SAS Group
Year-end report
January-December 2004

2004 in brief

- **Operating revenue for the full year** amounted to MSEK 58,073 (57,754), an increase of 0.6%. Operating revenue for the fourth quarter amounted to MSEK 14,940 (13,824), an increase of 8.1%. For comparable units and currency effects, operating revenue for the full year increased by 3.3% or MSEK 1,892.

- **Number of passengers** increased by 4.4% to 32.4 million.

- **Income before depreciation and leasing costs for aircraft (EBITDAR)** amounted to MSEK 4,383 (3,761) for the full year and MSEK 1,181 (814) for the fourth quarter.

- **Income before capital gains and nonrecurring items** amounted to MSEK –1,813 (-2,221) for the full year and MSEK –344 (-415) for the fourth quarter.

- **Income after financial items** amounted to MSEK –1,945 (-1,470) and MSEK -419 (-245) for the fourth quarter.

- **Income after tax** was MSEK -1,872 (-1,415) and MSEK -636 (-581) for the fourth quarter.

- **CFROI** for the 12-month period January-December 2004 was 9% (7%).

- **Earnings per share** for SAS Group amounted to SEK -11.38 (-8.60) for the full year and SEK -3.87 (-3.53) for the fourth quarter. Equity per share was SEK 67.84 (79.84).

- **Currency-adjusted total unit cost** decreased by 11% for Scandinavian Airlines Businesses during the period January-December 2004 and 6% for the fourth quarter of 2004. Adjusted for increased jet fuel prices, the unit cost decreased by 14% and 10% respectively. Since the fourth quarter of 2002, the unit cost has fallen by 26% adjusted for currency effects and increased fuel prices.

- **The Board of Directors proposes to the Annual General Meeting** that no dividend be paid to SAS AB's shareholders for the 2004 fiscal year.

- **Continued major uncertainty** over development in the airline industry gives reason to be cautious, but subject to unchanged yields, favorable traffic development and no significant changes in the business environment, adopted business plans indicate positive earnings for 2005.

Quarterly breakdown of earnings and key figures– SAS Group

SAS Group	January-March		April-June		July-September		October-December		January-December	
(MSEK)	**2004**	2003	**2004**	2003	**2004**	2003	**2004**	2003	**2004**	2003
Operating revenue	**12,567**	13,710	**15,143**	15,300	**15,423**	14,920	**14,940**	13,824	**58,073**	57,754
EBITDAR	**-44**	-398	**1,493**	1,608	**1,753**	1,737	**1,181**	814	**4,383**	3,761
EBITDAR margin	**-0.4%**	-2.9%	**9.9%**	10.5%	**11.4%**	11.6%	**7.9%**	5.9%	**7.5%**	6.5%
EBIT	**-1,300**	-1,908	**207**	272	**332**	798	**-143**	-43	**-904**	-881
EBIT margin	**-10.3%**	-13.9%	**1.4%**	1.8%	**2.2%**	5.3%	**-1.0%**	-0.3%	**-1.6%**	-1.5%
Income before capital gains and nonrecurring items	**-1,631**	-1,909	**9**	-13	**153**	116	**-344**	-415	**-1,813**	-2,221
Income after financial items	**-1,583**	-1,876	**0**	87	**57**	564	**-419**	-245	**-1,945**	-1,470
Income after tax	**-1,402**	-1,599	**98**	66	**68**	699	**-636**	-581	**-1,872**	-1,415
Earnings per share (SEK)	**-8.52**	-9.72	**0.60**	0.40	**0.41**	4.25	**-3.87**	-3.53	**-11.38**	-8.60
Cash flow before financing activities	**-1,319**	-2,356	**2,001**	1,131	**-421**	206	**1,287**	899	**1,548**	-120
Number of passengers	**7,238**	6,987	**8,879**	8,180	**8,591**	8,325	**7,645**	7,512	**32,354**	31,004
RPK	**7,031**	6,551	**8,960**	7,840	**9,198**	8,695	**7,649**	7,317	**32,838**	30,402
ASK	**11,852**	11,169	**13,456**	12,252	**13,557**	12,566	**12,667**	11,894	**51,532**	47,881
Cabin factor	**59.3%**	58.7%	**66.6%**	64.0%	**67.8%**	69.2%	**60.4%**	61.5%	**63.7%**	63.5%
Yield, SEK	**1.17**	1.45	**1.10**	1.32	**1.03**	1.11	**1.22**	1.25	**1.12**	1.27
Unit cost, SEK	**0.76**	0.94	**0.71**	0.82	**0.69**	0.75	**0.76**	0.79	**0.73**	0.83

SAS AB is the Nordic region's largest listed airline and travel group and the fourth-largest airline group in Europe, in terms of number of passengers and operating revenue. The SAS Group offers air transport and related services from its base in northern Europe. Scandinavian Airlines provides services within Scandinavia, to/from Europe, North America and Asia. Scandinavian Airlines is a founder member of the world's largest global airline alliance – Star Alliance™. The Group also includes the airlines Spanair, Widerøe's Flyveselskap and Blue1 and the partly-owned airlines airBaltic and Estonian Air. The Group's business areas Airline Support Businesses and Airline Related Businesses include companies that support the airline operations. The Group also includes hotel operations with Rezidor SAS Hospitality.

The SAS Group's Annual Report will be published on March 8, 2005
www.sasgroup.net

Important events

First quarter 2004

- Widerøe won the tender for traffic in Nord-Troms in Norway for three years.
- The Swedish Transport Workers' Union took its members out on strike which led to canceled flights during two half days for the SAS Group in Sweden.
- The SAS Group signed new collective agreements with all trade unions except the Swedish Transport Workers' Union.

Second quarter 2004

- SAS Braathens was launched in the Norwegian market.
- SAS AB's Annual General Meeting decided not to issue a dividend for 2003.
- The SAS Group was downgraded by the credit rating company Moody's to B1.
- SAS Braathens' office at Fornebu in Bærum was visited by the Norwegian Competition Authority on June 22 and 23. The Competition Authority is examining price structure in the Norwegian market and whether SAS Braathens has abused its dominant position in the Norwegian market.
- Oslo Lufthavn AS/Avinor AS announced that they do not intend to proceed in contract negotiations with SAS Trading for the operation of tax-free stores at Norwegian airports during the period 2005-2011.

Third quarter 2004

- During weekends in July, Scandinavian Airlines had production disruptions from Copenhagen due to limited personnel resources.
- SAS Commuter's operations were integrated with the other airline operations and SAS Technical Services.
- On September 26-28, the SAS Group had major production disruptions in Norway due to sicklisting by air traffic controllers.

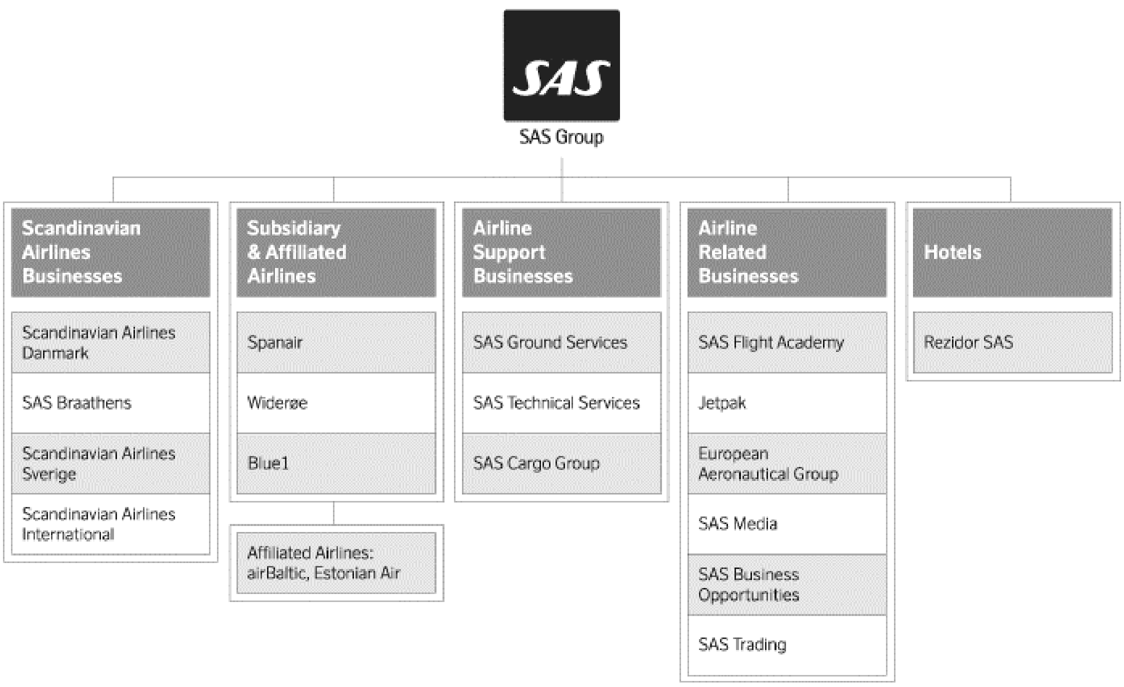
Fourth quarter 2004

- SAS Scandinavian Airlines Danmark A/S, SAS Braathens AS and SAS Scandinavian Airlines Sverige AB were incorporated as subsidiaries of the SAS Consortium. SAS Ground Services (SGS), SAS Technical Services (STS) and SAS Trading were incorporated as subsidiaries of SAS AB.
- Scandinavian Airlines launched Economy Flex in a new three-class configuration on European routes. Snowflake as a concept will be integrated with the regular operations.
- The SAS Group initiated Capacity & Utilization Focus, with the goal of increasing capacity utilization in the long term.
- Blue1 became the first regional member of Star Alliance on October 31, 2004.
- The Norwegian Competition Authority notified SAS Braathens of a possible fine of up to MNOK 20 for potential abuse of a dominant position on the Oslo-Haugesund route.
- SAS Braathens and the trade unions in Scandinavian Airlines and Braathens agreed on a new agreement which led to pilots and cabin crew being transferred to SAS Braathens from December 31, 2004.
- Spanair pilots belonging to the SEPLA trade union, took industrial action which led to 50% of flights being canceled for 6 days.

Events after December 31, 2004

- Following the tsunami disaster in Asia, Scandinavian Airlines conducted 23 extra flights to Thailand in the period December 29-January 5 on assignment from the Scandinavian governments.
- On January 17, SAS Braathens submitted a reply to the Norwegian Competition Authority in which SAS Braathens contests the Competition Authority's accusations of abuse of a dominant position.
- The SAS Group is implementing changed areas of responsibility in Group Management in order to achieve a similar structure and clarify profit responsibility. John Dueholm takes over responsibility for the Scandinavian Airlines Businesses business area from February 15.

SAS Group's business structure



Dear shareholder,

Ahead of 2004 there were high expectations for the new year. Following several years of losses in the airline industry, dramatic events and new players, there were hopes of a more stable revenue trend and positive earnings. However, the year did not turn out quite as we had anticipated. Despite good growth in the first half, we experienced yield pressure in the market of an unprecedented scale. As a result, air fares in Scandinavia have been among the lowest in Europe during 2004, while few players are making money.

The SAS Group faced three decisive challenges during the year: to gain control over the decreasing yield, i.e. average unit revenue, at the same time as handling overcapacity in the market while compensating for the effects of the record-high jet fuel prices.

Through stricter yield management we were able to halt the decline in yield during the autumn while fuel surcharges starting in autumn 2004 mitigated the effects of the high fuel price. Overcapacity remains and is most prominent on Swedish domestic and some European routes.

In view of the above challenges, earnings for the full year 2004 were clearly unsatisfactory. Despite this, however, we can see successes in many parts of the Group. The fourth quarter of 2004 was the best final quarter for four years with positive earnings, adjusted for MSEK 350 in negative effects of a temporary nature, including a dispute with the pilots in Spanair.

The SAS Group is Europe's fourth-largest airline group with more than 32 million passengers in 2004. The breadth of the Group's product range is illustrated by the fact that at the same time as Scandinavian Airlines is the largest supplier of low-cost travel in Scandinavia, 1.4 million passengers traveled on our intercontinental routes during the year – a new record. It is also gratifying that Business Class is growing on our long-haul routes.

During the year continued efforts were made to ensure the Group's long-term competitiveness. The goal of Turnaround 2005 is to achieve cost savings of SEK 14 billion and thus create a platform for cost-effective business units throughout the Group. We have cut our unit cost by 26% (adjusted for fuel and currency costs) since 2003.

Concrete action plans are in place to implement the remaining SEK 2.1 billion in cost reductions during 2005. The new group structure with incorporated business units, which was introduced on October 1, 2004, creates greater transparency and makes it easier to identify areas where we have not achieved adequate efficiency.

New platform–commercial offensive

The global economy is still booming and growth is particularly strong in Asia where we have added Shanghai as a new destination. Most markets, particularly in Europe, are characterized by continued weak growth. Forecasts indicate, however, that demand for air travel will increase both on long-haul routes and within Europe. This provides good prospects for the Group's airlines.

We expect continued intense competition and overcapacity in many markets. The proportion of low-cost travel is growing but the pure-play low-cost carriers can expect increased competition from the network companies which can now offer a growing number of attractive flights at the right price. We continue to offer Scandinavia's largest range of low-cost travel, and with snowflake we are expanding further in Europe. Within the Group, the Baltic companies have a cost level below that of most of the major European low-cost carriers. As in 2004, we also expect to see consolidation within the low-cost segment.

