SAS Group
Interim Report
January-March 2005

First quarter of 2005 in brief

- **Operating revenue for the first quarter** amounted to MSEK 13,016 (12,567), an increase of 3.6%.
- **Number of passengers** in the first quarter increased by 0.8% to 7.3 million.
- **Income before depreciation and leasing costs for aircraft (EBITDAR)** amounted to MSEK 179 (-44) for the period.
- **Income before capital gains and nonrecurring items** improved by MSEK 276 to MSEK –1,312 (-1,588). Earnings for the first quarter were negatively affected by Easter being in March by approximately MSEK 200-250 compared with 2004.
- **Income after financial items** amounted to MSEK -1,290 (-1,540).
- **Net income for the period** amounted to MSEK -971 (-1,374).
- **CFROI** for the 12-month period April 2004-March 2005 was 10% (7%).
- **Earnings per share** for the SAS Group in the first quarter amounted to SEK –5.86 (-8.26). Equity per share amounted SEK 72.44 (72.29).
- **Total unit cost** decreased adjusted for currency effects and increased fuel prices by 7.5% for Scandinavian Airlines Businesses during the period January-March 2005.
- **Continued uncertainty regarding development** in the airline industry gives reason to be cautious, but subject to unchanged yield, 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	April-June		July-September		October-December		January-March		April-March	
(MSEK)	2004	2003	2004	2003	2004	2003	2005	2004	2004-05	2003-04
Operating revenue	15,143	15,300	15,423	14,920	14,940	13,824	13,016	12,567	58,522	56,611
EBITDAR	1,493	1,608	1,753	1,737	1,181	814	179	-44	4,606	4,115
EBITDAR margin	9.9%	10.5%	11.4%	11.6%	7.9%	5.9%	1.4%	-0.4%	7.9%	7.3%
EBIT	251	272	377	798	-104	-43	-1,048	-1,257	-524	-230
EBIT margin	1.7%	1.8%	2.4%	5.3%	-0.7%	-0.3%	-8.1%	-10.0%	-0.9%	-0.4%
Income before capital gains and nonrecurring items	53	-13	198	116	-305	-415	-1,312	-1,588	-1,366	-1,900
Income after financial items	44	87	102	564	-380	-245	-1,290	-1,540	-1,524	-1,134
Net income for the period	147	86	133	760	-612	-609	-971	-1,374	-1,303	-1,137
Earnings per share (SEK)	0.86	0.40	0.68	4.25	-3.63	-3.53	-5.86	-8.26	-7.95	-7.14
Cash flow before financing activities	2,001	1,131	-421	206	1,287	899	-1,183	-1,319	1,684	917
Number of passengers	8,879	8,180	8,591	8,325	7,645	7,512	7,299	7,238	32,415	31,256
RPK	8,960	7,840	9,198	8,695	7,649	7,317	7,342	7,031	33,148	30,883
ASK	13,456	12,252	13,557	12,566	12,667	11,894	12,465	11,852	52,144	48,567
Cabin factor	66.6%	64.0%	67.8%	69.2%	60.4%	61.6%	58.9%	59.3%	63.6%	63.6%
Yield, SEK	1.10	1.32	1.03	1.11	1.22	1.25	1.09	1.17	1.12	1.27
Unit cost, SEK	0.71	0.82	0.69	0.75	0.76	0.79	0.74	0.76	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.

SAS Group

Statement of income

(MSEK)	January-March 2005	2004	April - March 2004-05	2003-04
Operating revenue	13,016	12,567	58,522	56,611
Payroll expenses	-4,974	-4,889	-19,670	-21,075
Other operating expenses	-7,863	-7,722	-34,246	-31,421
Leasing costs for aircraft	-686	-639	-2,736	-2,742
Depreciation	-583	-691	-2,594	-2,984
Share of income in affiliated companies	20	69	108	83
Income from the sale of shares in subsidiaries and affiliated companies	0	0	5	651
Income from the sale of aircraft and buildings	22	48	87	647
Operating income	-1,048	-1,257	-524	-230
Income from other shares and participations	0	0	1	16
Net financial items	-242	-283	-1,001	-920
Income after financial items	-1,290	-1,540	-1,524	-1,134
Tax	319	166	221	-3
Net income for the period	-971	-1,374	-1,303	-1,137
Attributable to:				
Parent Company shareholders	-964	-1,359	-1,307	-1,175
Minority interests	-7	-15	4	38
Earnings per share (SEK) [1]	-5.86	-8.26	-7.95	-7.14

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.

