First interim report 2005

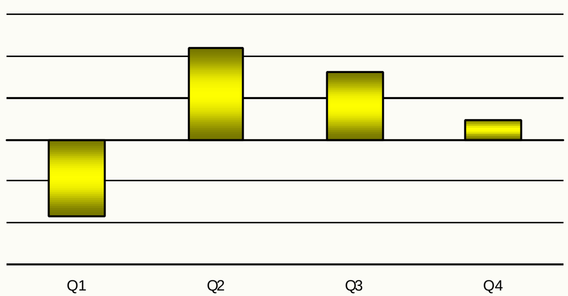
Teleconference
May 3, 2005

1st Quarter improved

- Turnaround 2005
  - Unit cost down 7,5% adjusted for currency and fuel (vs. 2004)
- Yield development stable
- Load factor a challenge
  - Significant overcapacity in Copenhagen market and Swedish domestic
- Fuel cost up MSEK 340 vs last year
  - Offset by price initiatives
- 1st Quarter negative Easter effect of around MSEK 200-250
- Underlying result improved by MSEK 500
  - Strongest improvements in Spanair and Blue1

1st Quarter loss follows normal seasonality

EBT bef cap gains & nonrecurring items (historic picture)

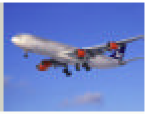


Underlying 1st Quarter result improved by MSEK 500

MSEK	January-March 2005	2004	Change
Revenues	13 016	12 567	+449
EBITDAR	179	-44	+223
Lease, depreciation & financial net	-1 511	-1 613	-102
EBT	-1 290	-1 540	+250
EBT bef non-recurring items	**-1 312***	**-1 588**	**+276**

*) Including negative Easter effects of MSEK 200-250 improvement of appr MSEK 500

SAS Braathens on track
One AOC established

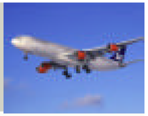


- Competition intense but market share relatively stable
- Cabin factor up 4,6 p.u. in Q1
- EBT improved by MSEK 123
- Over 50% internet bookings on domestic routes

SAS Braathens

Jan-Mar	2005	2004
Total revenues	2 663	2 651
EBITDAR	234	107
EBT, bef nonrecurring items	**-88**	**-211**

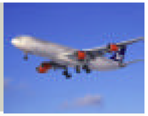
Scandinavian Airlines Danmark
- large overcapacity in Europe



- Fierce competition and large overcapacity on many routes
- Capacity down 5,8%
- Cabin factor down 1,6 p.u.
- Negotiations with Copenhagen Airport on charges for 2006-2008

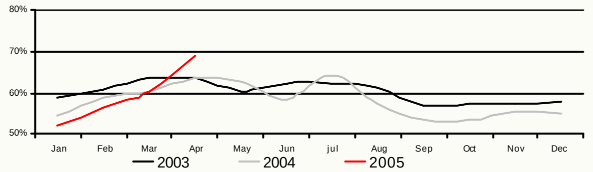
Jan-Mar	2005
Total revenues	2 233
EBITDAR	-179
EBT	-410

Scandinavian Airlines Sverige – new domestic concept above expectations

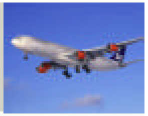


- Cabin factor flat in Q1
- Overcapacity on Swedish domestic
- New domestic concept successfully launched on March 28
  - One way pricing
  - New web site
  - Simple rules
  - April load factor close to 70%

	2005
Total revenues	1 808
EBITDAR	-39
EBIT	-213
EBT	-219



Scandinavian Airlines International – improved long haul product



- Increased overcapacity
- Cabin factor down 5,6 p.u. due to lower demand on USA- routes
- Several product improvements

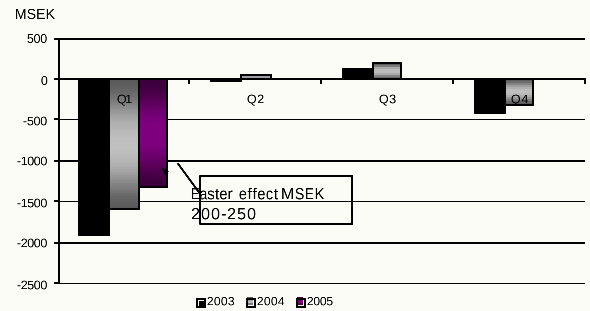
Jan-Mar	2005
Total revenues	1 594
EBITDAR	-89
EBT	-255

Gunilla Berg

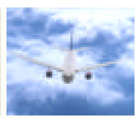
CFO

Result development 2003-2005

EBT before nonrecurring items

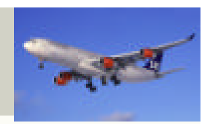


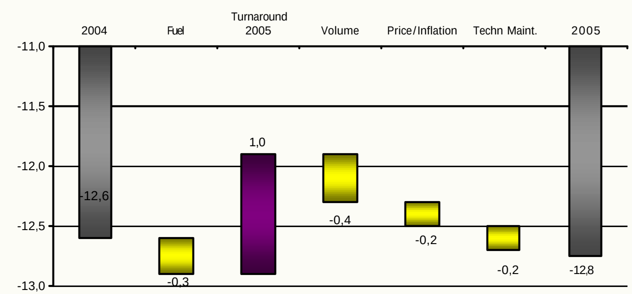
EBT before nonrecurring improving for the airlines



