



Teleconference 3rd Quarter 2005

November 8

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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. MSEK 1 100 vs last year (volume adjusted)
- ▶ Successful start with new business models

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3rd Quarter result MSEK 619



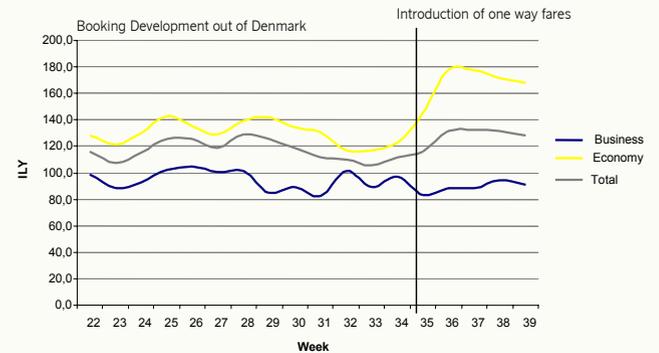
MSEK	July-September		January-September	
	2005	Change	2005	Change
▶ Revenues	16 567	+1 144	45 600	+2 467
▶ EBITDAR	2 111	+358	4 483	+1 281
▶ Lease & depreciation	-1 396	-28	-3 995	+47
▶ EBIT	802	+425	703	+1 332
▶ Financial net	-257	-19	-906	-140
▶ EBT	545	+443	-155	+1 239
▶ EBT bef non-recurring items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

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Successful launch of New European business model



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From the Swedish marketing campaign

Gunilla Berg CFO



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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Turnaround 2005 close to completion



2005 טוּרְנוּ
אֲנִיחוּס

▶ SEK 14 billion completed by year end

- ▶ 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

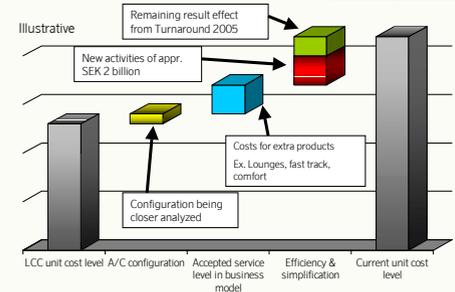


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In process: Simplified business models in Scandinavian Airlines and new cost initiatives



- ▶ 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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Jørgen Lindegaard CEO

From the Danish marketing campaign



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



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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

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
- ▶ Adaptive local cost 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



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