



Presentation Third Quarter 2005

Oslo and London, November 9

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



1

Record load and improved operating result



- ▶ 3rd Quarter result follows plan for profitability
- ▶ Operating result significantly improved
 - Positive EBIT Jan-Sep MSEK 703
- ▶ Strong improvement in operating cash flow
- ▶ Relatively stable yields and record load factors
- ▶ Turnaround 2005 as planned
 - Unit cost down 5,0% adjusted for currency and fuel (vs. 2004)
 - Continuous efficiency measures - local
- ▶ Fuel costs up appr. SEK 1,1 billion vs last year
- ▶ Successful start with new business models

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2

3rd Quarter result MSEK 619



MSEK	July-September		January-September	
	2005	Change	2005	Change
▶ Revenues	16 567	+1 144	45 600	+2 467
▶ EBITDAR	2 111	+358	4 483	+1 281
▶ Lease & depreciation	-1 396	-28	-3 995	+47
▶ EBIT	802	+425	703	+1 332
▶ Financial net	-257	-19	-906	-140
▶ EBT	545	+443	-155	+1 239
▶ EBT bef non-recurring items	619	+421	-114	+1 223

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3

Scandinavian Airlines 3rd Quarter result



Jul-Sep in MSEK	 Scandinavian Airlines Denmark	 Braathens	 Scandinavian Airlines Sverige	 Scandinavian Airlines International
	Revenues	2 640	3 066	1 778
EBITDAR	179	463	97	384
EBT	-68	183	-93	198
Jan-Sep in MSEK				
Revenues	7 654	9 067	5 682	5 806
EBITDAR	284	1 262	191	504
EBT	-429	692	-373	-8

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4

Results significantly improved



Jul-Sep in MSEK			
Revenues	3 172 13,8%	710 18,5%	388 32%
EBITDAR	719 +101	89 +20	42 +45
EBT	318 +38	21 +28	7 +53
Jan-Sep in MSEK			
Revenues	6 981 11,7%	2 117 15,7%	1 248 37,6%
EBITDAR	1 208 +227	301 +59	159 +148
EBT	165 +106	97 +53	48 +180

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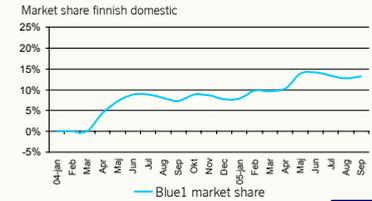


5

Blue1 gaining market shares and shows strong profitability



- ▶ Blue1 well recognized as a Finnish airline
- ▶ Competitive cost position in Blue1 provides base for profitable expansion
 - Blue1 gaining market shares in the Finnish market



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6

Nya Europaflyget 



From the Swedish marketing campaign

Gunilla Berg
CFO

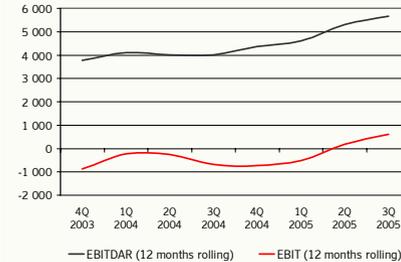


aflyget 

EBITDAR improved by 40% in Jan-Sep



EBITDAR and EBIT (12 months rolling)
MSEK



- ▶ EBITDAR in Jan-Sep 2005 was 4 483 (3 202) MSEK

- EBITDAR distribution
- Scandin Airl. 2 266 MSEK
 - Spanair 1 208 MSEK
 - Widerøe 301 MSEK
 - Blue1 159 MSEK

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8

Financial position improved



	Jan-Sep 2005	Jan-Sep 2004
▶ Cash flow from operations	1 238 ↑	342
▶ Investments	-1 092 ↓	-2 393
▶ Equity/Assets	22% ↑	20%
▶ Gearing (Debt/Equity ratio)	122% ↓	155%

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9



Improvements in airlines and hotels



MSEK	Jul-Sep		Jan-Sep	
	2005	Change	2005	Change
▶ Scandinavian Airlines Businesses	134	+329	-504	+768
▶ Subsidiary & Affiliated Airlines	401	+148	401	+356
▶ Airline Support Businesses	72	-215	370	-74
▶ Airlines Related Businesses	7	-7	21	-18
▶ Hotels	88	+92	25	+121
▶ Group, eliminations, other	-83	+74	-427	+70
▶ EBT bef non-recurring items	619	+421	-114	+1 223

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10



Turnaround 2005 close to completion



2005 טוּרְנוּוּר
אֲרֻזָּה

- ▶ Most comprehensive program in the SAS Group's history
 - 30% reduction in unit cost
- ▶ All activities expected to be implemented before the end of 2005
 - SEK 0,5 billion to implement in 4th Quarter

- ▶ SEK 14 billion completed by year end

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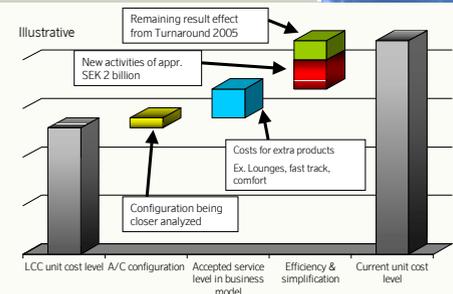
11



In process: Simplified business models in Scandinavian Airlines and new cost initiatives



- ▶ Turnaround 2005 – SEK 0,5 billion to be implemented as planned
- ▶ Cost adaptation measures estimated to SEK 2 billion
 - ▶ Work in progress



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

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12



Cost adaptive measures in Scandinavian Airlines...



- ▶ Productivity (partly dependent on changes in collective agreements)

SAS Group model for pricing

- Prices should be set and adjusted according to market prices and benchmarking
 - Return to be in relation with industry levels

- ▶ Ground and technical services

- ▶ Simplified business models
- ▶ Price reductions

- ▶ Administration and sales

SGS and STS to adjust cost levels according to lower volumes and prices



Jørgen Lindegaard CEO

From the Danish marketing campaign



Farvel restriktioner.
Nu kan du flyge one-way ud på én klasse og one-way hjem på en anden. Det giver frihed, fleksibilitet – og billigere billetter.



Commercial concepts, traffic system & costs

Business models for SAS Group airlines - three common denominators



Commercial concept



Traffic system



Costs



Change

- Price structures based on demand-driven one-way prices for simple online distribution
- Differentiated base product
- Add-on products that stimulate buy-up and ancillary revenues
- "Value-for-money"

- Traffic systems dimensioned for local passengers and for profitable transfer traffic
- Dynamic flexible traffic planning

- Cost level for basic product in line with most efficient players
- Additional costs for transfer, distribution, in-flight, on-ground, network etc. to be covered by a price premium



Future business models within European aviation industry



Pure LCC companies

- ▶ Focus on price sensitive local passengers, fly from secondary airport with minimal service
- ▶ Lowest possible cost-need to start from scratch
- ▶ Brand not promising more than just travel

LCC+ companies

- ▶ Focus on price sensitive local passengers, fly from secondary airport with minimal service
- ▶ Lowest possible cost-need to start from scratch
- ▶ Brand not promising more than just travel

Global network companies

- ▶ Offers extended European transfer system via "megahub" and a complete intercontinental network
- ▶ Efficient production platform

Intercontinental "region-to-region" companies

- ▶ Base business on geographical and demographical prerequisites in respective market
- ▶ Efficient production platform
- ▶ Access to traffic to/from home base enough to motivate a limited intercontinental network

SAS Group possibilities

- ▶ **No**, not possible to reach cost level
- ▶ **Yes**, need for further reduced cost, network planning focusing on local market, new business model without cross-subsidization
- ▶ **No**, not sufficient market, not possible to reach cost level, not enough financial strength to build global presence
- ▶ **Yes**, need for further reduced cost, network planning focusing on local market and access to cheap feeder from extended home market



We continue to focus on the commercial side with customer focus and value for money



Close to 30% internet bookings – improved site in progress



More than 6 out of 10 passengers today uses automatic check in services



Simplified rules and one way pricing have resulted in significantly improved customer value



Work on board.

