



Presentation of Year end Report 2005

Stockholm and London, February 9-10



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SAS Group positive result 2005

- ▶ EBT bef nonrecurring items MSEK 114, an improvement of MSEK 1 815
- ▶ Record number of passengers and record load factors
 - Yield reductions in 4th Quarter more than offset by improved load factors
- ▶ Turnaround 2005 completed
- ▶ “More to be done” SEK 2 billion of new efficiency measures under implementation
- ▶ Jet fuel costs up by MSEK 1 700 (adjusted)
- ▶ Focus on core business
 - Sale of EAG, Jetpak Group and 67% of SAS Component

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EBT result improved by SEK 1,8 billion

MSEK	October-December		January-December	
	2005	Change	2005	Change
▶ Revenues	16 287	+1 342	61 887	+3 794
▶ EBITDAR	1 505	+303	6 117	+1 649
▶ Lease & depreciation	-1 421	-36	-5 545	-10
▶ EBIT	670	+789	1 373	+2 165
▶ Financial net	-99	+177	-1 005	+37
▶ EBT	573	+968	+418	+2 251
▶ EBT bef non-recurring items	228	+548	114	+1 815

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Introduction of New Business Model very successful

- ▶ Simplified rules – one way prices
- ▶ Prices entirely demand driven
- ▶ Positive impact from one way experienced
 - on Norwegian, Swedish domestic and Europe/Intrascandinavian routes
- ▶ Reduced yield



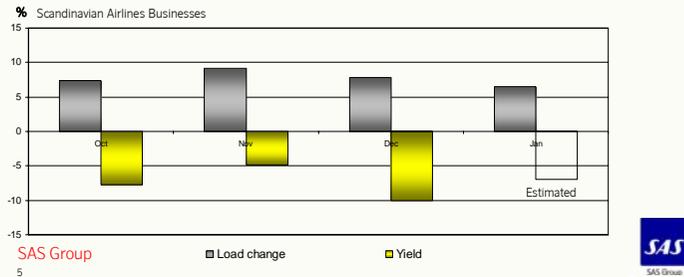
Scandinavian Airlines Businesses

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Record load factors

- ▶ SAS Group number of passengers up by 8,0% to a record 34,9 million
- ▶ Strong growth on European routes – traffic up 14,5% on Group level in 2005
 - Cabin factor up 4,4 p.u. to 62,9%
- ▶ Scandinavian Airlines number of passengers up 8,5% and load up 8,2 p.u. to 69,7% in Q4
 - Yield reduction more than offset by improved cabin factor



SAS Group 2001-2005

Event	2001	2002	2003	2004	2005
Event	▶ Business Class started to weaken ▶ September 11	▶ Overcapacity	▶ SARS ▶ War in Iraq ▶ New competition	▶ Significant over-capacity in Sweden domestic, Denmark and Europe	▶ Fierce competition ▶ Rebound of traffic growth
Action	▶ Plan A ▶ Capacity reductions ▶ Basic cost reduction	▶ Turnaround 2005 initiated	▶ SEK 6,7 billion of Turnaround 2005 implemented	▶ Incorporation of Scandinavian Airlines ▶ SEK 11,9 billion of Turnaround 2005 implemented	▶ Turnaround 2005 completed at SEK 14,2 billion ▶ New Business models introduced ▶ New cost adaptive measures of SEK 2 bn
Business Class	▶ 27,5%	22,7%	17,6%	15,0%	14,2%
Yield	▶ 0,7%	-4,6%	-13%*	-22%*	-23%*
Unit cost vs 2002	▶ 3%	1,6%	-12%*	-26%*	-30% to -35%*

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* = Accumulated base 2002

Nya Europaflyget **650:-**



From the Swedish marketing campaign

Gunilla Berg
CFO



Strongest improvement in Scandinavian Airlines Businesses

MSEK	Oct-Dec		Jan-Dec	
	2005	Change	2005	Change
▶ Scandinavian Airlines Businesses	121	+261	-383	+1 065
▶ Subsidiary & Affiliated Airlines	-137	-77	264	+279
▶ Airline Support Businesses	154	+96	524	+22
▶ Airlines Related Businesses	19	+13	40	-5
▶ Hotels	214	+115	239	+236
▶ Group eliminations, other	-143	+140	-570	+218
▶ EBT bef nonrecurring items	228	+548	114	+1 815

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Still challenges in Scandinavian Airlines Businesses



	Denmark	Braathens	Sweden	International
Oct-Dec in MSEK				
Revenues	2 609	3 191	2 095	1 930
EBITDAR	55	490	181	143
EBT bef nonrec.	-186	205	35	-45
Jan-Dec in MSEK				
Revenues	10 263	12 258	7 777	7 736
EBITDAR	339	1 752	372	647
EBT bef nonrec.	-615	629	-338	-48

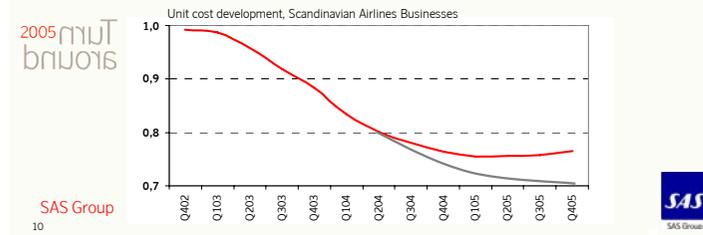
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Turnaround 2005 completed to 100%



- ▶ Most comprehensive program in the SAS Group's history
 - Savings of SEK 14,2 billion completed
 - More than 1 300 activities
 - 5 500 FTE's reductions
 - More than 30% reduction in unit cost
- ▶ Positive result effect in 2006 app SEK 1,7 billion



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SEK 2 billion of new measures under implementation



Estimated result effect, MSEK

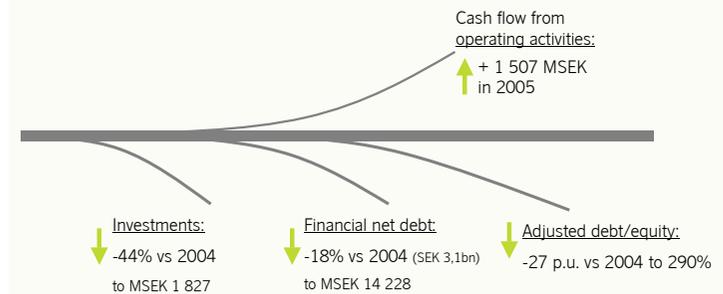
700	▶ Productivity (partly dependent on changes in collective agreements) <ul style="list-style-type: none"> - Block hours - F/D 700 h - C/A 750 h
700	▶ Ground and technical services <ul style="list-style-type: none"> - Productivity (part time) - Leaner mgmt - Line and Heavy Maintenance - Simplified product - Reduced component costs
600	▶ Administration and sales <ul style="list-style-type: none"> - IT - Call centers - Overhead - Sales organization

Structural cost measures of MSEK 2 000 under implementation

Scandinavian Airlines Businesses

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Strong operating cash flow and improved financial position



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Fuel, capacity and yield assumptions for 2006



SAS Group	2006	
▶ Fuel costs (MSEK)	10 200	(at current forward prices)
▶ ASK	up 3-4%	

Scandinavian Airlines Businesses	2006	Capacity 2006 vs 2005	
▶ Yield	down	Scandinavian Airlines Danmark	-4%
▶ ASK	-2% to -3%	SAS Braathens	+5%
▶ Load factor	up	Scandinavian Airlines Sverige	-8%
		Scandinavian Airlines International	-4%

Subsidiary & Affiliated Airlines	Capacity 2006 vs 2005
▶ Spanair	10%
▶ Blue1	70%
▶ Widerøe	5-7%
▶ airBaltic	25%

