurring items	-3.9%	6.8%	3.7%	1.7%
Average number of employees	2,219	2,102	2,188	1,983
EBT before nonrecurring items	-102	193	459	182

Scandinavian Airlines Danmark's full-year earnings contained a distinct improvement compared with 2006. However, the fourth quarter of the year was considerably weaker than in the preceding year, primarily due to the Q400 situation. As a consequence of the Q400, the company was affected by such factors as lease expenses for replacement capacity and higher operating costs because some of the Q400 aircraft – for compelling reasons – were replaced by larger aircraft. The earlier positive trend for traffic revenue turned into a decline in November and December, primarily due to the company's production being reduced as a result of the Q400 situation, but also due to the strike threat relating to SGS.

Scandinavian Airlines Sverige

(MSEK)	Oct-Dec		Jan-Dec	
	2007	2006	2007	2006
Passenger revenue	1,811	1,765	6,834	6,333
Other revenue	554	549	1,945	1,940
Revenue	2,365	2,314	8,779	8,273
EBITDAR	238	490	1,158	1,201
EBIT before nonrecurring items	110	334	622	525
EBIT margin before nonrecurring items	4.6%	14.5%	7.1%	6.3%
Average number of employees	1,709	1,653	1,704	1,615
EBT before nonrecurring items	113	328	625	504

Scandinavian Airlines Sverige's full-year earnings for 2007 were somewhat better than for 2006. However, the fourth quarter of 2007 was weaker than the corresponding quarter in 2006. The decline in earnings during the fourth quarter of the year was attributable to the Q400 situation, as well as the threat of strike that existed and surplus capacity in the market. The result of this trend was clear during the final two months of the year and involved higher costs, for example, in the form of replacement capacity for the Q400 and revenue being put under pressure. During the year, the company launched several new routes, including direct routes to Barcelona from both Stockholm and Gothenburg.




Scandinavian Airlines International

(MSEK)	Oct-Dec		Jan-Dec	
	2007	2006	2007	2006
Passenger revenue	1,492	1,437	5,914	6,060
Other revenue	421	433	1,711	1,744
Revenue	1,914	1,870	7,625	7,805
EBITDAR	152	234	702	898
EBIT before nonrecurring items	-2	58	43	169
EBIT margin before nonrecurring items	-0.1%	3.1%	0.6%	2.2%
Average number of employees	762	779	782	650
EBT before nonrecurring items	4	64	54	169

Scandinavian Airlines International reported weaker earnings for the fourth quarter and the full year compared with 2006. The yield and load factor trends were positive, but higher costs, some of a nonrecurring nature, reduced earnings. During the year, the company was also negatively affected by declining cargo revenue, which is a key source of revenue. In 2007, the company undertook a relatively comprehensive restructuring of the traffic program pertaining to the basic program and to seasonally operated routes. The Stockholm-Beijing route is a new feature of the basic program, while Copenhagen-Dubai and Stockholm-Bangkok are supplementary routes during the winter season.

SAS Individually Branded Airlines

Widerøe and Blue1 had their best full-year results ever. airBaltic, which is under extensive expansion, was unable to improve its earnings after a weaker fourth quarter. Spanair was affected by a competitive Spanish market that is characterized by strong yield pressure, but the airline is rigidly maintaining its strong second position. However, Spanair is reported as an operation under discontinuation in 2006 and 2007. The economy in all of the business area's markets is strong, with favorable market growth.

EBIT margins, 12 months rolling			
SAS Individually Branded Airlines			
		Outcome	Profitability targets
Widerøe		5.8 %	7 %
Blue1		5.6 %	9 %
airBaltic		1.1 %	9 %

Spanair (operation under discontinuation)

(MSEK)	Oct-Dec		Jan-Dec	
	2007	2006	2007	2006
Passenger revenue	1,949	1,868	8,224	7,749
Other revenue	536	581	2,907	3,263
Revenue	2,486	2,449	11,131	11,012
EBITDAR	67	240	829	1,418
EBIT before nonrecurring items	-204	-35	-295	237
EBIT margin before nonrecurring items	-8.2%	-1.4%	-2.7%	2.1%
Average number of employees	3,450	3,567	3,415	3,570

Spanair's earnings were considerably lower than in the preceding year. The primary reason for the decline in earnings was a weak yield trend. There is intense competition in the Spanish market, characterized by surplus capacity and falling yields. The weak yield trend is also attributable to a reduced number of business travelers. In addition, earnings were negatively impacted by the redelivery of aircraft in an amount of approximately MSEK 175. Despite the difficult market, the company succeeded in performing better than its competitors and retained its second position. As a result of declining demand, Spanair has adapted its capacity to demand in 2007 and also in 2008. ¹⁾

Widerøe

(MSEK)	Oct-Dec		Jan-Dec	
	2007	2006	2007	2006
Passenger revenue	519	518	2,000	1,990
Other revenue	279	220	1,051	951
Revenue	799	738	3,051	2,941
EBITDAR	77	83	426	291
EBIT before nonrecurring items	13	21	177	35
EBIT margin before nonrecurring items	1.7%	2.9%	5.8%	1.2%
Average number of employees	1,364	1,416	1,358	1,393
EBT before nonrecurring items	12	18	162	22

Widerøe recorded the best full-year result in the company's history and it is not far off achieving the Group's earnings requirement. Had it not been for the Q400 incidents, the company would have achieved an even better result. The underlying trend remains positive, with the company operating in an extremely strong Norwegian market. Combined with a favorable economy, the positive trend can also be attributed to comprehensive adaptation of the route network, more efficient revenue optimization and a new low-fare concept. The load factor and yield trends were highly positive, but as a result of the Q400 incidents, the company had a higher unit cost compared with 2006. The underlying cost trend remains stable.