Specified statement of income is available at www.sasgroup.net

Income before capital gains and nonrecurring items

(MSEK)	January-March 2005	2004	April - March 2005	2004
Income after financial items	-1,290	-1,540	-1,524	-1,134
Impairment losses	-	-	27	52
Restructuring costs	-	-	223	496
Capital gains	-22	-48	-92	-1,314
Income before capital gains and nonrecurring items	-1,312	-1,588	-1,366	-1,900

Financial key ratios

	March 2005	December 2004	March 2004	March 2003
EBITDAR	179	4,383	-44	-398
EBITDA	-507	1,694	-683	-1,230
EBIT	-1,048	-733	-1,257	-1,908
EBITDAR margin[1] (12-month rolling)	8%	8%	7%	10%
EBIT margin[2] (12-month rolling)	-1%	-1%	0%	0%
CFROI[3] (12-month rolling)	10%	9%	7%	11%
Return on equity (12-month rolling)	-11%	-14%	-9%	-4%
Equity/assets ratio	21%	20%	19%	21%
Net debt, MSEK[4]	9,051	9,956	12,846	13,917
Financial net debt, MSEK[5]	16,424	17,377	20,277	20,554
Debt/equity ratio[6]	1.38	1.53	1.70	1.53
Adjusted debt/equity ratio[7]	2.89	3.09	3.22	3.40
Interest cover ratio[8] (12-month rolling)	-0.1	-0.3	0.4	0.6

1 EBITDAR in relation to operating revenue
2 EBIT in relation to operating revenue
3 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 The 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

Dear shareholder,

The first quarter of 2005 was challenging for the airline industry. In particular, there was the continued challenge of handling the overcapacity situation from Copenhagen, which is leading to profitability problems for all players. Seasonally, the first quarter is also always the weakest and the SAS Group normally posts a negative result.

The yield stabilization that started at the end of the third quarter of 2004 has continued through the first quarter of 2005. The high oil prices were compensated by fare adjustments. The emphasis now is on improving the cabin factor through capacity adjustments, and a more aggressive commercial focus.

Scandinavian Airlines Danmark and Scandinavian Airlines International are focusing on development of Copenhagen as a traffic hub. SAS Braathens received its new Airline Operating Certificate (AOC) and the new structure is now in place. In Sweden, we launched “Nya Inrikesflyget” (a new domestic concept) at the end of March which has been a major sales success from the start with more than 100,000 ticket reservations on our new, simplified website by the end of April. The other airlines in the SAS Group have developed as planned and strengthened their market positions. Spanair and Blue1 deserve special mention since both have achieved significant earnings improvements.

The positive development for the Group’s other companies continues and new contracts have been signed with companies outside the Group. The steady expansion within Rezidor SAS continues. The agreement concluded with Carlson in the first quarter strengthens the development and earnings potential of Rezidor SAS.

The Group’s total earnings are therefore better in the first quarter of 2005 than in 2004 and adjusted for the Easter effect, which has an impact on the airlines, the improvement is approximately MSEK 500.

In recent years we have focused on cost savings and with Turnaround 2005 we have worked to reduce the cost base by SEK 14 billion. We are now carrying out the remaining activities for SEK 1.9 billion so that the unit cost can be reduced still further. In addition to Turnaround 2005 we are working to simplify the business model which can further improve our cost efficiency. In the first quarter the unit cost for Scandinavian Airlines decreased by 7.5% adjusted for currency effects and increased fuel prices.

The SAS Group is now working on a broad front within five strategic focus areas. These activities include new, simplified fare concepts, improved products, and utilization of the potential within growth markets with the development of new routes. These commercial activities combined with a continued focus on costs will ensure a positive development in the future.

Since the market is still characterized by major overcapacity and pressure on yield, considerable caution must be exercised when making forecasts. Development in the first quarter and expectations for the next few months do not indicate any significant variances from plan.

SAS Group’s traffic development

The SAS Group’s traffic (RPK) in the first quarter increased by 4.4%. At the same time, capacity rose by 5.2% which meant that the cabin factor fell by 0.4 percentage points to 58.9%. The lower cabin factor is explained by a slightly less favorable development from the end of January until the middle of February, primarily for SAS Danmark's international traffic and for intercontinental traffic. Capacity cutbacks in Scandinavian Airlines Businesses from March improved the cabin factor.

Traffic showed strong development on European routes with a rise of 13.2% combined with a 1.2 percentage points improvement in the cabin factor due to good development for Spanair and airBaltic. Intercontinental traffic had a weaker development, with above all lower volumes from the U.S., in the first half of the quarter and the cabin factor fell 5.6 percentage points to 73.6%. Traffic within Scandinavia fell 71% and capacity by 8.4% which meant that the cabin factor improved by 0.7 percentage points. Traffic within Scandinavia was affected by weak traffic development for Swedish domestic. At the end of March Scandinavian Airlines Sverige launched “Nya Inrikesflyget” (a new domestic concept) which was very well received by passengers and the cabin factor improved substantially in April by 56 percentage points to 69%.