More than 3 000 passengers/month use wireless Internet on intercontinental routes



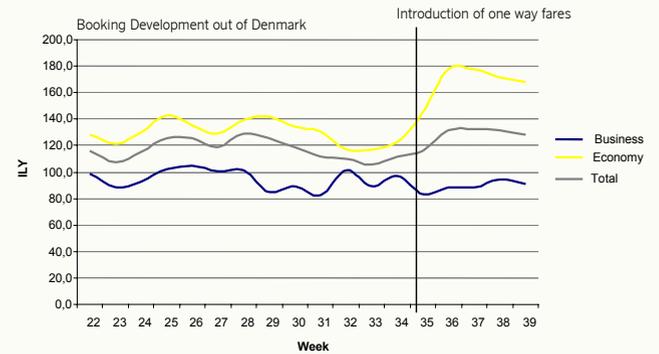
Flat beds to be introduced in first quarter 2006 on long haul



More than 3.2 million members, up 6% since year end



Successful launch of New European business model



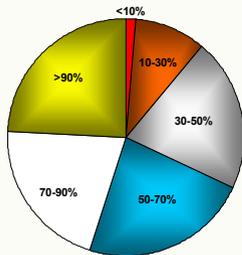
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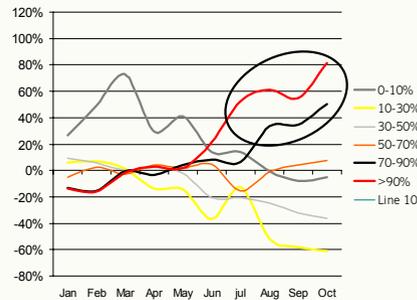
Significant increase in number of high load flights



Distribution of load factors, Scandinavian Airlines



Change vs last year

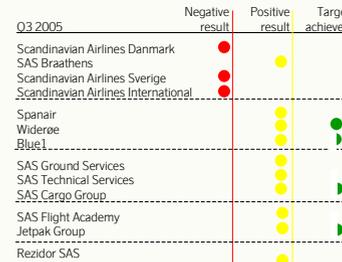


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Positive results in most group companies - on track to target levels



The SAS Group's income and long term target achievement for 9 months 2005



- ▶ Widerøe acquired 1998
 - ▶ Leading regional airline in Norway
 - ▶ CFROI of 24% achieved
- ▶ Braathens acquired 2001
 - ▶ Merged SAS Braathens 2004
 - ▶ Strong development but costs to be streamlined further
- ▶ Blue1 strong performance
 - ▶ CFROI of 21%
- ▶ Spanair acquired 2001
 - ▶ Loss making 1997-2003
 - ▶ Profitable in 2004 adjusted for one-offs
- ▶ Local cost adaptation measures to secure profitability in Scandinavian Airlines Businesses

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Sum up 3rd Quarter



- ▶ New Business Models introduced
 - Successful launch of one way prices on European/Intrascandinavian routes
 - Dynamic traffic planning
 - Cost adaptation measures of appr SEK 2 billion
- ▶ Stable yields and record load factors
- ▶ Turnaround 2005
 - To be completed as planned

Cautious outlook

- ▶ Still uncertainties in the marketplace, but signs of reduced overcapacity
- ▶ Business Plan shows positive earnings



Additional slides for further information

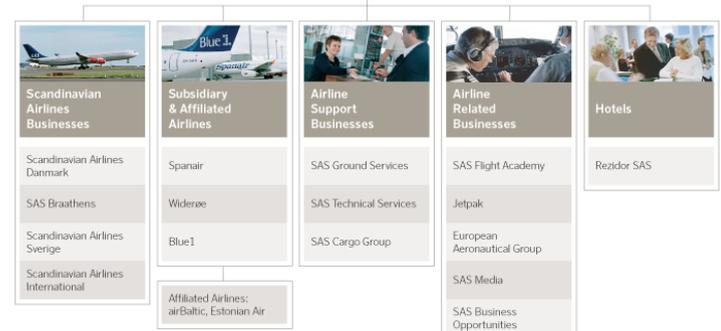


Incorporation of business units completed

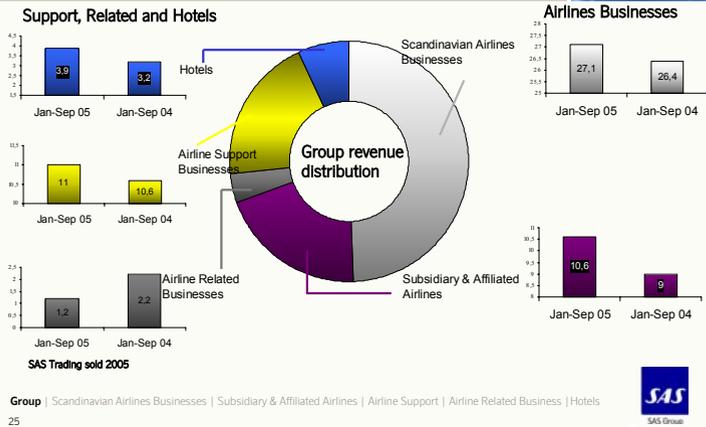
- ▶ From business units to limited companies



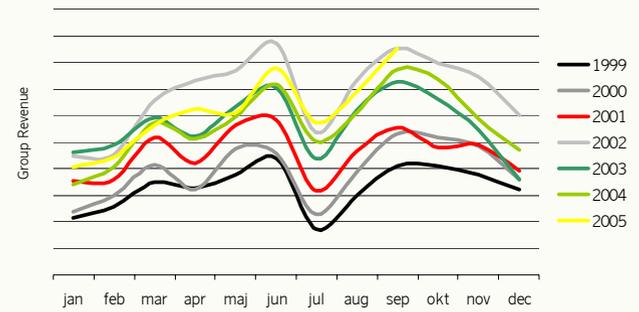
- ▶ Closer to local markets
- ▶ Improved accountability



Top line growth for all airlines and hotels



Revenue seasonality pattern



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26

SAS Group EBITDAR and CFROI improved



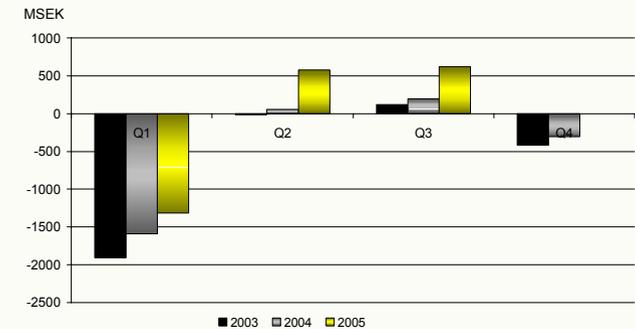
MSEK, January-September	2005	2004	
▶ Revenue	45 600	43 133	5,7%
▶ EBITDAR	4 483	3 202	40%
▶ EBITDAR-margin	9,8%	7,4%	+2,4 p.p.
▶ CFROI	12%	8%	+4 p.p.

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27

Result development 2003-2005

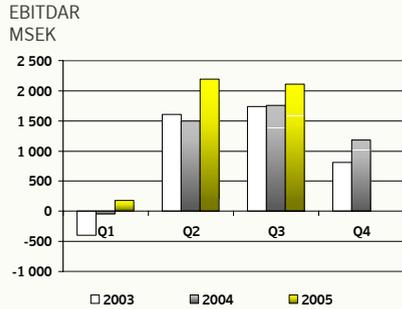
EBT before nonrecurring items



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28

EBITDAR Jan-Sep improved 40%



▶ EBITDAR in Jan-Sep 2005 was 4 483 (3 202) MSEK

EBITDAR

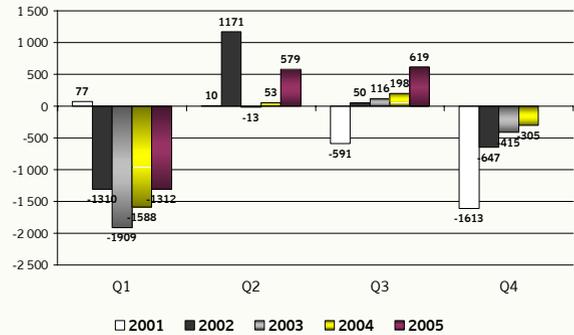
- Scandin Airl. 2 266 MSEK
- Spanair 719 MSEK
- Widerøe 89 MSEK
- Blue1 42 MSEK



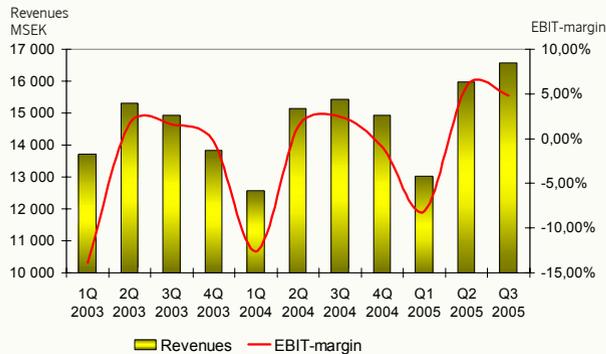
SAS Group – Quarterly EBT



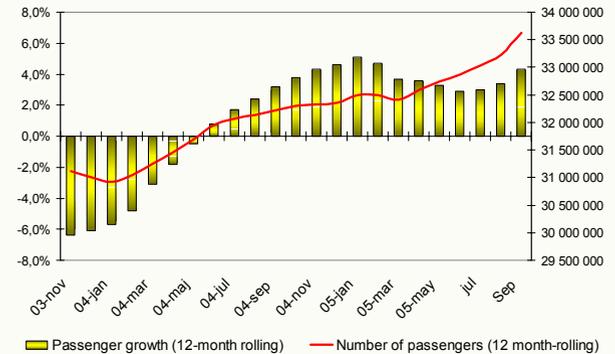
EBT bef non-recurring items MSEK



Underlying group revenues and EBIT-margin improving



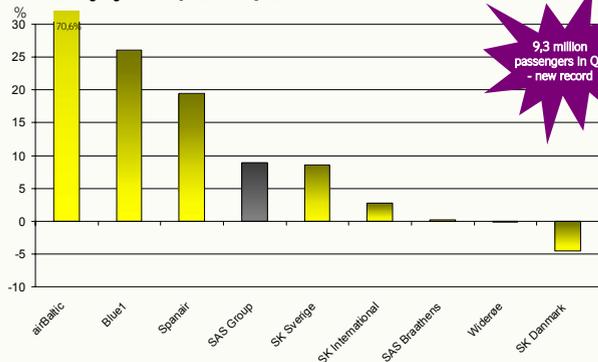
SAS Group number of passengers grew by 8,9% during 3rd Quarter