Blue1

(MSEK)	Oct-Dec		Jan-Dec	
	2007	2006	2007	2006
Passenger revenue	468	459	1,784	1,777
Other revenue	59	86	236	241
Revenue	527	545	2,019	2,018
EBITDAR	67	61	257	154
EBIT before nonrecurring items	35	20	113	-16
EBIT margin before nonrecurring items	6.7%	3.7%	5.6%	-0.8%
Average number of employees	487	520	506	491
EBT before nonrecurring items	37	18	117	-18

Blue1's full-year result is the best in the company's history. This trend is primarily attributable to improvements in terms of expenses and weak comparative figures from 2006, when the company had major additional costs in relation to its MD90 expansion. Blue1 also ended 2007 on a strong note. The company adjusted the price of its cheapest tickets and reported a strong increase in its yield. Blue1 continues to work with Round Trip Management and is implementing capacity adaptations in all route areas.

1) During the fourth quarter, the divestment process was initiated for Spanair S.A. and Aerolineas de Baleares. Accordingly, the companies' assets and liabilities are reported as assets held for sale. Income after tax is reported among discontinued operations.




airBaltic

(MSEK)	Oct-Dec		Jan-Dec	
	2007	2006	2007	2006
Passenger revenue	425	334	1,787	1,370
Other revenue	80	65	309	181
Revenue	505	399	2,097	1,551
EBITDAR	28	47	278	212
EBIT before nonrecurring items	-46	7	24	55
EBIT margin before nonrecurring items	-9.0%	1.7%	1.1%	3.6%
Average number of employees	978	851	917	790
EBT before nonrecurring items	-47	5	21	49

airBaltic recorded a weaker full-year result than for 2006, which was primarily attributable to a very weak fourth quarter. The company underwent extremely strong expansion that resulted in increased market share, but did not have the desired earnings effect. The market is characterized by intensifying competition, with resultant falling yields. The company also has challenges in terms of expenses for leased capacity, maintenance costs and fuel. The higher fuel prices are becoming an increasingly difficult challenge, as these represent a relatively large portion of total costs. Falling yields and increasing costs were to some extent offset by higher load factors.

SAS Aviation Services

All companies in the SAS Aviation Services business area reported weaker full-year earnings compared with 2006. SAS Cargo recorded weaker earnings for the full year and for the fourth quarter, but the trend was positive compared with earlier quarters. STS had a poorer full-year and quarterly result. SGS's fourth quarter was considerably weaker than in 2006, which also contributed to a weaker full-year result.

EBIT margins before nonrecurring items, 12 months rolling			
SAS Aviation Services		Outcome	Profitability targets
STS		-7.6 %	5 %
SGS		-2.3 %	4 %
SAS Cargo		1.0 %	4 %

STS

(MSEK)	Oct-Dec		Jan-Dec	
	2007	2006	2007	2006
Revenue	1,225	1,251	4,874	4,895
EBITDA	-121	-60	-310	-194
EBIT before nonrecurring items	-96	-88	-372	-176
EBIT margin before nonrecurring items	-7.8%	-7.1%	-7.6%	-3.6%
Average number of employees	2,414	2,428	2,422	2,509
EBT before nonrecurring items	-130	-113	-499	-249

SAS Technical Services (STS) recorded a substantially lower full-year result compared with 2006. During the year, a major effort was made to improve delivery quality, which generated clear results. This meant that the cost measures implemented could not fully offset the lower prices. The SAS Group's decision to stop operating the Q400 did not affect STS's operating earnings significantly, except for a minor restructuring expense of MSEK 37 pertaining to personnel. The external market for technical maintenance is growing, but is characterized by strong competition, overcapacity and price pressure. In the longer term, STS's focus on delivery quality in combination with a more efficient production structure will result in increased productivity and efficiency and, accordingly, will enhance the company's competitive and profitability levels.

SGS

(MSEK)	Oct-Dec		Jan-Dec	
	2007	2006	2007	2006
Revenue	1,591	1,468	6,055	5,866
EBITDA	-70	75	-57	9
EBIT before nonrecurring items	-91	33	-141	55
EBIT margin before nonrecurring items	-5.7%	2.2%	-2.3%	0.9%
Average number of employees	7,025	6,474	6,873	6,622
EBT before nonrecurring items	-98	30	-167	43

SAS Ground Services (SGS) reported weaker earnings for full-year 2007 and the fourth quarter 2007. SGS's revenues increased by slightly more than 3% compared with 2006, which was attributable to a rise in external customers, as well as several new products being ordered by the companies in Scandinavian Airlines. SGS operates in an extremely aggressive market, in which most ground handling companies have very small operating margins. The company's greatest challenge relates to costs, especially in Denmark, where it has not succeeded in implementing sufficient efficiency measures. During the year, the company was also able to improve its delivery quality, but this also resulted in increased costs.

SAS Cargo

(MSEK)	Oct-Dec		Jan-Dec	
	2007	2006	2007	2006
Traffic revenue	407	568	1,722	2,080
Other revenue	446	418	1,614	1,565
Revenue	853	986	3,336	3,645
EBITDA	16	41	-13	70
EBIT before nonrecurring items	40	56	33	114
EBIT margin before nonrecurring items	4.6%	5.7%	1.0%	3.1%
Average number of employees	1,296	1,392	1,356	1,434
EBT before nonrecurring items	34	53	22	99

SAS Cargo recorded full-year earnings that were lower than in 2006. Also during the fourth quarter, the company had a result that was lower than for the corresponding period in 2006, but the trend was positive in relation to earlier quarters. The negative deviation is primarily attributable to surplus capacity and intensified competition in the market, which put pressure on prices and, consequently, earnings. To face up to the changed market situation, the company worked on capacity adaptation in 2007, which, combined with commercial initiatives, efficiency measures and structural changes, will create a platform for future profitability improvements.