Scandinavian Airlines has a tradition of innovative solutions that provide customers with smooth travel while simplifying routines internally in the company. Reservations and check-in via the Internet, ticketless travel, biometric identification, and now in March 2005 Internet on board all intercontinental flights, are just some examples of this.

We expect a demanding year in 2005. But we have created a fundamentally new platform which, combined with a sharper commercial offensive and our competent employees, will yield results.

Lindegaard

SAS Group's traffic development

Traffic development for European airlines (AEA)

Among the European airlines, traffic growth had a weak start in 2004 but gradually improved during the first half. During the second half growth decreased and the capacity increase exceeded traffic development. Intercontinental traffic (RPK) developed well compared with the previous year. Particularly favorable growth was noted on traffic to/from Asia which rose by approximately 19% during the year. Capacity increased at the same time and rose more than traffic in the second half of the year resulting in a lower cabin factor. On some destinations there is overcapacity.

Total traffic (RPK) within AEA rose 9.0% in January-December compared with 2003. In the same period capacity (ASK) increased by just over 7% which meant that the cabin factor rose by over 1 percentage point to approximately 75%.

SAS Group's traffic development

In the full year 2004 the SAS Group's traffic (RPK) rose 8.0%. Capacity (ASK) in the same period rose 7.6% which led to a marginal improvement in the cabin factor of 0.2 percentage points. The traffic improvement for the full year is attributable to the intercontinental and European traffic. Danish domestic traffic also showed strong growth. During the fourth quarter traffic growth decreased slightly and RPK rose by 4.5% while ASK increased by 6.5%. The cabin factor fell by 1.1 percentage points. The lower growth is explained by weak growth in both intercontinental and European traffic as well as Swedish domestic traffic.

Among the airlines within the SAS Group, Blue1 had a traffic increase of 77.9% during 2004. This large increase is due to newly opened routes to Europe, three new domestic routes in Finland, and an increased share of traffic between Finland and Scandinavia. Blue1's cabin factor improved by 5.6 percentage points. Spanair started the year strongly but had a weak fourth quarter when a six-day long pilot dispute affected the cabin factor. Measured on a full year basis, Spanair's cabin factor was 60.3% which is a decline of 0.4 percentage points. Scandinavian Airlines in Norway was integrated with Braathens. SAS Braathens' traffic rose during the year by 9.1%, and capacity by 3.8%. Widerøe's traffic increased by 10.3%.

Intercontinental traffic rose during 2004 by 7.1% and the cabin factor increased by 3.5 percentage points to 80.3%. The cabin factor for the fourth quarter fell, however, by 4 percentage points. A total of 1,477,000 passengers were transported on the intercontinental routes during 2004, which is the highest number of transported passengers ever for the SAS Group.

European traffic (including Spanish domestic) rose during 2004 by 12.5% while capacity rose by 15.5%. This meant that the cabin factor fell by 1.6 percentage points to 58.4%. In particular, Scandinavian Airlines' European traffic to/from Copenhagen had lower growth than anticipated, particularly during the second half.

Traffic within Scandinavia, despite major overcapacity and intense competition, saw positive development during 2004. Traffic rose by 0.9%. Capacity fell 1.3% which meant that the cabin factor improved by 1.2 percentage points. Domestic traffic in Denmark and Norway showed a positive development while the major overcapacity on Swedish domestic traffic led to lower volume. Danish domestic routes had a traffic increase of 10.3% despite a capacity reduction of 4.6%. This meant that the cabin factor rose by 8.2 percentage points. On Norwegian domestic routes traffic rose by 3.2%. SAS Braathens and Widerøe have a stable market position in the Norwegian market. Swedish domestic traffic fell 6.3%. At the same time a capacity reduction was carried out of 2.6%. The cabin factor fell by 2.2 percentage points during the year. Scandinavian Airlines' market share decreased slightly on Swedish domestic traffic and is approximately 60%.

SAS Group		**Oct-Dec 2004**	Change vs. 2003	**Jan-Dec 2004**	Change vs. 2003
No. of passengers	(000)	**7,645**	1.8%	**32,354**	4.4%
Passenger km	(mill)	**7,649**	4.5%	**32,838**	8.0%
Seat km	(mill)	**12,667**	6.5%	**51,532**	7.6%
Cabin factor		**60.4%**	-1.1%pts	**63.7%**	+0.2%pts

Traffic development by route sector	**Oct-Dec04 vs. Oct-Dec03**		**Jan-Dec04 vs. Jan-Dec03**	
	Traffic (RPK)	Capacity (ASK)	Traffic (RPK)	Capacity (ASK)
Intercontinental	2.6%	8.0%	7.1%	2.4%
Europe	9.0%	10.4%	12.5%	15.5%
Intra-Scandinavian	-0.3%	-0.7%	3.5%	0.9%
Denmark (domestic)	13.9%	4.0%	10.3%	-4.6%
Norway (domestic)	4.4%	0.0%	3.2%	-1.4%
Sweden (domestic)	-11.7%	-6.8%	-6.3%	-2.6%

January-December	Traffic (RPK)	Capacity (ASK)	Cabin factor (%)	Change in cabin factor
SAS Group	**8.0%**	**7.6%**	**63.7%**	**+0.2%pts**
Scandinavian Airlines Businesses [1]	6.1%	5.3%	65.2%	+0.4%pts
Spanair	12.2%	13.0%	60.3%	-0.4%pts
Widerøe	10.3%	9.3%	53.4%	+0.5%pts
Blue1	77.9%	58.2%	50.4%	+5.6%pts

[1] Braathens included

Financial development

Acquisitions

In January 2004 a further 21% of the shares in Spanair SA and Aerolineas de Baleares respectively were acquired. The SAS Group's holding then amounted to 94.9%. The purchase price totaled MEUR 73.5 and goodwill for the acquisitions in both companies amounted to MEUR 64.7.

January-December 2004

The SAS Group's statement of income for January-December 2003 included Scandinavian IT Group which was sold on December 31, 2003, and Travellink, where 10% of the shares were sold in December 2003. In September 2003 Maersk Air Maintenance Estonia AS was acquired. To allow comparison with 2003, this is adjusted under non-comparable units

The net effect of exchange rate fluctuations between the period January-December 2003 and 2004 was MSEK 156. The effect is MSEK -1,378 on operating revenue, MSEK 1,905 on operating expenses, and MSEK -371 on net financial items.

The SAS Group's operating revenue amounted to MSEK 58,073 (57,754), an increase of MSEK 319 or 0.6%. Adjusted for non-comparable units, MSEK 195, and currency effects, MSEK -1,378, the Group's operating revenue increased by 3.3%. In Scandinavian Airlines Businesses traffic increased measured in RPK, revenue passenger kilometers, by 6.1% compared with 2003. Yield adjusted for currency effects decreased by 9.1%.

Restructuring costs attributable to Turnaround 2005, which were charged to earnings for year, amounted for the whole Group to MSEK 223 (496). Of this, MSEK 188 relates to non-working notice periods. The remaining MSEK 35 comprises costs for unutilized rented premises and other costs in connection with redundancies.

Payroll expenses decreased by MSEK 2,342, or 10.7% and amounted to MSEK 19,585 (21,927). Adjusted for non-comparable units, restructuring costs and currency effects, payroll expenses were MSEK 1,859 or 8.5% lower than in the previous year.

The Group's other operating expenses increased by MSEK 2,039 or 6.4% to MSEK 34,105. Adjusted for non-comparable units and currency effects, costs increased by 4.7%, due to increased fuel costs and higher volume. The Group's jet fuel costs amounted to MSEK 6,252 (4,743). Fuel costs increased by MSEK 1,509 of which approximately MSEK 300 relates to increased volume. The currency effect was positive by MSEK 417. The market price (spot price) during the year was on average approximately 40% higher than in 2003.

Operating income before depreciation and leasing costs, EBITDAR, was MSEK 4,383 (3,761). Adjusted for nonrecurring costs and restructuring costs, EBITDAR for the full year amounted to MSEK 4,606 (4,269).

Leasing costs, adjusted for positive currency effects, were on the same level as in the previous year. Depreciation was MSEK 2,853 (3,046), a decrease of MSEK 193 mainly due to disposals.

Share of income in affiliated companies amounted to MSEK 137 (39). The improvement between 2003 and 2004 comprises an adjustment of the previous year's result when final accounts were received and improved earnings in British Midland, Air Greenland and affiliated companies in Rezidor SAS Hospitality. The previous year was also charged with an impairment loss for the holding in Travellink AB of MSEK 40. Amortization of goodwill is included with MSEK 20 (18).

Income from the sale of shares and subsidiaries and affiliated companies, MSEK 5 (651), includes the sale of the Group's participations in affiliated companies Flygtaxi Sverige AB and Polygon Group Ltd. In the previous year Fastighets AB Solna Haga, the Frösundavik head office, was sold with a capital gain of MSEK 688, Scandinavian IT Group MSEK –33 and Travellink AB, MSEK –3.

The Group's income from the sale of aircraft and buildings during the year amounted to MSEK 113 (649). This includes the sale of four Boeing 737s, two Fokker F28s and three McDonnell Douglas MD-80s as well as sale and leaseback of two Boeing 737s, three Boeing 767s, two Airbus A320s, three Airbus A340s and four deHavilland Q400s. The total result from the sale and leaseback of aircraft amounted to MSEK 59 (212).

In the previous year seven Boeing 737s, seven Airbus A340s, four Airbus A320s, three McDonnell Douglas MD-80s and four Fokker F28s were sold.

Income from the sale of buildings amounted to MSEK 54 (437). During 2004 a hotel property in Oslo was sold. In the previous year office premises in Copenhagen were sold for a capital gain of MSEK 553. Other property transactions generated MSEK –116.

Operating income was MSEK –904 (-881).

The Group's net financial items amounted to MSEK –1,042 (–588). Net interest was MSEK -897 (–822). The currency effect was MSEK –53 (318). Other net financial expenses amounted to MSEK -92 (–84).

Income before capital gains, restructuring costs and nonrecurring items amounted to MSEK –1,813 (–2,221) (see page 12).

Income after financial items amounted to MSEK –1,945 (–1470).

The change in income after financial items is due to:

Currency effect	156
Income before depreciation and leasing costs, EBITDAR	349
Leasing costs and depreciation	185
Share of income in affiliated companies	98
Net interest	-83
Capital gains and impairment losses	-1,180
Total changes	-475

Fourth-quarter 2004

The negative yield development earlier in the year stabilized during the fourth quarter as a result of the full effect of the fuel surcharges, stricter yield control and lower comparative figures, compared with the fourth-quarter of 2003, due to price adjustments.

The Group's operating revenue amounted to MSEK 14,940 (13,824), an increase of MSEK 1,116 or 8.1%. Adjusted for currency effects, and operating revenue in comparable units, operating revenue increased by 9.1%

The Group's passenger traffic increased by 4.5%. In Scandinavian Airlines Businesses traffic rose 2.0%. The traffic increase in the fourth quarter was greatest for European traffic but weaker within intercontinental traffic and Swedish domestic traffic.

Operating expenses amounted to MSEK 13,759 (13,010) an increase of 5.8%. Adjusted for currency effects and restructuring costs, expenses rose by 9.9% due to increased volume and higher fuel costs. Of this approximately 60% or MSEK 696 is increased fuel costs.

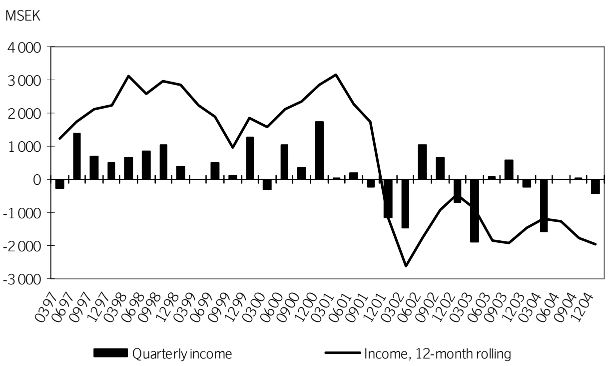
EBITDAR for the fourth quarter amounted to MSEK 1,181 (814). EBITDAR adjusted for restructuring costs and nonrecurring costs amounted to MSEK 1,265 (1,167).

Adjusted for nonrecurring items, MSEK 111 (-393), income before capital gains was MSEK -344 (-415) for the quarter. The fourth quarter contains negative earnings effects amounting to approximately MSEK 350, including the pilot strike in Spanair, the cabin strike in Copenhagen, air traffic-control related traffic disruptions and a revenue method change in SAS Cargo.

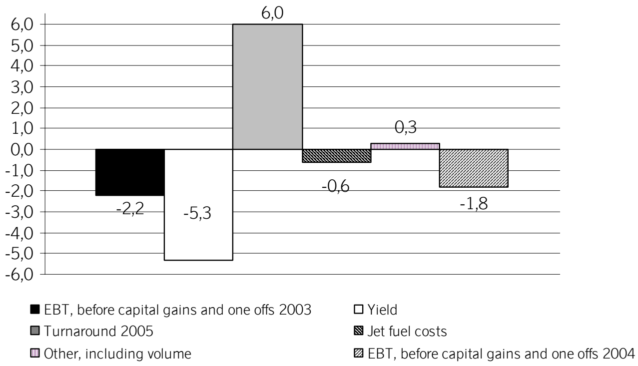
During the fourth quarter capital gains amounted to MSEK 36 (563).