Strongest growth in airBaltic, Blue1 and Spanair – Group passengers up 8,9% in Q3



Passenger growth in Q3 2005 vs Q3 2004



9,3 million passengers in Q3 - new record



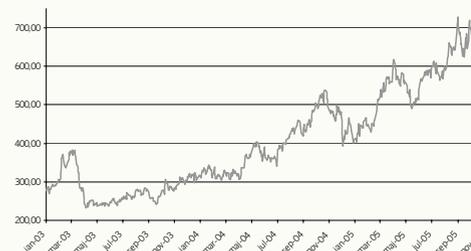
Fuel costs offset by fuel charges - future part of dynamic pricing



- ▶ Current spot price app 50% higher than year end
- ▶ SAS Group has 50% hedge in place for October 2005 to September 2006

Summary fuel charges

- ▶ May 2004 4-6 Euro
- ▶ Sep 2004 2 Euro
- ▶ Nov 2004 2 Euro
- ▶ Apr 2005 2 Euro



- ▶ Fuel charges have had a positive effect on yield in Jan-Sep by 5-6 p.u.

- ▶ As from September part of ticket price and yield management (except intercontinental)



Record high jet fuel prices



Average market prices:

- ▶ 2000 297 USD/MT
- ▶ 2001 245 USD/MT
- ▶ 2002 233 USD/MT
- ▶ 2003 282 USD/MT
- ▶ 2004 399 USD/MT
- ▶ Q1 2003 323 USD/MT
- ▶ Q2 2003 244 USD/MT
- ▶ Q3 2003 264 USD/MT
- ▶ Q4 2003 298 USD/MT
- ▶ Q1 2004 322 USD/MT
- ▶ Q2 2004 365 USD/MT
- ▶ Q3 2004 433 USD/MT
- ▶ Q4 2004 474 USD/MT
- ▶ Q1 2005 487 USD/MT
- ▶ Q2 2005 556 USD/MT
- ▶ Q3 2005 634 USD/MT

Hedge levels (including premiums):

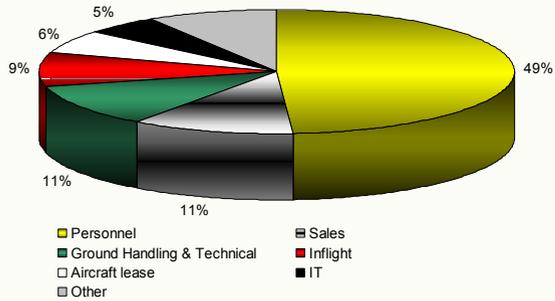
- Q4 2005: 450 USD/MT
- 12 months: 580 USD/MT



2005 דמורה
אוסמחה



Distribution of cost reductions in Turnaround 2005 by cost item



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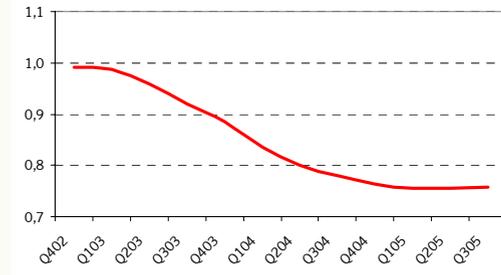
37



Scandinavian Airlines Businesses unit cost development



12 months rolling SEK/ASK



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38



Block hours for Group Airlines



12 months rolling Oct 04 - Sep 05	Air craft/day	Pilots/year	Cabin/year
Scandinavian Airlines Businesses	8,1	556	616
Spanair	8,2		719
Widerøe	6,7	488	442
Blue1	8,1	698	709
airBaltic	8,3	783	746

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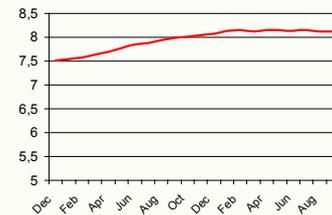
39



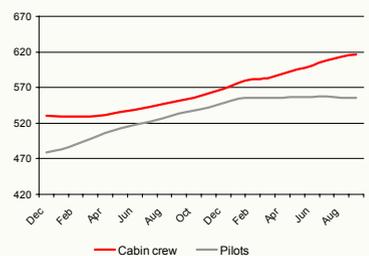
Key productivity ratios improving Cabin crew over 600 block hours



Aircraft utilization (12 month rolling)



Cabin, pilot utilization (12 month rolling)



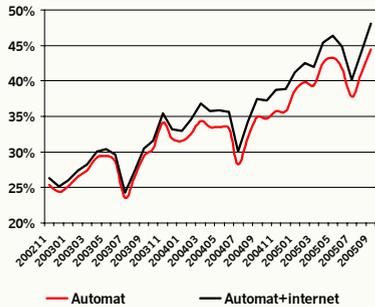
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40

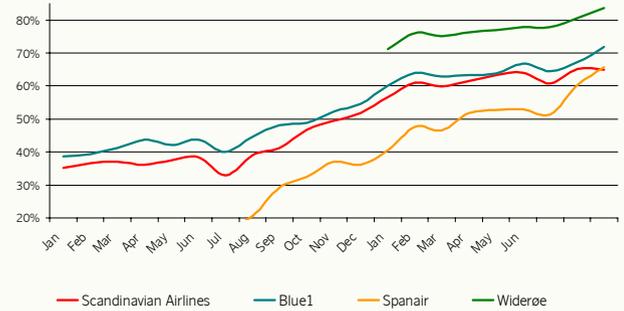


Self Service check in and Internet check well over 40%

▶ Internet check low, but increasing



Share of e-tickets growing significantly - well over 60% during 3rd Quarter



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Business areas



Scandinavian Airlines Businesses



Scandinavian Airlines Businesses income statements



MSEK	July-September			January-September		
	2005	2004	Change	2005	2004	Change
▶ Revenues	9 284	8 945	+339	27 117	26 362	+755
▶ Operating expenses	-8 183	-8 273	-90	-24 851	-25 014	-163
▶ EBITDAR	1 244	819	+425	2 266	1 348	+918
▶ Lease	-494	-407	+87	-1 393	-1 153	+240
▶ EBITDA	607	265	+342	873	195	+678
▶ Depreciation	-292	-333	-41	-890	-1 051	-161
▶ Income from sales/affiliated	5	-13	+18	367	72	+295
▶ EBIT	320	-81	+338	350	-784	+1 134
▶ EBT	125	-242	+367	-180	-1 301	+1 121
▶ EBT bef. gains	134	-195	+329	-504	-1 272	+768



Improved load but lower yield



Traditional Revenue Management

Assumes market segmentation

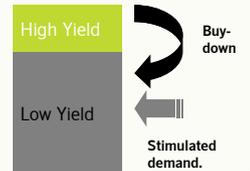
- All segments independent
- No sell-down
- No interaction between segments
- Forecast segments independently



Removing Restrictions

Market segmentation deteriorates

- Segments are dependent
- Forecast spiral down
- Traditional Optimizer ineffective
- Sell-down



OW Structure



- ▶ One generic structure in all markets. Only farebase, combination rule, routing and price levels can be different.
- ▶ All markets will have to change local rules and adapt to the generic rule
- ▶ A major customer benefit is the ability to combine all fare types. Eg. a restrictive Economy fare outbound with a flexible Economy Flex inbound.