SAS Group

Balance sheet

	December 31 2007	December 31 2006	December 31 2005
(MSEK)			
Intangible assets	1,226	2,932	3,862
Tangible fixed assets	13,436	14,941	19,457
Financial fixed assets	12,001	13,316	13,120
Total fixed assets	26,663	31,189	36,439
Current assets	850	996	1,065
Current receivables	6,168	8,176	11,828
Cash, bank and short-term investments	8,891	10,803	8,684
Assets held for sale	6,198	-	-
Total current assets	22,107	19,975	21,577
Total assets	48,770	51,164	58,016
Shareholders' equity ¹⁾	17,149	16,388	12,081
Long-term liabilities	11,274	17,847	23,608
Current liabilities	15,024	16,929	22,327
Liabilities relating to assets held for sale	5,323	-	-
Total shareholders' equity and liabilities	48,770	51,164	58,016
Shareholders' equity per share ²⁾	104.13	99.49	69.93
Interest-bearing assets	20,307	21,149	20,472
Interest-bearing liabilities	12,042	16,478	26,337

1) Including minority interests.

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

Change in shareholders' equity

(MSEK)	Shareholders' equity attributable to Parent Company shareholders					Minority interest	Total equity
	Share capital	Other contributed capital	Reserves	Retained earnings	Total shareholders' equity attributable to Parent Company shareholders		
	¹⁾	²⁾		³⁾			
Opening balance, January 1, 2006	1,645	658	918	8,283	11,504	577	12,081
Divestment Rezidor Hotel Group						-650	-650
Transition to IFRS in affiliated companies				-154	-154		-154
Transfer of equity		-488		488			
Change in translation reserve for the year			-1		-1	-24	-25
Change in fair value reserve for the year			508		508		508
Change in hedge reserve for the year			-158		-158	2	-156
Tax charged directly to equity			45		45	-1	44
Total changes in assets recognized directly against equity, excluding transactions with the company's owners	0	-488	394	334	240	-673	-433
Net income for the period				4,622	4,622	118	4,740
Closing balance, December 31, 2006	1,645	170	1,312	13,239	16,366	22	16,388
Changed accounting principle in affiliated companies				-26	-26		-26
Change in translation reserve for the year			-38		-38	-2	-40
Change in fair value reserve for the year			-508		-508		-508
Change in hedge reserve for the year			815		815		815
Tax charged directly to equity			-115		-115		-115
Total changes in assets recognized directly against equity, excluding transactions with the company's owners	0	0	154	-26	128	-2	126
Net income for the period				636	636	-1	635
Closing balance, December 31, 2007	1,645	170	1,466	13,849	17,130	19	17,149

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

2) The entire amount comprises share premium reserves.

3) No dividends were paid in 2005 and 2006.

SAS Group

Cash-flow statement

(MSEK)	October-December		January-December	
	2007	2006	2007	2006
Income before tax	-24	456	1,052	177
Depreciation	365	462	1,478	1,757
Income from the sale of fixed assets	-67	-33	-46	-88
Divested operations	-202	182	-254	912
Adjustment for items not included in cash flow, etc.	39	79	-15	-149
Paid tax	9	5	-38	-65
Cash flow from operations	120	1,151	2,177	2,544
Change in working capital	128	85	689	-442
Cash flow from operating activities	248	1,236	2,866	2,102
Investments, including prepayments to aircraft manufacturers	-804	-521	-2,683	-2,299
Acquisition of subsidiary	0	0	-225	0
Sale of subsidiaries	0	4,848	549	5,725
Sale of fixed assets, etc.	616	1,554	2,146	4,059
Cash flow before financing activities	60	7,117	2,653	9,587
External financing, net	8	-4,627	-4,492	-7,438
Cash flow for the period	68	2,490	-1,839	2,149
Translation difference in cash and cash equivalents	11	-14	29	-30
Cash and cash equivalents transferred to assets held for sale	-102	-	-102	-
Change in cash and cash equivalents according to the balance sheet	-23	2,476	-1,912	2,119

Comments on the cash-flow statement

Cash flow from operating activities improved by MSEK 764 during the year and amounted to MSEK 2,866 (2,102). The improvement is due to a reduction in tied-up working capital.

Investments amounted to MSEK 2,683 (2,299), of which MSEK 1,730 (1,042) related to aircraft, other flight equipment and prepayments. This included delivery payments for two Boeing 737s, two Airbus A319s and an Airbus A321, as well as acquisition of a Boeing 737 that was earlier on operational lease.

In June, the minority ownership share was acquired in Spanair, which thus became a wholly owned subsidiary.

In February, SAS Flight Academy was divested and in September, the Spanish ground handling company Newco Airport Services. The total purchase consideration for the two companies amounted to MSEK 872. As a result of the agreement regarding the purchase consideration for the divestment of SAS Component, MSEK 193 was paid out in August. After deductions for selling expenses and the divested companies' cash and cash equivalents, the Group's cash flow was positively affected in an amount of MSEK 549.

In May, the remaining shares in Rezidor Hotel Group were divested for MSEK 584. During the year, sale and leaseback of three Boeing 737s, two Airbus A319s and one Airbus A321 was implemented at a total sales price of MSEK 1,407. In addition, a Dash 8-100 was sold for MSEK 46. Accordingly, cash flow before financing activities amounted to MSEK 2,653 (9,587).