Scandinavian Airlines Businesses’ traffic fell by 1.4% due to planned capacity reductions. In SAS Braathens traffic rose 2.3% after positive development on both domestic and international routes. Spanair’s traffic rose during the quarter by 17.2% following strong growth for both Spanish domestic traffic and European traffic. The cabin factor was unchanged. Blue1 had a strong development in Finland and transported 42.3% more passengers and the cabin factor improved by 10.7 percentage points. Widerøe’s traffic fell 0.2% due to Easter occurring in March rather than in April in 2004, but the cabin factor improved by 1.1 percentage points to 50.8%. airBaltic is in a growth market and traffic rose during the quarter by 217.4% due to newly opened, longer routes. The number of passengers rose by 95.1%.

SAS Group		Jan-Mar 2005	Change vs. 2004
Number of passengers	(000)	7,299	0.8%
Passenger kilometers	(mill)	7,342	4.4%
Seat kilometers	(mill)	12,465	5.2%
Cabin factor		58.9%	-0.4%pts

Traffic development by route sector SAS Group	Jan-Mar 2005 vs. Jan-Mar 2004 Traffic (RPK)	Capacity (ASK)
Intercontinental	1.7%	9.4%
Europe	13.2%	10.6%
Intra-Scandinavian	-9.5%	-7.0%
Denmark (domestic)	4.8%	0.4%
Norway (domestic)	-2.3%	-7.5%
Sweden (domestic)	-14.8%	-12.1%

January-March	Traffic (RPK)	Capacity (ASK)	Cabin factor (%)	Change in cabin factor
SAS Group	4.4%	5.2%	58.9%	-0.4%pts
SAS Danmark	-8.6%	-5.8%	51.1%	-1.6%pts
SAS Braathens	2.3%	-5.9%	57.7%	4.6%pts
SAS Sverige	-4.1%	-4.1%	54.2%	-0.0%pts
SAS International	1.7%	9.4%	73.6%	-5.6%pts
Spanair	17.2%	17.3%	53.4%	-0.0%pts
Widerøe	-0.2%	-2.4%	50.8%	1.1%pts
Blue1	27.6%	1.3%	52.0%	10.7%pts
airBaltic	217.4%	200.7%	50.0%	2.6%pts

Financial development

January-March 2005
The net effect of exchange rate fluctuations between the period January-March 2004 and 2005 was MSEK 94. The effect is MSEK -19 on operating revenue, MSEK 89 on operating expenses and MSEK 24 on net financial items.

The SAS Group's operating revenue amounted to MSEK 13,016 (12,567), an increase of MSEK 449 or 3.6%. Adjusted for currency effects, MSEK -19, the Group's operating revenue increased by 3.7%. In Scandinavian Airlines Businesses traffic measured in RPK, revenue passenger kilometers, decreased by 1.4% compared with 2004. Unit revenue, yield, decreased adjusted for currency effects by 0.6%.

Payroll expenses increased by MSEK 85 or 1.7% and amounted to MSEK 4,974 (4,889). Adjusted for currency effects, payroll expenses were MSEK 55 or 1.1% higher than in the previous year.

The Group's other operating expenses increased by MSEK 141 or 1.8% to MSEK 7,863. Adjusted for currency effects expenses increased by MSEK 71, or 2.7%, due to increased fuel costs and increased volume. The Group's jet fuel costs amounted to MSEK 1,556 (1,210). Fuel costs increased by MSEK 346. The market price (spot price) during the period was on average 51% higher than in 2004.

Operating income before depreciation and leasing costs, EBITDAR, was MSEK 179 (-44).

Leasing costs amounted to MSEK 686 (639), an increase of MSEK 47. Depreciation was MSEK 583 (691), a decrease of MSEK 108. The decrease is due to sale and leaseback of aircraft which also led to increased leasing costs. In total, leasing costs and depreciation decreased by MSEK 61.

Share of income in affiliated companies amounted to MSEK 20 (69). The decline between 2004 and 2005 is mainly due to lower earnings in British Midland, airBaltic and Air Greenland.

The Group's income from the sale of aircraft and buildings amounted during the period to MSEK 22 (48). This includes the sale of one Douglas MD-82 and one Boeing 737.

Operating income was MSEK –1,048 (-1,257).

The Group's net financial items amounted to MSEK –242 (–283). Net interest was MSEK -206 (–219). The currency effect was MSEK –13 (-37). Other net financial expenses amounted to MSEK -23 (–27).

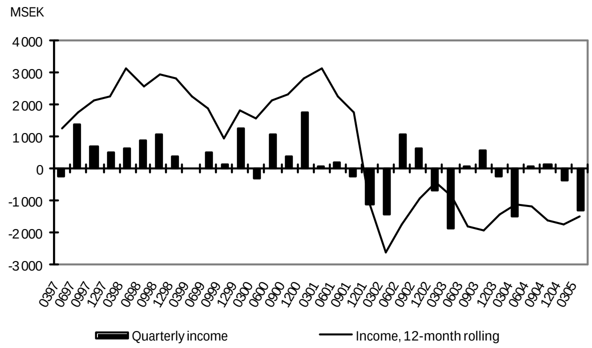
Income before capital gains amounted to MSEK –1,312 (–1,588) (see page 2). The first quarter is normally weak for seasonal reasons and normally shows a large negative result.

