

## Good growth and improved load factor

- Total passenger traffic (RPK) increased by 7,7% in October 2004 vs 2003.
- The SAS Group transported 3,0 million passengers in October 2004 vs 2,9 million in 2003, an increase of 2,6%.
- Overall group passenger load factor improved by 0,4 p.u to 65,2% for October 2004 vs. 2003.
- Yields has continued to stabilize

## Group market trends and yield development

Group total traffic volumes developed well in October with a traffic (RPK) growth of 7,7%. Capacity (ASK) increased by 7,1% resulting in an improved load factor of 0,4 p.u. The improved passenger load factor is explained by the development in SAS Braathens and Spanair as well as intercontinental routes.

Demand has improved in October, but is still weak on Swedish domestic routes and on certain European routes.

Yields for Scandinavian Airlines in September were down by 7% vs. 2003. Yields for October will be reported next month, but indications show a reduction in line with September.

Intercontinental routes continued its positive trend from previous months with improved passenger load factors. European routes continued to develop weak for Scandinavian Airlines with a 3,5 p.u. reduction in passenger load factor. The development has improved since September.

The SAS Group Norwegian domestic traffic increased by 4,0% and the load factor increased by a strong 3,7 p.u. Spanair's traffic increased in October by a very strong 21,7% and load factor improved with 4,2 p.u.. Swedish domestic routes continued weak due to severe overcapacity on many routes.

Group traffic volumes improved in October. Yield development has also stabilized during the second half of 2004. Yield indication for Scandinavian Airlines for September shows continued yield reductions in line with the recent months.

Yields are expected to develop in line with or improve slightly in the last two months of the year, but due to the situation with continued overcapacity and the competitive situation with continued potential price pressure, the overall outlook remains cautious. Due to the overcapacity situation and weak traffic development on many routes the SAS Group has initiated "Capacity & Utilization Focus" targeting a reduced capacity of 4% and improved aircraft utilization by approx 4%.

## Scandinavian Airlines (including SAS Braathens)

- Scandinavian Airlines traffic (RPK) increased by 4,2% in October 2004 compared with 2003.
- Scandinavian Airlines passenger load factor decreased by 0,5 p.u. to 65,5%.
- SAS Braathens traffic increased 9,0% and passenger load factor improved by 4,1 p.u. to 61,9% in October 2004 vs October 2003.

Demand on the long haul routes continued to be strong in particular on the North Atlantic routes.

SAS Group	Oct 04	Change	Jan-Oct 04	Change
ASK (Mill.)	4 620	7,1%	43 484	7,9%
RPK (Mill.)	3 010	7,7%	28 200	9,0%
Passenger load factor	65,2%	+0,4 p u	64,8%	+0,6 p u
Passengers (Mill.)	2,957	2,6%	27,665	4,9%

p u = percentage units



Summary of the airlines	October 2004 vs. October 2003			
	Traffic (RPK)	Capacity (ASK)	Load factor	Change of load factor
SAS Group	7,7%	7,1%	65,2%	+0,4 p u
Scandinavian Airlines (incl Braathens)	4,2%	4,9%	65,5%	-0,5 p.u.
Spanair	21,7%	14,1%	67,1%	+4,2 p u
Widerøe	6,9%	7,0%	55,8%	-0,1 p u
Blue1	74,0%	42,9%	53,2%	+9,5 p u

Route area (change):	Oct 04 vs. Oct 03		Jan-Oct 04 vs. Jan-Oct 03	
	Traffic (RPK)	Capacity (ASK)	Traffic (RPK)	Capacity (ASK)
Intercontinental	5,4%	3,8%	8,2%	1,0%
Europe	13,9%	15,1%	13,6%	17,0%
Intra Scandinavian	-1,0%	-4,3%	4,1%	0,7%
Denmark	6,1%	-9,5%	8,7%	-7,7%
Norway	4,0%	-2,4%	2,9%	-1,9%
Sweden	-11,0%	-4,7%	-5,1%	-1,5%



Scandinavian Airlines

Scandinavian Airlines	Oct 04	Change	Jan-Oct 04	Change
ASK (Mill.)	3 688	4,9 %	34 261	5,4 %
RPK (Mill.)	2 414	4,2 %	22 705	7,0 %
Passenger load factor	65,5%	-0,5 p u	66,3%	+1,0 p u
Passengers (Mill.)	2,172	-1,5 %	20,304	2,0 %

p u = percentage units

Route area (change):	Oct 04 vs. Oct 03		Jan-Oct 04 vs. Jan-Oct 03	
	Traffic (RPK)	Capacity (ASK)	Traffic (RPK)	Capacity (ASK)
Intercontinental	5,4%	3,8%	8,2%	1,0%
Europe	7,1%	13,4%	10,4%	15,4%
Intra-scandinavian	-0,6%	-3,8%	4,6%	1,8%
Denmark	6,1%	-9,5%	8,7%	-7,7%
Norway	3,7%	-3,7%	2,4%	-3,2%
Sweden	-11,0%	-4,7%	-5,1%	-1,5%



