



Press conference 1st Half Result 2006

Stockholm, August 9



Record growth and improved yield provide positive result



- ▶ EBT bef nonrecurring items MSEK 894 in 2nd Quarter – up MSEK 315
 - Positive yield in Scandinavian Airlines by 1,9%
 - Lower volumes and price pressure in SGS and STS
 - Jet fuel price effect MSEK 600 higher than last year
 - Negative Easter effect and cost of conflict MSEK 200
- ▶ Record high cabin factor and number of passengers for the SAS Group
- ▶ Strong improvement for Group's largest unit
 - Scandinavian Airlines underlying EBT up MSEK 600 in Q2
- ▶ New cost measures of SEK 2,5 billion under implementation

SAS Group

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Improved profitability despite conflicts and record high fuel prices



MSEK	April-June		January-June	
	2006	Change	2006	Change
▶ Revenues	17 916	+1 899	32 383	+3 350
▶ EBITDAR	2 287	+51	2 506	+48
▶ EBIT	881	-68	-280	-181
▶ EBT bef non-recurring items	894	+315	-425	+308

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Strongest improvement in Scandinavian Airlines Businesses



MSEK	2006	Apr-Jun Change	2006	Jan-Jun Change
	▶ Scandinavian Airlines Businesses	761	+407	-52
▶ Subsidiary & Affiliated Airlines	167	+23	-114	-114
▶ Airline Support Businesses	-73	-267	-34	-364
▶ Hotels	182	+99	117	+180
▶ Group eliminations, other	-143	+53	-342	+24
▶ EBT bef nonrecurring items	894	+315	-425	+308

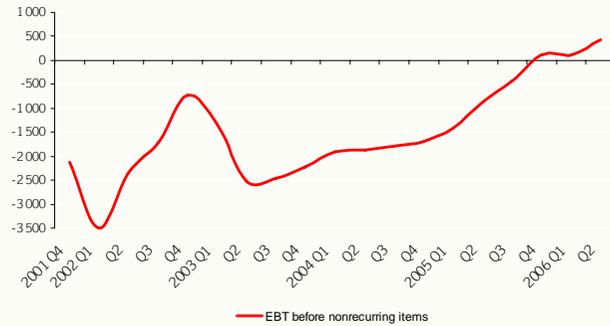
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Earnings before non recurring 12 months trend

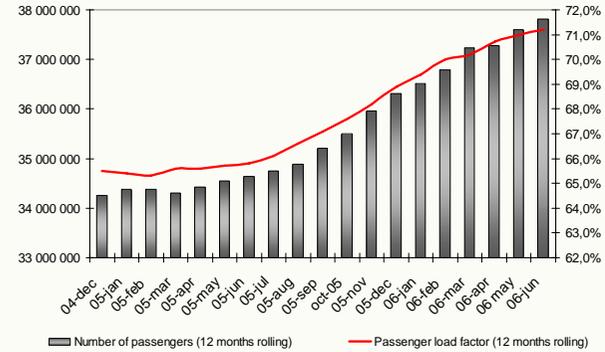
12 months rolling EBT before nonrecurring items, SAS Group



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Group number of passengers grew by 8,7% 1st Half providing record load factors



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Gunilla Berg
CFO



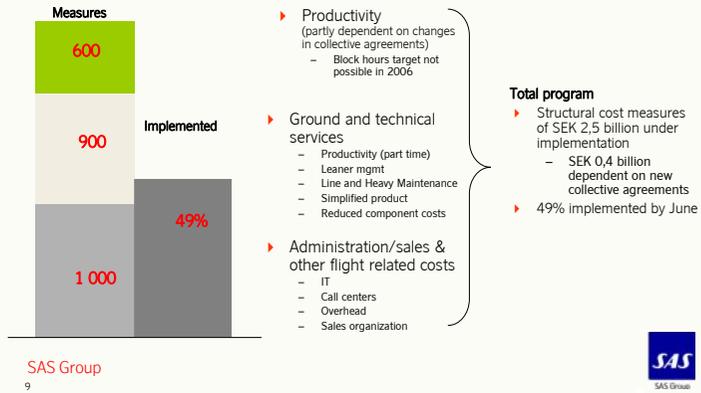
Underlying result improved MSEK 400 in 2nd Quarter

MSEK	April-June		January-June	
	2006	Change	2006	Change
▶ EBT	643	+53	-744	-44
▶ Restructuring	-		95	
▶ SAS Technical Services (Sola)	160		160	
▶ SAS Ground Services (Norway)	105		105	
▶ Gains	-14		-41	
▶ EBT bef non-recurring items	894	+315	-425	+308
▶ Cost of conflicts	100		350	
▶ Pilots in January (Denm/Norw.)				
▶ Cabin in April (Norway)				
▶ Underlying EBT	994	+415	-125	+658

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SEK 2,5 billion of cost cuts to be implemented in 2006-2007