Business area	Jan-Mar 2005	Change
Scandinavian Airlines Businesses	-991	65
Subsidiary & Aff. Airlines	-145	143
Airline Support Businesses	116	104
Airline Related Businesses	-3	-17
Hotels	-146	-46
Group eliminations, other	-143	27
EBT, before gains & exceptionals	**-1 312**	**276**

SAS Group cost analysis





Cost improvement and flexibility

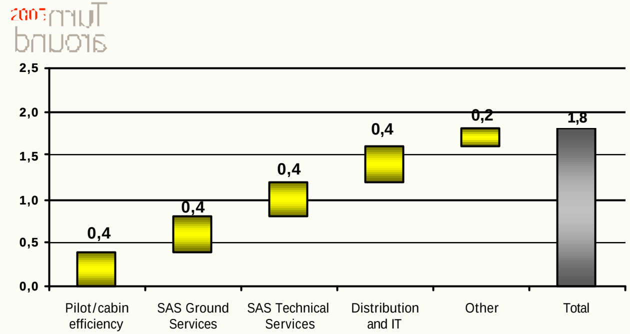
Examples

- Turnaround 2005 – focus on remaining activities
- Further rationalization to simplify business models
- Reduce seasonality
- Planning process
- Scheduling
- Leasing structure

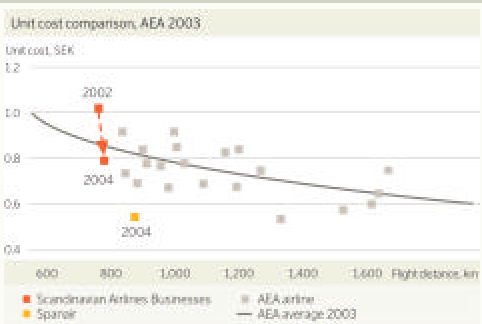
Cost improvement and flexibility

- Turnaround 2005
- Further rationalizations
- Increased cost-flexibility

Focus on remaining areas in Turnaround 2005

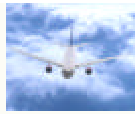


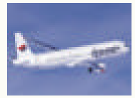
Scandinavian Airlines is reaching a competitive cost level



Jørgen Lindegaard
CEO

Good track record of acquiring companies and making them profitable





- Widerøe acquired 1998
  - Leading regional airline in Norway
  - Most profitable year ever in 2004
- Braathens acquired 2001
  - Significant Turnaround
  - Proforma 2004 strongest result ever
- Spanair acquired 2001
  - Loss making 1997-2003
  - Profitable in 2004 adjusted for one-offs

Spanair's Q1 result improved by MSEK 134

- Spanair's low cost model in combination with full service concept
- Innovative products
  - Full service and simple travel
  - One way prices on whole system
  - Punctuality guarantee
- New market growth with
  - Traffic up 17,2%, cabin factor stable
  - Two new routes opened in Q1 and three new routes in April
- More dynamic aircraft allocation within the SAS Group

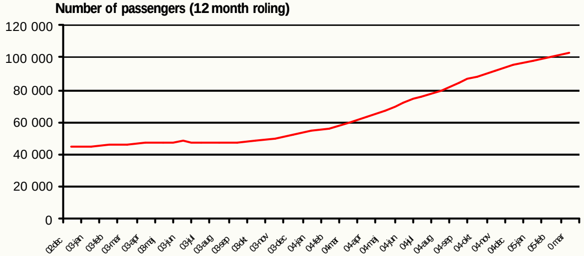
Jan-Mar	2005	2004
Total revenues	**1 574**	1 405
EBITDAR	**119**	16
EBT	-158	-292

Impressive traffic growth

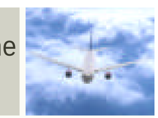
- Traffic up 27,6% in first quarter
- Capacity up 1,3% in first quarter
- Cabin factor up 10,7 p.p.
- Cabin factor on Finnish domestic 60,3%

	January-March 2005	2004
Total revenues	379	268
EBITDAR	34	-28
EBT	**-4**	**-66**

Number of passengers (12 month roling)



Completed structural transaction with the hotels during 1st Quarter

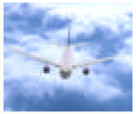


Hotels

- Enhancing partnership with shareholder agreement with Carlson
  - Agreement extended to 2052
  - 11 MEUR in full year effect on reduced franchise fee
    - PV of MEUR 131 at 9% WACC 0% growth
    - PV at 4% growth MEUR 210 => Full implied value MEUR 840 of hotels
- Transaction confirms significant value in the Hotels for the SAS group
- Expected closing fall 2005

	January-March	
MSEK	**2005**	2004
Revenues	1 096	918
EBITDA	**-86**	**-57**
EBT	**-146**	**-100**
EBT bef. gains	**-146**	**-100**

Sum up 1st Quarter



- Stable yields and load factors
- Record high fuel prices offset
- Turnaround 2005
  - Focus on remaining activities
- Capacity & Utilization Focus – full effect as from March
- New commercial focus initiated
  - Economy Flex positively received
  - New Swedish domestic concept a sales success

Cautious outlook

- Uncertainties in the marketplace
- Business Plan shows positive earnings
  - Unchanged yields
  - Favorable traffic development
  - Unchanged business environment