Since January 1, 2007, approximately MSEK 4,700 (8,000) has been amortized.

Cash and cash equivalents according to the balance sheet amounted to MSEK 8,891 (10,803).

The SAS Group has about MSEK 4,300 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 83% of the accumulated loss carryforwards.

SAS Group

Segment reporting: income by business area

January-December (MSEK)	SAS Scandinavian Airlines		SAS Individually Branded Airlines		SAS Aviation Services		Groupwide & eliminations		SAS Group	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
External sales	38,827	37,201	7,103	6,427	5,189	5,414	1,132	1,110	52,251	50,152
Sales between business segments	1,328	1,430	87	104	9,003	8,894	-10,418	-10,428	0	0
Revenue	40,155	38,631	7,190	6,531	14,192	14,308	-9,286	-9,318	52,251	50,152
Payroll expenses	-8,510	-7,844	-1,678	-1,597	-6,380	-6,197	-703	-591	-17,271	-16,229
Other expenses	-26,541	-25,711	-4,541	-4,266	-8,136	-8,221	9,549	9,374	-29,669	-28,824
EBITDAR per business segment	5,104	5,076	971	668	-324	-110	-440	-535	5,311	5,099
Leasing costs for aircraft	-2,156	-2,102	-474	-411	0	0	52	32	-2,578	-2,481
EBITDA per business segment	2,948	2,974	497	257	-324	-110	-388	-503	2,733	2,618
Depreciation	-984	-1,187	-176	-174	-257	-316	-61	-80	-1,478	-1,757
Share of income in affiliated companies	-31	58	57	43	-17	-40	0	-2	9	59
Capital gains	41	58	12	0	0	0	-12	27	41	85
EBIT per business segment	1,974	1,903	390	126	-598	-466	-461	-558	1,305	1,005
Unallocated income items:										
Income from other shares and participations									5	-46
Net financial items									-258	-782
Tax									-286	35
Net income for the year from continuing operations									766	212
Income before nonrecurring items in continuing operations	1,765	1,252	383	140	-623	-151	-283	-514	1,242	727

Parent Company SAS AB

Income before tax for the period amounted to MSEK -878 (6,094).

Available liquidity for SAS AB at December 31, 2007 amounted to MSEK 258 compared with MSEK 301 at the beginning of the year.

The number of shareholders in SAS AB amounted to 29,053 at December 31, 2007. The average number of employees of SAS AB totaled 164 (182).

Statement of income

(MSEK)	January-December	
	2007	2006
Revenue	244	246
Payroll expenses	-326	-313
Other operating expenses	-306	-256
Operating income before depreciation	-388	-323
Depreciation	0	0
Operating income	-388	-323
Income from shares	-394	6,431
Net financial items	-96	-14
Income before tax	-878	6,094
Tax	126	89
Net income for the year	-752	6,183

Balance sheet

(MSEK)	Dec 31	Dec 31
	2007	2006
Fixed assets	8,619	9,450
Current assets	7,925	5,981
Total assets	16,544	15,431
Shareholders' equity	11,540	12,273
Long-term liabilities	4,704	2,860
Current liabilities	300	298
Total shareholders' equity and liabilities	16,544	15,431

Change in shareholders' equity

(MSEK)	Share capital	Rest. reserves	Unrestr. equity	Total equity
Opening balance, Jan. 1, 2006	1,645	306	3,933	5,884
Group contribution rec'd, net			206	206
Net income for the year			6,183	6,183
Equity, Dec. 31, 2006	1,645	306	10,32	12,273
Group contribution rec'd, net			19	19
Net income for the year			-752	-752
Equity, Dec. 31, 2007	1,645	306	9,589	11,540

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 IFRS5.

This interim report was prepared in accordance with IAS34, 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 8-9.

Financial position

As of December 31, 2007, the SAS Group's cash and cash equivalents amounted to MSEK 8,993 (10,803), of which MSEK is reported as assets held for sale, a decline of MSEK 1,810 since year-end 2006. The decline is primarily attributable to the SAS Group amortizing about MSEK 4,700 in 2007. Furthermore, the SAS Group had positive cash flow from operating activities, from the sale and leaseback of aircraft and the divestment of SAS Flight Academy, Newco Airport Services and the remaining shares in the Rezidor Hotel Group. In addition to cash and cash equivalents, the SAS Group has unutilized contract loan commitments amounting to MSEK 6,098 (5,336). The increase is primarily attributable to MSEK 1,000 of the amortization during the first half of the year being converted into a credit facility that matures in 2011. In total, the SAS Group has financial preparedness corresponding to MSEK 15,091 (16,139) or 24% (27%) of revenues.

The SAS Group's interest-bearing liabilities declined by MSEK 4,436 in 2007. In addition to planned amortization of MSEK 1,940, loans corresponding to MSEK 2,760 were amortized in advance. The remaining change in interest-bearing liabilities is primarily attributable to exchange-rate fluctuations.

The adjusted equity/assets ratio was 24% (22%) on December 31, 2007. The adjusted debt/equity ratio amounted to 1.42 (1.68). 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 sales

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

The year 2007 was characterized by very positive growth and favorable market conditions in the SAS Group's home market of Northern Europe. General economic growth is expected to be lower in SAS's home markets in 2008 compared with 2007. Official forecasts have gradually been revised downwards, especially during the recent period, 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.

In addition, there is uncertainty relating to the price trend for fuel, for which the degree of compensation could become a growing challenge if demand declines and the oil price continues to rise.