Income after financial items amounted to MSEK –1,290 (–1,540).

The change in income after financial items is due to:

Currency effect	94
Income before depreciation and leasing costs, EBITDAR	201
Leasing costs and depreciation	13
Share of income in affiliated companies	-49
Net interest	17
Capital gains	-26
Total changes	250

Income after financial items



SAS Group's Turnaround 2005

Since 2002 the SAS Group has implemented major cost reductions designed to strengthen competitiveness over time. These measures amount to a total of SEK 14 billion, of which SEK 1.9 billion will be implemented in 2005.

The earnings impact for the first quarter of 2005 amounted to SEK 1.0 billion compared with the same period in 2004.

SEK 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 2.0 billion is already implemented.

Unit cost development

During 2005, Turnaround 2005 has continued to contribute to improved unit cost levels. In the first quarter of 2005, the unit cost for Scandinavian Airlines Businesses fell by 7.5% compared with 2004, adjusted for increased fuel costs and currency effects. Capacity cutbacks within the Capacity & Utilization Focus affected unit costs by -1%. Spanair reduced its unit cost by 6.5%.

Focus on remaining activities

The SAS Group is focusing on implementation of the remaining activities within Turnaround 2005 which at March 2005 amounted to SEK 1.9 billion. The aim is to implement all measures during 2005.

Remaining measures within Turnaround 2005 (SEK billion)	**Total**
Productivity flight staff (Group & Scandinavian Airlines Businesses)	0.4
SAS Technical Services, LCC model	0.4
SAS Ground Services, LCC model	0.4
Distribution including IT	0.4
Other	0.3
Total	**1.9**

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, prevented full attainment of the target set for the number of block hours for cabin crew and pilots in 2005. The aim is to raise productivity for cabin crew and pilots to 700-750 block hours/year. Since this target will not be achieved in 2005, alternative measures have been identified that will ensure attainment of the total target for Turnaround 2005.

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 400. A corresponding LCC+ model in SAS Ground Services amounts to MSEK 400, which will lead to redundancies that will be handled in 2005. This also includes greater automation in SAS Ground Services. The aim is that the total proportion of self-service check-in should be 60%.

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%. In March 2005 the proportion was 27.7%. Outstanding measures within IT as well as payment and distribution charges amount to MSEK 400.

Restructuring costs

Earnings for the first quarter were not charged with any restructuring costs related to Turnaround 2005. In 2005 restructuring costs are expected to be limited and lower than in 2004.

Continued streamlining

The new group structure with incorporated units makes it considerably easier to make comparisons and allows measures to be implemented faster. In addition to Turnaround 2005 a focus on further simplifications in each company's business model will result in additional cost-cutting measures. The SAS Group will continuously 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 March 31 amounted to MSEK 7,659 (8,385). The SAS Group also has unutilized contracted loan commitments amounting to MSEK 3,300. During 2005 the SAS Group renewed bilateral facilities of MSEK 530.

The sale of one MD-80 and one Boeing 737 took place in the first quarter. This provided a total sales value of MSEK 221. As a result of the Capacity & Utilization Focus the MD-90 fleet will be phased out. Additional releases of capital with a focus on aircraft, aircraft engines, spare parts and components are planned in the future.

The financial net debt at March 31, 2005, amounted to MSEK 16,424, an improvement of MSEK 953 since December 31, 2004. In January 2005, Moody's announced that a review of the SAS Group's creditworthiness will be performed. At present the SAS Group's creditworthiness for the company's senior implied rating is B1.

The equity/assets ratio at March 31, 2005, was 21% (19%). 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 improved earnings and the program for release of capital.

Investments

The SAS Group's investments, including prepayments, amounted to MSEK 272 (1,272) for the period. Investments in aircraft and other flight equipment totaled MSEK 74 (516).

