



Press release

19 March 2010

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SAS AB (publ) launches SEK 1.42 billion convertible bond offering

SAS AB (publ) ("SAS" or the "Company") announces today that it intends to issue SEK 1.42 billion in aggregate principal amount of convertible bonds (the "Bonds") due in 2015.

The senior unsecured Bonds are expected to bear interest in the range of 7.50% - 8.50% payable quarterly in arrear and will be convertible at a conversion price equal to a conversion premium of 25% - 30% over the volume weighted average price of the Company's shares on NASDAQ OMX Stockholm between launch and pricing.

Conversion rights in respect of the Bonds will be settled in cash unless the Annual General Meeting on 7 April 2010 (the "AGM") passes resolutions related to the rights issue of common shares, including amendments to the Articles of Association of the Company, and an authorization for the Board of Directors to issue convertible bonds.

If the proposed rights issue of shares does not close, the Company shall redeem the Bonds in cash on or around 15 May 2010 at 100% of the principal amount of the Bonds, together with accrued but unpaid interest.

The Bonds will be issued at 100% of their principal amount and will, unless previously redeemed, converted or purchased and cancelled, mature in 2015. SAS has the right to redeem the Bonds after approximately three years following the issue date if the value of the SAS shares underlying one Bond on NASDAQ OMX Stockholm exceeds, for a specified period of time, 150% of the principal amount of a Bond.

The issue date for the Bonds is expected to be on or around 1 April 2010. The Bonds will not be listed on issue. The conversion price of the Bonds will be adjusted to take into account the effect of the rights issue of common shares.

As previously disclosed, the Company will, subject to the AGM's approval, carry out a preferential rights issue for approximately SEK 5 billion. The rights issue is supported by the Company's four largest shareholders and by a syndicate of underwriters on the conditions that, inter alia, the Group refinances approximately SEK 2 billion in aggregate principal amount of bonds maturing in 2010 and a final agreement on SEK 500 million in cost-cutting measures is reached with unions representing the Group's pilots and cabin crew personnel. A final agreement was reached with the unions on 12 March 2010.

With respect to the refinancing, the proceeds from the issue of the Bonds and the previously announced EMTN financing will be used to repay certain of the Company's outstanding bonds maturing in 2010. The Company has also recently issued bonds on

the EMTN market in an aggregate principal amount of €60 million, or approximately SEK 600 million. Upon the issue of the Bonds, SAS will have met the condition to refinance approximately SEK 2 billion of its bonds maturing in 2010 and thereby two key conditions for the rights issue. SAS expects to announce the final terms and conditions of the Bond issue on 19 March 2010.

The Board of Directors intends to exchange the Bonds into convertible bonds, which may be converted into common shares of the Company, on or around 14 May 2010, when all resolutions relating to the rights issue of common shares and the authorization of the Board of Directors to issue the convertible bonds have been registered with the Swedish Companies Registration Office.

In line with market practice for convertible bond transactions in Europe, the Bonds will be marketed principally to European institutional investors who have specialized knowledge of such instruments.

J.P. Morgan is acting as sole bookrunner with respect to the issue.

This announcement does not constitute or form part of an offer to sell or the solicitation of an offer to subscribe for any securities of SAS.

For further information, please contact

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SAS discloses this information pursuant to the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. The information was provided for publication on 19 March 2010, at 8.15 am CET.

Important Note

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J.P. Morgan is acting for the Company and no one else in connection with the offer of the Bonds and will not be responsible to any other person for providing the protections afforded to their client, or for providing advice in relation to the proposed offer of the Bonds.