The year 2008 will be favorably impacted by the fact that the ECA agreement has now expired, at the same time as the negative earnings effect of the Q400 is expected to amount to about MSEK 700-800 for full-year 2008.

Mats Jansson
President and CEO

Traffic data information

SAS Group's passenger traffic

		October-December			January-December		
		2007	2006	Change	2007	2006	Change
Number of passengers	(000)	9,923	9,705	2.2%	41,087	39,059	5.2%
Passenger km	(mill.)	9,701	9,343	3.8%	41,048	39,247	4.6%
Seat km	(mill.)	14,263	13,672	4.3%	57,551	54,907	4.8%
Load factor		68.0%	68.3%	-0.3,p.e.	71.3%	71.5%	-0.2,p.p.

SAS Group's traffic-related key data

	January-March		April-June		July-September		October-December		January-December	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
No. of passengers (000s)	7,089	6,802	8,226	8,074	8,152	7,848	7,712	7,570	31,179	30,294
RPK (mill.)	6,803	6,742	8,297	8,359	8,979	8,598	7,603	7,386	31,681	31,085
ASK (mill.)	9,995	9,882	11,247	11,132	11,511	11,160	10,941	10,555	43,694	42,729
Load factor	68.1%	68.2%	73.8%	75.1%	78.0%	77.0%	69.5%	70.0%	72.5%	72.8%
Yield, SEK	1.24	1.15	1.15	1.14	1.01	1.01	1.21	1.20	1.14	1.12
Total unit cost, SEK	0.79	0.78	0.73	0.76	0.70	0.70	0.80	0.75	0.75	0.76

SAS Group traffic operation by route sector

	Oct-Dec 07 vs. Oct-Dec 06		Jan-Dec 07 vs. Jan-Dec 06	
	Traffic (RPK)	Capacity (ASK)	Traffic (RPK)	Capacity (ASK)
Intercontinental	-0.4%	-3.7%	-5.6%	-5.7%
Europe	6.6%	8.6%	7.1%	8.2%
Intra-Scandinavia	-2.5%	1.4%	0.6%	-0.2%
Denmark (domestic)	-0.4%	17.7%	9.0%	23.4%
Norway (domestic)	2.7%	0.5%	4.0%	0.9%
Sweden (domestic)	1.0%	9.3%	2.2%	0.6%

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

SAS Scandinavian Airlines traffic-related key data

		October-December		January-December	
		2007	Change	2007	Change
No. of passengers	(000)	6,254	+0.3%	25,403	+1.2%
Passenger km, RPK	(mill.)	6,549	+1.2%	27,304	-0.7%
Seat km, ASK	(mill.)	9,208	+2.2%	36,852	-0.3%
Load factor		71.1%	-0.7p.p.	74.1%	-0.3p.p.
Currency-adjusted yield trend			+1.0%		+6.5%
Total unit cost, incl. charter			7.6% ²⁾		+3.9% ¹⁾
Operational unit cost, incl. charter			+8.1% ²⁾		+4.3% ²⁾

1) Higher fuel costs had a negative effect of 2.2 percentage points of unit costs.

2) Higher fuel costs had a negative effect of 4.2 percentage points of unit costs.

SAS Scandinavian Airlines traffic and production

	Scandinavian Airlines Norge				Scandinavian Airlines Danmark				Scandinavian Airlines Sverige				SAS International			
	Oct-Dec		Jan-Dec		Oct-Dec		Jan-Dec		Oct-Dec		Jan-Dec		Oct-Dec		Jan-Dec	
	2007	Change	2007	Change	2007	Change	2007	Change	2007	Change	2007	Change	2007	Change	2007	Change
Scheduled traffic																
No. of passengers (000)	2,394	+1.7%	9,726	+1.8%	1,907	-3.9%	8,111	-1.6%	1,629	+2.9%	6,224	+5.6%	325	+2.1%	1,341	-4.7%
RPK (mill.)	1,595	+2.1%	6,846	+0.1%	1,363	-3.6%	5,931	-1.4%	1,260	+9.1%	4,893	+10.2%	2,331	-0.4%	9,634	-5.6%
ASK (mill.)	2,382	-0.5%	9,842	-1.1%	2,103	+3.2%	8,474	+1.5%	1,912	+15.4%	6,919	+9.0%	2,811	-3.7%	11,616	-5.7%
Load factor	67.0%	+1.7p.p.	69.6%	+0.8p.p.	64.8%	-4.6p.p.	70.0%	-2.1p.p.	65.9%	-3.8p.p.	70.7%	+0.8p.p.	82.9%	+2.7p.p.	82.9%	+0.1p.p.
Yield, currency-adjusted		-2.0%		6.5%		+3.7%		+5.2%		-5.5%		-2.0%		+7.7%		+5.7%
Total unit cost, incl. charter (local currency)		+3.5%		+2.3%		+0.6%		-4.5%		+13.3%		+6.0%		+11.3%		+4.3%
Charter traffic																
No. of passengers (000)	78	+19.8%	482	+13.1%	103	+64.5%	609	+63.7%	29	-65.5%	324	-32.4%				