Income after financial items amounted to MSEK -419 (-245).

Income after financial items



Change in income compared with 2003



SAS Group's Turnaround 2005

The SAS Group has achieved major cost reductions designed over time to strengthen the Group's competitiveness on all traffic flows on a par with the most efficient players. All measures have been placed under Turnaround 2005 and will reduce the SAS Group's costs by a total of SEK 14 billion. As of December 31, 2004, the number of employees had been reduced by 4,580 corresponding to 76% of the total reduction compared with the planned 74%. Completed activities corresponding to SEK 11.9 billion have been implemented, corresponding to 85% of the total measures compared with the planned 93%. As described in the interim report for the third quarter, some delay has occurred to the original plan for two reasons: the productivity target is taking longer to achieve, due among other things to retraining of pilots, and the goal of 40% on-line sales has not yet been reached.

The earnings impact from measures during 2004 amounted to SEK 6 billion and in 2003-2004 to a total of SEK 9.6 billion.

	Full-year earnings impact
2003	**3.6**
2004	**6.0**
2005[1)]	**2.8**
2006	**1.6**
Total	**14.0**

1) Of the 2005 earnings impact, SEK 1.7 billion is already implemented.

Unit cost development

Turnaround 2005 has reduced Scandinavian Airlines Businesses' unit cost since the fourth quarter of 2002 by 25% adjusted for increased fuel costs and currency effects. During 2004 the reduction was 11% despite a negative effect on the unit cost of 2.7 percentage points from increased fuel costs. Spanair decreased its unit cost by 10.4% and Widerøe by 3.6% in 2004.

Focus on outstanding activities

The SAS Group is now focusing on implementing the outstanding activities for SEK 2.1 billion.

Outstanding activities in Turnaround 2005

(SEK billion)	**Total**
Productivity flight staff (Group & Scandinavian Airlines Businesses)	**0.9**
SAS Technical Services, LCC model	**0.3**
SAS Ground Services, LCC model	**0.3**
Distribution including IT	**0.5**
Other	**0.1**
Total	**2.1**

Productivity – flight staff
Conditions relating to traffic programs, and above all retraining due to the new base division for pilots, combined with other organizational and operational factors has meant that the target set for the number of block hours for cabin crew and pilots in 2005 has not been fully met. During 2004 block hours for pilots and cabin crews amounted to 550 and 570 hours respectively. The aim is to raise productivity for cabin crew and pilots to 700-750 block hours/year, which is consistent with signed collective agreements and legal requirements. The chances of achieving this target will be facilitated by the division of Scandinavian Airlines Businesses into three production bases and fully implemented resource allocation to each base.

Redundancies are being handled with a combination of dismissals, retirements and leave of absence. In December 2004 agreements were signed with the pilots in Braathens and Scandinavian Airlines in Norway on operating in a joint AOC which will increase the opportunities for achieving a higher number of block hours.

LCC+ model for technical aircraft maintenance and ground services
Still outstanding for SAS Technical Services and SAS Ground Services is the introduction of a model to handle different service levels in the product portfolio for ground services and technical processes. A Low Cost Carrier (LCC+) model is less resource-intensive than a full-service product and the aim is that the entire value chain should reflect this.

Measures within SAS Technical Services amount to MSEK 300. A corresponding LCC+ model in SAS Ground Services amounts to MSEK 300. This also includes greater automation in SAS Ground Services. The aim is that the total proportion of self-service check-in should be 60% in 2005.

Distribution costs and IT systems
The airlines in the SAS Group will continue to focus on increased ticketless travel and greater use of the Internet as a distribution channel. The aim is to increase Scandinavian Airlines Businesses' proportion of reservations via the Internet to approximately 40% from approximately 20% at year-end 2004. SAS Braathens has just over 30% of its reservations via the Internet. Outstanding measures within IT amount to almost MSEK 200 and payment and distribution charges will also be reduced.

Reduction of full-time equivalents (FTEs)
Turnaround 2005 has identified redundancies totaling 6,000 FTEs. Of these, 4,580 FTEs had been phased out (employees have left the SAS Group) through December 2004 (450 within groupwide functions, 2,360 within Scandinavian Airlines Businesses, 1,470 within Airline Support Businesses and 300 from Subsidiary & Affiliated Airlines).

Restructuring costs
The restructuring costs that arose in Turnaround 2005 during 2004 amounted to MSEK 223 (496) of which approximately MSEK 100 relates to integration of Braathens and Scandinavian Airlines in SAS Braathens in Norway. Restructuring costs have not had a negative impact on cash. During 2005, restructuring costs are expected to be lower than in 2004.

Continued rationalization
The new group structure with incorporated units means it is easier to make comparisons and allows measures to be implemented faster. Turnaround 2005 is part of the SAS Group's strategic focus areas for cost efficiency. In addition to Turnaround 2005 the SAS Group will continue with rationalizations designed to guarantee competitiveness and will continually compare the Group's airlines with relevant competitors in order to ensure that they are competitive in the market.

Financial position
The SAS Group's liquid assets at December 31, 2004, amounted to MSEK 8,595 (9,066). In addition to liquid assets, the SAS Group had unutilized contracted loan commitments totaling MUSD 508. During 2004, MUSD 240 of an existing aircraft finance lease facility was utilized and existing bilateral bank facilities of MUSD 150 were renewed. In addition, two new bilateral bank facilities of MSEK 500 each were raised. In total, bilateral bank facilities amounted to approximately MSEK 2,000 at December 31, 2004. Other facilities of approximately MSEK 150 were renewed for one year. In May 2004, a revolving credit facility for MUSD 700 was replaced by a newly signed credit facility for MEUR 400 which matures in 2007.

The SAS Group's program to release capital continued during 2004. During the year the SAS Group sold four Boeing 737-800s and two Fokker F28s and three McDonnell Douglas MD-80s which were surplus aircraft. The Group also effected sale and leaseback of four deHavilland Q400s, three Airbus A340s and two Airbus A320s, two Boeing 737-800s and three Boeing 767-300s as part of the capital optimization program. This provides a total sales value of MSEK 5,669.

The financial net debt has improved since March 2004 by MSEK 2,901 and amounted to MSEK 17,377 (18,122). The SAS Group's financial position and preparedness are assessed as sufficient to carry out the measures within Turnaround 2005. Moody's downgraded SAS's creditworthiness in May from Ba3 to B1 for the company's senior implied rating and changed the outlook in August to "negative " from "stable". In January 2005 Moody's announced that a review of the SAS Group's creditworthiness will be performed.

The equity/assets ratio at December 31 was 19% (22%). The SAS Group's target is a debt/equity ratio that allows the Group to be regarded as an attractive borrower over the long term. The SAS Group's target is an equity/assets ratio of at least 30% and a debt/equity ratio that does not exceed 50%. These financial targets will be achieved through a combination of the measures within Turnaround 2005 and the program for release of capital.

The program for capital utilization is underway with a focus on aircraft, aircraft engines, spare parts and components.

Investments
The SAS Group's investments, including prepayments, amounted to MSEK 3,769 (4,488). Investments in aircraft and other flight equipment totaled MSEK 2,002 (2,817).

	Oct-Dec		**Jan-Dec**	
	2004	2003	**2004**	2003
Scandinavian Airlines Businesses	**104**	229	**874**	1,033
Subsidiary & Affiliated Airlines	**140**	955	**1,017**	1,970
Airline Support Businesses	**297**	82	**585**	494
Airline Related Businesses	**42**	51	**182**	177
Hotels	**278**	182	**521**	576
Groupwide functions and eliminations	**-99**	11	**590**	238
SAS Group	**762**	1,510	**3,769**	4,488

Firm orders for aircraft 2005-2007:

SAS Group	Total	Jan-Dec 2005	Jan-Dec 2006	Jan-Dec 2007
CAPEX (MUSD)	233	9	93	131
No. of aircraft	6	0	2	4

*) The SAS Group's contracted firm orders for aircraft are very limited during the period 2005-2007.

The SAS Group has had large surplus values in its aircraft fleet for a number of years. The size of surplus values mainly depends on the market value of aircraft, the depreciation rate applied, and the SEK/USD exchange rate. Due to lower market prices and major changes in the SEK/USD exchange rate, the SAS Group currently has a deficit value. The carrying amount for the Group's aircraft fleet at December 31, 2004, exceeded the market value by approximately MSEK 1,000. The deficit value is not expected to be long-term.

SAS Group's total aircraft fleet December 31, 2004:

Aircraft type	Own-ed	Leased in	**Total**	Leased out	Order
Airbus A330/340-300	5	6	**11**		
Airbus A320/A321-200	8	19	**27**		4
Boeing 767-300		3	**3**	3	
Boeing 737	28	52	**80**	5	2
Boeing 717		4	**4**		
McDonnell Douglas MD-81/82/83/87	28	60	**88**	3	
McDonnell Douglas MD-90	8		**8**		
Avro RJ-85/100		9	**9**		
Fokker F50	7	1	**8**	2	
deHavilland Q100-400	17	37	**54**	0	
SAAB 2000		5	**5**		
Total	101	196	**297**	13	6

Breakdown of the Group's fleet by airline:

Scandinavian Airlines Businesses	85	115	**200**	13	6
Spanair		53	**53**		
Widerøe	16	14	**30**		
Blue1		14	**14**		
Total	101	196	**297**	13	6

Currency and fuel hedging

The SAS Group has hedged approximately 75% of the USD deficit during 2005 of which approximately 55% is hedged with capped options. Of anticipated fuel consumption during the period January 2005 to December 2005, the Group has hedged 50% at an average price, including premium, of approximately USD 450/MT, solely with capped options.

Average number of employees in the SAS Group (FTEs)

	Oct-Dec		**Jan-Dec**	
	2004	2003	**2004**	2003
Scandinavian Airlines Businesses	**8,661**	10,744	**9,254**	11,170
Subsidiary & Affiliated Airlines	**5,264**	4,980	**5,145**	5,009
Airline Support Businesses	**11,931**	11,413	**11,893**	11,691
Airline Related Businesses	**872**	2,045	**862**	2,107
Hotels	**5,025**	3,610	**4,436**	3,474
Groupwide functions	**847**	1,038	**891**	1,093
SAS Group	**32,600**	33,830	**32,481**	34,544

Accounting principles

SAS AB's and the Group's year-end report is prepared in accordance with the Swedish Financial Accounting Standards Council's recommendations. RR29 has been applied since January 1, 2004, but has no effect on the SAS Group's accounts because IAS 19 has been applied since 1996 (see page 8). The accounting principles are therefore the same as those used in the most recent annual report.

Transition to reporting according to IFRS (International Financial Reporting Standards)

Background

With effect from January 1, 2005, the SAS Group will prepare its consolidated accounts according to International Financial Reporting Standards (IFRS), in accordance with the current EU directive. The Group has previously, as the Swedish Financial Accounting Standards Council has gradually introduced recommendations based on IFRS, adapted its accounting to IFRS as far as this has been possible with respect to Swedish legislation.

Despite this gradual adjustment, the Group's accounts will be affected as a result of the requirement for full compliance with IFRS.

The date for the transition to IFRS has been set as January 1, 2004, since IFRS requires restatement of a comparative year. The SAS Group is therefore publishing financial information according to IFRS for 2004 and 2005 in all financial reports prepared according to IFRS during 2005.

The interim report for the first quarter of 2005 will be the first financial report that the SAS Group prepares in compliance with IFRS.

The SAS Group's financial information according to Swedish accounting principles will be restated to comply with IFRS and complete disclosure and reconciliation of the differences will be presented in the interim report for the first quarter of 2005.

Transitional rules

The transition to IFRS will be reported in accordance with IFRS 1, First time adoption of International Financial Reporting Standards. The basic rule in IFRS 1 is retrospective application of all recommendations. In general, this means that the Group adopts its accounting principles, applies these retrospectively and determines an opening balance according to IFRS as of January 1, 2004. IFRS permits, however, certain voluntary exemptions from the principle of retrospective application. The SAS Group has made the following choices:

- Application of IFRS3 Business Combinations will apply with effect from the transition date January 1, 2004. This means that amortization of goodwill will cease with effect from January 1, 2004, and that IFRS 3 will be applied to acquisitions made from 2004 onwards. The acquisitions made in 2004 have been restated according to IFRS 3, but no effect arose.

- Not to zero accumulated translation differences according to IAS21, The Effects of Changes in Foreign Exchange Rates, on the transition date.

- Recognition of tangible fixed assets according to IAS16, Property, Plant and Equipment, will continue to be made at historical cost including accumulated depreciation and impairment losses and with regular testing for possible impairment. Component depreciation will be applied retrospectively. Regarding the aircraft fleet a number of essential components have been identified. The useful life of the various components has been determined whereby it was found that all components have the same useful life, i.e. 20 years.
  Retrospective application of component depreciation therefore has no effect since the total useful life applied for aircraft is 20 years.

- IAS19 will be applied retrospectively. Since 1996 the SAS Group has reported all defined benefit pension plans according to IAS19, Employee Benefits. The accounting consequences of applying IAS 19 for periods prior to 1996 have been examined. This examination showed that retroactive application of IAS 19 prior to 1996 would not have any significant effects on net income or the balance sheet. A transition to reporting according to IFRS will therefore have no significant effect on the SAS Group's accounts in this area. Based on an agreement with Alecta concerning calculation of obligations in the ITP Plan these will continue to be reported as defined benefit since information received is assessed as being reliable and accurate.

