



Press conference 3rd Interim Report

Stockholm, November 8, 2006



Continued positive load factor development and improved yield contributed to improved 3rd Quarter



- ▶ EBT bef nonrecurring items MSEK 969 in 3rd Quarter – up MSEK 350
 - Higher load factors and improved yield
 - Favorable Business cycle
 - Continued unit cost improvement
 - Jet fuel cost MSEK 800 higher than last year
- ▶ New cost measures of SEK 2,5 billion under implementation
 - 68% implemented
- ▶ Mats Jansson appointed new CEO from Jan 1, 2007
- ▶ IPO of Rezidor Hotel Group in process

SAS Group

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Improved profitability despite tough start of 2006 and record high fuel prices



MSEK	July-September		January-September	
	2006	Change	2006	Change
▶ Revenues	18 035	+1 468	50 418	+4 818
▶ EBITDAR	2 473	+319	4 979	+367
▶ EBIT	1 154	+352	874	+171
▶ EBT bef non-recurring items	969	+350	544	+658

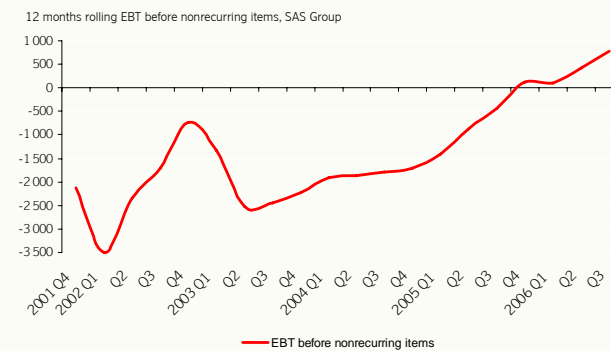


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SAS Group EBT on 12 months rolling at MSEK 772

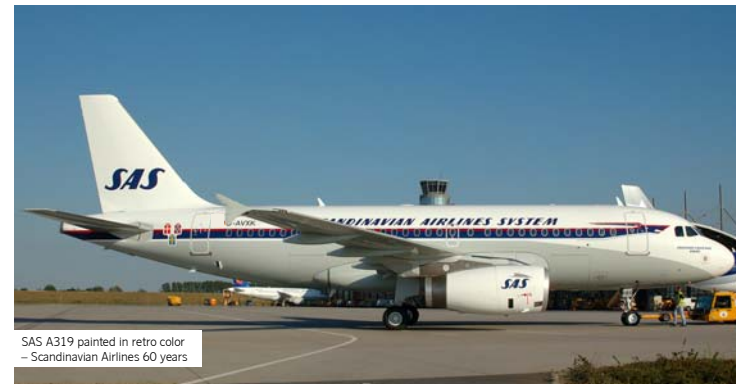
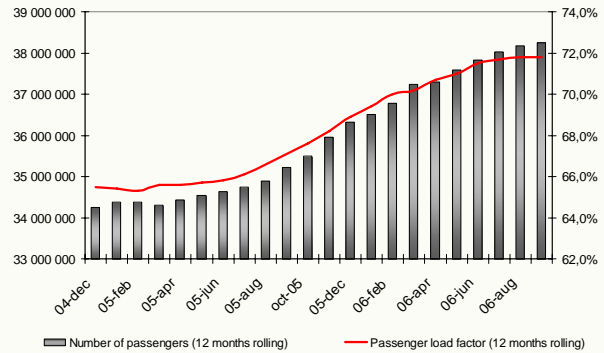


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SAS Group has passed 38 million passengers (annually)