SAS Individually Branded Airlines traffic and production

	Spanair ¹⁾				Widerøe				Blue1				airBaltic			
	Oct-Dec		Jan-Dec		Oct-Dec		Jan-Dec		Oct-Dec		Jan-Dec		Oct-Dec		Jan-Dec	
	2007	Change	2007	Change	2007	Change	2007	Change	2007	Change	2007	Change	2007	Change	2007	Change
Scheduled traffic																
No. of passengers (000)	2,211	3.6%	9,908	13.0%	498	2.0%	1,964	2.5%	444	-9.7%	1,798	-2.7%	516	46.4%	2,014	40.8%
RPK (mill.)	2,098	7.2%	9,367	14.8%	152	-0.1%	614	0.9%	333	-13.4%	1,447	1.0%	569	50.3%	2,317	50.4%
ASK (mill.)	3,322	6.6%	13,856	13.8%	247	-6.8%	1,018	-4.6%	531	-9.6%	2,161	0.5%	955	36.9%	3,664	44.2%
Load factor	63.1%	+0.4p.p.	67.6%	+0.6p.p.	61.7%	+4.1p.p.	60.3%	+3.3p.p.	62.7%	-2.8p.p.	66.9%	+0.4p.p.	59.5%	+5.3p.p.	63.2%	+2.6p.p.
Yield, currency-adjusted						-5.5%		-0.1%		+17.2%		-0.1%		-15.2%		-12.2%
Total unit cost, incl. charter (local currency)						+2.3%		-1.7%		+10.2%		-6.0%		+0.1%		-4.6%
Charter traffic																
No. of passengers (000)	161	-33.0%	1,256	-30.5%												

1) Spanair is reported as a discontinued operation, but not in the total.

Statement of income

Statement of income – Quarterly breakdown

(MSEK)	2005		2006						2007			
	OCT- DEC	FULL-YEAR JAN-DEC	JAN- MAR	APR- JUN	JUL- SEP	OCT- DEC	FULL-YEAR JAN-DEC	JAN- MAR	APR- JUN	JUL- SEP	OCT- DEC	FULL-YEAR JAN-DEC
Revenue	14,442	55,333	10,999	13,366	12,955	12,832	50,152	11,887	13,496	13,484	13,384	52,251
Payroll expenses	-4,695	-17,847	-4,173	-4,292	-3,812	-3,952	-16,229	-4,127	-4,304	-4,234	-4,606	-17,271
Other operating expenses	-8,460	-31,983	-6,738	-7,493	-7,461	-7,132	-28,824	-6,750	-7,344	-7,789	-7,786	-29,669
Leasing costs for aircraft	-838	-3,132	-616	-617	-624	-624	-2,481	-642	-641	-659	-636	-2,578
Depreciation	-513	-2,065	-421	-465	-409	-462	-1,757	-364	-378	-371	-365	-1,478
Share of income in affiliated companies	-13	76	-2	19	46	-4	59	10	38	7	-46	9
Income from sale of shares in subsidiaries and affiliated companies	8	41	0	0	0	0	0	0	0	0	0	0
Income from the sale of aircraft and buildings	95	148	27	12	16	30	85	-2	-44	20	67	41
Operating income	26	571	-924	530	711	688	1,005	12	823	458	12	1,305
Income from other shares and participations	2	50	0	1	0	-47	-46	0	0	5	0	5
Net financial items	-155	-964	-187	-191	-219	-185	-782	-108	-84	-30	-36	-258
Income before tax	-127	-343	-1,111	340	492	456	177	-96	739	433	-24	1,052
Tax	-243	-47	241	-18	-113	-75	35	55	-212	-78	-51	-286
Net income from continuing operations	-370	-390	-870	322	379	381	212	-41	527	355	-75	766
income from discontinued operations	568	645	-194	231	225	4,266	4,528	-6	80	346	-550	-130
Net income for the period	198	255	-1,064	553	604	4,647	4,740	-47	607	701	-625	636
Attributable to:												
Parent Company shareholders	144	174	-1,034	489	559	4,608	4,622	-18	584	667	-596	637
Minority interests	54	81	-30	64	45	39	118	-29	23	34	-29	-1

Earnings overview

(MSEK)	January-March		April-June		July-September		October-December		January-December	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Revenue	11,887	10,999	13,496	13,366	13,484	12,955	13,384	12,832	52,251	50,152
EBITDAR	1,010	88	1,848	1,581	1,461	1,682	992	1,748	5,311	5,099
EBITDAR margin	8.5%	0.8%	13.7%	11.8%	10.8%	13.0%	7.4%	13.6%	10.2%	10.2%
EBIT	12	-924	823	530	458	711	12	688	1,305	1,005
EBIT margin	0.1%	-8.4%	6.1%	4.0%	3.4%	5.5%	0.1%	5.4%	2.5%	2.0%
income before nonrecurring items	-94	-1,043	783	593	513	558	40	619	1,242	727
Income before tax	-96	-1,111	739	340	433	492	-24	456	1,052	177
Income for the period	-47	-1,064	607	553	701	604	-625	4,647	636	4,740
Earnings per share (SEK)	-0.11	-6.29	3.55	2.97	4.05	3.40	-3.62	28.01	3.87	28.10
Cash flow before financing activities	606	222	2,058	1,580	-71	668	60	7,117	2,653	9,587

SAS Group average number of employees (FTE)

	October-December		January-December	
	2007	2006	2007	2006
SAS Scandinavian Airlines	7,587	7,509	7,597	7,588
SAS Individually Branded Airlines	2,934	2,885	2,884	2,769
SAS Aviation Services	10,735	10,294	10,651	10,574
Groupwide functions	753	795	766	822
Continuing operations	22,009	21,483	21,898	21,753
Discontinued operations	3,642	8,721	4,640	10,015
SAS Group	25,651	30,204	26,538	31,768

Investments, aircraft fleet, fuel and financial position

SAS Group's investments

	October-December		January-December	
	2007	2006	2007	2006
SAS Scandinavian Airlines	420	232	1,604	1,412
SAS Individually Branded Airlines	53	60	244	186
SAS Aviation Services	82	102	368	222
Groupwide functions and eliminations	14	-30	295	-8
Continuing operations	569	364	2,511	1,812
Discontinued operations	235	157	438	487
SAS Group	804	521	2,949	2,299

