



Presentation of 1st Interim Report 2006

Stockholm, May 4



Result affected by pilot conflict and underlying yield pressure



- ▶ EBT bef nonrecurring items MSEK -1 319 in line with 2005
 - Positive “Easter Effect” MSEK 100
 - Cost for conflicts of MSEK 250
 - Still underlying price pressure
 - Lower volumes and price pressure in SGS and STS
- ▶ Strong growth and record load factors
- ▶ Jet fuel price effect MSEK 550 higher than last year

- ▶ EBT result in Scandinavian Airlines Businesses improved by MSEK 250
- ▶ New cost measures on track and extended from SEK 2,0 to SEK 2,5 billion

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EBT result in line with last year



| MSEK | 2006 | January-March Change |
|-------------------------------|--------|-------------------------|
| ▶ Revenues | 14 467 | +1 451 |
| ▶ EBITDAR | 219 | -3 |
| <hr/> | | |
| ▶ Lease & depreciation | -1 414 | -102 |
| ▶ EBIT | -1 161 | -113 |
| <hr/> | | |
| ▶ Financial net | -226 | +16 |
| ▶ EBT | -1 387 | -97 |
| <hr/> | | |
| ▶ EBT bef non-recurring items | -1 319 | -7 |

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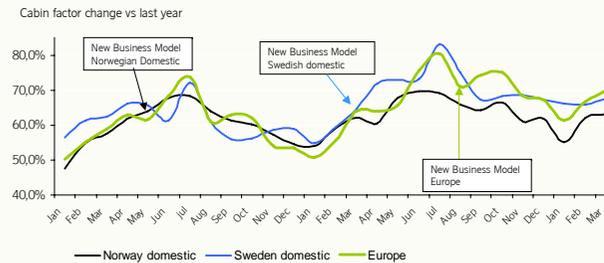
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Record load factors after introduction of New Business Models



- ▶ New Business Models very well received in market
- ▶ SAS Group number of passengers up by 12,2% to a record 8,5 million
- ▶ Strong growth on European routes – traffic up 18,4%

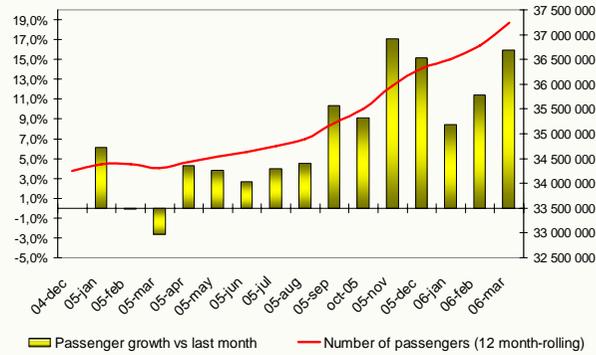


Scandinavian Airlines Businesses

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Group number of passengers grew by 12,2% in 1st Quarter and has passed 37 million



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More than 4 million low fare tickets



- ▶ The largest low fare provider in the Nordic skies
- ▶ New Business Models has increased the number of low fare tickets
- ▶ Simplified rules – one way prices
- ▶ Prices entirely demand driven
- ▶ Positive impact from one way experienced
 - on Norwegian, Swedish domestic and Europe/ Intrasandinavian routes
- ▶ Reduced yield offset by increased load factor



Scandinavian Airlines Businesses

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...but we will also do much more for the frequent travellers



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



More commercial initiatives to be introduced during 2006:

- Next step in price model
- Improved benefits to loyal customers
- Product differentiation
- Improved internet sales engine
- Easier to find low fares

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

Scandinavian Airlines Businesses

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Gunilla Berg
 CFO



Strongest improvement in Scandinavian Airlines Businesses



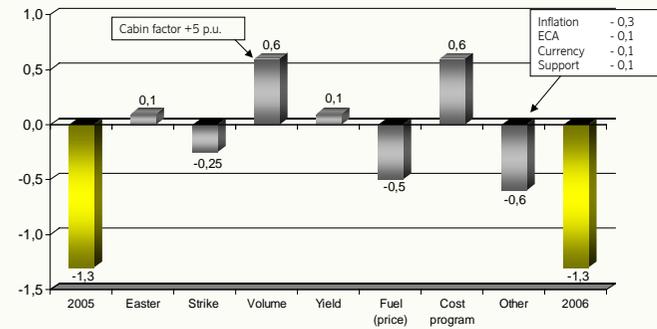
| MSEK | Jan-Mar 2006 | Change |
|-------------------------------------|---------------|-----------|
| ▶ Scandinavian Airlines Businesses | -813 | +175 |
| ▶ Subsidiary & Affiliated Airlines | -281 | -136 |
| ▶ Airline Support Businesses | 39 | -97 |
| ▶ Hotels | -65 | +81 |
| ▶ Group eliminations, other | -199 | -30 |
| ▶ EBT bef nonrecurring items | -1 319 | -7 |