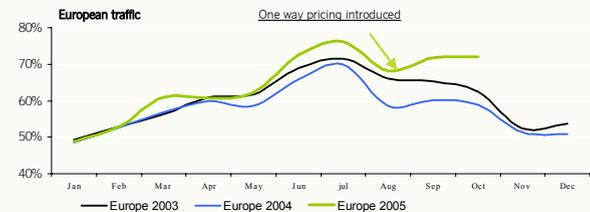
Product	RBD	AP	Min Stay	Max Stay	Ticketing	Change	Refund	Combinable	Combinable carrier	FLT/Routing	Discounts
Open business	C	No	No	No	-	Yes	100%		All	PTP/TRNSF	Child 33% Infant 90%
	D	No	No	No	-	Yes	100%		All	PTP/TRNSF	Child 33% Infant 90%
	J	No	No	No	-	Yes	100%		All	PTP/TRNSF	Child 33% Infant 90%
Open eco. Flex	Y	No	No	No	-	Yes	100%		All	PTP/TRNSF	Child 33% Infant 90%
	S	No	No	No	-	Yes	100%		All	PTP/TRNSF	Child 33% Infant 90%
Open economy	E	No	No	No	72H	No	No		All	PTP/TRNSF	Child 33% Infant 90%
	M	No	No	No	72H	No	No		All	PTP/TRNSF	Child 33% Infant 90%
	H	No	No	No	72H	No	No		All	PTP/TRNSF	Child 33% Infant 90%
	Q	No	No	No	72H	No	No		All	PTP/TRNSF	Child 33% Infant 90%
	W	No	No	No	72H	No	No		All	PTP/TRNSF	Child 33% Infant 90%
	U	No	No	No	72H	No	No		All	PTP/TRNSF	Child 33% Infant 90%
	K	No	No	No	72H	No	No		All	PTP (TRNSF)	Child 33% Infant 90%
	L	No	No	No	72H	No	No		SK	PTP	Child 33% Infant 90%
T	No	No	No	72H	No	No		SK	PTP	Child 33% Infant 90%	



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 experienced
 - on Norwegian, Swedish Europe/Intrascandinavia
- ▶ Reduced yield



Scandinavian Airlines Danmark - One way prices positively received



- ▶ First signs of reduced overcapacity in the home market
- ▶ Capacity & Utilization Focus starting to give effect
 - Capacity down 12,6%
 - Cabin factor up 2,7 p.u. during Jan-Sep and up 8,2 p.u. in Q3
- ▶ One way prices positively received

	Jul-Sep 2005	Jan-Sep 2005
Total revenues	2 640	7 654
EBITDAR	179	284
EBT	-68	-429

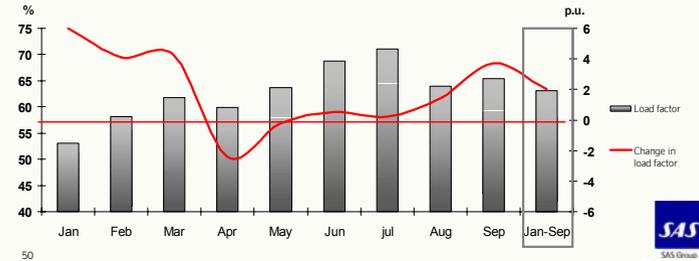


SAS Braathens on track – Jan-Sep result improved by MSEK 599



- ▶ Jan-Sep cabin factor up 2,0 p.u.
- ▶ One AOC established
- ▶ Over 40% internet bookings on domestic routes

	Jul-Sep 2005	2004	2005	Jan-Sep 2004
Total revenues	3 066	2 846	9 067	8 452
EBITDAR	463	294	1 262	694
EBT, bef nonrecurring items	183	1	424	-175

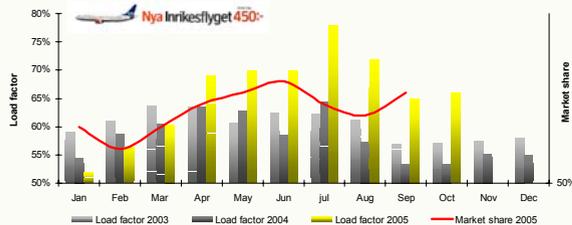


Record load factors but still over capacity in Sweden



- ▶ Number of passengers up 8,6% in Q3
 - Improved market share
- ▶ Strong improvement in load factor
 - One way pricing
 - New web site
 - Simple rules
 - Jul-Sep load factor 69,4% up 10,0 p.u. vs 2004

	Jul-Sep 2005	Jan-Sep 2005
Total revenues	1 778	5 682
EBITDAR	97	191
EBT	-93	-373



Scandinavian Airlines International – positive result in Q3



- ▶ Focus on further cost adaptive measures on intercontinental operations
- ▶ Cabin factor up 3,7 p.u. in third Quarter
- ▶ Several product improvements
 - Internet onboard all aircraft
- ▶ IATA customer survey shows SAS has third most satisfied customers of all airlines on USA routes

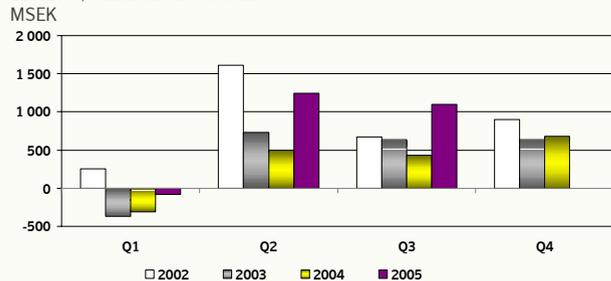
	Jul-Sep 2005	Jan-Sep 2005
Total revenues	2 217	5 806
EBITDAR	384	504
EBT	198	-8



Scandinavian Airlines Businesses Strongest EBITDAR improvement since 2002



EBITDAR, Scandinavian Airlines



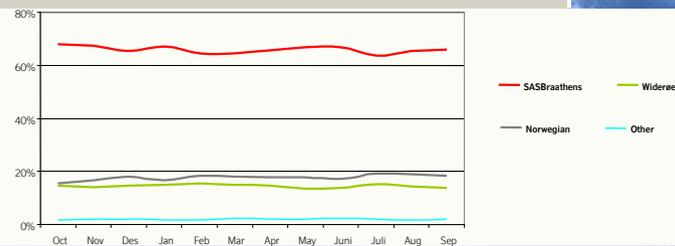
Scandinavian Airlines Businesses key airline profitability drivers



		2005 vs 2004 July-September	2005 vs 2004 January-September
▶ Traffic (RPK)	up	0,1%	down 1,4%
▶ Cabin Factor	up	5,9 p.u.	up 2,2 p.u.
▶ Yields (currency adjusted)	down	0,6%	up 2,3%
▶ Total unit costs	up	1,4%	down 1,0%
– Fuel adjusted unit cost	down	2,7%	down 5,1%



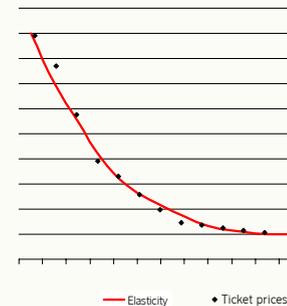
SAS Braathens and Widerøe's market share stable on Norwegian domestic



Scandinavian Airlines has introduced new yield system based on one way pricing



- ▶ New yield management system (Optimix) developed based on one way fares
 - Optimizing leisure fare
 - Buy up in economy
- ▶ Automatic price elasticity
 - Developed and tested by SAS since July 2004
- ▶ All flights individually profile steered according to expected demand
- ▶ System has successively and successfully been rolled out since May
 - Introduced on all European routes during the summer 2005



Next phase to adjust product to customers individual preferences



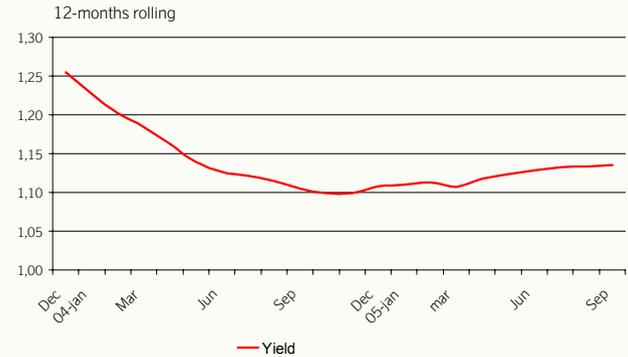
Added services
 • Attractive products/ services which can be added to base product

Base product
 • Attractive basic offer
 • Few restrictions
 • Price follows demand

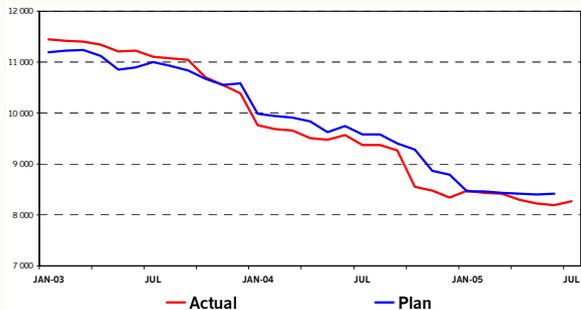
- ▶ Further segmentation of product next phase
- ▶ Simplification of basic product
- ▶ Additional services features to further adjust product offer according to customer's preferences