STS and SGS affected by lower volumes



Jan-Jun in MSEK	SAS Technical Services	SAS Ground Services	SAS Cargo	SAS Flight Academy
Revenues	2 517 -0,9%	2 971 -4,1%	1 760 15,3%	248 -0,4%
EBT, bef nonrec.	-72 -208	-3 -87	11 -3	44 +14

Reasons for weaker result

STS

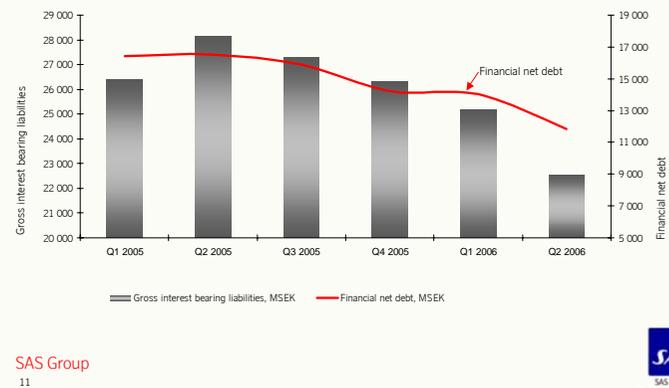
- Volume
- SAS Component

SGS

- Price reductions
- Simpler product

Airline Support Businesses
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Gearing being reduced



John Dueholm

Executive Vice President
Scandinavian Airlines Businesses

From the Danish marketing campaign



Strong results in Scandinavian Airlines Denmark SAS Braathens affected by strike



SAS Denmark	Apr-Jun 2006		Jan-Jun 2005	
	2006	2005	2006	2005
Total revenues	2 931	2 781	5 244	5 014
EBITDAR	403	284	321	105
EBT bef nonrec Items	207	49	-82	-361

- ▶ Solid traffic development in 1st Half
 - No of pass up 7,6%
 - Cabin factor improved 9,9 p.u. to 71,2%
- ▶ Negative effect from pilot conflict in January MSEK 110

SAS Braathens	Apr-Jun 2006		Jan-Jun 2005	
	2006	2005	2006	2005
Total revenues	3 316	3 338	6 123	6 001
EBITDAR	448	605	491	799
EBT bef nonrec Items	172	329	16	241

- ▶ Stable traffic growing in 1st Half
 - No of pass up 3,4%
 - Cabin factor up 3,9 p.u. to 67,9%
- ▶ Results negatively affected by MSEK 240 from strike in April and conflict in January
- ▶ SAS Braathens opened 12 new routes



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Strong Turnaround in Scandinavian Airlines Sweden SAS International on right track



SAS Sweden	Apr-Jun 2006		Jan-Jun 2005	
	2006	2005	2006	2005
Total revenues	2 203	2 096	4 072	3 904
EBITDAR	408	133	514	94
EBT bef nonrec Items	229	-61	145	-280

- ▶ Capacity adjusted to demand in 1st Half
 - Cabin factor up 6,0 p.u. to 69,1%
- ▶ Signs of reduced overcapacity
- ▶ Strong result improvement
- ▶ New contract with Swedish government on international routes

SAS International	Apr-Jun 2006		Jan-Jun 2005	
	2006	2005	2006	2005
Total revenues	2 097	1 995	3 689	3 589
EBITDAR	276	209	240	120
EBT bef nonrec Items	89	49	-145	-206

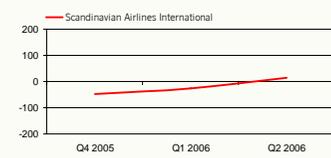
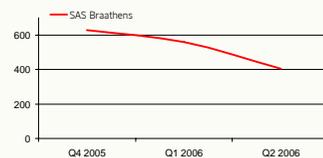
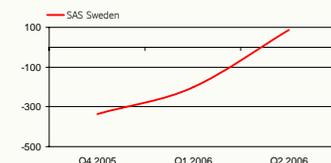
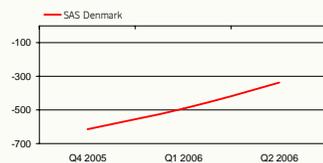
- ▶ Development as expected in 1st Half
 - Cabin factor improved to 81,7%
 - Reduced capacity by 7,8%
- ▶ Internet onboard all intercontinental aircraft
- ▶ Flat beds being installed



Positive profitability trend for Scandinavian Airlines Businesses



EBT before nonrecurring items (12 months rolling)



Scandinavian Airlines Businesses

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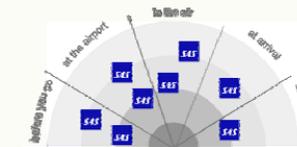


