



Presentation Third Quarter 2005

Stockholm, November 8

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



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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 (volume adjusted)
- ▶ Successful start with new business models

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3rd Quarter result MSEK 619



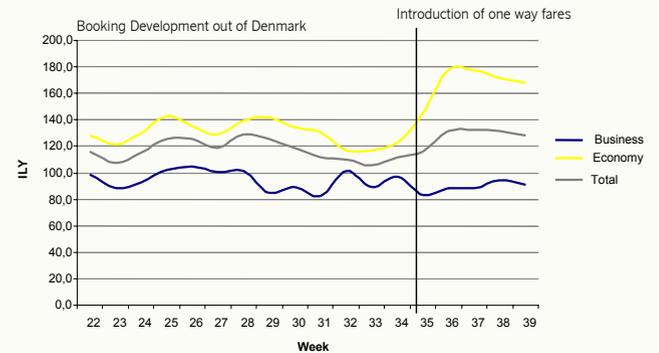
MSEK	July-September		January-September	
	2005	Change	2005	Change
▶ Revenues	16 567	+1 144	45 600	+2 467
▶ EBITDAR	2 111	+358	4 483	+1 281
▶ Lease & depreciation	-1 396	-28	-3 995	+47
▶ EBIT	802	+425	703	+1 332
▶ Financial net	-257	-19	-906	-140
▶ EBT	545	+443	-155	+1 239
▶ EBT bef non-recurring items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

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Successful launch of New European business model



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Scandinavian Airlines 3rd Quarter result



Jul-Sep in MSEK	 Scandinavian Airlines Danmark	 Braathens	 Scandinavian Airlines Sverige	 Scandinavian Airlines International
Revenues	2 640	3 066	1 778	2 217
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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Nya Europaflyget **650:-**



From the Swedish marketing campaign

Gunilla Berg
CFO

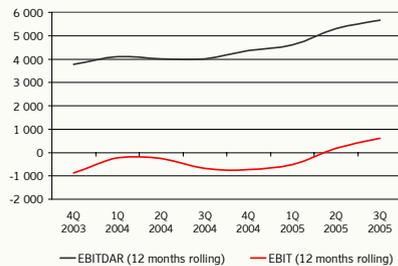


aflyget **650:-**

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 Air. 2 266 MSEK
- Spanair 1 208 MSEK
- Widerøe 301 MSEK
- Blue1 159 MSEK



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Financial position improved



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

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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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Turnaround 2005 close to completion



2005
 2005
 2005

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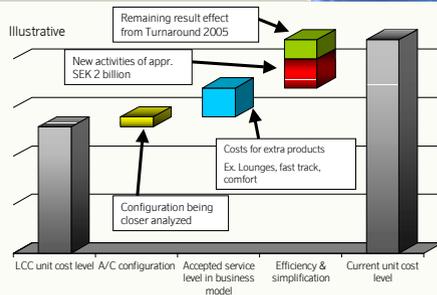
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In process: Simplified business models in Scandinavian Airlines and new cost initiatives



- ▶ 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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From the Norwegian marketing campaign

Gunnar Reitan

Deputy CEO



Results significantly improved



Jul-Sep in MSEK	Spanair	widerøe Member of the SAS Group	Blue1
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 +160

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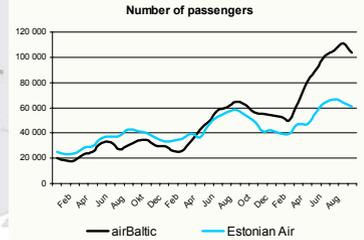


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Strong growth in the Baltic carriers despite fierce competition



- ▶ 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



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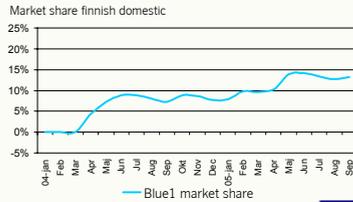


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Blue1 gaining market shares and shows strong profitability



- ▶ 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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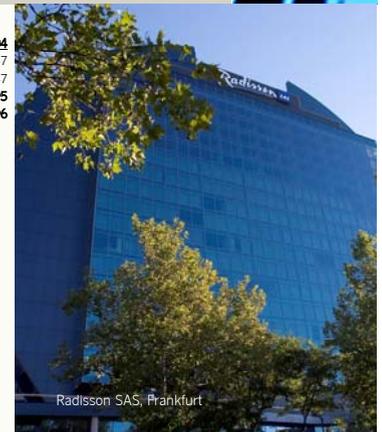
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Strong 3rd Quarter improved by MSEK 92



REZIDOR SAS	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



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Jørgen Lindegaard CEO

From the Danish marketing campaign



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



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 million members



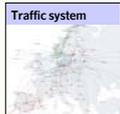
Commercial concepts, traffic system & costs

Business models for SAS Group airlines - three common denominators



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



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

Q2 2005	Negative result	Positive result	Target achieved
Scandinavian Airlines Danmark	●	●	
SAS Braathens	●	●	
Scandinavian Airlines Sverige	●	●	
Scandinavian Airlines International	●	●	
Spanair		●	●
Widerøe		●	●
Blue1		●	●
SAS Ground Services		●	●
SAS Technical Services		●	●
SAS Cargo Group		●	●
SAS Flight Academy		●	●
Jetpak Group		●	●
SAS Trading		●	●
Rezidor SAS		●	●

- 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



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