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Jørgen Lindegaard CEO

From the Danish marketing campaign



Subsidiary & Affiliated Airlines profitable but weak 4th Quarter



Oct-Dec in MSEK	Spanair		widerøe Member of the SAS Group		Blue1	
Revenues	2 234	31,1%	714	6,1%	456	14,3%
EBITDAR	198	30	33	-74	49	+2
EBT bef nonrec.	-118	-15	-37	-77	14	+13
Jan-Dec in MSEK	Spanair		widerøe		Blue1	
Revenues	9 215	15,6%	2 831	13,1%	1 704	30,5%
EBITDAR	1 406	+265	334	-15	208	+150
EBT bef nonrec.	47	+146	60	-25	62	+173

Subsidiary & Affiliated Airlines

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Improved underlying profitability and profitable expansion

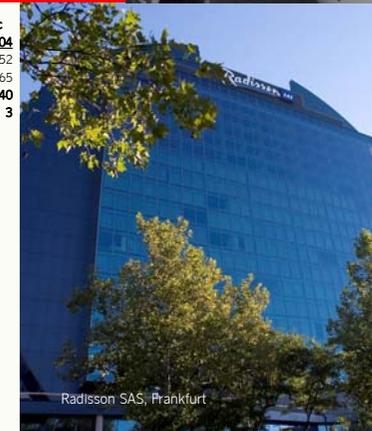


REZIDOR SAS	Oct-Dec		Jan-Dec	
	2005	2004	2005	2004
Total revenues	1 586	1 315	5 458	4 552
EBITDA	179	118	412	165
EBT	272	135	302	40
EBT, bef nonrecurring items	214	99	239	3

- ▶ Strong hotel market
- ▶ Number of rooms sold increased
 - ▶ RevPAR up 11% for comparable units
 - ▶ Occupancy rate improved 3,4 p.u.
- ▶ 27 new hotels opened in 2005. Total number of hotels now 217
- ▶ Enhanced partnership through shareholder agreement with Carlson
- ▶ Transaction confirms significant value in the Hotels

Rezidor SAS

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Radisson SAS, Frankfurt

New growth initiatives in 2006



- ▶ Blue1 opens up 9 new routes to European destinations out of Helsinki



- ▶ Spanair with new routes from Alicante, Palma Mallorca, Malaga, to Copenhagen and Stockholm



- ▶ airBaltic with new routes from Riga and Vilnius with competitive prices



- ▶ Rezidor expected to open more than 30 new hotels in 2006

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Financial targets still to be met – Scandinavian Airlines still a challenge

The SAS Group's income and long term target achievement for 12 months 2005

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

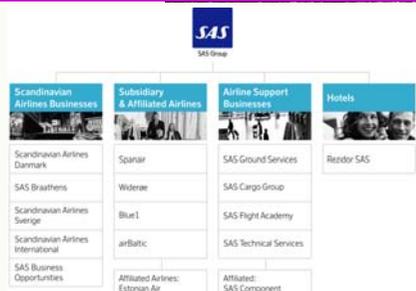
- ▶ Still a challenge with Scandinavian Airlines Businesses cost position and profitability
- ▶ New cost measures in Scandinavian Airlines Businesses and STS, SGS

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SAS Group will complete the incorporation process to secure competitiveness



Key Benefits

- ▶ Full transparency
- ▶ Adaptation to national legal and market conditions
 - Reduce complexity from multinational structure
- ▶ Time to market
- ▶ Decentralized accountability
- ▶ Achieve market productivity targets (pilot block hours)
 - Simplified scheduling
 - Minimize passive transfer
 - Improved flexibility

- ▶ Key factor to achieve profitability in Scandinavian Airlines Businesses and resolve historical structural anomalies

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Trend of more nonstop flights from Norway and Sweden

Norway



2002

- ▶ 32 international non stop routes from Oslo

2006

- ▶ 52 international non stop routes from Oslo
 - SAS Group 328 freq/week
 - Norwegian 102 freq/week
 - Ryanair 56/freq/week
 - Lufthansa 42 freq/week
 - Sterling 41 freq/week

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Sweden



2002

- ▶ 62 international non stop routes from Stockholm/Gothenburg

2006

- ▶ 82 international non stop routes from Stockholm/Gothenburg
 - SAS Group 611 freq/week
 - Ryanair 116 freq/week
 - Finnair 82 freq/week
 - Lufthansa 64 freq/week
 - Sterling 24 freq/week



Service level will become more individually adjusted



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



Three pillars of the SAS Group competitiveness



- ▶ Cost
 - Turnaround 2005
 - New cost adaptive measures
 - Cost at market levels
- ▶ Incorporation of Business units
 - Transparency
 - Local adaption
 - Flexibility
 - Time to market
- ▶ New Business Models
 - One way pricing
 - Demand driven
 - Internet



Sum up



- ▶ Turnaround 2005 fully completed
- ▶ First profitable year since 2000
- ▶ Record load factors and number of passengers
- ▶ Introduction of new Business Models
- ▶ Dynamic traffic planning
- ▶ Cost adaptation measures of appr SEK 2 billion
- ▶ More to be done

Uncertainties in marketplace

- ▶ 2006
 - Stable market growth 3-5%
 - New Business Model with improved load and reduced yield
 - More commercial initiatives in pipeline





Additional slides for further information



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Commercial initiatives with customer focus and value for money



Copenhagen – London City 2 daily
Stockholm- London City 2 daily



SAS Braathens opens 12 new routes in March



Flat beds being introduced on intercontinental routes

More commercial initiatives to be introduced during 2006:

- Improved homepage
- Loyalty programs improvements
- Customer concept

Scandinavian Airlines Businesses



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4 Business Areas as from 2006

- ▶ From business units to limited companies
- ▶ Closer to local markets
- ▶ Improved accountability



Scandinavian Airlines Businesses	Subsidiary & Affiliated Airlines	Airline Support Businesses	Hotels
Scandinavian Airlines Danmark	Spanair	SAS Ground Services	Rezidor SAS
SAS Braathens	Widerøe	SAS Cargo Group	
Scandinavian Airlines Sverige	Blue1	SAS Flight Academy	
Scandinavian Airlines International	airBaltic	SAS Technical Services	
SAS Business Opportunities	Affiliated Airlines: Estonian Air	Affiliated: SAS Component	

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 system

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

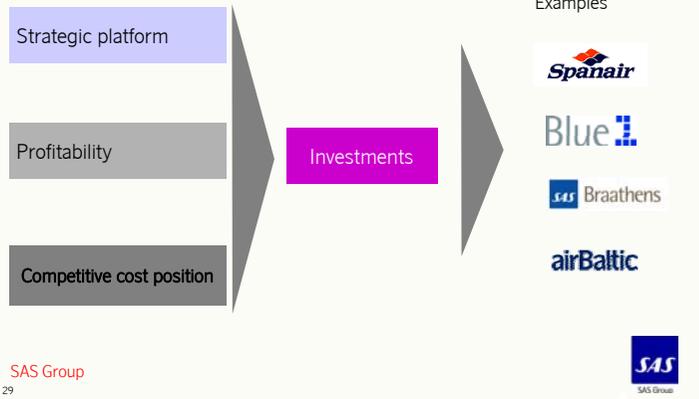
Costs

- 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

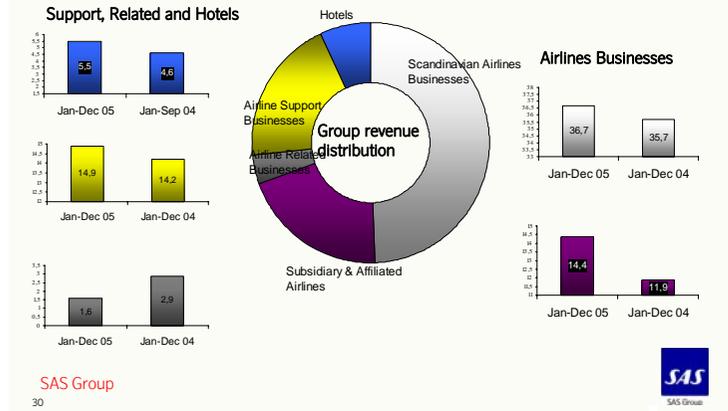


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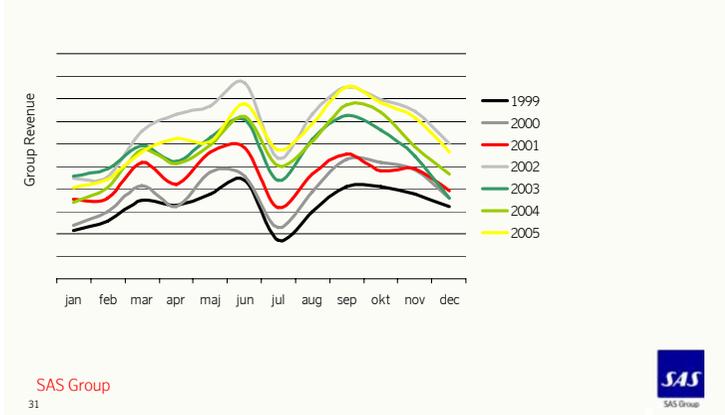
Fundamental with competitive cost position and profitability to secure capability to invest