New commercial concept in pipeline



- ▶ Harmonized product concept
 - Consistent customer offering
 - Common market strategy
 - Common price concept
- ▶ Product differentiation to increase
 - Distinctive product - different vs LCC
 - New web site easier to find low fares
 - Improved benefits for frequent flyers
- ▶ B2B Corporate agreements
 - Strengthen the corporate offer
 - Transparent and simple business relation
- ▶ Brand positioning
 - Position Scandinavian Airlines for growth in business and leisure segment

- ▶ Timetable
 - Launch in Sep 2006
 - Introductions in Oct-Dec
- ▶ Target
 - Customer Satisfaction index of 72 (today 66)
 - Capture revenue potential in market



Scandinavian Airlines Businesses

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Gunnar Reitan
Acting CEO



Strong traffic development for Spanair and growth opportunities in Barcelona

Spanair	Apr-Jun		Jan-Jun	
	2006	2005	2006	2005
Total revenues	2 960	2 235	5 023	3 809
EBITDAR	399	370	542	489
EBT, bef nonrec items	92	5	-143	-153

widerøe	Apr-Jun		Jan-Jun	
	2006	2005	2006	2005
Total revenues	769	768	1 490	1 407
EBITDAR	84	132	152	212
EBT, bef nonrec items	19	63	17	77

- ▶ Strong traffic development in 1st Half
 - ▶ No. of pass. up 28,2%
 - ▶ Cabin factor up 7,2 p.u. to 65,2%
 - ▶ Yield was up 6,3%
 - ▶ Growth opportunities in Barcelona as Iberia reduces capacity
- ▶ Good traffic development in 1st Half
 - ▶ No of pass up 6,6%
 - ▶ Cabin factor up 4,0 p.u. to 56,2%
 - ▶ Yield was down 3,0%
 - ▶ Cost to be addressed going forward

Subsidiary & Affiliated Airlines

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Strong growth in Blue1 and airBaltic

Blue1	Apr-Jun		Jan-Jun	
	2006	2005	2006	2005
Total revenues	564	481	992	860
EBITDAR	37	83	48	117
EBT, bef nonrec items	-12	45	-38	41

- ▶ Strong traffic figures
 - ▶ No of pass up 21,9%
 - ▶ Cabin factor up 4,2 p.u. to 64,2%
- ▶ Start up cost for European expansion
- ▶ 10 new destinations introduced from Helsinki

airBaltic	Apr-Jun		Jan-Jun	
	2006	2005	2006	2005
Total revenues	400	310	687	502
EBITDAR	71	31	83	24
EBT	31	-4	13	-42

- ▶ Strong traffic development in 1st Half
 - ▶ Number of passengers up 43,7%
 - ▶ Cabin factor up 7,2 p.u. to 60,2%
- ▶ EBT improved MSEK 55 in 1st Half
- ▶ airBaltic successfully competes with Ryanair and Easyjet

Subsidiary & Affiliated Airlines

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Profitable growth in Rezidor SAS - Strong RevPAR development

REZIDOR SAS	Apr-Jun		Jan-Jun	
	2006	2005	2006	2005
Total revenues	1 729	1 401	3 195	2 497
EBITDA	236	157	233	79
EBT	182	83	117	-63

- ▶ Strong hotel market
- ▶ Number of rooms sold increased
 - ▶ RevPAR up 13,5% for comparable units
 - ▶ Occupancy rate improved 2,5 p.u.
- ▶ 10 new hotels opened in 1st Half. Total number of hotels now 227
- ▶ 20 new contracts signed in 1st Half
 - ▶ New Park Inn Hotel contract signed in center of Stockholm with 420 room



Rezidor SAS

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SAS Group prepares IPO for Rezidor SAS

- ▶ Listing within 12 months
- ▶ In line with SAS Group focus on core activities
- ▶ Favourable position for next phase in Rezidor development
- ▶ Profitable growth:
 - ▶ 700 hotels targeted by 2015
 - ▶ EBITDA targets under review ¹⁾
- ▶ Carlson to remain a significant shareholder (today 25%)
- ▶ SAS Group's holding to be decided at time of IPO
- ▶ SAS co-branding to be evaluated

¹⁾ The previously announced financial target of an EBITDA margin of at least 10% and EBITDA growth of at least 15% over a business cycle are under review. The targets are expected to be raised due to structural improvements in the business following the transaction with Carlson Hotels Worldwide in 2005 and improved operational performance

Rezidor SAS

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Tough start of 2006, but passenger growth trend strong

- ▶ Tough start of 2006
 - Pilot and cabin actions negative result effect appr MSEK 350
- ▶ Stabilization in 2nd Quarter
 - Improved yield
 - New Business Models & Strong Market Growth
 - Record cabin factor
- ▶ Jet fuel costs a challenge/effort to compensate
- ▶ Cost measures of SEK 2,5 billion on track

Outlook

- ▶ Stable market growth 5-10% in SAS Group markets
- ▶ New Business Model with improved load
- ▶ Uncertainties about future growth rate and fuel prices