In accordance with the transitional rules for IAS39, Financial Instruments: Recognition and Measurement, the SAS Group will not restate financial information for 2004 with regard to financial instruments.

A summary is provided below of the preliminary significant effects that the transition to IFRS are expected to have on the Group's equity and net income for the full year 2004. This summary has been prepared in accordance with the IFRS principles that are expected to apply on December 31, 2005. Since IFRS is subject to continuous review and approval by the EU, changes may still occur. Furthermore, since the IFRS rules were recently introduced, clarifications from standard-setting bodies and development of practice within this area will lead to further clarifications which may have an effect on the information provided below.

Restated equity and net income for the Group

Summary reconciliation of consolidated equity	Note	January 1, 2004	December 31, 2004
Equity according to Swedish accounting principles		**13,134**	**11,159**
IFRS changes:			
Amortization of intangible assets with indeterminate useful life	a	-	181
Minority interests	b	112	25
Deferred tax on IFRS changes	c	-	-1
Total change IFRS		**112**	**205**
Equity according to IFRS		**13,246**	**11,364**

Summary reconciliation of consolidated net income:		January-December 2004
Income after tax according to Swedish accounting principles		**-1,872**
IFRS changes:		
Amortization of intangible assets with indeterminate useful life	a	181
Minority interests	b	-4
Deferred tax on IFRS changes	c	-1
Total change IFRS		**176**
Income after tax according to IFRS		**-1,696**

Explanatory notes:

a. **Amortization of goodwill**
According to IFRS3, Business Combinations goodwill should not be amortized but should instead be subject to an impairment test. The SAS Group's intangible assets mainly comprise goodwill. Since IFRS 3 is applied prospectively from the transition date, goodwill amortization for 2004 (amounting to MSEK 181) will be reversed according to IFRS.

In accordance with the transitional rules, SAS has performed impairment tests at January 1, 2004, and at December 31, 2004. These tests showed that no impairment losses exist.

b. **Minority interests**
According to IAS1, Presentation of Financial Statements, minority interests are a separate component in equity in the balance sheet. In the statement of income they are included as part of net income with an amount attributable to shareholders and minority owners respectively specified under net income.

c. **Deferred tax on IFRS changes**
Some of the above IFRS changes mean that a difference arises between tax base and book value. Deferred tax is reported on these differences.

Impact of IAS 39, Financial Instruments: Recognition and Measurement
The SAS Group applies IAS 39 with effect from January 1, 2005 and utilizes the exemptions allowed in IFRS 1 to not restate comparative figures/information regarding 2004. Consequently, recognition and measurement of financial instruments, handling of cash flow and fair value hedges and application of hedge accounting have been carried out in accordance with generally accepted accounting principles in Sweden.

The general principles for measurement of financial instruments according to IAS 39 are that financial assets and all derivative instruments should be measured at fair value while financial liabilities are measured at amortized cost. On transition to IFRS all financial instruments, including derivatives instruments, should be recognized in the balance sheet.

Accounting for changes in value of financial instruments is determined by the initial classification of each financial instrument. According to current principles financial assets and liabilities are recognized at cost which is applied according to the lower value principle. At transition to IFRS all financial assets will be classified as "assets at fair value through profit and loss" and measured at fair value or as "Loans and receivables" at cost (amortized cost) with the current changes in value recognized in profit or loss. Financial liabilities will be measured at amortized cost with the current changes in value recognized in profit or loss. The effects of revaluation from cost to fair value and amortized cost respectively affects the opening balance at January 1, 2005

According to IAS 39 all derivative instruments must be recognized in the balance sheet at fair value. Depending on whether hedge accounting is applicable and choice of hedge accounting method, the changes in value of the hedging instrument affect either equity (cash flow hedges) or profit or loss (fair value hedges). One essential criterion for being able to apply hedge accounting is that the hedging relationship is expected to be effective both at inception and during the hedging period. According to present accounting principles only financial derivatives entered into for hedging purposes are recognized in the balance sheet against an underlying loan financing or a forecast flow while effects have an impact on earnings.

Effect on equity at January 1, 2005, attributable to the transition to IAS 39	MSEK
Equity according to IFRS above	**11,364**
Fair value of short-term investments	1
Fair value of financial derivative instruments	-348
Amortized cost of financial borrowings	116
Fair value hedge	0
Cash flow hedge, commercial flows	22
Cash flow hedge, aircraft	2,248
Deferred tax	-571
Total change to IAS 39	**1,468**
Equity after transition to IAS 39 at January 1, 2005	**12,832**

Parent Company SAS AB

income after financial items amounted to MSEK 899 (401) for the period.

Available liquidity for SAS AB at December 31, 2004, amounted to MSEK 1 compared with MSEK 1 at the beginning of the year.

The number of shareholders in SAS AB amounted to 22,270 at December 31, 2004. The average number of employees in SAS AB amounted to 161 (in the previous year 153 people were transferred as of November 1 from the SAS Consortium).

Statement of income	**January– December**	
(MSEK)	**2004**	2003 *
Operating revenue	**172**	1
Payroll expenses	**-231**	-47
Other operating expenses	**-250**	-27
Operating income before depreciation	**-309**	-73
Depreciation	**-1**	0
Income from the sale of shares in subsidiaries	**1,335**	538
Dividends from subsidiaries	**70**	-
Operating income	**1,095**	465
Net financial items	**-196**	-64
Income after financial items	**899**	401
Tax	**138**	38
Income after tax	**1,037**	439

* As of November 1, 2003, certain groupwide functions were transferred to SAS AB.

Balance sheet	**Dec 31**	Dec 31
(MSEK)	**2004**	2003
Fixed assets	**9,386**	8,418
Current assets	**375**	4
Total assets	**9,761**	8,422
Shareholders' equity	**3,458**	2,305
Long-term liabilities	**6,168**	6,028
Current liabilities	**135**	89
Total shareholders' equity and liabilities	**9,761**	8,422

Change in shareholders' equity

(MSEK)	Share capital	Restrict. reserves	Unrest. equity	Total equity
Opening balance, Jan 1, 2003	1,645	180	41	1,866
Net income for the year			439	439
Equity, Dec 31, 2003	1,645	180	480	2,305
Transfer between unrestricted and restricted equity		22	-22	
Group contribution received, net			116	116
Net income for the year			1,037	1,037
Equity, Dec 31, 2004	1,645	202	1,611	3,458

Proposed a dividend for 2004

In the present circumstances, with negative earnings in operations, financial strength is of decisive importance. The Board of Directors therefore proposes that no dividend be paid to SAS AB's shareholders for the 2004 fiscal year.

Outlook for the full-year 2005

2004 was characterized by intense competition and significant overcapacity, which led to strong price pressure and low cabin factors. Furthermore, fuel prices reached record levels.

During the year systematic work was carried out to cut costs within the framework of Turnaround 2005. A clear and transparent business structure was also introduced. The decline in yield was halted through stricter yield management, and the introduction of fuel surcharges is now compensating for the high price of fuel. The underlying earnings trend in the fourth quarter shows that a number of operational parameters are developing in a positive direction.

A positive general market development is expected in 2005 and an unchanged competitive situation. Ongoing capacity adjustments and an intensified concentration on specific commercial activities with a strong customer focus are expected to stabilize yield and improve cabin factors.

Concrete action plans are in place in order to ensure completion of outstanding activities within Turnaround 2005. These will be completed by the end of 2005, and simultaneously each company will work with ongoing rationalization.

Continued major uncertainty over development in the airline industry gives reason to be cautious, but subject to unchanged yields, favorable traffic development and no significant changes in the business environment, adopted business plans indicate positive earnings for 2005.

Stockholm, February 10, 2005
SAS AB

Jørgen Lindegaard
President and CEO

The Company's auditors have not reviewed this report.

SAS Group

Statement of income

(MSEK)	October-December 2004	October-December 2003	January-December 2004	January-December 2003
Operating revenue	**14,940**	13,824	**58,073**	57,754
Payroll expenses	**-4,962**	-5,457	**-19,585**	-21,927
Other operating expenses	**-8,797**	-7,553	**-34,105**	-32,066
Leasing costs for aircraft	**-667**	-655	**-2,689**	-2,935
Depreciation	**-717**	-740	**-2,853**	-3,046
Share of income in affiliated companies	**24**	-17	**137**	39
Income from the sale of shares in subsidiaries and affiliated companies	**2**	651	**5**	651
Income from the sale of aircraft and buildings	**34**	-96	**113**	649
Operating income	**-143**	-43	**-904**	-881
Income from other shares and participations	**0**	8	**1**	-1
Net financial items	**-276**	-210	**-1,042**	-588
Income after financial items	**-419**	-245	**-1,945**	-1,470
Tax	**-232**	-364	**69**	5
Minority interests	**15**	28	**4**	50
Income after tax	**-636**	-581	**-1,872**	-1,415
Earnings per share (SEK)[1]	**-3.87**	-3.53	**-11.38**	-8.60

Statement of income with additional cost specifications is available on page 12.

1) Earnings per share is calculated on 164,500,000 outstanding shares (RR18). Since the SAS Group has no options, convertibles, or share programs, dilution cannot occur.

Balance sheet

(MSEK)	December 31 2004	December 31 2003	December 31 2002
Intangible fixed assets	**3,029**	2,810	3,169
Tangible fixed assets	**24,166**	29,706	33,683
Financial fixed assets	**11,074**	10,252	9,993
Total fixed assets	**32,269**	42,768	46,845
Current assets	**1,289**	1,286	1,410
Current receivables	**9,459**	8,155	7,834
Cash, bank and short-term investments	**8,595**	9,066	10,721
Total current assets	**19,343**	18,507	19,965
Total assets	**57,612**	61,275	66,810
Shareholders' equity	**11,159**	13,134	15,188
Minority interests	**25**	112	166
Provisions	**4,255**	4,888	5,444
Long-term liabilities	**18,401**	20,855	21,652
Current liabilities	**23,772**	22,286	24,360
Total shareholders' equity and liabilities	**57,612**	61,275	66,810

Change in shareholders' equity

(MSEK)	Oct-Dec 2004	Jan-Dec 2004	Oct-Dec 2003	Jan-Dec 2003	Jan-Dec 2002
Opening balance	**11,943**	**13,134**	13,798	15,188	15,544
New issue		**-**	-	-	197
Change in translation difference	**-148**	**-103**	-83	-639	-32
Effect of consolidation of affiliated company			-	-	-389
Income after tax	**-636**	**-1,872**	-581	-1,415	-132
Closing balance	**11,159**	**11,159**	13,134	13,134	15,188
Equity per share (SEK) [1]	**67.84**	**67.84**	79.84	79.84	92.33

[1] Calculated on 164,500,000 outstanding shares. The SAS Group has not carried out any share buy-back programs.

SAS Group

Statement of income–quarterly breakdown

(MSEK)	2002 OCT-DEC	2002 FULL YEAR JAN-DEC	2003 JAN-MAR	2003 APR-JUN	2003 JUL-SEP	2003 OCT-DEC	2003 FULL YEAR JAN-DEC	**2004 JAN-MAR**	**2004 APR-JUN**	**2004 JUL-SEP**	**2004 OCT-DEC**	**2004 FULL YEAR JAN-DEC**
Operating revenue	16,709	64,944	13,710	15,300	14,920	13,824	57,754	**12,567**	**15,143**	**15,423**	**14,940**	**58,073**
Payroll expenses	-6,311	-22,352	-5,741	-5,564	-5,165	-5,457	-21,927	**-4,889**	**-5,069**	**-4,665**	**-4,962**	**-19,585**
Other operating expenses	-9,066	-35,298	-8,367	-8,128	-8,018	-7,553	-32,066	**-7,722**	**-8,581**	**-9,005**	**-8,797**	**-34,105**
Leasing costs for aircraft	-887	-3,747	-832	-719	-729	-655	-2,935	**-639**	**-678**	**-705**	**-667**	**-2,689**
Depreciation	-806	-2,953	-753	-780	-773	-740	-3,046	**-729**	**-704**	**-703**	**-717**	**-2,853**
Share of income in affiliated companies	-72	-409	25	27	4	-17	39	**64**	**30**	**19**	**24**	**137**
Income from the sale of shares in subsidiaries and affiliated companies	-13	817	0	0	0	651	651	**0**	**3**	**0**	**2**	**5**
Income from the sale of aircraft and buildings	139	-320	50	136	559	-96	649	**48,**	**63**	**-32**	**34**	**113**
Operating income	-307	682	-1,908	272	798	-43	-881	**-1,300**	**207**	**332**	**-143**	**-904**
Income from other shares and participations	-160	-180	-17	8	0	8	-1	**0**	**0**	**1**	**0**	**1**
Net financial items	-216	-952	49	-193	-234	-210	-588	**-283**	**-207**	**-276**	**-276**	**-1,042**
Income after financial items	-683	-450	-1,876	87	564	-245	-1,470	**-1,583**	**0**	**57**	**-419**	**-1,945**
Tax	370	267	174	-1	196	-364	5	**166**	**103**	**32**	**-232**	**69**
Minority interests	29	51	103	-20	-61	28	50	**15**	**-5**	**-21**	**15**	**4**
Income after tax	-284	-132	-1,599	66	699	-581	-1,415	**-1,402**	**98**	**68**	**-636**	**-1,872**

Cash flow statement

(MSEK)	**October-December 2004**	October-December 2003	**January-December 2004**	January-December 2003
Income after financial items	**-419**	-245	**-1,945**	-1,470
Depreciation	**717**	740	**2,853**	3,046
Income from the sale of fixed assets	**-36**	-563	**-118**	-1,329
Adjustment for items not included in cash flow, etc.	**-34**	-216	**-181**	-246
Paid tax	**21**	-105	**-18**	-279
Cash flow from operations	**249**	-389	**591**	-278
Change in working capital	**-14**	111	**-2,127**	-889
Cash flow from operating activities	**235**	-278	**-1,536**	-1,167
Investments including prepayments to aircraft suppliers	**-762**	-1,509	**-3,155**	-4,454
Acquisition of subsidiaries	**0**	0	**-614**	-34
Sale of subsidiaries	**0**	884	**0**	884
Sale of fixed assets, etc.	**1,814**	1,802	**6,853**	4,651
Cash flow before financing activities	**1,287**	899	**1,548**	-120
External financing, net	**-295**	675	**-2,016**	-1,480
Cash flow for the period	**992**	1,574	**-468**	-1,600
Translation difference in liquid assets	-4	9	-3	-55
Change in liquid assets according to the balance sheet	**988**	1,583	**-471**	-1,655

Comments on the cash flow statement

Cash flow from operations during 2004 was positive with MSEK 591 (-278). The improved cash flow compared with the previous year is mainly explained by improved operating income. Working capital decreased, due among other things to lower provisions for restructuring costs and some operating receivables of approximately MSEK 300 to be paid at the beginning of 2005.