	January-March	
	2005	2004
Scandinavian Airlines Businesses	9	465
Subsidiary & Affiliated Airlines	44	28
Airline Support Businesses	101	86
Airline Related Businesses	12	7
Hotels	95	49
Groupwide functions and eliminations	11	637
SAS Group	272	1 272

Firm orders for aircraft 2005-2007:

SAS Group	Total	2005	2006	2007
CAPEX (MUSD)	315	7	135	173
No. of aircraft	6	-	2	4

SAS Group's total aircraft fleet March 31, 2005:

Aircraft type	Own-ed	Leased in	Total	Leased out	Order
Airbus A340/330-300	5	6	11		
Airbus A321/A320	8	19	27		4
Boeing 767-300		3	3	3	
Boeing 737 series	27	52	79	5	2
Boeing 717					
McDonnell Douglas MD-80 series	27	60	87	4	
McDonnell Douglas MD-90-30	8		8		
Avro RJ-85/100		9	9		
Fokker F50	7	1	8	2	
deHavilland series	17	36	53		
SAAB 2000		5	5		
Total	99	195	294	14	6
Breakdown of the Group's fleet by airline:					
Scandinavian Airlines Businesses	83	115	198	14	6
Spanair		53	53		
Widerøe	16	13	29		
Blue1		14	14		
Total	99	195	294	14	6

Currency and fuel hedging

The SAS Group has hedged approximately 65% of the USD deficit during the period April 2005 to March 2006 where downside hedging is approximately 35%.

Of anticipated fuel consumption, 46% is hedged for 12 months. For the remainder of 2005, 50% of anticipated consumption is hedged at a total average price, including premium, of approximately USD 450/MT. Hedging is primarily effected with capped options.

Average number of employees in the SAS Group (FTEs)

	January-March	
	2005	2004
Scandinavian Airlines Businesses	8,445	9,698
Subsidiary & Affiliated Airlines	5,269	4,926
Airline Support Businesses	11,927	11,605
Airline Related Businesses	720	854
Hotels	4,572	3,697
Groupwide functions	864	980
SAS Group	31,797	31,760

Accounting principles

The SAS Group has applied International Financial Reporting Standards (IFRS) since 1 January 2005. Comparative figures for 2004 have been restated according to IFRS. Through 2004 the Group applied the Swedish Financial Accounting Standards Council's recommendations (RR). The annual report for 2004 contains a complete account of positions adopted and the effects of the transition to IFRS. Comparative figures restated in accordance with IFRS are provided on pages 20-22.

Parent Company SAS AB

Income after financial items for the period amounted to MSEK -156 (-158).

Available liquidity for SAS AB amounted to MSEK 1 at March 31, 2005, compared with MSEK 1 at the start of the year.

The number of shareholders in SAS AB amounted to 21,965 at March 31, 2005. The average number of employees in SAS AB amounted to 177 (159).

Statement of income (MSEK)	January – March 2005	2004
Operating revenue	5	3
Payroll expenses	-61	-51
Other operating expenses	-62	-37
Operating income before depreciation	-118	-85
Depreciation	0	0
Dividends from subsidiaries	66	0
Operating income	-52	-85
Net financial items	-104	-73
Income after financial items	-156	-158
Tax	62	-
Net income for the period	-94	-158

Balance sheet (MSEK)	March 31 2005	Dec 31 2004
Fixed assets	11,599	9,365
Current assets	225	396
Total assets	11,824	9,761
Shareholders' equity	3,364	3,457
Long-term liabilities	8,396	6,168
Current liabilities	64	136
Total shareholders' equity and liabilities	11,824	9,761

Change in shareholders' equity

(MSEK)	Share capital	Restrict. reserve	Unrest equity	Total equity
Opening balance, Jan 1, 2004	1,645	180	479	2,304
Transfer between unrestricted and restricted equity		22	-22	
Group contribution received, net			116	116
Net income for the year			1,037	1,037
Equity, December 31, 2004	1,645	202	1,610	3,457
Net income for the period			-94	-94
Equity, March 31, 2005	1,645	202	1,516	3,363

Full-year 2005

In the year-end report for 2004 published on February 10 and in the Annual Report for 2004, the SAS Group stated that a positive general market development and an unchanged competitive situation are expected in 2005. Ongoing capacity adjustments and an intensified concentration on commercial activities with a strong customer focus are expected to stabilize the 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 based on the above and provided no significant changes occur in the business environment, adopted business plans indicate positive earnings for 2005.

Since the market is still characterized by major overcapacity and pressure on yield, considerable caution must be exercised when making forecasts. Development in the first quarter and expectations for the next few months do not indicate any significant variances from plan.

Stockholm, May 3, 2005
SAS AB

Jørgen Lindegaard
President and CEO

The interim report has not been reviewed by the Company's auditors.