Summary of SAS Braathens	October 2004 vs. October 2003			
	Traffic (RPK)	Capacity (ASK)	Load factor	Change of load factor
Total	9,0%	1,7%	61,9%	+4,1 p.u.
Norway	3,7%	-3,7%	59,3%	+4,2 p.u.
Europe	17,4%	12,4%	66,1%	+2,8 p.u.

## Scandinavian Airlines continued...

Traffic on the European routes was up 7,1%, but did not match the capacity increase and cabin factor was down with 3,5 p.u. Intrasandinavian traffic decreased 0,6%, but cabin factor increased 1,8 p.u. to 53,9%. SAS Braathens traffic increased with 9,0% growing both on domestic and international routes. The Norwegian domestic routes, operated by SAS Braathens showed a 3,7% increase in RPK while ASK decreased by 3,7% resulting in a 4,2 p.u. improved cabin factor. Traffic on SAS Braathens' European routes increased by 17,4% and capacity by 12,4%. The passenger load factor increased as a result with 2,8 p.u. to 66,1%. Swedish domestic continued to be weak.

### Spanair traffic development

Spanair had a strong traffic development in October. Compared to October last year capacity (ASK) increased by 14,1% and number of passengers increased by 10,5%. Traffic (RPK) increased with 21,7 % and the load factor increased by 4,2 percentage points to 67,1%.

The increase in the domestic traffic is concentrated to the longer routes between the Iberian Peninsula and the Canary Islands and the new route between Barcelona and Seville launched in February. Compared to October last year domestic capacity has increased by 14,9% and traffic grew by 26,1% resulting in an improved load factor of 6.1 p.u. to 69.4%. Yields were lower than last year mainly due to a domestic promotional campaign.

In Europe capacity increased with 11.7%, and traffic increased by 7.9% resulting in a decrease of the load factor of 2,1 p.u..

### Widerøe's traffic development

In October the total amount of passengers increased by 4,5% compared to last year. Traffic (RPK) was up by 6,9%. The overall load factor was however down slightly to 55.8%, primarily due a capacity increase on the domestic sector that was not fully met on the demand-side. Capacity reductions on weak Intrasandinavian and European routes as from October 11 and onwards has resulted in an improved cabin factor on those sectors. Reductions in frequencies were made on Sandefjord-Stockholm and Stavanger-Newcastle, during October. The route Bergen-Manchester was also terminated as from October 22.

### Blue 1's traffic development

Blue1's total passenger traffic (RPK) increased with 74% compared to last year and the capacity (ASK) increased with 43%.

The cabin factor improved with a strong 9,5 percentage units compared with last year. With an increase in number of passengers by 86 %, Blue1 continued to gain market shares. Blue1 will adjust capacity on European routes as from the end of October in order to match weaker seasonal demand.

### Punctuality (October)

Within 15 minutes 87,9% of flights departed on time and within 2 minutes 64,4% of flights departed on time. The regularity was 98,4%.

### Internet Sales (September)

The proportion of Internet sales on [www.scandinavian.net](http://www.scandinavian.net) (excl. SAS Braathens) was 12,8% in September 2004.



Spanair (scheduled)	Oct 04	Change	Jan-Oct 04	Change
ASK (Mill)	709	14,1 %	7 133	13,5 %
RPK (Mill)	476	21,7 %	4 417	13,1 %
Passenger load factor	67,1%	+4,2 p u	61,9%	-0,2 p u
Total Rev. passengers (Mill)	0,508	10,5 %	4,908	7,5 %
Route area (change):	Oct 04 vs. Oct 03		Jan-Oct 04 vs. Jan-Oct 03.	
	Traffic (RPK)	Capacity (ASK)	Traffic (RPK)	Capacity (ASK)
Spanish domestic	26,1%	14,9%	18,3%	19,0%
European Routes	7,9%	11,7%	-2,7%	-0,9%



Widerøe's	Oct 04	Change	Jan-Oct 04	Change
ASK (Mill.)	90	7,0 %	883	9,7 %
RPK (Mill.)	50	6,9 %	474	10,7 %
Passenger load factor	55,8%	-0,1 p u	53,6%	+0,5 p u
Total no. of passengers (Mill)	0,164	4,5 %	1,515	8,3 %



Blue1	Oct 04	Change	Jan-Oct 04	Change
ASK (Mill.)	133	42,9%	1208	70,4%
RPK (Mill.)	71	74,0%	604	83,5%
Passenger load factor	53,2%	+9,5 p u	50,0%	+3,6 p u
Total no. of passengers (Mill)	0,113	86,0%	0,938	86,6%

**Scandinavian Airlines (including SAS Braathens)** APPENDIX – Traffic, capacity, passenger load factors and number of passengers per route area.