Investments in aircraft and other flight equipment amounted to MSEK 2,002 (2,817) and mainly relate to delivery of one Airbus A330, two Airbus A320s and one Boeing 737. In 1998-2002 the SAS Group carried out an extensive investment program for replacement of the aircraft fleet. The last Airbus A330 which was phased into the long-haul fleet was delivered in January 2004. This program is now mainly completed and the SAS Group will have very limited investments over the next 3-4 years. Acquisition of subsidiaries amounted to MSEK 614 (34) and comprised the increased holding in Spanair from 74% to 95%. Sale of fixed assets, etc., amounted to MSEK 6,853 (4,651) and mainly relates to the sale of aircraft. The SAS Group's cash flow before financing activities thus amounted to MSEK 1,548 (-120).

External financing was negative and amounted to MSEK -2,016 (-1,480) due to amortization of existing loans according to plan. The SAS Group's liquid assets according to the balance sheet were on a par with the previous year and amounted to MSEK 8,595 (9,066).

SAS Group

Specified statement of income

(MSEK)	October-December 2004	October-December 2003	January-December 2004	January-December 2003
Passenger revenue	**9,396**	9,138	**36,930**	38,579
Charter revenue	**739**	532	**3,773**	3,324
Freight revenue	**539**	701	**2,432**	2,620
Other traffic revenue	**578**	583	**1,644**	1,941
Other operating revenue	**3,688**	2,870	**13,294**	11,290
Operating revenue	**14,940**	13,824	**58,073**	57,754
Payroll expenses	**-4,962**	-5,457	**-19,585**	-21,927
Selling costs	**-272**	-260	**-1,233**	-1,452
Jet fuel	**-1,731**	-1,114	**-6,252**	-4,743
Government user fees	**-1,505**	-1,366	**-6,139**	-5,842
Catering costs	**-419**	-441	**-1,783**	-2,226
Handling costs	**-640**	-625	**-2,539**	-2,553
Technical aircraft maintenance	**-560**	-324	**-2,329**	-2,650
Data and telecommunication costs	**-805**	-620	**-2,985**	-2,377
Other operating expenses	**-2,865**	-2,803	**-10,845**	-10,223
Operating expenses	**-13,759**	-13,010	**-53,690**	-53,993
Income before depreciation and leasing costs, EBITDAR	**1,181**	814	**4,383**	3,761
Leasing costs for aircraft	**-667**	-655	**-2,689**	-2,935
Income before depreciation, EBITDA	**514**	159	**1,694**	826
Depreciation	**-717**	-740	**-2,853**	-3,046
Share of income in affiliated companies	**24**	-17	**137**	39
Income from the sale of shares in subsidiaries and affiliated companies	**2**	651	**5**	651
Income from the sale of aircraft and buildings	**34**	-96	**113**	649
Operating income, EBIT	**-143**	-43	**-904**	-881
Income from other shares and participations	**0**	8	**1**	-1
Net financial items	**-276**	-210	**-1,042**	-588
Income after financial items, EBT	**-419**	-245	**-1,945**	-1,470

Income before capital gains and nonrecurring items

(MSEK)	October-December 2004	October-December 2003	January-December 2004	January-December 2003
Income after financial items	**-419**	-245	**-1,945**	-1,470
Impairment losses	**27**	52	**27**	82
Restructuring costs	**84**	341	**223**	496
Capital gains	**-36**	-563	**-118**	-1,329
Income before capital gains and nonrecurring items	**-344**	-415	**-1,813**	-2,221

Financial key ratios

	December 31 2004	December 31 2003	December 31 2002
EBITDAR margin [1]	**8%**	7%	11%
EBIT margin [2]	**-2%**	-2%	1%
CFROI[3]	**9%**	7%	13%
Return on equity	**-16%**	-10%	-1%
Equity/assets ratio	**19%**	22%	23%
Net debt, MSEK[4]	**9,956**	11,466	11,574
Financial net debt, MSEK[5]	**17,377**	18,122	17,872
Debt/equity ratio [6]	**1.55**	1.37	1.16
Adjusted debt/equity ratio7	**3.24**	2.92	2.87
Interest cover ratio [8]	**-0.4**	0.1	0.8

[1] EBITDAR in relation to operating revenue
[2] EBIT in relation to operating revenue
Based on market-adjusted capital employed which includes the market value of the aircraft fleet and capitalized leasing costs
[4] Interest-bearing liabilities minus interest-bearing assets
[5] Interest-bearing liabilities minus interest-bearing assets excluding pension funds, net
[6] Debt/equity ratio calculated as financial net debt in relation to shareholders' equity and minority interests
[7] Adjusted debt/equity ratio calculated as financial net debt plus 7 times leasing costs for aircraft in relation to equity and minority interests
[8] Operating income plus financial revenue in relation to financial expenses

SAS Group

Segment reporting: income by business area

Statement of income January– December	Scandinavian Airlines Businesses		Subsidiary & Affiliated Airlines		Airline Support Businesses		Airline Related Businesses		Hotels		Groupwide & eliminations		SAS Group	
	2004	2003	**2004**	2003	**2004**	2003	**2004**	2003	**2004**	2003	**2004**	2003	**2004**	2003
External sales	**34,344**	30,088	**11,760**	17,214	**4,634**	4,346	**2,452**	2,494	**4,452**	3,467	**431**	145	**58,073**	57,754
Sales between business segments	**1,329**	1,576	**78**	301	**9,579**	9,504	**461**	2,282	**100**	91	**-11,547**	-13,754	**0**	0
Total operating revenue	**35,673**	31,664	**11,838**	17,515	**14,213**	13,850	**2,913**	4,776	**4,552**	3,558	**-11,116**	-13,609	**58,073**	57,754
Payroll expenses	**-8,106**	-7,816	**-2,485**	-4,045	**-6,204**	-6,108	**-447**	-1,342	**-1,664**	-1,468	**-679**	-1,148	**-19,585**	-21,927
Other expenses	**-25,540**	-22,347	**-7,887**	-11,182	**-6,932**	-7,134	**-2,269**	-3,106	**-2,751**	-2,215	**11,274**	13,918	**-34,105**	-32,066
EBITDAR per business segment	**2,027**	1,501	**1,466**	2,288	**1,077**	608	**197**	328	**137**	-125	**-521**	-839	**4,383**	3,761
Leasing costs for aircraft	**-1,557**	-1,328	**-1,132**	-1,754	**0**	0	**0**	0	**0**	0	**0**	147	**-2,689**	-2,935
EBITDA per business segment	**470**	173	**334**	534	**1,077**	608	**197**	328	**137**	-125	**-521**	-692	**1,694**	826
Depreciation	**-1,448**	-1,427	**-410**	-560	**-495**	-451	**-147**	-259	**-165**	-138	**-188**	-211	**-2,853**	-3,046
Share of income in affiliated companies	**62**	65	**50**	-5	**0**	0	**0**	-17	**28**	19	**-3**	-23	**137**	39
Capital gains	**162**	113	**53**	117	**5**	0	**1**	0	**53**	4	**-156**	1,066	**118**	1,300
EBIT per business segment	**-754**	-1,076	**27**	86	**587**	157	**51**	52	**53**	-240	**-868**	140	**-904**	-881
Unallocated income statement items														
Income from other shares and participations													**1**	-1
Net financial items													**-1,042**	-588
Tax on income for the year													**69**	5
Minority interests													**4**	50
Income after tax													**-1,872**	-1,415

SAS Group's objectives

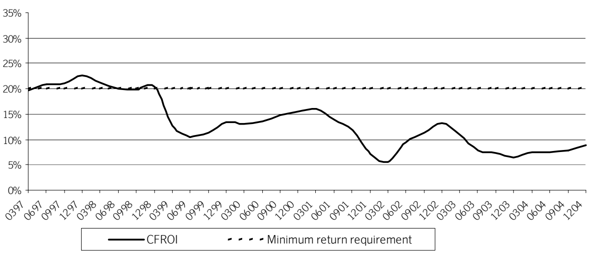
Targets

SAS Group has a target for total shareholder return (TSR) of a minimum of 14% over a business cycle. The return target refers to the sum of share price appreciation and reinvested dividends. Based on this return target, the SAS Group has set its internal financial target, CFROI.

During the full year 2004 the Group generated income before net financial items, tax, depreciation, capital gains and operating lease costs (EBITDAR) of MSEK 4,383 (3,761). Adjusted EBITDAR amounted to MSEK 4,220 (3,616). Set in relation to adjusted capital employed CFROI was 9% (7%), which is 11 percentage points below target.

Performance target - CFROI
One of the Group's objectives over the next five years is to reach a CFROI of an average minimum of 20% per year, where average capital allocation for replacement of the aircraft fleet is taken into account.

Development of cash flow return on investments, CFROI (%)



Income and capital concepts included in CFROI

(MSEK)	**2004**	2003
Income		
Income before depreciation, EBITDA	**1,694**	826
+ Operating lease costs, aircraft	**2,689**	2,935
EBITDAR	**4,383**	3,761
- Revenues from operating leases, aircraft	**-163**	-145
Adjusted EBITDAR	**4,220**	3,616
Adjusted capital employed (average)		
+ Shareholders' equity	**11,990**	13,742
+ Minority interests	**43**	119
+ Surplus value, aircraft	**-674**	167
+ Capitalized leasing costs, net (x 7)*	**18,130**	22,844
- Equity in affiliated companies	**-666**	-519
+ Financial net debt	**18,592**	19,031
Adjusted capital employed	**47,415**	55,384
CFROI	**9%**	7%

* In the capital market the calculation model 7 times the annual cost is used regardless of the term of the leases. The SAS Group takes leasing revenues into account in this item. NPV (Net Present Value) amounted at the end of the year to MSEK 10,587 (10,028). Average NPV for the 12-month period amounted to MSEK 11,546 (11,130).

Scandinavian Airlines Businesses

(former Scandinavian Airlines business area, with Braathens included from January 1, 2004)

Statement of income

(MSEK)	October-December 2004 [1]	October-December 2003	October-December 2003 Pro forma [2]	January-December 2004 [1]	January-December 2003	January-December 2003 Pro forma [2]
Passenger revenue	**7,581**	6,186	7,442	**29,480**	26,175	31,481
Other traffic revenue	**1,017**	725	880	**3,399**	2,812	3,470
Other revenue	**713**	702	732	**2,794**	2,677	2,875
Operating revenue	**9,311**	7,613	9,054	**35,673**	31,664	37,826
Payroll expenses	**-1,988**	-1,790	-2,220	**-8,106**	-7,816	-9,467
Selling costs	**-199**	-153	-183	**-882**	-852	-976
Jet fuel	**-1,279**	-696	-844	**-4,508**	-2,894	-3,511
Government user fees	**-1,092**	-776	-1,007	**-4,383**	-3,170	-4,198
Catering costs	**-242**	-235	-270	**-1,019**	-1,188	-1,464
Handling costs	**-1,393**	-1,176	-1,309	**-5,519**	-4,679	-5,259
Technical aircraft maintenance	**-1,084**	-816	-906	**-4,170**	-4,287	-4,618
Data and telecommunication costs	**-487**	-484	-539	**-1,757**	-1,860	-2,084
Other operating expenses	**-868**	-986	-1,139	**-3,302**	-3,417	-4,011
Operating expenses	**-8,632**	-7,112	-8,417	**-33,646**	-30,163	-35,588
Income before depreciation and leasing costs, EBITDAR	**679**	501	637	**2,027**	1,501	2,238
Leasing costs for aircraft	**-404**	-278	-382	**-1,557**	-1,328	-1,795
Income before depreciation, EBITDA	**275**	223	255	**470**	173	443
Depreciation	**-368**	-354	-399	**-1,448**	-1,427	-1,619
Share of income in affiliated companies	**16**	16	16	**62**	65	65
Capital gains	**136**	-8	-9	**162**	113	123
Operating income, EBIT	**59**	-123	-137	**-754**	-1,076	-988
Income from other shares and participations	**0**	5	5	**0**	5	5
Net financial items	**-184**	-166	-165	**-701**	-672	-702
Scandinavian Airlines Businesses -Income after financial items	**-125**	-284	-297	**-1,455**	-1,743	-1,685

[1] Scandinavian Airlines Businesses including Braathens excluding Braathens Technical Services (BTS)
[2] Scandinavian Airlines Businesses including Braathens and Braathens Technical Services (BTS)

Traffic and market development

Scandinavian Airlines Businesses' traffic rose during 2004 by 6.1% and by 2.0% in the fourth quarter. Growth was strongest in the first half of the year and then decreased because comparative figures were no longer affected to the same extent by SARS and the war in Iraq, and because of weaker underlying growth. Capacity rose 5.3% during the year and the cabin factor improved by 0.4 percentage points to 65.2%.