Revenues growing in major business areas



Revenue seasonality pattern



EBITDAR and CFROI improved

MSEK	2005	2004	
▶ Revenue	61 887	58 093	6,5%
▶ EBITDAR	6 117	4 468	37%
▶ EBITDAR-margin	9,9%	7,7%	+1,2 p.p.
▶ CFROI	13%	9%	+4 p.p.

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Strong operating cash flow and improved financial position

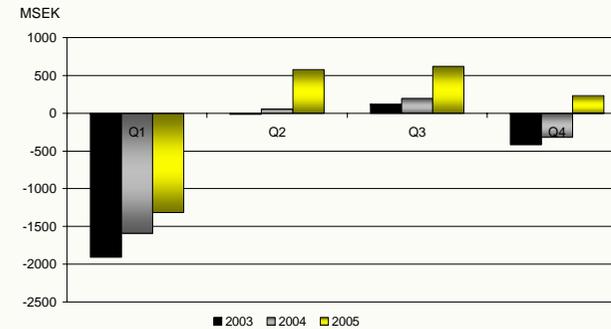
	Jan-Dec 2005	Jan-Dec 2004
▶ Cash flow from operating activities	1 507 ↑	-1 440
▶ Investments	-1 827 ↓	-3 251
▶ Equity/Assets	21% ↑	19%
▶ Gearing (Debt/Equity ratio)	118% ↓	157%

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Result development 2003-2005 EBT before gains and nonrecurring items



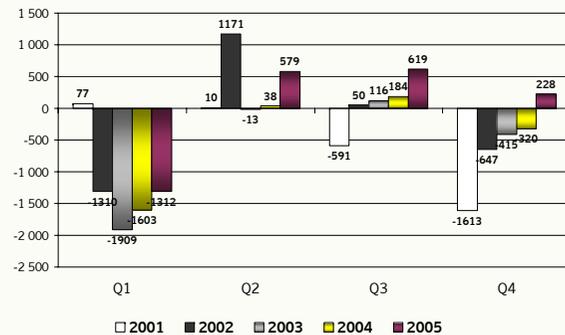
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Positive trend since 2001 in the 4th Quarter

MSEK, EBT before gains and nonrecurring items

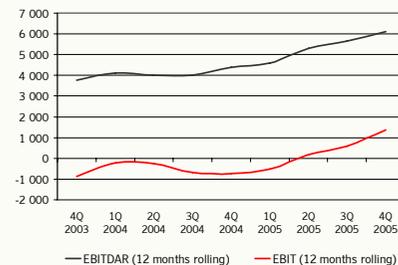


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EBITDAR improved by MSEK 1 649



▶ EBITDAR in 2005 was 6 117 (4 468) MSEK

EBITDAR distribution

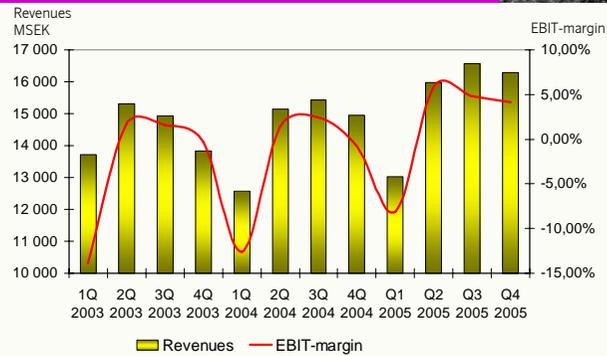
- Scandin Air. 3 427 MSEK
- Spanair 1 406 MSEK
- Widerøe 334 MSEK
- Blue1 208 MSEK

Subsidiary & Affiliated Airlines

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EBIT-margin gradually improving

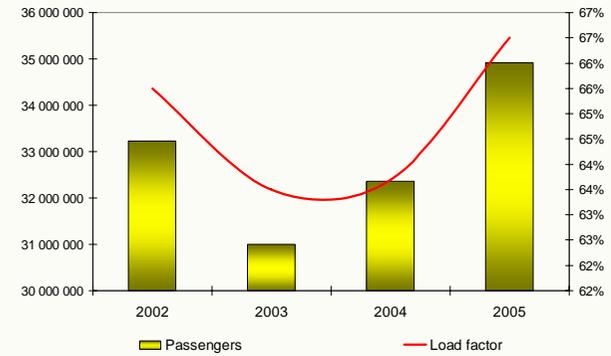


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Record number of passengers and load factor

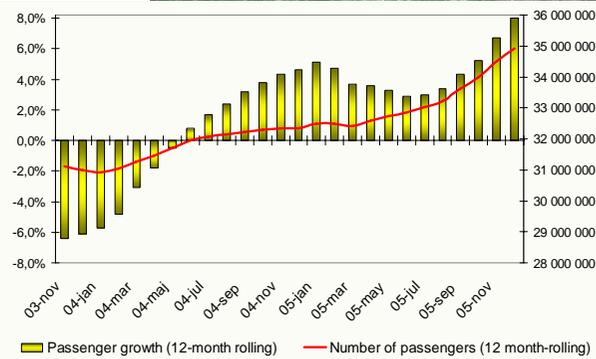


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Number of passengers grew by 17% in 4th Quarter and 8,0% in 2005

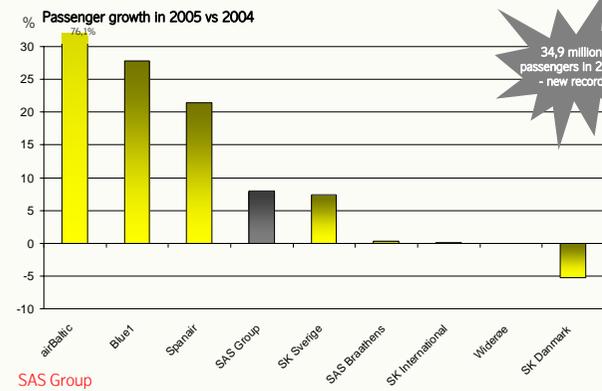


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Very strong growth in many Group airlines

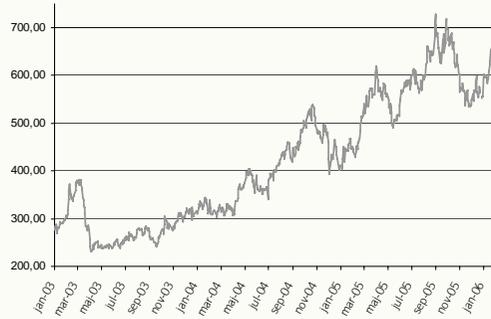


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Hedging strategy reduced jet fuel costs in 2005 by MSEK 750



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

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Passengers growing most airlines



- ▶ Average market prices:
 - ▶ 2000 297 USD/MT
 - ▶ 2001 245 USD/MT
 - ▶ 2002 233 USD/MT
 - ▶ 2003 282 USD/MT
 - ▶ 2004 399 USD/MT
 - ▶ 2005 568 USD/MT
 - ▶ Q1 2005 487 USD/MT
 - ▶ Q2 2005 556 USD/MT
 - ▶ Q3 2005 634 USD/MT
 - ▶ Q4 2005 592 USD/MT
- ▶ Hedge levels (including premiums):
 - 43% hedged for 2006 by February
 - 2006: 640 USD/MT