Board of Directors:
Egil Myklebust, Chairman
Jacob Wallenberg, Vice Chairman
Berit Kjøll, board member
Fritz H. Schur, board member
Anitra Steen, board member
Lars Rebien Sørensen, board member
Timo Peltola, board member
Verner Lundtoft Jensen, board member
Ulla Gröntvedt, board member
John Lyng, board member

Management:
Jørgen Lindegaard, President and CEO
Gunnar Reitan, Deputy CEO
Gunilla Berg, Executive Vice President and CFO
John S. Dueholm, Executive Vice President
Bernhard Rikardsen, Executive Vice President

SAS Group

Balance sheet

(MSEK)	March 31 2005	December 31 2004 [1]	March 31 2004 [1]	March 31 2003
Intangible fixed assets	3,205	3,180	3,388	3,078
Tangible fixed assets	23,837	24,166	28,463	33,596
Financial fixed assets	11,417	11,094	11,177	10,329
Total fixed assets	38,459	38,440	43,028	47,003
Current assets	1,352	1,289	1,293	1,435
Current receivables	9,690	9,459	9,754	8,182
Cash, bank and short-term investments	7,659	8,595	8,385	8,534
Total current assets	18,701	19,343	19,432	18,151
Total assets	57,160	57,783	62,460	65,154
Shareholders' equity [2]	11,935	11,354	11,908	13,438
Provisions	4,702	4,256	4,773	5,001
Long-term liabilities	20,064	21,103	21,156	23,335
Current liabilities	20,459	21,070	24,623	23,380
Total shareholders' equity and liabilities	57,160	57,783	62,460	65,154
Equity per share (SEK) [3]	72.44	68.87	72.29	81.23
Interest-bearing assets	17,359	17,324	17,637	16,436
Interest-bearing liabilities	26,410	27,280	30,483	30,353

[1] Balance sheets for 2004 are restated according to IFRS 3.
[2] Including minority interests.
[3] Calculated on 164,500,000 outstanding shares. The SAS Group has not carried out any share buyback programs.

Change in shareholders' equity

(MSEK)	Share capital	Restrict. reserves	Acc.exch.rate diff. restricted reserves	Unrestric. equity	Acc.exch.rate diff. unrestr.reserves	Minority interests	Total equity
Opening balance, January 1, 2004	1,645	5,348	218	5,583	340	112	13,246
Acquisitions						-80	-80
Exchange rate difference			196	-108	29	-1	116
Transfers between restricted and unrestricted equity		12		-12			0
Other							
Net income for the period				-1,359		-15	-1,374
Adjusted equity, March 31, 2004	1,645	5,360	414	4,104	369	16	11,908
Acquisitions						-2	-2
Exchange rate difference			-225	123	-118		-220
Transfers between restricted and unrestricted equity		17	-14	32	-35		0
Net income for the period				-343		11	-332
Closing balance, December 31, 2004	1,645	5,377	175	3,916	216	25	11,354
Adjustment for IAS 39				1,468			1,468
Opening balance, January 1, 2005	1,645	5,377	175	5,384	216	25	12,822
Change in value cash flow hedges				120			120
Exchange rate difference			103 *		-129 *		-26
Transfers between unrestricted and restricted equity		144		-144			0
Other				-10			-10
Net income for the period				-964		-7	-971
Total equity, March 31, 2005	1,645	5,521	278	4,386	87	18	11,935

* Includes MSEK -120 and MSEK -38, respectively, of hedging of net investments in foreign subsidiaries.

SAS Group

Cash flow statement

(MSEK)	January-March 2005	January-March 2004	April-March 2004-05	April-March 2003-04
Income after financial items	-1,290	-1,540	-1,524	-1,134
Depreciation	583	691	2,594	2,984
Income from the sale of fixed assets	-22	-48	-92	-1,314
Adjustment for items not included in cash flow, etc.	-29	15	-245	-349
Paid tax	-14	-13	-19	-265
Cash flow from operations	-772	-895	714	-78
Change in working capital	-251	-515	-1,863	-914
Cash flow from operating activities	-1,023	-1,410	-1,149	-992
Investments including prepayments to aircraft suppliers	-272	-658	-2,769	-4,148
Acquisition of subsidiaries	0	-614	0	-633
Sale of subsidiaries	0	0	0	884
Sale of fixed assets, etc.	112	1,363	5,602	5,806
Cash flow before financing activities	-1,183	-1,319	1,684	917
External financing, net	236	625	-2,405	-1,045
Cash flow for the period	-947	-694	-721	-128
Translation difference in liquid assets	11	13	-5	-21
Change in liquid assets according to the balance sheet	-936	-681	-726	-149

Comments on the cash flow statement

Cash flow from operations in the first quarter of 2005 improved by MSEK 123 but was negative by MSEK 772 (895), primarily due to seasonal variations. The improved cash flow compared with the previous year is mainly due to improved operating income. Working capital improved, among other things, due to payment of a claim attributable to the sale of Scandinavian IT Group.

Investments amounted to MSEK 272 (658), of which MSEK 74 relates to flight equipment. Sales of fixed assets, etc., amounted to MSEK 112 (1,363). The SAS Group's cash flow before financing activities thus amounted to MSEK –1,183 (-1,319).

External financing was positive by MSEK 236 (625). The SAS Group's liquid assets according to the balance sheet amounted to MSEK 7,659 (8,385).