<b>INTERCONTINENTAL ROUTES</b>	<b>Oct 04</b>	<b>Oct 03</b>	<b>CHANGE</b>	<b>Jan-Oct 04</b>	<b>Jan-Oct 03</b>	<b>CHANGE</b>
ASK (Mill.)	1 132	1 091	+3,8%	10 825	10 717	+1,0%
RPK (Mill.)	934	887	+5,4%	8 855	8 185	+8,2%
Passenger load factor	82,5%	81,3%	+1,2 p u	81,8%	76,4%	+5,4 p u
Total no. of passengers (000)	132,3	128,2	+3,2%	1 255,4	1 178,0	+6,6%
<b>EUROPEAN ROUTES</b>	<b>Oct 04</b>	<b>Oct 03</b>	<b>CHANGE</b>	<b>Jan-Oct 04</b>	<b>Jan-Oct 03</b>	<b>CHANGE</b>
ASK (Mill.)	1 501	1 324	+13,4%	13 677	11 854	+15,4%
RPK (Mill.)	884	825	+7,1%	8 120	7 356	+10,4%
Passenger load factor	58,9%	62,4%	-3,5 p u	59,4%	62,1%	-2,7 p u
Total no. of passengers (000)	742,9	745,3	-0,3%	6 997,9	6 738,6	+3,8%
<b>INTRA-SCANDINAVIAN ROUTES</b>	<b>Oct 04</b>	<b>Oct 03</b>	<b>CHANGE</b>	<b>Jan-Oct 04</b>	<b>Jan-Oct 03</b>	<b>CHANGE</b>
ASK (Mill.)	248	257	-3,8%	2 260	2 219	+1,8%
RPK (Mill.)	133	134	-0,6%	1 293	1 236	+4,6%
Passenger load factor	53,9%	52,1%	+1,8 p u	57,2%	55,7%	+1,5 p u
Total no. of passengers (000)	276,8	280,1	-1,2%	2 666,9	2 558,8	+4,2%
<b>DANISH DOMESTIC ROUTES</b>	<b>Oct 04</b>	<b>Oct 03</b>	<b>CHANGE</b>	<b>Jan-Oct 04</b>	<b>Jan-Oct 03</b>	<b>CHANGE</b>
ASK (Mill.)	25	28	-9,5%	222	241	-7,7%
RPK (Mill.)	15	14	+6,1%	135	124	+8,7%
Passenger load factor	60,4%	51,5%	+8,9 p u	60,8%	51,6%	+9,1 p u
Total no. of passengers (000)	74,0	69,3	+6,8%	654,5	595,8	+9,8%
<b>NORWEGIAN DOMESTIC ROUTES</b>	<b>Oct 04</b>	<b>Oct 03</b>	<b>CHANGE</b>	<b>Jan-Oct 04</b>	<b>Jan-Oct 03</b>	<b>CHANGE</b>
ASK (Mill.)	493	512	-3,7%	4 691	4 847	-3,2%
RPK (Mill.)	292	282	+3,7%	2 791	2 726	2,4%
Passenger load factor	59,3%	55,1%	+4,2 p u	59,5%	56,2%	+3,2 p u
Total no. of passengers (000)	623,7	613,8	+1,6%	5 644,6	5 569,8	1,3%
<b>SWEDISH DOMESTIC ROUTES</b>	<b>Oct 04</b>	<b>Oct 03</b>	<b>CHANGE</b>	<b>Jan-Oct 04</b>	<b>Jan-Oct 03</b>	<b>CHANGE</b>
ASK (Mill.)	289	303	-4,7%	2 584	2 625	-1,5%
RPK (Mill.)	155	174	-11,0%	1 511	1 593	-5,1%
Passenger load factor	53,5%	57,3%	-3,8 p u	58,5%	60,7%	-2,2 p u
Total no. of passengers (000)	321,9	367,0	-12,3%	3 084,8	3 265,7	-5,5%