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Business areas



Scandinavian Airlines Businesses



Scandinavian Airlines' statement of income



MSEK	October-December			January-December		
	2005	2004	Change	2005	2004	Change
▶ Revenues	9 578	9 311	+267	36 695	35 673	+1 022
▶ Operating expenses	-8 546	-8 608	-62	-33 268	-33 550	-282
▶ EBITDAR	1 032	703	+329	3 427	2 123	+1 304
▶ Lease	-535	-404	+131	-1 928	-1 557	+371
▶ EBITDA	497	299	+198	1 499	566	+933
▶ Depreciation	-325	-394	-69	-1 344	-1 553	-209
▶ Income from sales/affiliated	88	152	+64	455	224	+231
▶ EBIT	260	57	+203	610	-763	+1 373
▶ EBT	132	-127	+262	-48	-1 464	+1 416
▶ EBT bef. nonrecurring items	121	-140	+261	-383	-1 448	+1 065

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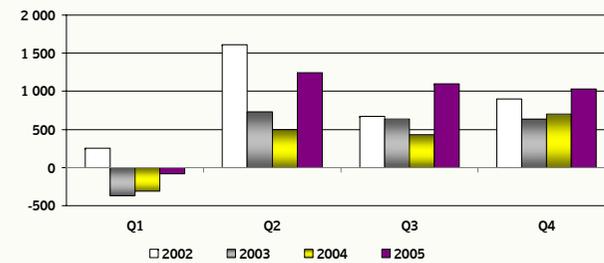
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EBITDAR has improved every Quarter in 2005



EBITDAR, Scandinavian Airlines
MSEK



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Key airline profitability drivers improving



	2005 vs 2004		2005 vs 2004	
	October-December		January-December	
▶ Traffic (RPK)	up	5,3%	up	0,2%
▶ Cabin Factor	up	8,2 p.u.	up	3,7 p.u.
▶ Yields (currency adjusted)	down	7,8%	down	0,3%
▶ Total unit costs	down	1,7%	down	1,7%
– Fuel adjusted unit cost	down	4,5%	down	5,4%

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Scandinavian Airlines Denmark – strong cabin factor improvement partly offset by yield reduction



- ▶ First signs of reduced overcapacity in the home market
- ▶ Impact from introduction of one way fares obvious in 4th Quarter
 - Traffic up 11,9%
 - Capacity down 14,7%
 - Cabin factor up 15,9 p.u. to 66,6%
 - Yield down 17,1%

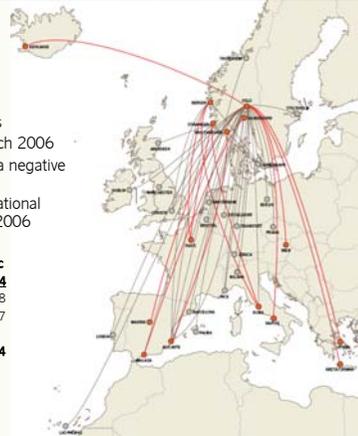
	Oct-Dec 2005	Jan-Dec 2005
Total revenues	2 609	10 263
EBITDAR	55	339
EBT	-186	-615



SAS Braathens profitability strongly improved in 2005 – careful growth planned in 2006



- ▶ Earnings improved by MSEK 625
- ▶ One AOC established
- ▶ Traffic up 4,8% vs 2004
- ▶ Cabin factor up 2,9 p.u.
- ▶ Over 40% internet bookings on domestic routes
- ▶ Capacity increasing by one aircraft as from March 2006
- ▶ Many pilots on sick leave in January 2006 had a negative effect of MSEK 70
- ▶ SAS Braathens has increased number of international destinations from Norway from 23 to 46 since 2006



	Oct-Dec 2005		Jan-Dec 2005		2004		2004	
Total revenues	3 191	2 966	12 258	11 418				
EBITDAR	490	493	1 752	1 187				
EBT, bef nonrecurring items	205	179	629	4				

Scandinavian Airlines Businesses

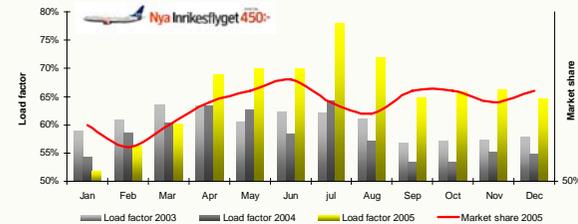
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Scandinavian Airlines Sverige – positive 4th Quarter



- ▶ Year characterized by fierce competition on Swedish domestic routes
 - 4th Quarter profitable before restructuring costs
- ▶ Traffic down by 1,7% vs 2004
 - Traffic up in 4th Quarter by 7,8%
- ▶ Turnaround 2005 completed
- ▶ New cooperation with City Airlines as from March 2006 will improve service to/from Gothenburg

	Oct-Dec 2005	Jan-Dec 2005
Total revenues	2 095	7 777
EBITDAR	181	372
EBT, bef nonrecc.	35	-338



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Scandinavian Airlines International



- ▶ EBT -43 MSEK in 2005
- ▶ Focus on further cost adaptive measures on intercontinental operations
- ▶ Several product improvements
 - Internet onboard all aircraft
 - Flat bed introduced 1st Quarter 2006
- ▶ IATA customer survey shows SAS has third most satisfied customers of all airlines on USA routes

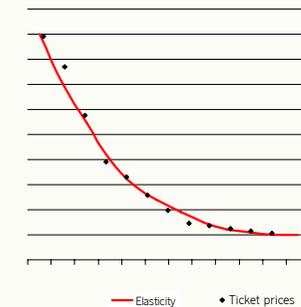
	Oct-Dec 2005	Jan-Dec 2005
Total revenues	1 930	7 736
EBITDAR	143	647
EBT, bef nonrecc.	-45	-48



New yield systems introduced developed to for 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



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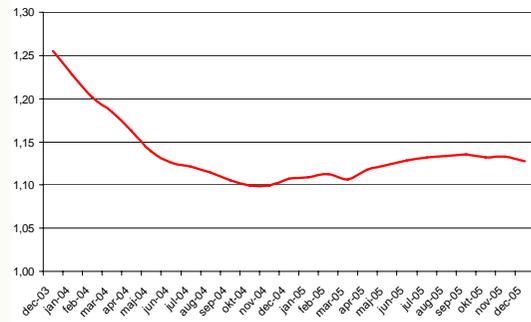


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Yield reduction in second half 2005 compensated by improved cabin factor



12-months rollina

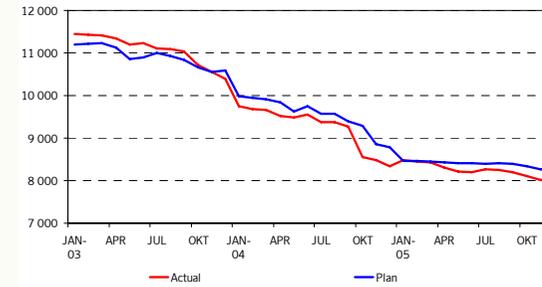


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Personnel development Scandinavian Airlines Businesses



Scandinavian Airlines Businesses

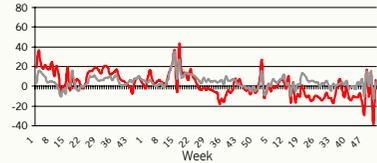
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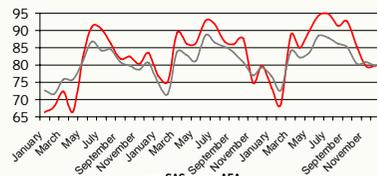
North Atlantic cabin factor stronger than AEA