SAS Group's aircraft under firm order

	Total	2008	2009	2010
Boeing 737	5	3	2	0
No. of aircraft	5	3	2	0
CAPEX (MUSD)	215	149	66	0

SAS Group aircraft fleet December 31, 2007

	Age ¹⁾	Owned	Leased	Wet-leased	Total	Leased out	Order
Airbus A330/A340	5.6	5	6		11		
Airbus A319/A320/A321	4.8	4	30		34		
Boeing 737 series	10.2	20	70		90	4	5
Boeing 717	7.4		7		7		
McDonnell Douglas MD-80 series	18.5	13	65		78		
McDonnell Douglas MD-90	10.9	8			8	3	
BAe Avro RJ-70/85/100	8.6		9	4	13		
Fokker 50	18.1		14		14		
Bombardier Q series	9.9	17	34		51		
Bombardier CRJ200	7.5			4	4		
Total	11.6	67	235	8	310	7	5
By airline:							
SAS Scandinavian Airlines	11.3				185	7	5
Spanair	11.5				63		
Widerøe	12.5				28		
Blue 1	6.2				13		
airBaltic	15.5				21		
Total	11.6				310	7	5

¹⁾ Pertains to average age of aircraft fleet.

Facts and vulnerability – jet fuel

	Q1 2008	Q2 2008	Q3 2008	Q4 2008
Options *	20%	14%	22%	30%
Redemption price	664	713	881	827
Swaps	7%	8%	10%	13%
price (USD/ton)	708	706	702	829
Three-way **	16%	16%	5%	
price (USD/ton)	723	781	800	
0-cost				
price (USD/ton)				

* Excluding premium

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

Estimated jet fuel expense 2008 *

Market price, USD	SEK 6.5 /USD	SEK 6.75 /USD	SEK 7 /USD
Jet fuel hedging			
USD 600/ton	SEK 7.1 bn	SEK 7.4 bn	SEK 7.7 bn
USD 800 /ton	SEK 8.8 bn	SEK 9.1 bn	SEK 9.5 bn
USD 1,000 /ton	SEK 10.2 bn	SEK 10.7 bn	SEK 11.0 bn

* Pertains to the full-year values for SEK/USD and the jet fuel price per ton. The SAS Group's hedging of jet fuel at December 31, 2007, was taken into consideration.

SAS Scandinavian Airlines

Statement of income

	Oct-Dec		Jan-Dec	
(MSEK)	2007	2006	2007	2006
Passenger revenue	8,395	8,131	33,031	31,603
Charter revenue	315	325	1,906	1,740
Other traffic revenue	668	722	2,025	2,532
Other revenue	951	653	3,193	2,757
Revenue	10,329	9,831	40,155	38,631
Payroll expenses	-2,293	-1,916	-8,510	-7,844
Selling costs	-122	-65	-512	-473
Jet fuel	-1,844	-1,666	-6,936	-6,883
Government user fees	-892	-847	-3,608	-3,540
Catering costs	-325	-316	-1,262	-1,242
Handling costs	-1,339	-1,238	-5,046	-4,962
Technical aircraft maintenance	-1,006	-920	-3,936	-3,825
Computer and telecommunication costs	-346	-454	-1,505	-1,798
Other operating costs	-1,075	-699	-3,737	-2,988
Operating expenses	-9,242	-8,122	-35,051	-33,554
Income before depreciation and leasing costs, EBITDAR	1,087	1,710	5,104	5,076
Leasing costs for aircraft	-523	-536	-2,156	-2,102
Income before depreciation, EBITDA	565	1,174	2,948	2,974
Depreciation	-241	-285	-985	-1,187
Share of income in affiliated companies	-12	14	-30	58
Capital gains	31	30	41	58
Operating income, EBIT	343	932	1,974	1,903
Net financial items	17	-159	-234	-667
SAS Scandinavian Airlines - Income before tax	360	773	1,740	1,236
Income before nonrecurring items	354	743	1,765	1,252

SAS Individually Branded Airlines

Statement of income

(MSEK)	Oct-Dec		Jan-Dec	
	2007	2006	2007	2006
Passenger revenue	1,413	1,311	5,570	5,137
Freight revenue	24	21	86	81
Charter revenue	3	6	45	33
Other traffic revenue	107	93	353	229
Other revenue	290	257	1,136	1,051
Revenue	1,837	1,687	7,190	6,532
Payroll expenses	-455	-406	-1,678	-1,596
Selling costs	-41	-19	-181	-162
Jet fuel	-313	-275	-1,173	-1,077
Government user fees	-210	-193	-841	-772
Catering costs	-34	-34	-134	-139
Handling costs	-163	-153	-611	-595
Technical aircraft maintenance	-133	-123	-517	-471
Computer and telecommunication costs	-5	-17	-54	-66
Other operating costs	-311	-274	-1,031	-983
Operating expenses	-1,662	-1,494	-6,220	-5,863
Income before depreciation and leasing costs, EBITDAR	175	194	970	668
Leasing costs for aircraft	-125	-102	-474	-412
Income before depreciation, EBITDA	50	91	497	257
Depreciation	-46	-41	-176	-174
Share of income in affiliated companies	-13	-12	57	43
Capital gains	12	0	12	0
Operating income, EBIT	3	38	390	126
Net financial items	5	-4	5	-11
SAS Individually Branded Airlines - Income before tax	9	34	395	114
Income before nonrecurring items	-3	59	383	139