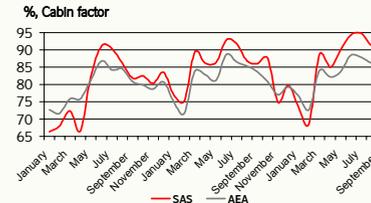
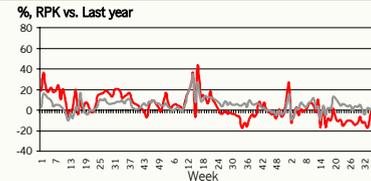
Yields are stabilizing



Scandinavian Airlines Businesses Development of number of employees



North Atlantic cabin factor above AEA



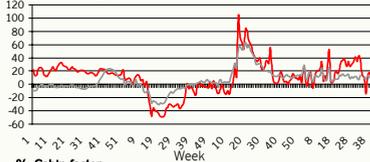
- ▶ Daily departures to/from New York, Washington DC, Chicago, Seattle from Copenhagen
- ▶ Daily departures to/from New York and Chicago from Stockholm
- ▶ Compared with 2004 capacity has been reduced to New York resulting in improved cabin factors and slightly lower volumes
- ▶ Positive mix in first half
- ▶ Traffic in Jan-Sep 2005:
 - European airlines (AEA) traffic up 1,9%
 - SAS traffic down -6,6%
 - Strong USD and fuel charges



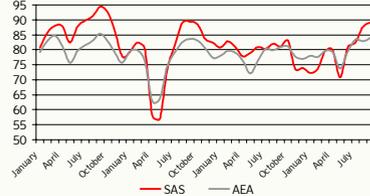
Asian traffic – Scandinavian Airlines gaining market shares



% RPK vs. Last year



% Cabin factor



— SAS — AEA

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

61

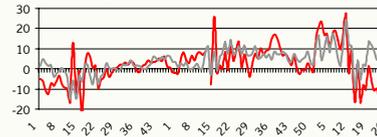


- ▶ Capacity increased on Bangkok/Singapore and Shanghai compared with last year
- ▶ Business Class has increased on Shanghai by more than four times
- ▶ Overcapacity on some routes
- ▶ After weak start of the year traffic has improved in the second quarter
- ▶ Traffic in Jan-Sep 2005:
 - AEA traffic up 11,7%
 - SAS traffic up 17,9%

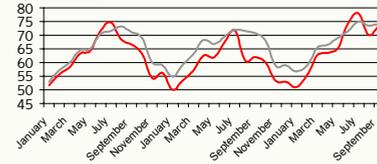
European traffic



% RPK vs. Last year



% Cabin factor



— SAS — AEA

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

62



- ▶ Severe overcapacity on some routes
- ▶ Scandinavian Airlines has reduced its capacity by 10,1% vs 2004
- ▶ Scandinavian Airlines introduced one way fares in September which significantly has improved cabin factor further
- ▶ Traffic Jan-Sep 2005:
 - AEA traffic up 6,2%
 - SAS traffic down -4,0%

ECA – Negative effect primarily from weaker performance by LH + BM



- ▶ Tri-party Joint Venture agreement with BMI, Lufthansa and SAS signed November 9, 1999
- ▶ In effect from January 1, 2000
- ▶ Main scope: To integrate the parties scheduled pass. transport to/ from London/ Manchester
- ▶ Negative result effect 2002: MSEK 418 (335)
- ▶ Negative result effect 2003: MSEK 244
- ▶ Negative result effect 2004: MSEK 134
 - Result effect 1st quarter 2005: MSEK -64 (-71)
 - Result effect 2nd quarter 2005: MSEK -207 (45)
 - Result effect 3rd quarter 2005: MSEK -92 (-62)

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

63



Subsidiary & Affiliated Airlines



Income for Subsidiary & Affiliated Airlines improved



MSEK	July-September			January-September		
	2005	2004	Change	2005	2004	Change
▶ Revenues	4 511	3 698	+813	10 621	9 030	+1 591
▶ Operating expenses	-3 656	-3 032	+624	-8 992	-7 876	-1 116
▶ EBITDAR	855	666	+189	1 629	1 154	+475
▶ Lease	-367	-298	+69	-932	-869	+63
▶ EBITDA	488	368	+120	697	285	+412
▶ Depreciation	-82	-76	-6	-236	-220	+16
▶ Income from sales/affiliated	31	-4	+35	43	119	-76
▶ EBIT	437	288	+149	505	184	+321
▶ EBT	398	248	+150	398	100	+298
▶ EBT bef. gains	401	253	+148	401	45	+356

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



65

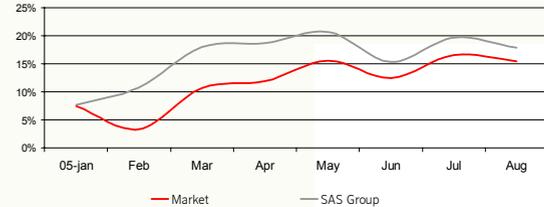
Spanair increasing market share in Spain



- ▶ Robust traffic development in the total market
 - ▶ Two new destinations and five new routes opened in first half 2005
 - ▶ Number of passengers up 19,5% in Q3
 - ▶ Spanair gaining market shares
- ▶ Strong corporate sale development
- ▶ More dynamic aircraft allocation within the SAS Group has made it possible to increase capacity in Spanair

Spanair	Jul-Sep		Jan-Sep	
	2005	2004	2005	2004
Total revenues	3 172	2 788	6 981	6 250
EBITDAR	719	618	1 208	981
EBT, bef nonrecurring items	318	280	165	59

Passengers vs last year



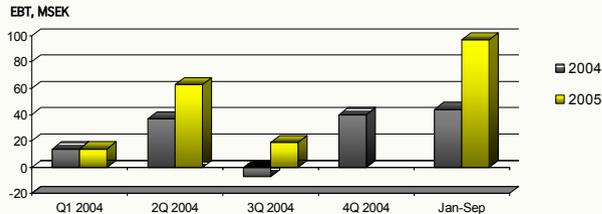
66

Widerøe best nine month period ever



- ▶ Traffic down 1,8% compensated by capacity reductions
- ▶ Result improvement of MSEK 26 in 3rd Quarter
- ▶ Widerøe won 11 of 16 routes in a tender for the Norwegian short runway system in the period April 2006 to March 2009

widerøe	Jul-Sep		Jan-Sep	
	2005	2004	2005	2004
Total revenues	710	642	2 117	1 829
EBITDAR	89	69	301	242
EBT, bef nonrecurring items	19	-7	97	44



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



67

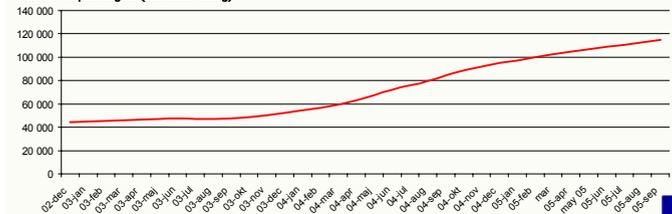
Blue1 - Impressive growth and result margins



- ▶ Result improved by MSEK 160 vs last year
- ▶ Successful domestic operations
- ▶ CFROI 21%
- ▶ Strong operational performance
 - ▶ Traffic up 25,2% in Jan-Sep
 - ▶ Cabin factor up 11,2 p.p.
 - ▶ Cabin factor on Finnish domestic 65,1%

Blue1	Jul-Sep		Jan-Sep	
	2005	2004	2005	2004
Total revenues	388	282	1 248	907
EBITDAR	42	-3	159	11
EBT, bef nonrecurring items	8	-46	48	-112

Number of passengers (12 month rolling)



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

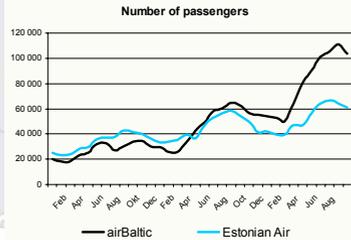


68

Strong growth in the Baltic carriers despite fierce competition



- ▶ airBaltic and Estonian Air carried more than 1,2 million passengers in Jan-Sep 2005
- ▶ Rezidor SAS hotels increases presence in a strategically interesting region
 - ▶ 15 Hotels in Baltic states, Finland and Russia



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

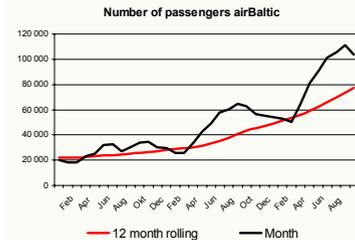


69

Impressive growth in airBaltic and Estonian Air despite fierce competition



- ▶ The SAS Group holds 49% in Estonian Air and 47,2% in airBaltic
- ▶ airBaltic traffic up 119,5% during Jan-Sep and passengers up 79,5%
- ▶ Estonian Air number of passengers up 17%
- ▶ Both airlines compete successfully with Ryanair and Easyjet which have entered the market in 2005