Yield fell the full year 2004 by 9.1%. The decline was due to a 16% fall in the first half of the year caused by a negative mix, fare reductions and an increased offering of low-priced tickets. Yield stabilized in the second half of the year and increased by 1.2% in the fourth quarter. The improvement in the fourth quarter was due to the full effect of fuel surcharges, yield optimization and weaker comparative figures due to fare reductions in the fourth quarter of 2003.

Yield development was strongest on the intercontinental routes and rose during 2004 by 3.1%. In the fourth quarter specifically, yield rose by 9.6% due to the introduction of fuel surcharges and a positive mix on the intercontinental routes. The currency adjusted yield on European traffic decreased by 12.3% during 2004 and by 5.9% in the fourth quarter. The decline is partly due to longer routes, a changed mix and fare adjustments but is also a result of overcapacity. On the intra-Scandinavian routes the currency adjusted yield decreased by 18.3% despite favorable traffic development and improved cabin factors. In the fourth quarter yield fell by 0.8%. A corresponding trend occurred on domestic routes in Denmark, Sweden and Norway. The greatest decline in yield was in Sweden where it fell by 11.4% during the year due to substantial overcapacity and several campaigns at the beginning of 2004.

Scandinavian Airlines Businesses, Total 1)

		October-December 2004	change	January-December 2004	change
Number of passengers	(000)	**5,648**	-1.4%	**23,780**	1.5%
Revenue passenger km (RPK)	(mill)	**6,151**	2.0%	**26,443**	6.1%
Available seat km (ASK)	(mill)	**10,001**	4.9%	**40,574**	5.3%
Cabin factor		**61.5%**	-1.8%pts,	**65.2%**	0.4%pts

1) Includes Braathens for 2003-2004.

Currency adjusted yield trend by route sector 1)

	October-December Change vs. 2003	January-December Change vs. 2003
Intercontinental routes	9.6%	3.1%
European routes	-5.9%	-12.3%
Intra-Scandinavian routes	-0.8%	-18.3%
Danish domestic	16.4%	-1.2%
Norwegian domestic	0.2%	-7.2%
Swedish domestic	-1.5%	-11.4%
Total	**1.2%**	**-9.1%**

Currency adjusted unit cost trend

Total unit cost, incl. charter	-5.8% 2)	-11.0% 3)
Operational unit cost, incl. charter	-5.2% 2)	-10.5% 3)

1) Includes Braathens for 2003-2004.
2) Increased fuel costs had a negative impact on unit cost of 4.4%pts
3) Increased fuel costs had a negative impact on unit cost of 2.7%pts

Earnings trend

2004 started very weakly with low business volumes and strong pressure on yield. The market gradually improved in February/March and volumes rose. The major overcapacity, particularly in Scandinavia, meant that yield declined further which led to the recovery in the spring being weaker than expected. Yield has stabilized since June. According to independent sources, fares within Scandinavia and to/from Scandinavia were among the lowest in Europe after the fall in prices. Volume growth weakened, however, in autumn 2004 and did not match the increased capacity. The cost of overcapacity is estimated at MSEK 300-400 for the second half of the year in the form of a lower cabin factor. Within the framework of Capacity & Utilization Focus, capacity will be reduced by 4% in the first quarter of 2005.

Scandinavian Airlines Businesses' operating revenue rose in 2004 by 12.7% to MSEK 35,673 (31,664). The increase is due to integration of Braathens. Pro forma (Scandinavian Airlines including Braathens) operating revenue decreased by 5.7%. The currency adjusted yield for the same period fell by 9.1% while volume rose 6.1%.

Operating expenses rose in 2004 by MSEK 3,483 to MSEK 33,646 (30,163). The increase was due to the consolidation of Braathens and increased volume. Pro forma expenses decreased despite increased volumes and higher fuel prices, by MSEK 1,942 as a result of Turnaround 2005. The total unit cost decreased during 2004 by 11.0%. The unit cost adjusted for increased jet fuel costs decreased by 13.7% (including Braathens). The number of FTEs decreased compared with the previous year by 1,916 (including Braathens). Pro forma payroll expenses decreased by MSEK 1,361.

Fuel costs rose pro forma by MSEK 997 compared with the previous year. The increase is due to increased capacity and significantly higher price levels. The unit cost for jet fuel rose by 28%. Handling costs pro forma rose in 2004 by MSEK 260 due to increased volume. Technical aircraft maintenance decreased by MSEK 448, due to efficiency enhancements and transfer of operations to SGS.

The joint-venture agreement, ECA (European Cooperation Agreement), between British Midland, Lufthansa and Scandinavian Airlines had a negative earnings impact during 2004 of MSEK –134 (-244).

Operating income before depreciation and leasing costs (EBITDAR) amounted in 2004 to MSEK 2,027 (1,501).

Income after financial items excluding capital gains and nonrecurring items amounted to MSEK –1,439 (-1,763).

Fourth quarter

Operating revenue rose in the fourth quarter by MSEK 1,698 to MSEK 9,311 (7,613) due to an improved yield, bigger volumes and the consolidation of Braathens. Pro forma operating revenue rose by 2.8%. Pro forma passenger revenue rose by 1.9%. The increase is due to greater traffic volumes and a 1.2% increase in the currency adjusted yield.

Operating expenses rose by MSEK 1,520 compared with the fourth quarter of 2003 due to higher volumes, very high fuel prices and the consolidation of Braathens to MSEK 8,632 (7,112). The total unit cost decreased during the quarter by 5.8% compared with the same period in 2003. The unit cost adjusted for increased jet fuel costs decreased by 10.2%. Unit costs for employees improved by 22%. Fuel costs rose by MSEK 435. Compared with the fourth quarter of 2003 the unit cost decreased by approximately 25% adjusted for currency effects and fuel prices.

Income for ECA amounted to MSEK –46 (35) in the fourth quarter.

Income after financial items and excluding capital gains and non-recurring items amounted to MSEK -138 (-243).

SAS Braathens

(MSEK)	**Jan-Dec Pro forma 2004**
Passenger revenue	**9,012**
Other revenue	**2,406**
Total revenue	**11,418**
Payroll expenses	**-2,924**
Other operating expenses	**-7,307**
Total operating expenses	**-10,231**
Operating income before depreciation, leasing-costs, EBITDAR	**1,187**
Leasing costs	**-1,133**
Operating income before depreciation, EBITDA	**54**
Depreciation	**-108**
Capital gains	**-69**
Operating income, EBIT	**-123**[1)]
Net financial items	**-39**
Income after financial items	**-162**[2)]
EBITDAR margin	**10,4%**

[1)]Income before capital gains and nonrecurring items amounted to MSEK 43.
[2)]Income before capital gains and nonrecurring items amounted to MSEK 4.

Traffic and production	**Jan-Dec 2004**	Jan-Dec Change
Scheduled traffic		
No. of passengers (000)	**8,772**	3.6%
RPK (mill)	**5,788**	9.1%
ASK (mill)	**9,588**	3.8%
Cabin factor	**60.4%**	+2.9%pts

Traffic and earnings trend

SAS Braathens has been a separate operating unit since May 2004 but was established as a legal unit from October 1, 2004. SAS Braathens is reported pro forma for the full year 2004 within the Scandinavian Airlines Businesses business area.

SAS Braathens' traffic (RPK) rose in 2004 by 9.1% and capacity (ASK) by 3.8% compared with 2003. The number of transported passengers rose by 3.6% and the cabin factor improved by 2.9 percentage points to 60.4%. Traffic grew on both Norwegian domestic and international routes and SAS Braathens transported a total of 8.8 million passengers in 2004.

SAS Braathens' operating revenue amounted to MSEK 11,418 in 2004. Yield was negative in 2004 but was offset by good traffic growth. SAS Braathens introduced a new fare concept based on one-way fares and dynamic pricing in May 2004. This introduction has been highly successful in the Norwegian market.

Turnaround 2005 was implemented as planned during 2004 which, combined with the positive traffic trend, meant that income after financial items for 2004 amounted to MSEK -162. Income before capital gains and nonrecurring items was positive and amounted to MSEK 4.

Subsidiary & Affiliated Airlines
(excluding Braathens)

Statement of income

(MSEK)	October-December 2004	2003	2003 Pro forma[1]	January-December 2004	2003	2003 Pro forma[1]
Passenger revenue	**1,815**	2,952	1,696	**7,450**	12,404	7,098
Freight revenue	**31**	23	23	**118**	95	95
Charter revenue	**496**	497	441	**2,736**	3,033	2,639
Other traffic revenue	**85**	177	75	**280**	520	244
Other revenue	**381**	367	261	**1,254**	1,463	1,025
Operating revenue	**2,808**	4,016	2,496	**11,838**	17,515	11,101
Payroll expenses	**-655**	-1,032	-602	**-2,485**	-4,045	-2,394
Selling costs	**-73**	-106	-76	**-350**	-597	-473
Jet fuel	**-449**	-425	-277	**-1,746**	-1,851	-1,234
Government user fees	**-398**	-569	-338	**-1,696**	-2,577	-1,549
Catering costs	**-162**	-196	-161	**-721**	-997	-721
Handling costs	**-199**	-307	-174	**-786**	-1,340	-760
Technical aircraft maintenance	**-139**	-290	-200	**-818**	-1,277	-946
Data and telecommunication costs	**-60**	-153	-99	**-258**	-653	-429
Other operating expenses	**-361**	-483	-295	**-1,512**	-1,890	-1,191
Operating expenses	**-2,496**	-3,561	-2,222	**-10,372**	-15,227	-9,697
Income before depreciation and leasing costs, EBITDAR	**312**	455	274	**1,466**	2,288	1,404
Leasing costs for aircraft	**-263**	-423	-274	**-1,132**	-1,754	-1,140
Income before depreciation, EBITDA	**49**	32	0	**334**	534	264
Depreciation	**-114**	-130	-85	**-410**	-560	-368
Share of income in affiliated companies	**2**	-5	-5	**50**	-5	-5
Capital gains	**-2**	81	82	**53**	117	107
Operating income, EBIT	**-65**	-22	-8	**27**	86	-2
Income from other shares and participations	**0**	0	0	**0**	-30	-30
Net financial items	**-26**	-3	-4	**-110**	-123	-93
Subsidiary & Affiliated Airlines - Income after financial items	**-91**	-25	-12	**-83**	-67	-125

[1] Subsidiary & Affiliated Airlines excluding Braathens

Earnings trend

Subsidiary & Affiliated Airlines, comprises the airlines Spanair, Widerøe's Flyveselskap and Blue1. The business area includes the strategic holdings in affiliated companies Estonian Air and airBaltic. Air Greenland, Skyways and British Midland are also included as affiliated companies. In October 2004 Braathens was integrated in the business area Scandinavian Airlines Businesses. Pro forma results for 2003 exclude Braathens since Braathens is included in the 2003 income statement but not in the 2004 income statement.

In 2004 the business area accounted for 18% of the SAS Group's operating revenue before groupwide eliminations. The majority owned airlines within the business area transported 8,6 million passengers in 2004 and at December 31, 2004, had a fleet of 97 aircraft. The average number of employees in January-December was 5,145 (5,009)

The business area’s operating revenue for the full year 2004 amounted to MSEK 11,838 (17,515) and to MSEK 2,808 (4,016) in the fourth quarter. For the full year the business area reported income after financial items of MSEK -83 (-67), a decline of MSEK 16. Income after financial items for the fourth quarter amounted to MSEK -91 (-25).

Goodwill amortization for Spanair was charged to the business area's earnings with MSEK 82 (52). Spanair’s income after financial items amounted to MSEK -41 (-45). Income after financial items for the fourth-quarter decreased by MSEK 100 and amounted to MSEK -100 (0).

Widerøe's income after financial items was the best ever and amounted to MSEK 84 (77).

Blue1’s income after financial items amounted to MSEK -111 (-80). In the fourth quarter earnings improved compared with 2003 by MSEK 43 and amounted to MSEK 1 (-42).