Statement of income –quarterly breakdown

(MSEK)	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	2005 JAN-MAR
Operating revenue	13,710	15,300	14,920	13,824	57,754	12,567	15,143	15,423	14,940	58,073	13,016
Payroll expenses	-5,741	-5,564	-5,165	-5,457	-21,927	-4,889	-5,069	-4,665	-4,962	-19,585	-4,974
Other operating expenses	-8,367	-8,128	-8,018	-7,553	-32,066	-7,722	-8,581	-9,005	-8,797	-34,105	-7,863
Leasing costs for aircraft	-832	-719	-729	-655	-2,935	-639	-678	-705	-667	-2,689	-686
Depreciation	-753	-780	-773	-740	-3,046	-691	-666	-663	-682	-2,702	-583
Share of income in affiliated companies	25	27	4	-17	39	69	36	24	28	157	20
Income from the sale of shares in subsidiaries and affiliated companies	0	0	0	651	651	0	3	0	2	5	0
Income from the sale of aircraft and buildings	50	136	559	-96	649	48	63	-32	34	113	22
Operating income	-1,908	272	798	-43	-881	-1,257	251	377	-104	-733	-1,048
Income from other shares and participations	-17	8	0	8	-1	0	0	1	0	1	0
Net financial items	49	-193	-234	-210	-588	-283	-207	-276	-276	-1,042	-242
Income after financial items	-1,876	87	564	-245	-1,470	-1,540	44	102	-380	-1,774	-1,290
Tax	174	-1	196	-364	5	166	103	31	-232	68	319
Net income for the period	-1,702	86	760	-609	-1,465	-1,374	147	133	-612	-1,706	-971
Attributable to:											
Parent Company shareholders	-1,599	66	699	-581	-1,415	-1,359	142	112	-597	-1,702	-964
Minority interests	-103	20	61	-28	-50	-15	5	21	-15	-4	-7

Segment reporting: income by business area

Statement of income January – March	Scandinavian Airlines Businesses		Subsidiary & Affiliated Airlines		Airline Support Businesses		Airline Related Businesses		Hotels		Groupwide & eliminations		SAS Group	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
External sales	7,728	7,669	2,563	2,260	1,235	1,143	314	532	1,076	896	100	67	13,016	12,567
Sales between business segments	318	343	44	15	2,522	2,364	102	138	20	22	-3,006	-2,882	0	0
Total operating revenue	8,046	8,012	2,607	2,275	3,757	3,507	416	670	1,096	918	-2,906	-2,815	13,016	12,567
Payroll expenses	-1,992	-2,107	-648	-579	-1,621	-1,558	-99	-108	-437	-362	-177	-175	-4,974	-4,889
Other expenses	-6,133	-6,048	-1,752	-1,669	-1,878	-1,792	-285	-507	-745	-613	2,930	2,907	-7,863	-7,722
EBITDAR per business segment	-79	-143	207	27	258	157	32	55	-86	-57	-153	-83	179	-44
Leasing costs for aircraft	-444	-367	-242	-271	0	0	0	0	0	0	0	-1	-686	-639
EBITDA per business segment	-523	-510	-35	-244	258	157	32	55	-86	-57	-153	-84	-507	-683
Depreciation	-302	-368	-76	-71	-111	-124	-32	-37	-48	-38	-14	-53	-583	-691
Share of income in affiliated companies	15	15	-3	50		0	0	0	8	7	0	-3	20	69
Capital gains	290	49	0	0		0	0	0	0	0	-268	-1	22	48
EBIT per business segment	-520	-814	-114	-265	147	33	0	18	-126	-88	-435	-141	-1,048	-1,257
Unallocated income statement items														
Income from other shares and participations													0	0
Net financial items													-242	-283
Tax													319	166
Net income for the period													-971	-1,374

SAS Group's objectives

Targets

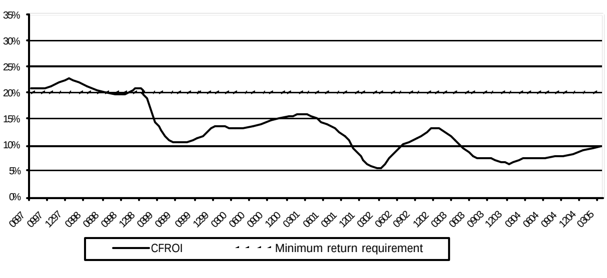
The SAS Group has a target for total shareholder return (TSR) of a minimum of 14% over a business cycle. The return target refers to the sum of share price appreciation and reinvested dividends. Based on this return target, the SAS Group has set its internal financial target, CFROI.