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



70



Airline Support Businesses



Airlines Support Businesses



MSEK	July-September			January-September		
	2005	2004	Change	2005	2004	Change
▶ Revenues	3 553	3 537	+16	11 041	10 625	+416
▶ Operating expenses	-3 440	-3 106	+334	-10 356	-9 753	+603
▶ EBITDA	113	431	-318	685	872	-187
▶ Depreciation	-71	-126	-55	-276	-369	-93
▶ EBIT	42	305	-263	409	503	-94
▶ EBT	11	287	-276	309	444	-135

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



72

Results weaker during 3rd Quarter due to lower volumes in ground and technical



Jul-Sep in MSEK	SAS Technical Services		SAS Ground Services		SAS Cargo	
EBT, bef gains	9	-73	40	-123	14	-9

Apr-Jun in MSEK	SAS Technical Services		SAS Ground Services		SAS Cargo	
EBT, bef gains	209	+42	125	-68	27	+4



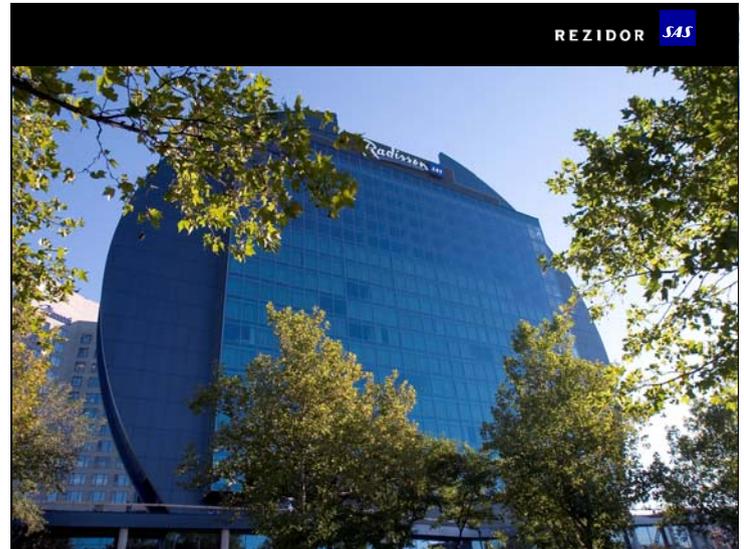
Airline Related Businesses



Airline Related Businesses affected by SAS Trading phase out



MSEK	July-September			January-September		
	2005	2004	Change	2005	2004	Change
▶ Revenues	352	740	-388	1 222	2 179	-957
▶ Operating expenses	-308	-689	-381	-1 115	-2 020	+905
▶ EBITDA	44	51	-7	107	159	-52
▶ Depreciation	-31	-33	-2	-96	-109	-13
▶ Capital gains	2	0	+2	0	0	0
▶ EBIT	15	18	-3	11	50	-39
▶ EBT	9	14	-5	1	39	-38



Strong 3rd Quarter improved by MSEK 92

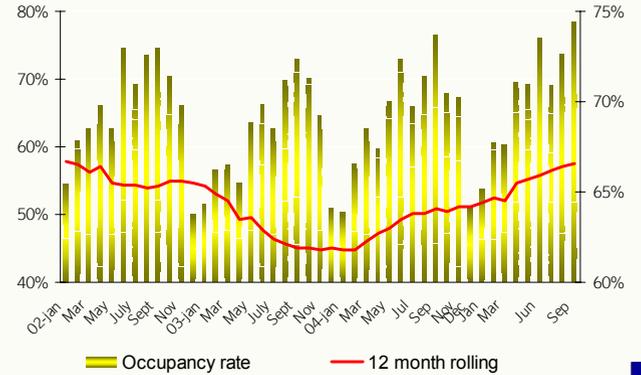
	Jul-Sep		Jan-Sep	
	2005	2004	2005	2004
Total revenues	1 375	1 198	3 872	3 237
EBITDA	154	52	233	47
EBT	93	-3	30	-95
EBT, bef nonrecurring items	88	-4	25	-96

- ▶ Strong hotel market
- ▶ Number of rooms sold increased
 - ▶ RevPAR up 12,9% for comparable units
 - ▶ Occupancy rate improved 2,8 p.u.
- ▶ 16 new hotels to 206 in total
- ▶ Enhanced partnership through shareholder agreement with Carlson
- ▶ Transaction confirms significant value in the Hotels



Radisson SAS, Frankfurt

Improved occupancy rate for Rezidor SAS



Balance Sheet



MSEK	30 Sep 05	31 Dec 04
Liquid funds	8 360	8 595
Aircraft, spare parts	18 663	20 013
Other assets	33 718	29 175
Total assets	60 741	57 783
Operating liabilities	16 405	15 955
Interest-bearing liabilities	26 568	27 280
Deferred tax	4 694	3 194
Equity	13 074	11 354
Total liabilities and equity	60 741	57 783
Financial net debt	15 888	17 377

SAS Group's limited aircraft Capex



Firm Aircraft Orders

	Total	2005	2006	2007
Airbus A319*	4		2	2
Boeing 737	2			2
Number of aircraft	6	0	2	4
CAPEX (MUSD)	185	3	59	123

* = Changed from A321 during Q2

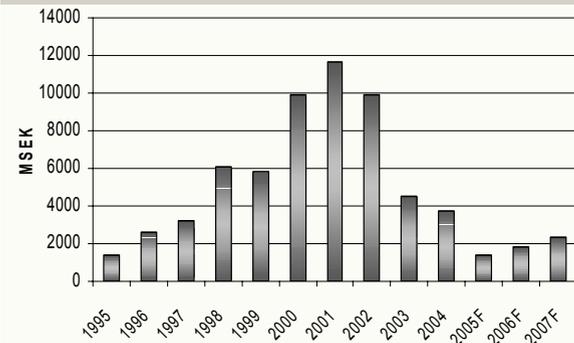
SAS Group has amortized MSEK 1 414 of utilized facilities since March 2005



	MSEK
Liquid Funds September 30, 2005	8 360
Available Credit Facilities:	
Revolving Credit Facility (MEUR 400)	2 300
Bi-lateral Facilities	2 100
Others	350
Total Available Facilities	4 750
Total Available Funds	13 110

- ▶ Available facilities MSEK 4 750
- ▶ Utilized facilities MSEK 2 200
- ▶ Total facilities MSEK 6 950

SAS Group's Capex Holiday continues - aircraft and spares



Clear Targets to Reduce Indebtedness - Key ratios improved during first half 2005

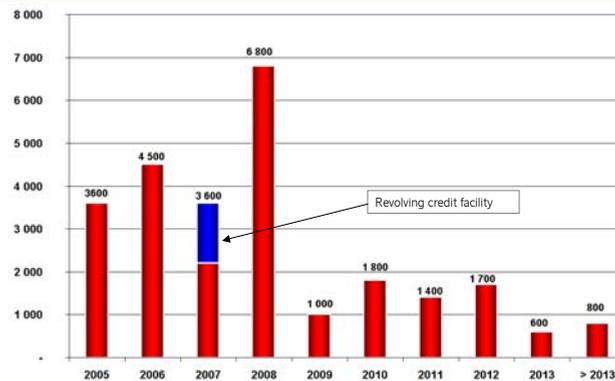


Key figures	Sep 05	Dec 04	Target
▶ Equity/assets ratio (solidity)	22%	20%	>30%
▶ Financial net debt/ equity	122%	153%	<50%
▶ Fin. net debt+7*Oplease/ equity	272%	309%	<100%

▶ Targets will be reached by:

- Turnaround 2005
- Capital Release:
 - Aircraft – Surplus and phase-outs
 - Other Assets (Properties, non-core subsidiaries etc)
- Cash flow from operations

Amortization profile of interest bearing liabilities



Financial Net January – September 2005



(MSEK)	05-09-30	04-12-31	Difference
Interest net and others	-880	-989	N/A
Exchange rate differences	-26	-53	N/A
Financial net	- 906	-1 042	N/A

Financial Net January – September 2005



(MSEK)	05-09-30	04-09-30	Difference
Interest net and others	-880	-733	-147
Exchange rate differences	-26	-33	7
Financial net	- 906	-766	-140

Financial Net July – September 2005



(MSEK)	Q3-2005	Q3-2004	Difference
Interest net and others	-256	-272	16
Exchange rate differences	-1	-4	3
Financial net	- 257	-276	19



Development and Break Down of Financial Net Debt 050930



(MSEK)	050930	041231	Difference
Cash	8 360	8 595	-235
Other interest bearing assets	3 084	1 308	1 776
Interest bearing liabilities	-27 332	-27 280	-52
Financial Net debt	-15 888	-17 377	1 489