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SAS Group underlying result improved MSEK 200-300



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Fuel cost at record level Full year fuel cost up SEK 2,5 - 3 billion



- ▶ SAS Group strategy to offset jet fuel price
- Policy to hedge 40-60% of expected consumption (12 months)
 - Yield management
 - Cost initiatives
 - Price increase due to very high prices on continuous basis

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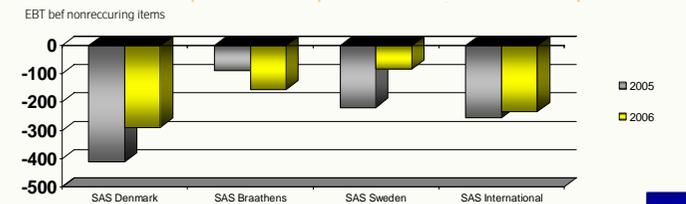
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Result improved for most Scandinavian Airlines



| Jan-Mar in MSEK | SAS Scandinavian Airlines Denmark | | SAS Braathens | | SAS Scandinavian Airlines Sweden | | SAS Scandinavian Airlines International | |
|-----------------|-----------------------------------|------|---------------|------|----------------------------------|------|---|-------|
| Revenues | 2 313 | 3,6% | 2 807 | 5,4% | 1 869 | 3,4% | 1 592 | -0,1% |
| EBT bef nonrec. | -289 | +121 | -156 | -68 | -84 | +135 | -234 | +21 |



Scandinavian Airlines Businesses

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STS and SGS affected by lower prices and volumes



| Jan-Mar in MSEK | SAS SAS Technical Services | SAS SAS Ground Services | SAS Cargo | SAS SAS Flight Academy |
|------------------|-------------------------------|----------------------------|--------------|---------------------------|
| Revenues | 1 230 -6,9% | 1 529 -2,9% | 852 19,3% | 126 -1,6% |
| EBT, bef nonrec. | 8 -56 | 10 -41 | -5 -10 | 28 +8 |

Airline Support Businesses
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SEK 2,5 billion of new measures under implementation in 2006-2007



| 600 | 900 | 1 000 |
|--|---|---|
| <ul style="list-style-type: none"> Productivity (partly dependent on changes in collective agreements) <ul style="list-style-type: none"> Block hours F/D 700 h C/A 750 h | <ul style="list-style-type: none"> Ground and technical services <ul style="list-style-type: none"> Productivity (part time) Leaner mgmt Line and Heavy Maintenance Simplified product Reduced component costs | <ul style="list-style-type: none"> Administration/sales & other flight related costs <ul style="list-style-type: none"> IT Call centers Overhead Sales organization |



- Structural cost measures of SEK 2,5 billion under implementation
 - Measures increased by SEK 0,5 billion
 - SEK 0,4 billion dependent on new collective agreements
- 44% implemented

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Gunnar Reitan
Deputy CEO



Spanair weaker due to "Easter Effect" and challenges in Widerøe



| Spanair | Jan-Mar | | Widerøe | Jan-Mar | |
|-----------------------------|---------|-------|---------|---------|------|
| | 2006 | 2005 | | 2006 | 2005 |
| Total revenues | 2 063 | 1 574 | 721 | 639 | |
| EBITDAR | 143 | 119 | 68 | 80 | |
| EBT, bef nonrecurring items | -235 | -158 | -2 | 14 | |

- Robust traffic development in first Quarter
 - Number of passengers up 35,6%
 - Cabin factor up 5,9 p.u. to 60,1%
- Jet fuel up 70% vs last year corresponding to MSEK 212 also due to expansion
 - 1st Quarter negatively affected by Easter effect of MSEK 50
- Traffic up 4,7% and cabin factor improved by 2,5 p.u. to 56,0%
- Yield was down 0,3% in Q1 due to more low fare tickets in the market
- Unit cost up 6,9% due to jet fuel and costs for technical maintenance

