

Second Quarter 2005

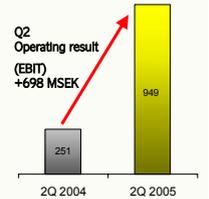
Teleconference



Positive result and improved operating performance



- ▶ 1st Half result improved by MSEK 802
 - Improvement for all business areas and group airlines
- ▶ Operating result almost tripled in 2nd Quarter
 - EBIT improved MSEK 698 vs last year
- ▶ Strong positive cash flow in 2nd Quarter
- ▶ Stable yields and record load factors
- ▶ Turnaround 2005 as planned
 - Unit cost down 6,4% adjusted for currency and fuel (vs. 2004)
 - Continuous efficiency measures - benchmarking
- ▶ Fuel cost up appr. MSEK 700 vs last year
- ▶ New Business models



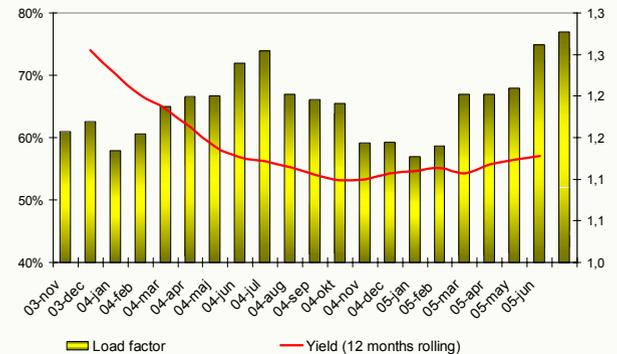
2nd Quarter result improved by MSEK 526



MSEK	April-June		January-June	
	2005	Change	2005	Change
▶ Revenues	16 017	+874	29 033	+1 323
▶ EBITDAR	2 193	+700	2 372	+923
▶ Lease & depreciation	-1 330	+14	-2 599	+75
▶ EBIT	949	+698	-99	+907
▶ Financial net	-407	-200	-649	-159
▶ EBT	590	+546	-700	+796
▶ EBT bef non-recurring items	579	+526	-733	+802



Improved load and stable yields





Gunilla Berg
CFO



All major Business areas contribute to the improved result



MSEK	April-June		January-June	
	2005	Change	2005	Change
▶ Scandinavian Airlines Businesses	353	+374	-638	+439
▶ Subsidiary & Affiliated Airlines	145	+65	0	+208
▶ Airline Support Businesses	183	+38	298	+141
▶ Airlines Related Businesses	17	+6	14	-11
▶ Hotels	82	+75	-63	+29
▶ Group, eliminations, other	-201	-32	-344	-4
▶ EBT bef non-recurring items	579	+526	-733	+802

Group | Scandinavian Airlines Businesses | Subsidiary & Affiliated Airlines | Airline Support | Airline Related Business | Hotels

6



Net financial items negatively affected by MSEK 200 due to IAS and interest rates



(MSEK)	2005 Q2	2004 Q2	Difference
Interest net and others	-395	-215	-180
Exchange rate differences	-12	+8	-20
Financial net	- 407	-207	-200

Deviation interest net and others	(MSEK)
IAS- effects (interest rates down in Scandinavia)	-66
Revaluation of accrued interest (due to stronger USD)	-40
Higher short term interest rates in USD	-18
Refinancing & net debt	-39
Other	-17
Total	-180

Group | Scandinavian Airlines Businesses | Subsidiary & Affiliated Airlines | Airline Support | Airline Related Business | Hotels

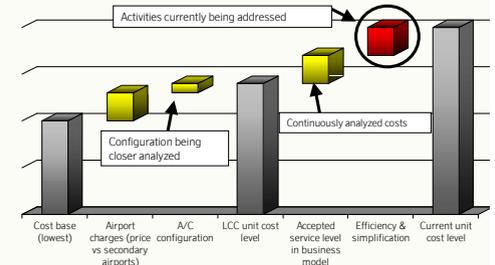
7



Scandinavian Airlines focus on cost and profitable services



- ▶ Turnaround 2005 – focus on remaining activities
- ▶ Further rationalization
 - ▶ Simplified business model
 - ▶ Basic production on LCC cost level
- ▶ Increase cost flexibility



Secure further improvement in cost position vs. LCC after completion of Turnaround 2005

Group | Scandinavian Airlines Businesses | Subsidiary & Affiliated Airlines | Airline Support | Airline Related Business | Hotels

8





Jørgen Lindegaard
CEO



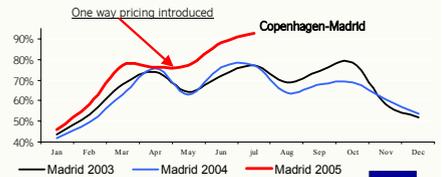
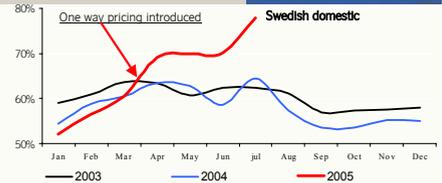
Scandinavian Airlines introduces demand driven one way pricing on European routes



- ▶ Simplified rules – one way prices
- ▶ Prices entirely demand driven
- ▶ Positive impact from one way pricing experienced
 - on Norwegian, Swedish domestic and Madrid
- ▶ Expected to improve load factor on all European routes
- ▶ Reduced yield



More satisfied customers and increased repurchase rate



Group | Scandinavian Airlines Businesses | Subsidiary & Affiliated Airlines | Airline Support | Airline Related Business | Hotels



Sum up 2nd Quarter



- ▶ Stable yields and improved load factors
- ▶ Turnaround 2005
 - Focus on remaining activities
 - Continuous improvements
- ▶ Commercial focus
 - Economy Flex
 - New Swedish domestic concept a rapid sales success
 - New European business models - details August 19

Cautious outlook

- ▶ Uncertainties in the marketplace
- ▶ Business Plan shows positive earnings provided
 - Unchanged yields
 - Favorable traffic development
 - Unchanged business environment
 - No further significant fuel price increases

Group | Scandinavian Airlines Businesses | Subsidiary & Affiliated Airlines | Airline Support | Airline Related Business | Hotels