Spanair

(MSEK)	Oct-Dec 2004	Jan-Dec 2004	Jan-Dec 2003
Passenger revenue	**1,078**	**4,706**	4,552
Other revenue	**621**	**3,243**	3,076
Total revenue	**1,699**	**7,949**	7,628
Payroll expenses	**-284**	**-1,147**	-1,086
Other operating expenses	**-1,144**	**-5,550**	-5,437
Total operating expenses	**-1,428**	**-6,697**	-6,523
Operating income before depreciation, leasing-costs, EBITDAR	**271**	**1,252**	1,105
Leasing costs	**-318**	**-1,146**	-1,093
Operating income before depreciation, EBITDA	**-47**	**104**	12
Depreciation	**-41**	**-126**	-103
Capital gains	**0**	**47**	107
Operating income, EBIT	**-88**	**25**	16
Net financial items	**-12**	**-66**	-61
Income after financial items	**-100**	**-41**	-45
EBITDAR margin	**16.0%**	**15.8%**	14.5%
Average number of employees	**2,603**	**2,631**	2,535

Specified statement of income available at www.sasgroup.net

Traffic and production	**Oct-Dec 2004**	Oct-Dec Change	**Jan-Dec 2004**	Jan-Dec Change
Scheduled traffic				
No. of passengers (000)	**1,243**	5.0%	**5,644**	6.7%
RPK (mill)	**1,165**	12.1%	**5,106**	12.2%
ASK (mill)	**2,038**	11.6%	**8,461**	13.0%
Cabin factor	**57.2%**	+0.3%pts	**60.3%**	-0.4%pts
Yield, local currency		-7.0%		-7.6%
Unit cost, tot. local currency				-10.4%
Charter traffic				
No. of passengers (000)	**433**	16.7%	**2,465**	-1.0%

Earnings trend

Spanair's operating revenue rose during the year by 4.2% to MSEK 7,949 (7,628). This increase was due to larger volumes mainly within scheduled air traffic. Passenger revenue increased by MSEK 154 to MSEK 4,706 (4,552), an increase of 3.4%. During the fourth quarter the increase amounted to 3.5%.

Operating expenses rose during 2004 by MSEK 174 compared with the previous year. Fuel costs were MSEK 413 or 42% higher than in the previous year despite a favorable USD rate. Adjusted for jet fuel costs operating expenses decreased by 2.5% mainly due to Turnaround 2005 as well as the introduction of net fares and increased sales through own channels. EBITDAR improved by MSEK 147 to MSEK 1,252 (1,105). In the fourth quarter EBITDAR amounted to MSEK 271 (190). The industrial dispute with pilots had a negative earnings impact of approximately MSEK 150.

Unit cost fell by 10.4% during the year.

Income after financial items improved by MSEK 4 to MSEK -41 (-45).

Spanair also had negative earnings effects from the terrorist attack on March 11, 2004 and effects from jet fuel costs on charter contracts with fixed prices.

Traffic and market development

During 2004 Spanair adjusted its operations and capacity to meet increased demand compared with the previous year. Traffic (RPK) increased in 2004 by 12.2%. Since capacity (ASK) increased slightly more, the cabin factor decreased by 0.4 percentage points. The greatest increase in capacity was on Spanish domestic traffic and on the longer routes to the Canary Islands. Spanair noted a short-term negative effect from the terrorist attack in Madrid on March 11 and the pilot dispute in November-December.

Yield decreased during the year by 7.6% partly due to longer routes, introduction of a net fares system and marketing campaigns. Spanair strengthened its market position during the year.

(MSEK)	Oct-Dec 2004	Jan-Dec 2004	Jan-Dec 2003
Passenger revenue	**391**	**1,532**	1,633
Other revenue	**282**	**970**	844
Total revenue	**673**	**2,502**	2,477
Operating income before depreciation, leasing-costs, EBITDAR	**107**	**349**	343
Operating income before depreciation, EBITDA	**84**	**255**	254
Operating income, EBIT	**48**	**115**	96
Income after financial items	**40**	**84**	77
EBITDAR margin	**15.9%**	**13.9%**	13.8%
Average number of employees	**1,311**	**1,277**	1,291

Traffic and production	**Oct-Dec 2004**	Oct-Dec Change	**Jan-Dec 2004**	Jan-Dec Change
Scheduled traffic				
No. of passengers (000)	**440**	5.6%	**1,791**	8.0%
RPK (mill)	**135**	7.7%	**558**	10.3%
ASK (mill)	**252**	7.2%	**1,045**	9.3%
Cabin factor	**53.6%**	+0.3%pts	**53.4%**	+0.5%pts,
Yield, local currency		-2.0%		-6.9%
Unit cost, tot. incl. charter, local currency				-3.6%

Traffic and earnings trend

Widerøe’s traffic, RPK, increased in 2004 by 10.3% compared with 2003. The number of passengers increased by 8.0%. Capacity, ASK, increased by 9.3% due to Widerøe operating longer routes and placing more seats in its aircraft. Capacity was reduced at the end of the year. The number of landings increased by 7%. The cabin factor improved by 0.5 percentage points to 53.4%. Widerøe has adjusted its traffic system compared with the previous year and reallocated its aircraft fleet to new contracted routes as well as new commercial routes in north Norway.

Yield fell during the year by 6.9% due to a lower number of full-fare passengers and a new price structure with lower fares. The unit cost fell during 2004 by 3.6%.

Widerøe's operating revenue rose in 2004 by only 1% to MSEK 2,502 (2,477) due to a lower yield and exchange-rate fluctuations. Passenger revenue for the period amounted to MSEK 1,532 (1,633), a decline of 6.2% compared with 2003. EBITDAR amounted to MSEK 349 (343). Widerøe’s income after financial items is the best ever and amounted to MSEK 84 (77), an improvement of 9.1% since 2003. This result gives a CFROI of 21% which is 4 percentage points higher than 2003. The improved earnings are mainly attributable to measures implemented in Turnaround 2005.

(MSEK)	Oct-Dec 2004	Jan-Dec 2004	Jan-Dec 2003
Passenger revenue	**347**	**1,213**	913
Other revenue	**52**	**93**	35
Total revenue	**399**	**1,306**	948
Operating income before depreciation, leasing-costs, EBITDAR	**47**	**58**	79
Operating income before depreciation, EBITDA	**13**	**-81**	-59
Operating income, EBIT	**11**	**-92**	-70
Income after financial items	**1**	**-111**	-80
EBITDAR margin	**11.8%**	**4.4%**	8.3%
Average number of employees	**452**	**366**	290

Traffic and production	**Oct-Dec 2004**	Oct-Dec Change	**Jan-Dec 2004**	Jan-Dec Change
Scheduled traffic				
No of passengers (000)	**314**	69.1%	**1,139**	81.5%
RPK (mill)	**197**	61.5%	**731**	77.9%
ASK (mill)	**377**	24.8%	**1,452**	58.2%
Cabin factor	**52.4%**	+11.9%pts	**50.4%**	+5.6%pts
Yield, local currency		-12.7%		-22.0%
Unit cost, tot. incl. charter, local currency				-10.0%

Traffic and earnings trend

Blue1 increased its traffic, RPK, by 77.9% during 2004 compared with 2003 and capacity by 58.2%. The number of passengers increased by 81.5%. The cabin factor increased by 5.6 percentage points to 50.4%. The cabin factor for domestic routes was 60.5%.

Total revenues amounted to MSEK 1,306, which is 38% higher than the previous year. Unit revenues, yield, fell 22% compared with the previous year due to increased competition and a changed route network. The unit cost decreased by 10% despite increased fuel costs.

Income after financial items fell to MSEK -111 (-80) for the full year 2004, mainly due to lower yield and increased fuel costs. Adjusted for volume and currency fluctuations, fuel costs increased by MSEK 73 compared with the previous year.

Income after financial items for the fourth-quarter was MSEK 1 (-42). The MSEK 43 improvement in earnings was mainly due to a higher occupancy rate. The cabin factor for the fourth-quarter was 52.4 %.

Due to the negative earnings, capacity on unprofitable European routes was reduced. Released capacity was used on Finnish domestic routes which have shown positive development since their introduction in spring 2004. Blue1’s domestic operations increased in January 2005 with two new destinations, Helsinki-Vaasa and Helsinki-Rovaniemi. The routes between Finland and Germany have developed well since Blue1 became a regional member of Star Alliance.

Airline Support Businesses

Statement of income

(MSEK)	October-December 2004	October-December 2003	January-December 2004	January-December 2003
Operating revenue	**3,588**	3,433	**14,213**	13,850
Payroll expenses	**-1,590**	-1,474	**-6,204**	-6,108
Handling costs	**-314**	-261	**-1,158**	-1,057
Technical aircraft maintenance	**-394**	-356	**-1,695**	-1,752
Data and telecommunication costs	**-165**	-185	**-603**	-724
Other operating expenses	**-920**	-943	**-3,476**	-3,601
Operating expenses	**-3,383**	-3,219	**-13,136**	-13,242
Income before depreciation, EBITDA	**205**	214	**1 077**	608
Depreciation	**-123**	-113	**-495**	-451
Capital gains	**5**	0	**5**	0
Operating income, EBIT	**87**	101	**587**	157
Net financial items	**-25**	-20	**-84**	-90
Airline Support Businesses - Income after financial items	**62**	81	**503**	67

Earnings trend

Airline Support Businesses' operations comprise SAS Ground Services, SAS Technical Services and SAS Cargo Group. SAS Ground Services (SGS) is a full-service supplier within airline ground handling and airport related services. SAS Technical Services (STS) provides technical maintenance of aircraft, engines and other components to airlines within and outside the SAS Group. SAS Cargo Group offers goods transport services to/from and within Scandinavia. In 2004, the business area accounted for 21% of the SAS Group's operating revenue before groupwide eliminations.

In recent years the units within the business area have adapted to structural changes within the industry. Extensive structural changes within Turnaround 2005 designed to reduce costs have led to major efficiency gains. A large portion of these cost reductions have provided and will continue to provide lower prices for the Group's airlines. Operating revenue rose in January-December by 2.6% to MSEK 14,213 (13,850). Despite increased volumes operating expenses decreased during the same period by 0.8% due to rationalizations within Turnaround 2005. Income after financial items compared with the previous year improved by MSEK 436 to MSEK 503 (67).

In the fourth-quarter operating revenue increased by 4.5% to MSEK 3,588 (3,433). Costs rose by MSEK 164 to MSEK 3,383 (3,219). Income after financial items amounted to MSEK 62 (81).

SAS Ground Services

(MSEK)	Oct-Dec 2004	Jan-Dec 2004	Jan-Dec 2003
Operating revenue of which	**1,595**	**6,212**	5,588
external operating revenue	**17.0%**	**16.9%**	14.7%
Operating income before depreciation, EBITDA	**125**	**420**	-17
Operating income, EBIT	**87**	**273**	-162
Income after financial items	**87**	**279**	-156
EBITDA margin	**7.8%**	**6.8%**	-0.3%
Average number of employees	**7,001**	**6,962**	6,820

SAS Ground Services' operating revenue in 2004 amounted to MSEK 6,212 (5,588), an increase of 12% compared with the previous year. In the same period, income after financial items amounted to MSEK 279 (-156). The improvements are mainly due to the takeover of aircraft service and towing from SAS Technical Services on January 1, 2004, activities within SAS Turnaround 2005 and lower computer costs. Price pressure and competition within the industry remain intense. The year was marked by renegotiations of existing agreements.

In July, SAS Ground Equipment was transferred to SAS Ground Handling from SAS Technical Services. On August 25, SAS Ground Services established its own ramp handling in Helsinki.

On October 1, SAS Ground Handling was incorporated as a business unit within the SAS Group. The change was carried out according to plan and at year-end SAS Ground Services comprised a holding company with eight subsidiaries.

SAS Technical Services

(MSEK)	**Oct-Dec 2004**	**Jan-Dec 2004**	Jan-Dec 2003
Operating revenue of which	**1,377**	**4,927**	5,445
external operating revenue	**21.4%**	**17.6%**	12.6%
Operating income before depreciation, EBITDA	**185**	**599**	416
Operating income, EBIT	**95**	**300**	153
Income after financial items	**75**	**230**	75
EBITDA margin	**13.4%**	**12.2%**	7.6%
Average number of employees	**3,653**	**3,594**	3,586

SAS Technical Services' operating revenue for the full-year 2004 amounted to MSEK 4,927 (5,445) including Braathens Technical Services (BTS) which was consolidated on January 1, 2004.

The revenue level from Scandinavian Airlines was lower in 2004 due to implemented Turnaround activities, lower costs for engine maintenance and a lower USD exchange rate. This decline was partly compensated by increased revenues through integration of BTS's operations. External revenues were almost MSEK 300 higher than in the previous year and the proportion of external sales increased from 13% to 18%.

During the year new full-service contracts were signed for a value of MSEK 800. On October 1, SAS Technical Services became a separate limited company within the SAS Group and at the same time Braathens Technical Services, Commuter Maintenance and Air Maintenance Estonia were integrated into operations.

The improved profitability is due to a successful implementation of the Turnaround program which at the same time contributed to creating a platform for further growth among new customers.

EBIT for the full year doubled compared with the previous year and amounted to MSEK 300 (153). Income after financial items improved by MSEK 155 to MSEK 230 (75).