% RPK vs. Last year



% Cabin factor



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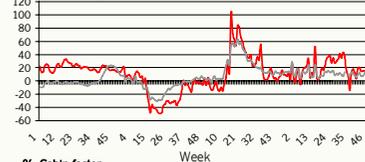


- ▶ Daily departures to/from New York, Washington DC, Chicago, Seattle from Copenhagen
- ▶ Daily departures to/from New York and Chicago from Stockholm
- ▶ Compared with 2004 capacity has been reduced to New York and Washington DC resulting in improved cabin factors and slightly lower volumes
- ▶ Positive mix in first half
- ▶ Traffic in Jan-Dec 2005:
 - European airlines (AEA) traffic up 2,1%
 - SAS traffic down -7,1%
 - Strong USD and fuel charges

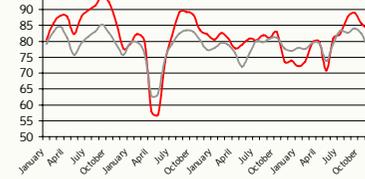
Strong traffic increase on Asian routes



% RPK vs. Last year



% Cabin factor



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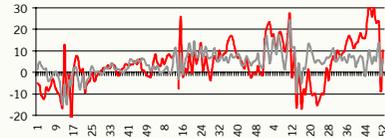


- ▶ Capacity increased on Bangkok/Singapore and Shanghai compared with last year
- ▶ Business Class has increased on Shanghai by more than four times
- ▶ Overcapacity on some routes
- ▶ After weak start of the year traffic has improved in the second quarter
- ▶ Traffic in Jan-Dec 2005:
 - AEA traffic up 12,1%
 - SAS traffic up 15,9%

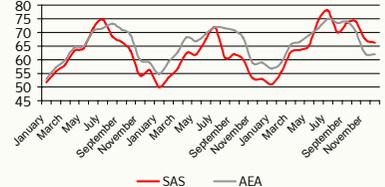
Cabin factor over AEA on European routes



% RPK vs. Last year



% Cabin factor



— SAS — AEA
Scandinavian Airlines Businesses

57

- ▶ Severe overcapacity on some routes
- ▶ Scandinavian Airlines has reduced its capacity by 7,7% vs 2004
- ▶ Scandinavian Airlines introduced one way fares in September which significantly has improved cabin factor further

- ▶ Traffic Jan-Dec 2005:
 - AEA traffic up 6,4%
 - SAS traffic up 1,5%



ECA agreement expires in 2007



- ▶ 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
- ▶ Negative result effect 2005: MSEK 415
 - Result effect 1st Quarter 2005: MSEK – 64 (-71)
 - Result effect 2nd Quarter 2005: MSEK –207 (45)
 - Result effect 3rd Quarter 2005: MSEK –92 (-62)
 - Result effect 4th Quarter 2005: MSEK –52 (-46)

Scandinavian Airlines Businesses

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Subsidiary & Affiliated Airlines



Weak 4th Quarter due to restatement of Spanair and weak Quarter in Widerøe



MSEK	October-December			January-December		
	2005	2004	Change	2005	2004	Change
▶ Revenues	3 731	2 813	+918	14 352	11 858	+2 494
▶ Operating expenses	-3 440	-2 504	+936	-12 432	-10 403	-2 029
▶ EBITDAR	291	309	-18	1 920	1 455	+465
▶ Lease	-315	-263	-52	-1 247	-1 132	+115
▶ EBITDA	-24	46	-70	673	323	+350
▶ Depreciation	-76	-89	-13	-312	-309	+3
▶ Income from sales/affiliated	11	4	+7	54	123	-69
▶ EBIT	-89	-39	-50	415	137	+278
▶ EBT	-119	-65	-54	279	27	+252
▶ EBT before gains and nonrecurring items	-137	-63	-74	264	-26	+290

Subsidiary & Affiliated Airlines

60



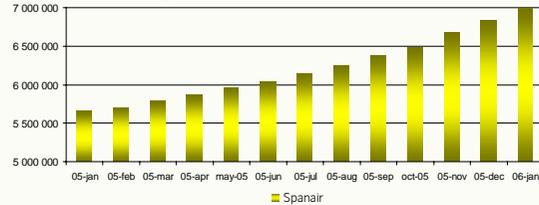
Spanair profitable in 2005

- ▶ Robust traffic development in the market
 - ▶ Two new destinations and six new routes opened in 2005
 - ▶ Number of passengers up 21.4% in 2005
- ▶ 4th Quarter negatively affected by previous accounting errors by MSEK 80
- ▶ Strong corporate sales development
- ▶ More dynamic aircraft allocation within the SAS Group has made it possible to increase capacity in Spanair

	Oct-Dec		Jan-Dec	
	2005	2004	2005	2004
Total revenues	2 234	1 704	9 215	7 969
EBITDAR	198	168	1 406	1 141
EBT, bef nonrecurring items	-118	-102	47	-99

Restated 2002-2004 result

Passengers 12 months rolling



Subsidiary & Affiliated Airlines

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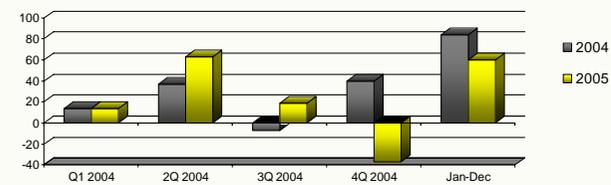


Weak 4th Quarter in Widerøe

- ▶ Traffic down 0.7% compensated by capacity reductions
- ▶ Result negatively affected in the 4th Quarter by a conflict with the technicians by appr MSEK 35
- ▶ Widerøe won 11 of 16 routes in a tender for the Norwegian short runway system in the period April 2006 to March 2009

	Oct-Dec		Jan-Dec	
	2005	2004	2005	2004
Total revenues	714	673	2 831	2 502
EBITDAR	33	107	334	349
EBT, bef nonrecurring items	-37	40	60	85

EBT, MSEK



Subsidiary & Affiliated Airlines

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Significant improved result and growth in Blue1



	Oct-Dec		Jan-Dec	
	2005	2004	2005	2004
Total revenues	456	399	1 704	1 306
EBITDAR	49	47	208	58
EBT, bef nonrecurring items	14	1	62	-111

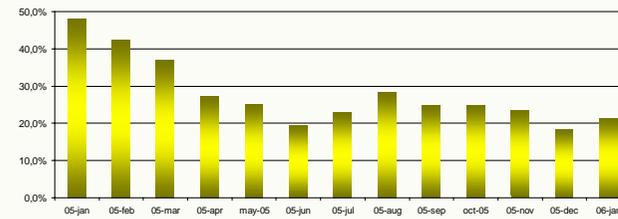
- ▶ Result improved by MSEK 160 vs last year
- ▶ Successful domestic operations
- ▶ CFROI 21%
- ▶ Strong operational performance
 - ▶ Passengers up 27.8% in 2005
 - ▶ Cabin factor up 11.2 p.p.
 - ▶ Cabin factor on Finnish domestic 66.0%



Blue1 growing as from March 2006 with 9 new destinations



- ▶ Develops business opportunities in the Finnish market
- ▶ Blue1 well recognized as a Finnish airline
 - Blue1 gaining market shares within and to/from Finland
- ▶ Blue1 phasing in 3 MD 90 as from March with 11 new destinations
 - Aten, Barcelona, Dublin, Düsseldorf, London, Madrid, Nice, Paris, Rom, Warszawa and Zürich
 - ASK expected to increase by 70% in 2006
- ▶ Corporate sales increasing



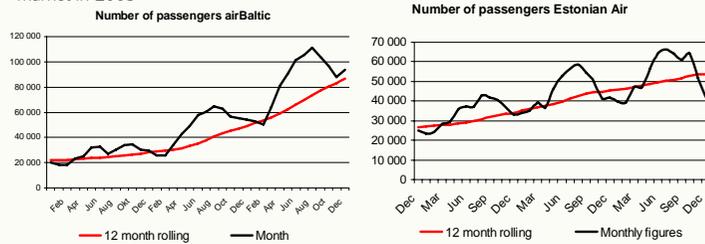
Subsidiary & Affiliated Airlines

64



airBaltic and Estonian Air show strong growth

- ▶ The SAS Group holds 49% in Estonian Air and 47,2% in airBaltic
- ▶ Estonian Air number of passengers up 18% in 2005
- ▶ airBaltic traffic up 105,3% and passengers up 76,1%
- ▶ Both airlines compete successfully with Ryanair and Easyjet which have entered the market in 2005