SAS A319 painted in retro color
- Scandinavian Airlines 60 years

Gunilla Berg
CFO

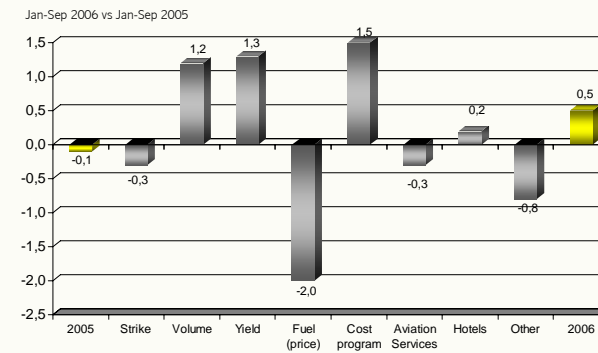


Strongest improvement in Scandinavian Airlines Businesses

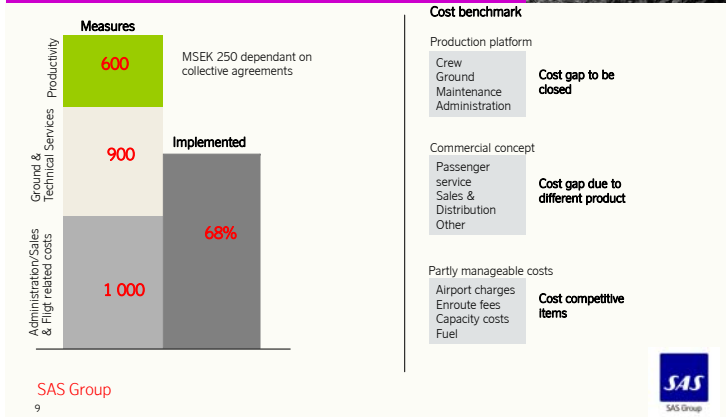
MSEK	2006	Jul-Sep Change	2006	Jan-Sep Change
▶ SAS Scandinavian Airlines	562	+424	510	+1 006
▶ SAS Individually Branded Airlines	360	-41	246	-155
▶ SAS Aviation Services	-42	-109	-76	-473
▶ Hotels	118	+30	235	+210
▶ Group eliminations, other	-29	+46	-371	+70
▶ EBT bef nonrecurring items	969	+350	544	+658



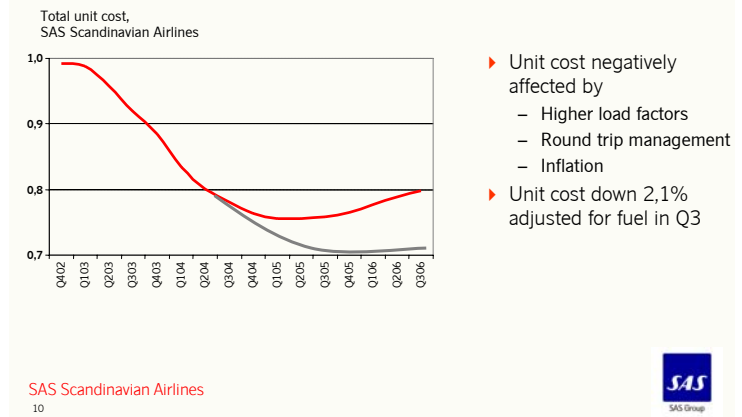
SAS Group underlying result improved SEK 0,6 bn



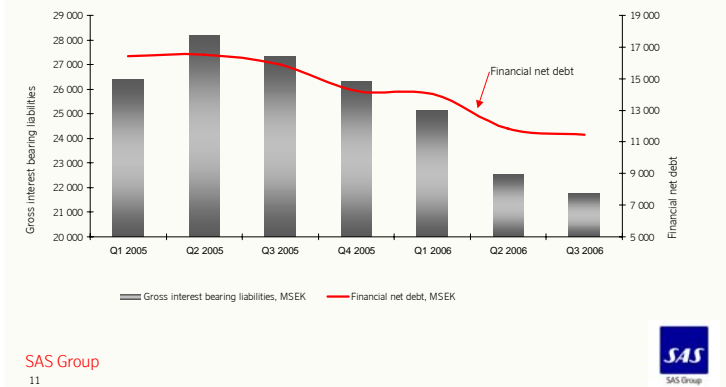
SEK 2,5 billion being implemented Necessary to close strategic cost gaps



Unit cost development 2003-2006



Financial gearing improved - IPO of Hotel to improve gearing further



View from celebration flight with A319 of Scandinavian Airlines 60 years



John Dueholm

Executive Vice President
SAS Scandinavian Airlines



Strong improvement in SAS Denmark SAS Braathens affected by conflicts & weaker yield



SAS Denmark	Jul-Sep 2006	Change	Jan-Sep 2006	Change
Total revenues	2 850	+210	8 094	+440
EBITDAR	262	+83	583	+299
EBT bef nonrec Items	71	+139	-11	+418

SAS Braathens	Jul-Sep 2006	Change	Jan-Sep 2006	Change
Total revenues	3 243	+177	9 366	+299
EBITDAR	415	-48	906	-356
EBT bef nonrec Items	155	-28	171	-253