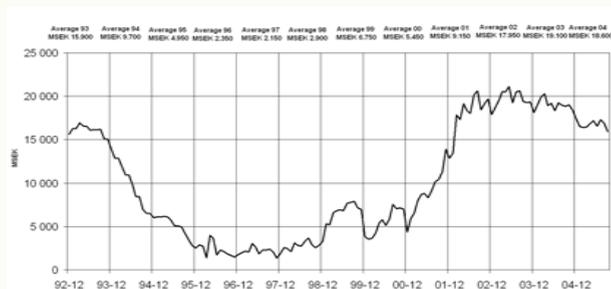
Development and Break Down of Financial Net Debt 050930



(MSEK)	050930	040930	Difference
Cash	8 360	7 607	753
Other interest bearing assets	3 084	1 343	1 741
Interest bearing liabilities	-27 332	-27 784	452
Financial Net debt	-15 888	-18 834	2 946



Development of financial net debt 9212-0509



Equity / Assets Ratio 9212-0509



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

93



Financial Net Debt / Equity Ratio 9212-0509

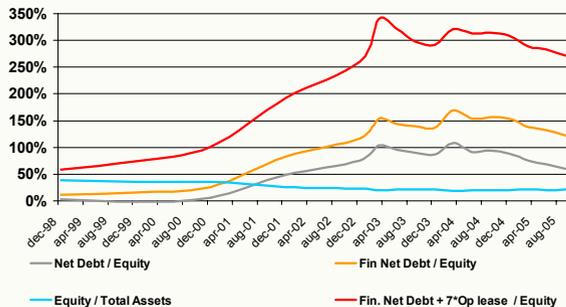


Group | Scandinavian Airlines Business | Subsidiary & Affiliated Airlines | Airline Support | Airline Related Business | Hotels

94



Gearing ratios going down



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

95



Cash flow from operations improved MSEK 1 934 in Jan-Sep



MSEK	July-September			January-September		
	2005	2004	Change	2005	2004	Change
▶ Cash flow from operations	876	674	+202	1 238	342	+896
▶ Change in working capital	-1 179	-1 546	+197	-905	-2 113	+1 038
▶ Net financing from operations	-303	-872	+399	333	-1 771	+1 934
▶ Investments, adv. payments	-355	-672	+317	-1 092	-2 393	+1 301
▶ Acquisitions/sale of subsidiaries (net)	17	0	+17	17	-614	+631
▶ Sale of fixed assets etc.	1 090	1 123	-33	1 735	5 039	-3 304
▶ Financing deficit/surplus	449	-421	+700	993	261	+562
▶ Change in external financing	-750	-797	+217	-1 261	-1 721	-630
▶ Cash flow from the period	-301	-1 218	+817	-268	-1 460	-1 192
▶ Translation diff in liquid assets	-19	-4	+15	33	1	+32
▶ Change in liquid asset	-320	-1 222	+902	-235	-1 459	+1 224

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

96



Sum Up – Credit position



- ▶ Strong liquidity of MSEK 8 360
- ▶ Substantial Committed credit facilities of MSEK 4 750
- ▶ No CAPEX in 2005
 - ▶ Limited in 2006
- ▶ Streamlining of Group – sale of companies
- ▶ Turnaround 2005 program with union agreements secured
- ▶ Positive cash flow from operations
- ▶ Loss carry forward will improve tax position



APPENDICES

Traffic Data

Yield

Unit cost

Fleet

Financial key figures



Capacity (ASK) outlook 2005 vs. 2004



▶ Scandinavian Airlines	-5%
▶ Spanair	14%
▶ Widerøe	0%
▶ Blue1	2%
▶ airBaltic	89%
▶ Total SAS Group	2-3%*

*) Adjusted for airBaltic, capacity increase would be 0%



Guidance



<u>SAS Group</u>	<u>2006</u>	<u>2005 vs 2004</u>
▶ Fuel costs (MSEK)	8 600*	7 900
▶ ASK	3-5%	2-3%

* = At a price of USD 600/MT and SEK/USD 7,9

<u>Scandinavian Airlines</u>	<u>2006</u>	<u>2005 vs 2004</u>
▶ Yield	down	flat
▶ ASK	-3% to -4%	-5%
▶ Load factor	up	+2-3 p.u.



Yield development 2005 vs 2004



Scandinavian Airlines Businesses Total Scheduled

Jan-Sep	2005	2004	Change
---------	------	------	--------

Yield (öre/RPK)	110,5	106,7	3,6%
Currency adj. yield	110,5	108,0	2,3%

Jul-Sep	2005	2004	Change
---------	------	------	--------

Yield (öre/RPK)	103,1	100,1	3,1%
Currency adj. yield	103,1	103,7	-0,6%



Yield development 2005 vs 2004



Yield, local currency	Sep-Oct	Jan-Sep
Spanair	7,2%	5,4%
widerøe <small>Member of the SAS Group</small>	5,0%	3,8%
Blue	-6,9%	3,3%



Unit Cost

January-September 2005 vs 2004



Cost analysis	JAN-SEP 04	JAN-SEP 05	Var%	Share of total var %
Personnel	-6 166	-5 800	-5,9%	-1,5%
Fuel	-3 135	-4 134	31,9%	4,1%
Gov. Charges	-3 331	-2 896	-13,0%	-1,8%
Selling cost	-685	-466	-32,0%	-0,9%
Ground Services	-4 093	-4 049	-1,1%	-0,2%
Technical	-3 052	-3 188	4,5%	0,6%
Other operating costs	-2 518	-2 253	-10,5%	-1,1%
Total operating expenses	-22 979	-22 786	-0,8%	-0,8%
Aircraft costs	-1 501	-1 447	-3,6%	-0,2%
Adjusted EBIT	-24 480	-24 233	-1,0%	-1,0%

Volume=average increase in ASK:-0,2%



Unit Cost

July-September 2005 vs 2004



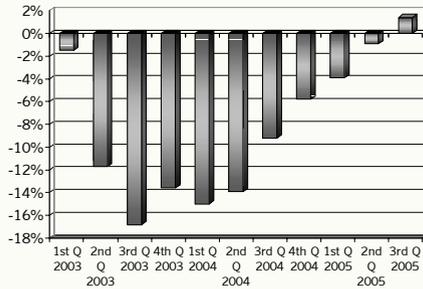
Cost analysis	JUL-SEP 04	JUL-SEP 05	Var%	Share of total var %
Personnel	-1 864	-1 835	-1,5%	-0,4%
Fuel	-1 227	-1 551	26,4%	4,1%
Gov. Charges	-1 150	-1 002	-12,9%	-1,9%
Selling cost	-238	-183	-23,0%	-0,7%
Ground Services	-1 301	-1 304	0,2%	0,0%
Technical	-955	-914	-4,3%	-0,5%
Other operating costs	-615	-662	7,7%	0,6%
Total operating expenses	-7349	-7451	1,4%	1,3%
Aircraft costs	-480	-490	2,0%	0,1%
Adjusted EBIT	-7 829	-7 941	1,4%	1,4%



Unit cost down adjusted for fuel in Q3



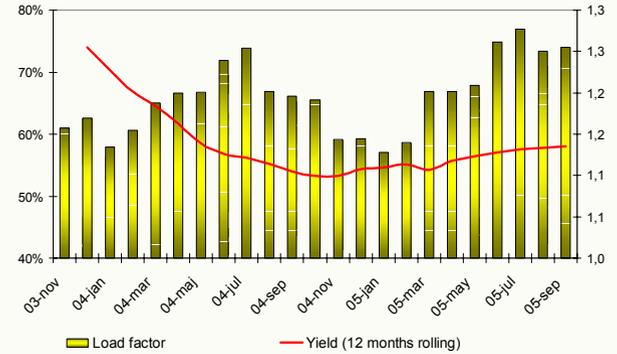
Total unit cost, Scandinavian Airlines Businesses



- ▶ Unit cost down 10,9% in 2004
- ▶ Unit cost down 3,9% in Q1
 - Adjusted for fuel unit cost was down by 7,5%
- ▶ Unit cost down 0,9% in Q2
 - Adjusted for fuel unit cost was down by 5,5%
- ▶ Unit cost up 1,4% in Q3
 - Down 2,8% adjusted for fuel



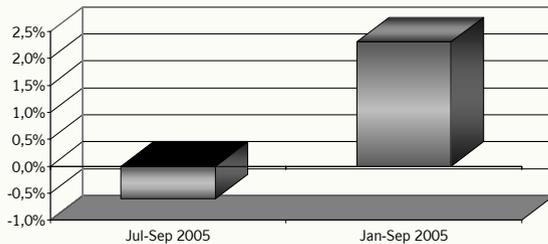
Improved load and stable yields



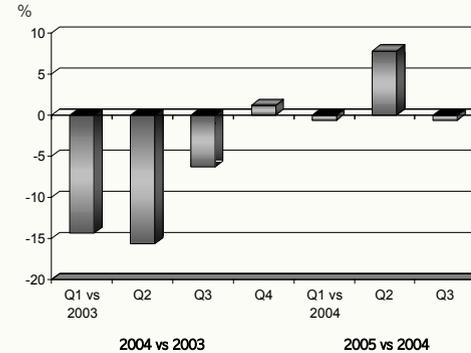
Yield Development, Scandinavian Airlines Businesses