Subsidiary & Affiliated Airlines

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Airline Support Businesses



Airline Support Businesses

MSEK	October-December			January-December		
	2005	2004	Change	2005	2004	Change
▶ Revenues	3 835	3 588	+247	14 876	14 213	+663
▶ Operating expenses	-3 641	-3 383	+258	-13 997	-13 136	+861
▶ EBITDA	194	205	-11	879	1 077	-198
▶ Depreciation	-91	-122	-31	-367	-491	-124
▶ EBIT	8	88	-80	417	591	-174
▶ EBT	-22	63	-85	287	507	-220

Airline Support Businesses

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All companies within Airline Support Businesses profitable in 2005

	SAS Technical Services		SAS Ground Services		SAS Cargo	
Oct-Dec in MSEK						
EBT, bef nonrec.	2	-60	103	+17	40	+52
Jan-Dec in MSEK						
EBT, bef nonrec.	212	-18	228	-51	67	+53

Airline Support Businesses

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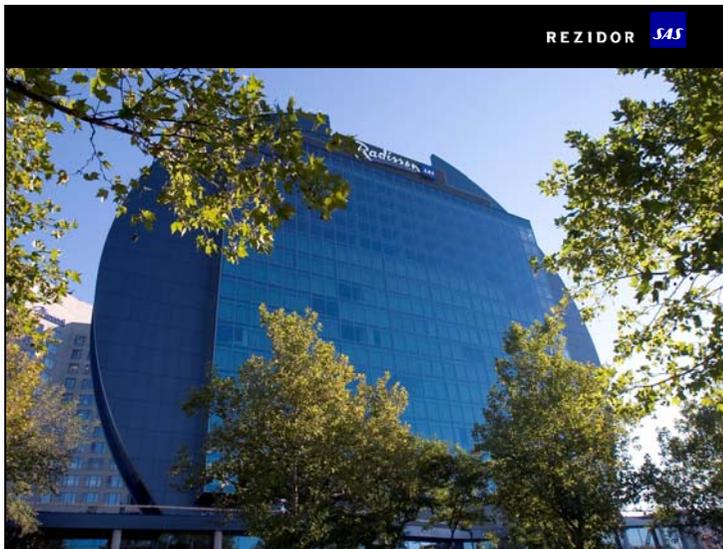
Airline Related Businesses



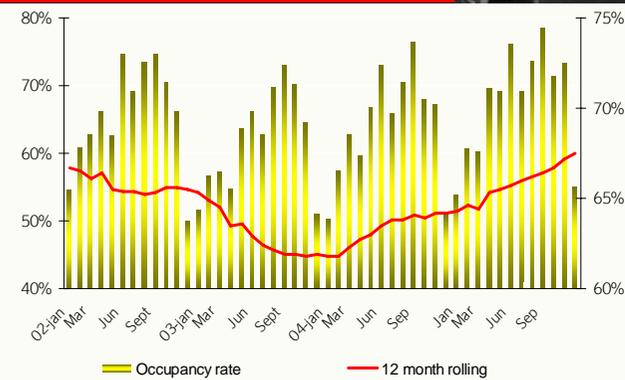
Airlines Related Businesses - Jetpak and EAG sold in 4th Quarter

MSEK	October-December			January-December		
	2005	2004	Change	2005	2004	Change
▶ Revenues	360	734	-374	1 582	2 913	-1 331
▶ Operating expenses	-310	-696	-386	-1 425	-2 716	-1 291
▶ EBITDA	50	38	+12	157	197	-40
▶ Depreciation	-26	-33	-7	-122	-142	-20
▶ Capital gains	35	1	+34	35	1	+34
▶ EBIT	59	6	+53	70	56	+14
▶ EBT	55	4	+51	56	43	+13

Airline Related Businesses
70



Significant improved occupancy rate



Rezidor SAS
72



RevPAR improves



RevPAR (EUR), 12 months rolling value



Financial update



Balance sheet



MSEK	31 Dec 05	31 Dec 04
Liquid funds	8 684	8 595
Aircraft, spare parts	16 207	19 965
Other assets	33 125	29 241
Total assets	58 016	57 801
Operating liabilities	15 981	16 283
Interest-bearing liabilities	26 337	27 280
Deferred tax	3 617	3 194
Equity	12 081	11 044
Total liabilities and equity	58 016	57 801
Financial net debt	14 228	17 377

Limited CAPEX

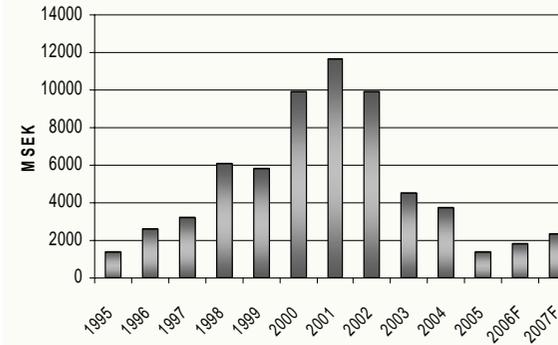


Firm Aircraft Orders	Total	2006	2007
Airbus A319	4	2	2
Boeing 737	2		2
Number of aircraft	6	2	4
CAPEX (MUSD)	179	57	122

SAS Group has amortized MSEK 1 886 of utilized facilities in 2005

	MSEK
Liquid Funds December 31, 2005	8 684
Available Credit Facilities:	
Revolving Credit Facility (MEUR 400)	2 829
Bi-lateral Facilities	2 096
Others	321
Total Available Facilities	5 246
Total Available Funds	13 930
▶ Available facilities MSEK 5 246	
▶ Utilized facilities MSEK 2 023	
▶ Total facilities MSEK 7 269	

SAS Group CAPEX holiday continues



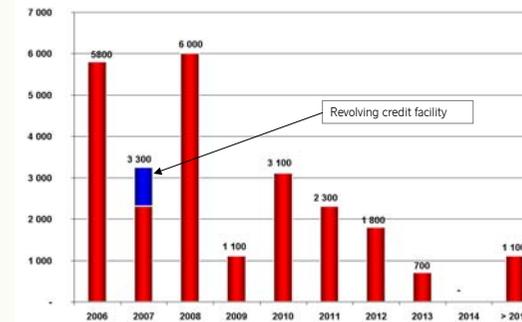
Key financial ratios and future targets

Key figures	Dec 05	Dec 04	Target
▶ Equity/assets ratio (solidity)	21%	19%	>30%
▶ Financial net debt/ equity	118%	157%	<50%
▶ Fin. net debt+7*Oplease/ equity	290%	317%	<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-December 2005

(MSEK)	05-12-31	04-12-31	Difference
Interest net and others	-983	-989	+6
Exchange rate differences	-22	-53	+31
Financial net	- 1005	-1 042	+37

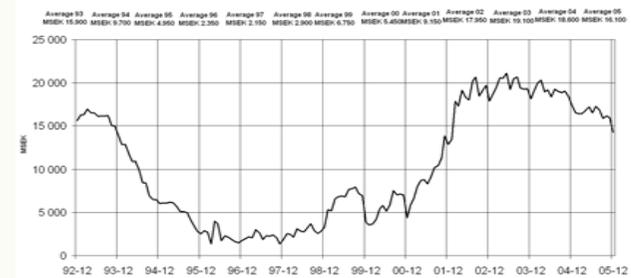
Financial Net October-December 2005

(MSEK)	Q4-2005	Q4-2004	Difference
Interest net and others	-103	-256	+153
Exchange rate differences	+4	-20	+24
Financial net	- 99	-276	+177