Jan-Sep

- ▶ Solid traffic development
 - No of pass up 5,4%
 - Cabin factor up 7,6 p.u. to 72,9%
 - Yield up 1,7%
- ▶ Negative effect from pilot conflict in January MSEK 110

Jan-Sep

- ▶ Stable traffic but lower yield
 - No of pass up 4,6%
 - Cabin factor up 3,7 p.u. to 69,9%
 - Yield down 5,6%
- ▶ Results negatively affected by MSEK 240 from conflict in January and strike in April

SAS Scandinavian Airlines

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SAS Sweden improved EBT MSEK 550 SAS International on right track



SAS Sweden	Jul-Sep 2006	Change	Jan-Sep 2006	Change
Total revenues	1 888	+110	5 960	+278
EBITDAR	197	+100	711	+520
EBT bef nonrec Items	31	+124	176	+549

SAS International	Jul-Sep 2006	Change	Jan-Sep 2006	Change
Total revenues	2 245	+28	5 934	+128
EBITDAR	423	+39	663	+159
EBT bef nonrec Items	250	+52	105	+113

Jan-Sep

- ▶ Capacity adjusted to demand
 - Cabin factor up 4,1 p.u. to 70,0%
 - Yield up 6,4%
- ▶ Signs of reduced overcapacity in the market

Jan-Sep

- ▶ Development as expected in Jan-Sep
 - Cabin factor stable at 83,6%
 - Yield up 13,3%
- ▶ Flat beds being installed and product improvements in Economy Extra

SAS Scandinavian Airlines

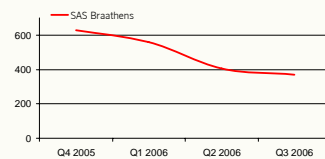
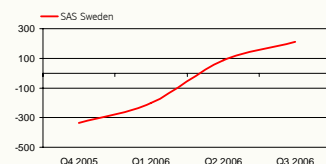
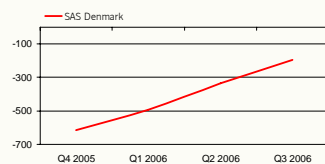
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Positive profitability trend for 3 of 4 airlines but still far from return requirements



EBT before nonrecurring items (12 months rolling)



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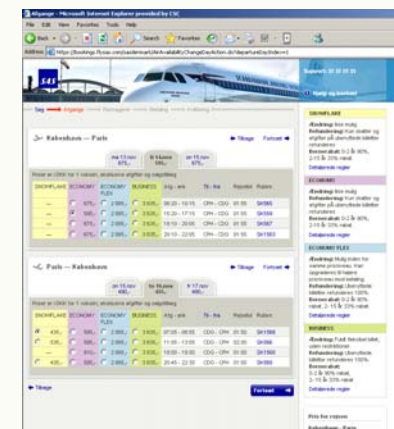
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Improved commercial concept to be implemented



- ▶ Improved customer offer to business passengers
 - Harmonized product concept
 - Product differentiation to increase
 - B2B Corporate agreements
 - Brand positioning
- ▶ Timetable
 - Gradual implementation
 - Launch during winter
 - New homepage launched
- ▶ Target
 - Customer Satisfaction index of 72 (today 66)
 - Capture revenue potential in market



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STS affected by lower volumes and price pressure



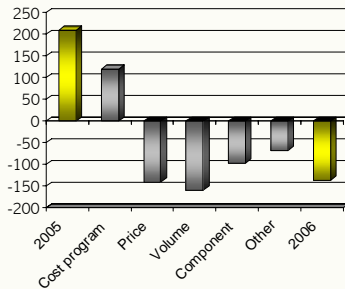
MSEK Jan-Sep Change

Revenues 3 644 -13,7%
EBT, bef nonrec. -136 -346

MSEK Jul-Sep Change

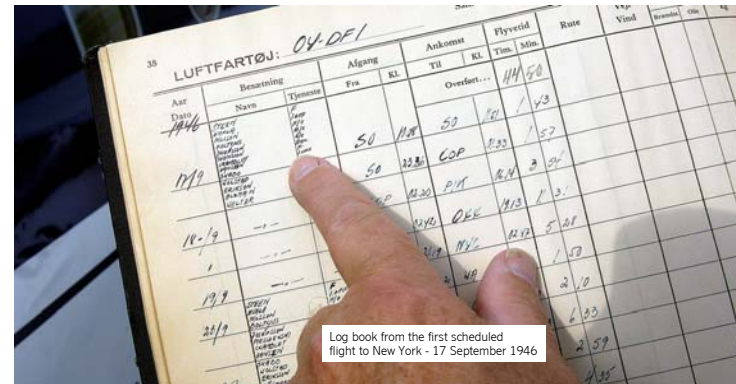
Revenues 1 127 -33%
EBT, bef nonrec. -64 -138