January-September (currency adjusted) vs 2004



Yield development – Scandinavian Airlines Businesses



- ▶ Yields down 9,1% in 2004
- ▶ Yields down 0,6% in 1st Quarter 2005
- ▶ Yields up 7,8% in 2nd Quarter 2005
- ▶ Yields down 0,6% in 3rd Quarter 2005



Passenger Yield

January-September 2005 vs 2004



Route Sector	Nominal yield	Currency effect	Adjusted yield
Scandinavian Airlines Busin.	104	99	102
Intercontinental	103	100	103
Europe	100	98	98
Intrascandinavian	115	97	112
Denmark	113	99	111
Norway	109	96	104
Sweden	93	100	93

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



109

Passenger Yield

3rd Quarter 2005 vs 2004



Route Sector	Nominal yield	Currency effect	Adjusted yield
Scandinavian Airlines Busin.	103	96	99
Intercontinental	102	97	99
Europe	101	95	96
Intrascandinavian	108	95	102
Denmark	103	97	99
Norway	111	92	103
Sweden	89	99	89

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

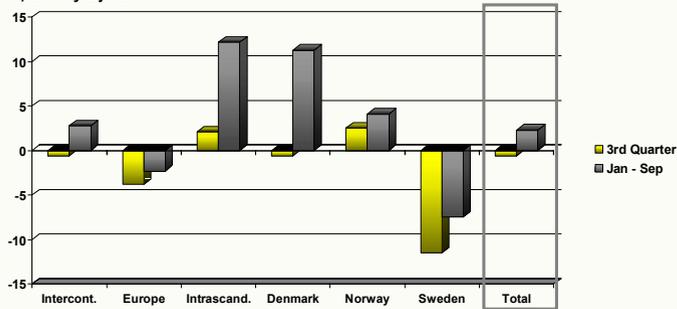


110

Yield relatively stable but affected in 3rd Quarter by one way pricing



% , currency adjusted



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



111

Key airline profitability drivers

2005 vs 2004



January-September

Traffic growth (RPK)	down	1,4%
Cabin Factor	up	2,2 p.u.
Yields	up	2,3%
Unit costs <small>incl A/C cost</small>	down	1,0%

July-September

Traffic growth (RPK)	up	0,1%
Cabin Factor	up	5,9 p.u.
Yields	down	0,6%
Unit costs <small>incl A/C cost</small>	up	1,4%

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

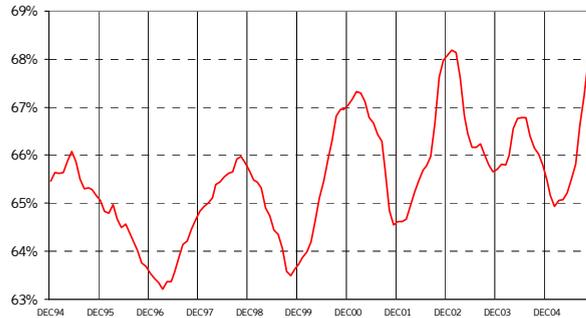


112

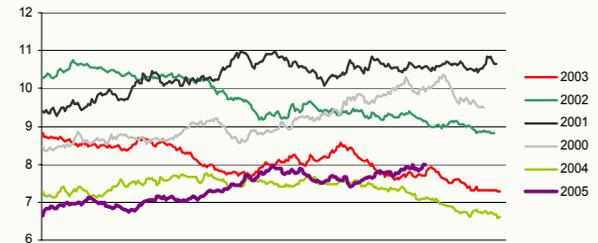
Long term passenger load trend positive – long term targets achievable



Moving 12 months values



Weaker USD in the beginning of 2005 has had a positive effect on costs



Currency Effects – SAS Group January-September 2005 vs 2004



MSEK	Jan-Sep
Total revenues	+569
Total costs	-182
Forward cover costs & working cap.	-69
Income before depr.	+318
Financial items	+7
Income before tax	+325



Currency Effects – SAS Group January-September 2005 vs 2004



Total revenues & costs: (Total +387 MSEK)		Working capital: (Total -143 MSEK)	
Major approx. effects:		2004	0
USD	+229	2005	-143
DKK	-2		
NOK	+180	Financial items: (Total +7 MSEK)	
EUR	+18	2004	-33
Asian curr.	-25	2005	-26
All others	-13		
Forward cover costs: (Total +74 MSEK)		Grand total +325 MSEK	
2004	-12		
2005	+62		



Currency Effects – SAS Group

July-September 2005 vs 2004



MSEK	Jul-Sep
Total revenues	+571
Total costs	+109
Forward cover costs & working cap.	-86
Income before depr.	+182
Financial items	+3
Income before tax	+185



Currency Effects – SAS Group

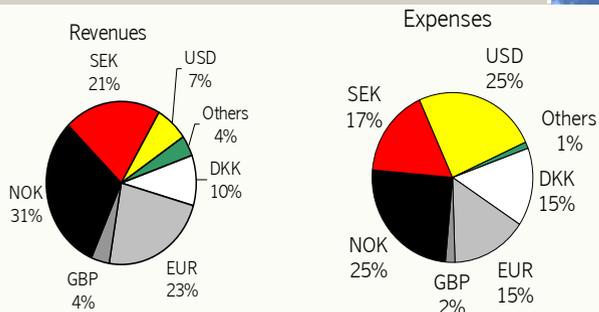
July-September 2005 vs 2004



Total revenues & costs: (Total +96 MSEK) Major approx. effects:		Working capital: (Total +31 MSEK)	
USD	-51	2004	+2
DKK	-12	2005	+33
NOK	+123	Financial items: (Total +3 MSEK)	
EUR	25	2004	-4
Asian curr.	+7	2005	-1
All others	+4	Grand total +185 MSEK	
Forward cover costs: (Total +55 MSEK)			
2004	+30		
2005	+85		



Currency distribution in the SAS Group 2004



SAS Group fleet as of September 30, 2005



Aircraft Type	Owned	Leased In	Total	Leased	
				Out	On Order
Airbus A340/A330-300	5	6	11		
Airbus A321/A320-200	8	20	28		
Airbus A319					4
Boeing 737	24	54	78	5	2
Boeing 717		4	4		
Douglas MD-80 - series	27	62	89	6	
Douglas MD-90-30	8		8	2	
Avro RJ-85/100		9	9		
Fokker F50	7	1	8	2	
deHavilland Q100/Q300/Q40	16	37	53		
SAAB 2000		5	5		
Total	95	198	293	15	6

Company	Owned	Leased In	Total	Leased Out	On Order
Scandinavian Airlines Busines	80	114	194	15	6
Spanair		56	56		
Wideroe	15	14	29		
Blue1		14	14		
Total	95	198	293	15	6

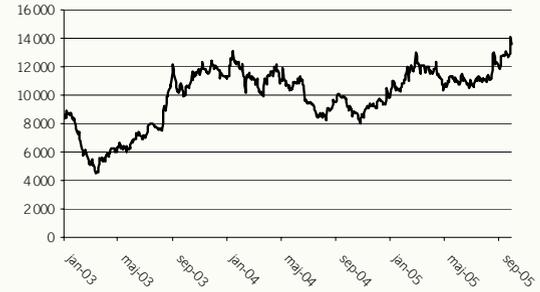




SAS share



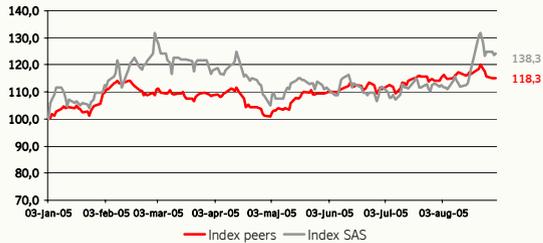
Development of Market capitalization



SAS share price vs. peers 2004



SAS Market Capitalization vs. European Peers measured in SEK
(December 31, 2004 - September 30, 2005)



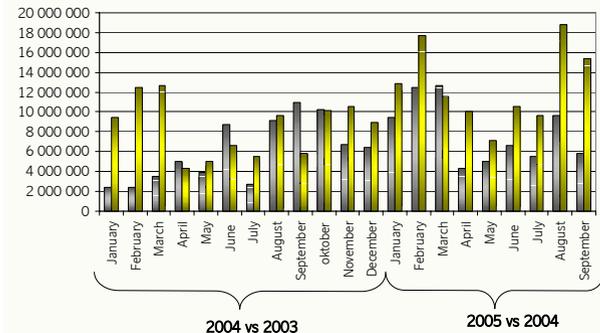
* Peers: Alitalia, Air France, British Airways, Easyjet, Finnair, Lufthansa & Ryanair



Number of traded SAS shares increasing



Number of shares traded in SAS per month



2004 vs 2003

2005 vs 2004