Subsidiary & Affiliated Airlines

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Blue1 and airBaltic expanding in their home markets



| | Jan-Mar | |
|------------------------------------|------------|-----------|
| | 2006 | 2005 |
| Total revenues | 428 | 379 |
| EBITDAR | 11 | 34 |
| EBT, bef nonrecurring items | -26 | -4 |

- ▶ Strong traffic figures in Q1
 - ▶ Passengers up 19,5%
 - ▶ Traffic up 23,8%
 - ▶ Cabin factor up 5,5 p.u. to 59,5%
- ▶ Start up cost with European expansion
- ▶ 9 new destinations introduced from Helsinki
- ▶ Booking figures on tourist destinations are promising

Subsidiary & Affiliated Airlines

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| | Jan-Mar | |
|------------------------------------|------------|------------|
| | 2006 | 2005 |
| Total revenues | 287 | 192 |
| EBITDAR | 12 | -7 |
| EBT, bef nonrecurring items | -18 | -33 |

- ▶ EBT improved MSEK 15 due to improved utilization
- ▶ Strong traffic development
 - ▶ Number of passengers up 55,9%
 - ▶ Cabin factor improved 8,8 p.u. to 59,0%
- ▶ Unit cost up 7,7% negatively affected by fuel and personnel
- ▶ airBaltic competing successfully with Ryanair and Easyjet



Strong hotel market gives improved result of MSEK 81



| | Jan-Mar | |
|----------------|------------|-------------|
| | 2006 | 2005 |
| Total revenues | 1 466 | 1 096 |
| EBITDA | -3 | -78 |
| EBT | -65 | -146 |

- ▶ Strong hotel market
- ▶ Result positively affected by Easter in April
- ▶ Number of rooms sold increased
 - ▶ RevPAR up 20,6% for comparable units
 - ▶ Occupancy rate improved 4,4 p.u.
- ▶ 7 new hotels opened in Q1. Total number of hotels now 224

Rezidor SAS

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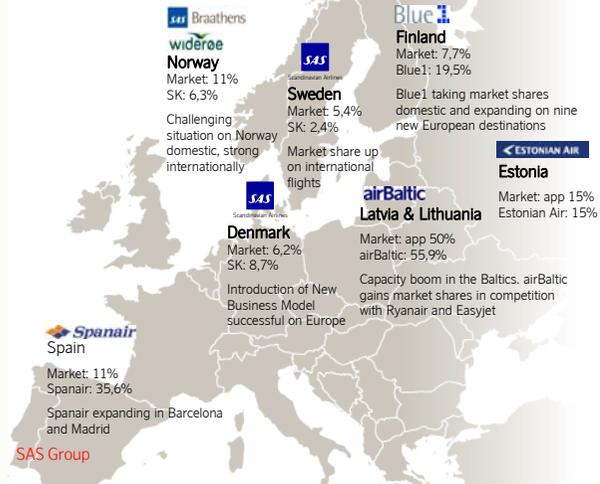


Radisson SAS, Frankfurt

Jørgen Lindegaard CEO



Market growth and growth for SAS Group airlines



Three pillars of the SAS Group competitiveness



- ▶ Cost
 - ☑ Turnaround 2005
 - New cost adaptation measures
 - Cost at market levels
- ☑ Incorporation of Businesses units
 - Transparency
 - Local adaptation
 - Flexibility
 - Time to market
- ▶ New Business Models
 - ☑ One way pricing
 - ☑ Demand driven
 - Internet in process
 - Value for money in process

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Tough start of 2006, but passenger growth trend intact



- ▶ Tough start of 2006
 - Pilot action result effect appr MSEK 250
 - Cabin conflict in Norway
- ▶ New Business Models
 - Solid traffic development
 - Record load factors and number of passengers
 - More commercial initiatives in pipeline
- ▶ Jet fuel costs more challenging and to be handled through
 - Yield management
 - Cost reductions
 - Hedging
- ▶ Cost measures increased to SEK 2,5 billion

Outlook

- ▶ Stable market growth 3-5%
- ▶ New Business Model with improved load
- ▶ Load up 7 p.u. in Scandinavian Airlines after Easter

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