EBT bef nonrecurring items, Jan-Sep



- ▶ Closure of Sola Base with annual savings of MSEK 200

SAS Aviation Services
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Log book from the first scheduled flight to New York - 17 September 1946

Gunnar Reitan
CEO & President



Spanair shows strong performance in Business segment Widerøe in Q3 loss due to increased personnel costs



Spanair	Jul-Sep 2006		Jan-Sep 2006	
	2006	Change	2006	Change
Total revenues	3 540	11,6%	8 563	22,7%
EBITDAR	636	-83	1 178	-30
EBT, bef nonrec Items	308	-10	165	+0

- ▶ Strong traffic development in Jan-Sep
 - ▶ No. of pass. up 20,4%
 - ▶ Cabin factor up 6,0 p.u. to 68,1%
 - ▶ Yield was up 3,3%
- ▶ Strong performance in business segment

widerøe	Jul-Sep 2006		Jan-Sep 2006	
	2006	Change	2006	Change
Total revenues	713	0,4%	2 203	4,1%
EBITDAR	57	-32	209	-92
EBT, bef nonrec Items	-13	-33	4	-93

- ▶ Stable traffic development
 - ▶ No of pass up 6,1%
 - ▶ Cabin factor up 2,7 p.u. to 56,8%
 - ▶ Yield was down 3,7%
- ▶ Cost reductions of MSEK 200 being implemented

Subsidiary & Affiliated Airlines
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Blue1 and airBaltic gain market shares



Blue1	Jul-Sep 2006		Jan-Sep 2006	
	2006	Change	2006	Change
Total revenues	481	24%	1 473	18%
EBITDAR	45	+3	93	-66
EBT, bef nonrec Items	2	-5	-36	+84

- ▶ Strong traffic figures
 - ▶ No of pass up 21,6%
 - ▶ Cabin factor up 3,4 p.u. to 67,0%
- ▶ Start up cost for European expansion
- ▶ 10 new international destinations introduced from Helsinki

airBaltic	Jul-Sep 2006		Jan-Sep 2006	
	2006	Change	2006	Change
Total revenues	465	44%	1 152	40%
EBITDAR	82	+30	165	+89
EBT, bef nonrec Items	31	+13	44	+67

- ▶ Strong traffic development in Jan-Sep
 - ▶ No of pass up 40,8%
 - ▶ Cabin factor up 5,8 p.u. to 63,0%
- ▶ New destinations introduced East of Baltic
- ▶ airBaltic successfully competes with Ryanair and Easyjet

Subsidiary & Affiliated Airlines
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Rezidor IPO before year end

- ▶ In line with SAS Group focus on core activities
- ▶ EBT bef gains Jan-Sep MSEK 235 (25)
- ▶ Favourable position for next phase in Rezidor development
- ▶ Profitable growth:
 - ▶ 20 000 new hotel rooms in 2007-2009
 - ▶ EBITDA-margin target 12%
- ▶ Carlson to increase shareholding from 25% to 35% at IPO price
- ▶ SAS Group to exit completely
- ▶ SAS co-branding to be evaluated

The Rezidor Hotel Group
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Tough start of 2006, but good traffic performance has improved results

- ▶ Tough start of 2006
 - Negative result effect from conflicts of appr MSEK 350
- ▶ Stabilization in 2nd and 3rd Quarters
 - Improved yield
 - New Business Models & Strong Market Growth
 - Record cabin factor
- ▶ Cost measures of SEK 2,5 billion being implemented
 - Essential to improve productivity

Outlook

- ▶ Stable market growth 5-10% in SAS Group markets
- ▶ Positive yield expected for 2006
- ▶ No signs of weaker market
- ▶ Uncertainties about strength of future growth and fuel prices



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