SAS Cargo

(MSEK)	**Oct-Dec 2004**	**Jan-Dec 2004**	Jan-Dec 2003
Operating revenue of which	**686**	**2,833**	2,954
external operating revenue	**410**	**1,928**	2,187
Proportion ext. operating revenue	**95.3%**	**96.0%**	95.6%
Operating income before depreciation, EBITDA	**1**	**76**	119
Operating income, EBIT	**-8**	**32**	77
Income after financial items	**-12**	**11**	51
EBITDA margin	**0.1%**	**2.7%**	4.0%
Average number of employees	**1,268**	**1,266**	1,255
Flown tonnes	**69,877**	**278,298**	288,860
Tonne km (000)	**241,577**	**986,306**	1,011,702
Cargo yield, SEK/tonne km	**2.05**	**2.03**	2.15

SAS Cargo's operating revenue for the period January-December amounted to MSEK 2,833 (2,954), a decrease of 4.1%. Operating revenue was negatively affected by exchange rates, method changes relating to settlement of traffic revenue (approximately MSEK 100) as well as lower yield and reduced capacity on intercontinental routes.

SAS Cargo's income after financial items declined by MSEK 40 and amounted to MSEK 11 (51). The decrease in earnings was due to lower revenues. Savings within IT projects, rental costs and handling and sales costs outside Scandinavia had a positive impact on earnings.

Growth in the industry has been favorable but markets, particularly in Norway and Sweden, were weak. This, combined with lower capacity of the intercontinental routes, meant that freight volumes fell during the year by 3%.

During 2004, SAS Cargo introduced a new IT platform and launched a number of new products. An additional handling operation in Sweden was incorporated.

Airline Related Businesses

Statement of income

(MSEK)	October-December 2004	2003	January-December 2004	2003
Operating revenue	**734**	1,205	**2,913**	4,776
Payroll expenses	**-126**	-326	**-447**	-1,342
Handling costs	**-48**	-59	**-194**	-230
Costs of goods sold, incl. concession charges	**-340**	-331	**-1,431**	-1,327
Data and telecommunication costs	**-14**	-175	**-55**	-647
Other operating expenses	**-168**	-223	**-589**	-902
Operating expenses	**-696**	-1,114	**-2,716**	-4,448
Income before depreciation, EBITDA	**38**	91	**197**	328
Depreciation	**-31**	-65	**-147**	-259
Share in income of affiliated companies	**0**	-17	**0**	-17
Capital gains	**1**	0	**1**	0
Operating income, EBIT	**8**	9	**51**	52
Net financial items	**-2**	-6	**-13**	-19
Airline Related Businesses - Income after financial items	**6**	3	**38**	33

Earnings trend

Airline Related Businesses includes SAS Trading, SAS Flight Academy, Jetpak, European Aeronautical Group, SAS Media and SAS Business Opportunities. SAS Trading is a retailer within Travel Retail. SAS Flight Academy is a leading training centre for pilots, cabin crew, flight technicians and ship's officers. Jetpak offers door-to-door express deliveries. Also included are European Aeronautical Group, which provides flight navigation data, and the media house SAS Media. SAS Business Opportunities was formed on October 1, 2004, and will develop the business opportunities within "non-seat business". Scandinavian IT Group was sold to Computer Sciences Corporation (CSC) in December 2003. The Group's holding in Travellink was sold at the same time.

The business area's operating revenue decreased during 2004 by 39% to MSEK 2,913 (4,776). The decrease is due to the sale of Scandinavian IT Group to CSC (Computer Science Corporation).

Operating expenses decreased by 39% and amounted to MSEK 2,716 (4,448). Income after financial items declined by MSEK 5 to MSEK 38 (33).

In the fourth quarter the business area's operating revenue decreased by 39% to MSEK 734 (1,205) due to the sale of Scandinavian IT Group. Operating expenses decreased by 37.5% to MSEK 696 (1,114) mainly for the same reason. Income after financial items improved by MSEK 3 to MSEK 6 (3) due to the lower operating revenue.

In 2004, SAS Trading lost its concession in Norway which accounted for a large part of the company's operating revenue. Income after financial items improved compared with 2003 by MSEK 30 to MSEK -57 (-87). SAS Flight Academy's operating revenue rose in 2004 by MSEK 19 to MSEK 514 (496). Revenues from customers outside the SAS Group increased by 19% compared with the previous year. Income after financial items improved by MSEK 30 to MSEK 46 (16). Jetpak's operating revenue in 2004 rose by 2.5% to MSEK 459 (448). Income before financial items decreased by MSEK 4 to MSEK 18 (22).

SAS Trading

(MSEK)	Oct-Dec 2004	Jan-Dec 2004	Jan-Dec 2003
Operating revenue of which	**373**	**1,634**	1,543
external operating revenue	**97.6%**	**96.7%**	95.5%
Operating income before depreciation, EBITDA	**-29**	**-34**	-61
Operating income, EBIT	**-32**	**-50**	-79
Income after financial items	**-34**	**-57**	-87
EBITDA margin	**-7.8%**	**-2.1%**	-4.0%
Average number of employees	**306**	**326**	341

SAS Flight Academy

(MSEK)	Oct-Dec 2004	Jan-Dec 2004	Jan-Dec 2003
Operating revenue of which	**131**	**515**	496
external operating revenue	**38.9%**	**41.2%**	35.9%
Operating income before depreciation, EBITDA	**31**	**133**	114
Operating income, EBIT	**13**	**46**	21
Income after financial items	**14**	**46**	16
EBITDA margin	**23.7%**	**25.8%**	23.0%
Average number of employees	**169**	**156**	166

JETPAK

(MSEK)	Oct-Dec 2004	Jan-Dec 2004	Jan-Dec 2003
Operating revenue of which	**121**	**459**	448
external operating revenue	**99.2%**	**99.6%**	99.6%
Operating income before depreciation, EBITDA	**10**	**38**	33
Operating income, EBIT	**5**	**18**	24
Income after financial items	**6**	**18**	22
EBITDA margin	**8.3%**	**8.3%**	7.4%
Average number of employees	**178**	**177**	180

Hotels

Statement of income

(MSEK)	October-December 2004	2003	January-December 2004	2003
Rooms revenue	**652**	430	**2,431**	1,768
Food and beverage revenue	**457**	357	**1,430**	1,169
Other revenue	**206**	165	**691**	621
Operating revenue	**1,315**	952	**4,552**	3,558
Operating expenses	**-380**	-369	**-1,494**	-1,271
Payroll expenses	**-473**	-382	**-1,664**	-1,468
Rental expenses, property insurance and property tax	**-350**	-242	**-1,257**	-944
Operating income before depreciation	**112**	-41	**137**	-125
Depreciation	**-39**	-37	**-165**	-138
Share of income in affiliated companies	**6**	10	**28**	19
Capital gains	**52**	0	**53**	4
Operating income, EBIT	**131**	-68	**53**	-240
Income from other shares and participations	**0**	2	**0**	15
Net financial items	**3**	4	**-15**	-28
Hotels – Income after financial items	**134**	-62	**38**	-253

Key figures				
EBITDA, MSEK [1]	**118**	-31	**165**	-106
Revenue per available room (SEK) (RevPAR) [2]	**541**	522	**557**	538
Revenue per available room (EUR) (RevPAR) [2]	**60**	58	**61**	59
Gross profit margin	**35.1%**	21.1%	**30.6%**	23.0%
Number of rooms available/night (000)	**12**	9	**11**	8
Number of rooms available/night (000)[2]	**27**	23	**25**	23

1) Operating income before depreciation and including share of income in affiliated companies.
2) Including hotels operated on a management basis.

Earnings trend

Revenue for the full year amounted to MSEK 4,552 (3,558) an increase of 27.9%. The increase is mainly attributable to new hotels, 30.1%, but adjusted for these and currency effects, the increase was still 0.8%.

According to an independent consulting company, RevPAR rose by 3.7% in the EU countries in 2004 and continued growth is expected in 2005. For comparable units within Rezidor SAS, RevPAR was 4.4% higher than in the previous year. This trend strengthened towards the end of the year and RevPAR in December 2004 was 5.6% higher for comparable units compared with December 2003.

The strongest development of RevPAR was in the U.K. and Ireland as well as Eastern Europe. Scandinavia, Germany and France started to show strong growth in the final months of the year.

Rezidor SAS retained its market shares during 2004.

In 2004, Rezidor SAS signed 50 new agreements for new hotels, 19 of which opened in 2004 and a further ten opened in January 2005. A total of 31 new hotels opened during the year: 14 Park Inn, 12 Radisson SAS, two Regent and three chain-independent hotels.

As of December Rezidor SAS Hospitality had 190 hotels in operation, an increase of 28 hotels since December 2003.

EBITDA, income before depreciation and including share of income in affiliated companies amounted to MSEK 165 (-106) for the full year. EBITDA for the fourth quarter was MSEK 118 (-31). The positive development compared with 2003 can be attributed to increased RevPAR and improved EBITDA for comparable units as a result of reduced costs through Turnaround 2005. Furthermore, two Swedish hotels and one Swiss hotel were transferred to leasing contracts.

Turnaround 2005 and the new hotels led to improved earnings and the gross profit margin improved by 6.8 percentage points to 30.6%.

Income after financial items for the full year amounted to MSEK 38 (-253) and MSEK 134 (-62) for the fourth quarter.

Income before capital gains and nonrecurring items amounted to MSEK 1 for the full year.

Definitions

AEA - Association of European Airlines. An organization comprising the largest European airlines.
AOC, Airline Operating Certificate
ASK, Available seat kilometers - The total number of seats available for passengers multiplied by the number of kilometers which they are flown.
AV, Asset value (adjusted capital employed) - Book shareholders' equity, plus minority interests, plus surplus value in the aircraft fleet, plus 7 times the net annual cost for operating leases for aircraft, plus financial net debt, minus share of equity in affiliated companies. Can also be expressed as book value of total assets, plus surplus value in the aircraft fleet, plus 7 times the net annual cost for operating leases for aircraft, minus share of equity in affiliated companies, minus noninterest-bearing liabilities and interest-bearing assets, excluding net pension funds.
Cabin factor, passengers - Relation between RPK and ASK expressed as a percentage. Describes the capacity utilization of available seats. Also called occupancy rate.
CAPEX (Capital Expenditure) - Future payments for aircraft on firm order.
Cash flow from operations - Cash flow from operating activities before change in working capital.
CFROI – Adjusted EBITDAR in relation to AV.
Debt/equity ratio - Financial net debt in relation to shareholders' equity and minority interests.
Earnings per share (EPS) - Income after tax divided by the total number of shares.
EBIT (including capital gains) - Operating income.
EBIT margin - EBIT divided by operating revenue.
EBITDA, Operating income before depreciation - Operating income before net financial items, tax, depreciation, share of income in affiliated companies, and income from the sale of fixed assets.
EBITDAR, Operating income before depreciation and leasing costs - Operating income before net financial items, tax, depreciation, share of income in affiliated companies, income from the sale of fixed assets and leasing costs for aircraft.
EBITDAR margin - EBITDAR divided by operating revenue.
Equity method - Shares in affiliated companies are taken up at the SAS Group's share of shareholders' equity, taking acquired surplus and deficit values into account.
Equity/assets ratio - Shareholders' equity plus minority interests in relation to total assets.
EV (Enterprise Value) - Average market capitalization plus average net debt during the year and 7 times the net annual cost for operating leases for aircraft.
Financial net debt - Interest-bearing liabilities minus interest-bearing assets, excluding net pension funds.
Gross profit margin - Operating income before depreciation in relation to operating revenue.
Interest coverage ratio - Operating income plus financial income in relation to financial expenses.
Net debt - Interest-bearing liabilities minus interest-bearing assets.
Return on capital employed (ROCE) - Operating income plus financial income in relation to average capital employed. Capital employed refers to total assets as specified in the balance sheet minus noninterest-bearing liabilities.
Return on equity - Income after tax in relation to average shareholders' equity.
Revenue passenger kilometers (RPK) - See RPK.
REVPAR, Revenue per available room - Revenue per available hotel room.
RPK, Revenue passenger kilometers - Number of paying passengers multiplied by the distance they are flown in kilometers.
Sale and leaseback - Sale of an asset (aircraft, building, etc.) which is then leased back.
TSR, Total shareholder return - Average total return
Unit cost, operational - Flight operations' total operating expenses minus non-traffic related revenue per ASK.
Unit cost, total - Flight operations' total operating expenses including capacity costs for aircraft minus non-traffic related revenue per ASK.
Unit revenue (yield) - Average traffic revenue per RPK.
Yield - See Unit revenue.

Financial calendar

Annual Report & Sustainability Report 2004……………………………………………………………………………….March 8, 2005
Interim Report 1, January-March 2005………………………………………………………………………………. May, 3 2005
Interim Report 2, January-June 2005…………………………………………………………………………...……. .August, 17 2005
Interim Report 3, January-September 2005…………………………………………………………………………November 8, 2005
Year-end report 2005…..………………………………………………………………………………………………..... February 2006
Annual Report & Sustainability Report 2005………………………………………………………………………………... March 2006

Annual General Meeting: The SAS Group's Annual General Meeting will be held on April 13, 2005, at 4 p.m. Venues:
- Copenhagen, Radisson SAS Scandinavia Hotel, Amager Boulevard 70
- Oslo, Radisson SAS Scandinavia, Holbergsgate 30
- Stockholm, Berns Hotel, Kammarsalen, Näckströmsgatan 8

All reports are available in English and Swedish and can be ordered from SAS, SE-195 87 Stockholm, telephone +46 8 797 00 00, fax +46 8 797 51 10. The reports can be accessed and ordered via the Internet: www.sasgroup.net

The SAS Group's monthly traffic and capacity statistics are normally published on the fifth working day of each month. A financial calendar is available from: www.sasgroup.net
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