SAS Aviation Services

Statement of income

(MSEK)	Oct-Dec		Jan-Dec	
	2007	2006	2007	2006
Revenue	3,653	3,680	14,192	14,308
Payroll expenses	-1,744	-1,485	-6,380	-6,197
Handling costs	-234	-267	-998	-1,063
Technical aircraft maintenance	-653	-674	-2,769	-2,551
Computer and telecommunications costs	-119	-149	-472	-532
Other operating costs	-1,041	-1,047	-3,897	-4,073
Operating expenses	-3,792	-3,622	-14,515	-14,417
Income before depreciation and leasing costs, EBITDAR	-138	58	-323	-109
Leasing costs for aircraft	0	0	0	0
Income before depreciation, EBITDA	-138	58	-324	-109
Depreciation	-69	-111	-257	-316
Share of income in affiliated companies	-21	-5	-17	-41
Operating income, EBIT	-228	-58	-598	-466
Net financial items	-48	-32	-166	-103
SAS Aviation Services - Income before tax	-276	-90	-764	-570
Income before nonrecurring items	-173	-39	-623	-150

Important events

First quarter 2007

- Mats Jansson assumed the position of President and CEO on January 1, 2007.
- The SAS Group changed the seasonal adaptation of its intercontinental operations. The Stockholm-Beijing route was launched in March. Shanghai was discontinued from April 2007.
- The SAS Group introduced product and service innovations for its largest customer group – the frequent flyers.
- The SAS Group sold SAS Flight Academy for MSEK 550 to STAR Capital Partners.
- Scandinavian Airlines Sverige announced the launch of 11 new direct routes during the first half of 2007.
- The SAS Group began offering passengers the possibility to offset carbon dioxide emissions.

Second quarter 2007

- At SAS AB's Annual General Meeting, the Board of Directors was reelected and it was resolved not to pay a dividend.
- Danish cabin crew undertook illegal industrial action.
- Swedish cabin crew carried out industrial action in May 2007.
- The SAS Group divested its remaining ownership share in Rezidor to Carlson Companies.
- The SAS Group launched its new strategy plan – Strategy 2011.
- The SAS Group acquired a further 5% of the shares in Spanair from Teinver.

Third quarter 2007

- Four Danish trade unions declared their support for Strategy 2011 and further stated that they, in an active and positive spirit, will work to achieve a complete no-strike rule after the collective agreements for 2007 have been signed and for the period to which they apply.
- Standard & Poor's initiated coverage of SAS AB with a BB credit rating, with a stable outlook.
- SAS Norge launched a special focus aimed at leisure travelers in Norway.
- During a flight from Copenhagen to Aalborg, the landing gear of Dash 8 Q400 aircraft collapsed on landing. A near-identical incident occurred three days later on a flight from Copenhagen to Palanga, but with landing in Vilnius.
- The Swedish public prosecutor launched a preliminary enquiry in conjunction with the incidents in Aalborg and Vilnius. The Accident Investigation Board's preliminary report indicated deficiencies in the manufacturer's maintenance directive.
- The SAS Group divested the Spanish ground handling company Newco to Teinver.
- SAS exercised options on two Boeing 737-800 aircraft with delivery in 2009.

Fourth quarter 2007

- The SAS Group decided to open the Copenhagen-San Francisco and Copenhagen-Delhi routes as of winter 08/spring 09.
- SAS Norge was found guilty of using sensitive business information from its competitor Norwegian. The judgment has been appealed to the Norwegian Supreme Court.
- The Board of SAS decided to permanently withdraw its fleet of 27 Dash 8 Q400 from operation after another accident involving the landing gear.
- SAS launched the Stockholm-Bangkok and Copenhagen-Dubai routes.
- Standard & Poor's credit rating for SAS AB remained BB with negative outlook.
- SAS received Statement of Objections from the European Commission regarding suspicions of unlawful cooperation within the air cargo business.

Events after December 31, 2007

- The SAS Group decided to purchase six MD-87 and two Boeing 737-600 aircraft from another carrier as replacements for the Q400, partly as an interim solution and partly as a permanent solution.
- The Danish Civil Aviation Administration announced that a design fault had been found on the Q400. SAS cannot be held responsible for not discovering the problem.
- SAS took over delivery positions on three Boeing 737-800 aircraft with delivery during 2008.
- An internal solution was determined for SGS. The Group decided to provide the company an opportunity to implement cost reductions of MSEK 400 within 18 months, otherwise an external solution will be sought.
- On January 30, 2008, SAS won a dispute in the Labor Court in the matter of whether collective agreements and codetermination agreements had been breached when the Danish and Swedish short-haul pilots were transferred from the SAS Consortium to SKC and SKS. The Labor Court determined that no collective agreement or codetermination agreement existed in the manner claimed by the pilots' trade unions and rejected the pilots' trade unions' claim for compensation of MSEK 15.

Financial calendar

Year-end report 2007
 Annual Report & Sustainability Report 2007
 Annual General Meeting
 Interim Report 1, January-March 2008
 Interim Report 2, April-June 2008
 Interim Report 3, July-September 2008

February 6, 2008
 March 3, 2008
 April 9, 2008
 April 29, 2008
 August 14, 2008
 November 5, 2008

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All reports are available in English and Swedish and can be ordered on the Internet: www.sasgroup.net 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
 Teleconference, analysts
 Analysts' meeting, Copenhagen
 Analysts' meeting, London

10:30 a.m., February 6, 2008
 2:00 p.m., February 6, 2008
 8:30 p.m., February 7, 2008
 2:00 p.m. (UK time), February 7, 2008