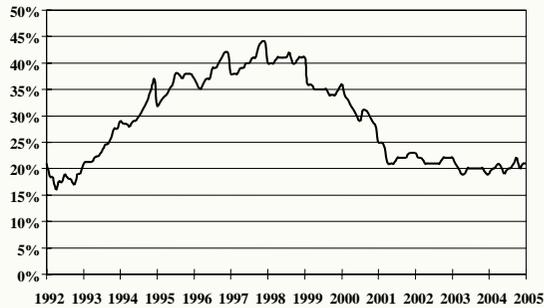
Development and Break Down of Financial Net Debt December 31, 2005

(MSEK)	051231	041231	Difference
Cash	8 684	8 595	+89
Other interest bearing assets	3 425	1 308	+2 117
Interest bearing liabilities	-26 337	-27 280	+943
Financial Net debt	-14 228	-17 377	+3 149

Development of financial net debt 1992-2005



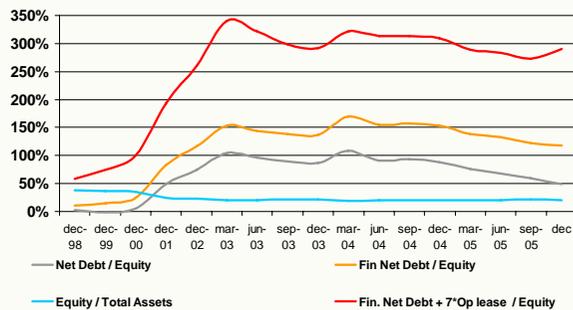
Equity/Assets ratio 1992-2005



Development of financial net debt/Equity Ratio 1992-2005



Gearing ratios going down



Cash flow from operations improved by MSEK 1 098 in 2005

MSEK	October-December			January-December		
	2005	2004	Change	2005	2004	Change
▶ Cash flow from operations	383	270	+113	1 774	676	+1 098
▶ Change in working capital	638	-11	+649	-267	-2 116	+1 849
▶ Net financing from operations	1 021	259	+762	1 507	-1 440	+2 947
▶ Investments, adv. payments	-606	-786	-180	-1 827	-3 251	+1 424
▶ Acquisitions/sale of subsidiaries (net)	614	0	+614	622	-614	+1 236
▶ Sale of fixed assets etc.	486	1 814	-1 328	2 206	6 853	-4 647
▶ Financing deficit/surplus	1 515	1 287	+228	2 508	1 548	+960
▶ Change in external financing	-1 196	-295	+901	-2 457	-2 016	-442
▶ Cash flow from the period	319	992	-673	51	-468	+519
▶ Translation diff in liquid assets	5	-4	+9	38	-3	+41
▶ Change in liquid asset	324	988	-664	89	-471	+560

Credit position – Sum up



- ▶ Strong liquidity of MSEK 8 684
- ▶ Substantial Committed credit facilities of MSEK 5 246
- ▶ Limited CAPEX in 2006
- ▶ Streamlining of Group
 - ▶ Turnaround 2005 completed
 - ▶ New cost adaptive measures under implementation of SEK 2 billion
- ▶ Positive cash flow from operations
- ▶ Loss carry forward will improve tax position

APPENDICES

- Traffic Data
- Yield
- Unit cost
- Fleet
- Financial key figures



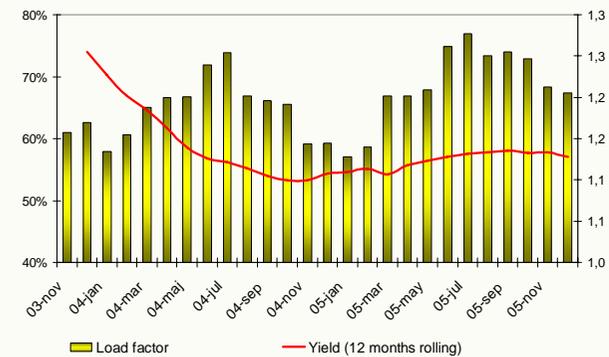
Yield development 2005 vs 2004



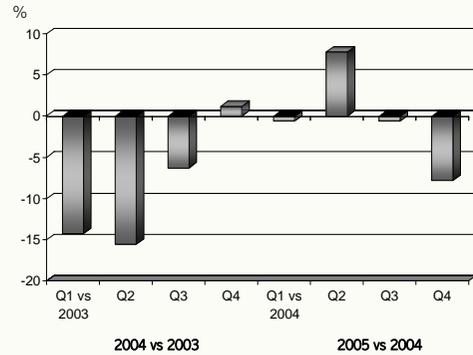
Scandinavian Airlines Businesses Total Scheduled

Jan-Dec	2005	2004	Change
Yield (öre/RPK)	112,5	110,2	2,1%
Currency adj. yield	112,5	112,8	-0,3%
Oct-Dec	2005	2004	Change
Yield (öre/RPK)	118,7	121,7	-2,4%
Currency adj. yield	118,7	128,8	-7,8%

Improved load factors compensating lower yield



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
- ▶ Yields down 7,8% in 4th Quarter



Passenger yield January-December 2005



Route Sector	Nominal yield	Currency effect	Adjusted yield
Scandinavian Airlines Busin.	102	98	100
Intercontinental	105	98	103
Europe	98	97	95
Intrascandinavian	109	97	105
Denmark	108	98	111
Norway	107	95	101
Sweden	92	100	92



Passenger yield October-December 2005



Route Sector	Nominal yield	Currency effect	Adjusted yield
Scandinavian Airlines Busin.	98	95	92
Intercontinental	110	94	104
Europe	92	95	87
Intrascandinavian	93	94	88
Denmark	97	95	92
Norway	102	91	93
Sweden	90	100	90



Yield development 2005 vs 2004



Yield, local currency	Oct-Dec	Jan-Dec
Spanair	4,9%	4,2%
widerøe Member of the SAS Group	5,0%	2,0%
Blue	-0,7%	0,0%



Unit cost development



Volume, curr and method adjusted

Cost analysis	JAN 04	DEC 05	Var%	Share of total var %
Personnel	-8 073	-7 726	-4,3%	-1,1%
Fuel	-4 513	-5 731	27,0%	3,7%
Gov. Charge	4 442	-3 843	-13,5%	-1,8%
Selling cost	880	616	-30,0%	-0,8%
Ground Services	-5 523	-5 441	-1,5%	-0,2%
Technical	-4 073	-3 942	-3,2%	-0,4%
Other operating costs	-3 411	-3 060	-10,3%	-1,1%
TOTAL OPERATING EXPENSES	-30 915	-30 359	-1,8%	-1,7%
Aircraft costs	-2 113	-2 115	0,1%	0,0%
ADJUSTED EBIT	-33 028	-32 474	-1,7%	-1,7%

Volume=average increase in ASK: -1%

Volume, curr and method adjusted

Cost analysis	OCT 04	DEC 05	Var%	Share of total var %
Personnel	-1 908	-1 926	0,9%	0,2%
Fuel	-1 363	-1 597	17,1%	2,8%
Gov. Charges	-1 109	947	-14,6%	-1,9%
Selling cost	-195	-190	-23,3%	-0,5%
Ground Services	-1 372	-1 392	1,5%	0,2%
Technical	-1 031	-883	-14,4%	-1,8%
Other operating costs	-890	-807	-9,3%	-1,0%
TOTAL OPERATING EXPENSES	-7 869	-7 702	-2,1%	-2,0%
Aircraft costs	-517	-539	4,2%	0,3%
ADJUSTED EBIT	-8 386	-8 241	-1,7%	-1,7%

Volume=average increase in ASK: 5%

Scandinavian Airlines Businesses

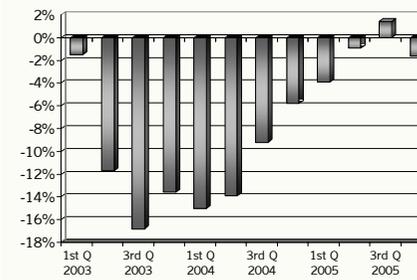
97



Unit cost down in 5,4% in 2005 adjusted for fuel



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
- ▶ Unit cost down 1,7% in Q4
 - Down 4,5% adjusted for fuel

Scandinavian Airlines Businesses

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Bock hours overview



12 months rolling Jan-Dec 05	Air craft/day	Pilots/year	Cabin/year
Scandinavian Airlines Businesses	8,0	551	624
Spanair	8,1	650	830
Widerøe	6,7	478	436
Blue1	8,0	693	697
airBaltic	8,7	786	751

SAS Group

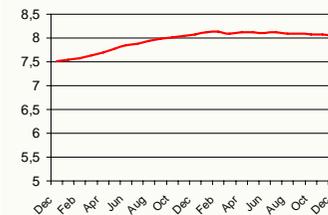
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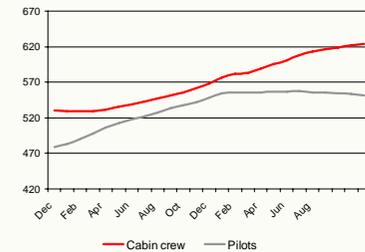
Key productivity ratios



Aircraft utilization (12 month rolling)



Cabin, pilot utilization (12 month rolling)



Scandinavian Airlines Businesses

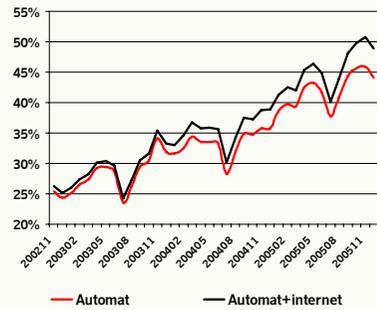
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Self Service check in and internet check close to 50%



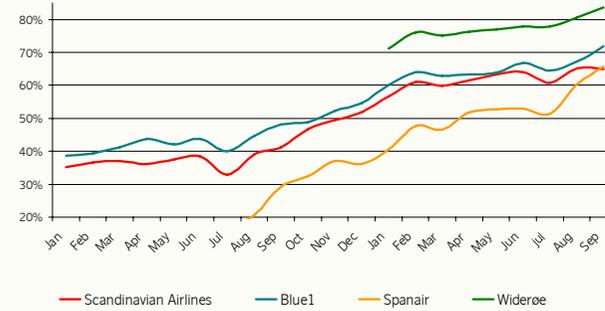
▶ Internet check low, but increasing



Scandinavian Airlines Businesses
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Share of e-ticket growing significantly - over 60%



SAS Group
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Key airline profitability drivers 2005 vs 2004



January-December

▶ Traffic growth (RPK)	up	0,2%
▶ Cabin Factor	up	3,7 p.u.
▶ Yields	down	0,3%
▶ Unit costs <small>incl A/C cost</small>	down	1,7%

October-December

▶ Traffic growth (RPK)	up	5,3%
▶ Cabin Factor	up	8,2 p.u.
▶ Yields	down	7,8%
▶ Unit costs <small>incl A/C cost</small>	down	1,7%

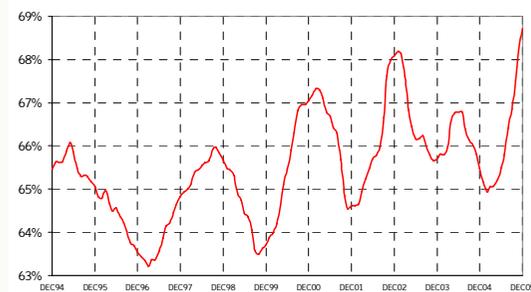
Scandinavian Airlines Businesses
103



Long term passenger cabin factor trend positive – Long term targets achievable



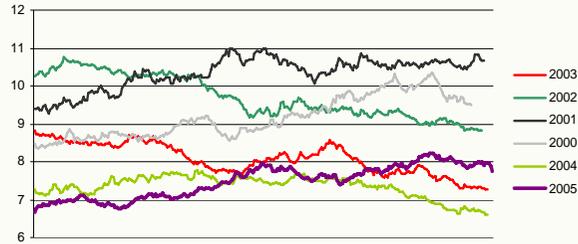
Moving 12 months values



Scandinavian Airlines Businesses
104



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



Currency effect – SAS Group
January-December 2005 vs 2004



MSEK	Jan-Dec
Total revenues	+1 443
Total costs	-1 188
Forward cover costs & working cap.	-12
Income before depr.	+243
Financial items	+31
Income before tax	+274



Currency effect – SAS Group
January-December 2005 vs 2004



Total revenues & costs: (Total +255 MSEK)	Working capital: (Total -311 MSEK)
Major approx. effects:	2004 +121
USD -88	2005 -190
DKK -29	Financial items: (Total +31 MSEK)
NOK +310	2004 -53
EUR +52	2005 -22
Asian curr. -3	Grand total +274 MSEK
All others +13	
Forward cover costs: (Total +299 MSEK)	
2004 -102	
2005 +197	



Currency effect – SAS Group
October-December 2005 vs 2004



MSEK	Oct-Dec
Total revenues	+874
Total costs	-1 006
Forward cover costs & working cap.	+57
Income before depr.	-75
Financial items	+24
Income before tax	-51



Currency effect – SAS Group October-December 2005 vs 2004

Total revenues & costs:

(Total –132 MSEK)

Major approx. effects:

USD	-317
DKK	-27
NOK	+130
EUR	+34
Asian curr.	+22
All others	+26

Forward cover costs:

(Total +225 MSEK)

2004	-90
2005	+135

Working capital:

(Total –168 MSEK)

2004	+121
2005	-47

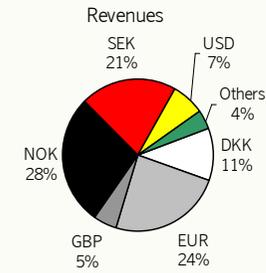
Financial items:

(Total +24 MSEK)

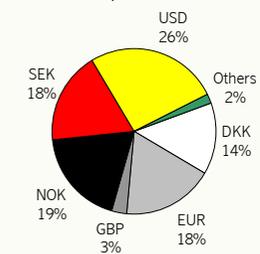
2004	-20
2005	+4

Grand total –51 MSEK

Currency distribution in the SAS Group 2005



Expenses



SAS Group fleet – December 2005

	age	owned	leased	total	leased out	on order
Airbus A330/A340	3,6	5	6	11		
Airbus A 321-200	3,8	8	5	13		
Airbus A320/A319	2,7	16	16	32		4
Boeing 737-serien	7,5	22	54	76	5	2
Boeing 717 (MD-95)	5,2	4	4	8		
Douglas MD-80-serien	16,4	24	66	90	5	
Douglas MD-90-serien	8,9	8	8	16	2	
Avro RJ85/100	4,2	9	9	18		
Fokker F50	15,8	2	6	8	2	
deHavilland Q-serien	8,0	17	37	54		
SAAB 2000	8,6	5	5	10		
Total	9,9	86	208	294	14	6
Scandinavian Airlines		70	121	191	14	6
Spanair	11,0	59	59	118		
Widerøe	10,4	16	14	30		
Blue1	5,8	14	14	28		
Total	9,9	86	208	294	14	6

SAS share

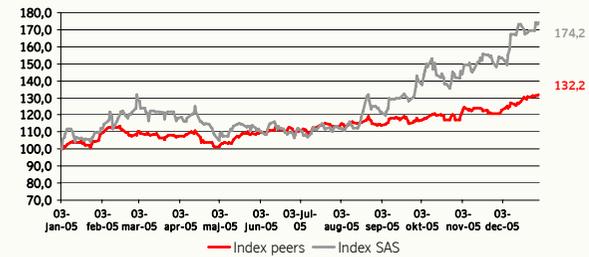


Development of Market Capitalization
- up 74,2% in 2005



SAS share up significantly more than index during 2005

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



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



Number of SAS trades share up 50% in 2005

Number of shares traded in SAS per month