During the period April 2004-March 2005 the Group generated income before net financial items, tax, depreciation, capital gains and operating lease costs for aircraft (EBITDAR) of MSEK 4,606 (4,115). Adjusted EBITDAR amounted to MSEK 4,443 (3,956). Set in relation to adjusted capital employed CFROI was 10% (7%), which is 10 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)	April-March 2004-2005	April-March 2003-2004
Income		
Income before depreciation, EBITDA	1,870	1,373
+ Operating lease costs, aircraft	2,736	2,742
EBITDAR	4,606	4,115
- Operating lease revenue, aircraft	-163	-159
Adjusted EBITDAR	4,443	3,956
Adjusted capital employed (average)		
+ Shareholders' equity	11,858	13,172
+ Surplus value, aircraft	-868	-124
+ Capitalized leasing costs, net (x7) *	17,826	21,333
- Equity in affiliated companies	-700	-556
+ Financial net debt	18,253	19,512
Adjusted capital employed	46,369	53,337
CFROI	10%	7%

* In the capital market a calculation model is used whereby the annual cost is multiplied by seven regardless of the term of the leases. The SAS Group takes leasing revenue into account in this item. Net Present Value (NPV) amounted at the end of March to MSEK 10,746 (11,816). Average NPV for the 12-month period amounted to MSEK 11,689 (10,943).

Scandinavian Airlines Businesses

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

Statement of income

(MSEK)	January-March 2005	Pro forma January-March 2004
Passenger revenue	6,496	6,696
Charter revenue	287	137
Other traffic revenue	656	485
Other revenue	607	694
Operating revenue	8,046	8,012
Payroll expenses	-1,992	-2,107
Selling costs	-121	-217
Jet fuel	-1,169	-895
Government user fees	-896	-1,006
Catering costs	-180	-232
Handling costs	-1,380	-1,363
Technical aircraft maintenance	-1,119	-968
Data and telecommunications costs	-410	-438
Other operating expenses	-858	-929
Operating expenses	-8,125	-8,155
Income before depreciation and leasing costs, EBITDAR	-79	-143
Leasing costs, aircraft	-444	-367
Income before depreciation, EBITDA	-523	-510
Depreciation	-302	-368
Share of income in affiliated companies	15	15
Capital gains	290	49
Operating income, EBIT	-520	-814
Net financial items	-181	-193
Scandinavian Airlines Businesses – Income after financial items	-701	-1,007

Earnings performance

Yield rose in the first two months of the year due to fuel surcharges but fell in March compared with the previous year due to Easter occurring in March rather than April in 2004. The best yield performance was noted on intercontinental routes and intra-Scandinavian traffic, while yield continued to fall on European routes, as well as Norwegian and Swedish domestic routes. The cabin factor fell slightly due to a decline for European traffic in Copenhagen.

The business area's total operating revenue rose in the first quarter of 2005 by 0.4% to MSEK 8,046 (8,012) due to the introduction of fuel surcharges and increased charter production. Passenger revenue fell by 3.0% and by 2.9% adjusted for currency effects.

Operating expenses fell in the first quarter by 0.4% to MSEK 8,125 (8,155) despite substantially increased fuel prices. Despite the reduction in capacity, the total currency adjusted unit cost fell compared with the previous year by 3.9% and by 7.5% adjusted for increased fuel prices. Efficiency gains are explained by continued effects from Turnaround 2005. Payroll expenses decreased by 5.5% to MSEK 1,992 (2,107). The average number of employees during the quarter amounted to 8,445 (9,698).

Fuel prices rose by MSEK 274 compared with the previous year to MSEK 1,169 (895) and the unit cost for jet fuel (adjusted for volume and currency) rose by 34.1%. Handling costs amounted to MSEK 1,380 (1,363) due to increased volume. Costs for technical aircraft maintenance rose by MSEK 151 to MSEK 1,119 (968) due to increased planned maintenance volumes. Costs for technical maintenance are expected to increase in 2005 due to increased planned engine maintenance.

The joint venture agreement, European Cooperation Agreement (ECA) between British Midland, Lufthansa and Scandinavian Airlines had a negative earnings impact in the first quarter of MSEK -64 (-71).

Operating income before depreciation and leasing costs improved by MSEK 64 and amounted to MSEK -79 (-143).

Income after financial items before capital gains and nonrecurring items amounted to MSEK -991 (-1,056) in the first quarter.

In seasonal terms, the first quarter is a weak quarter for the business area as a whole.

Scandinavian Airlines Businesses, Total

		January-March 2005	change
Number of passengers	(000)	5,147	-6.1%
Revenue passenger km (RPK)	(mill)	5,736	-1.4%
Available seat km (ASK)	(mill)	9,411	-0.7%
Cabin factor		61.0%	-0.4%pts

Currency adjusted yield trend by route sector

	January-March change vs. 2004
Intercontinental routes	3.8%
European routes	-6.2%
Intra-Scandinavian routes	13.8%
Danish domestic	14.6%
Norwegian domestic	-0.1%
Swedish domestic	-0.2%
Total	**-0.6%**

Currency adjusted unit cost trend

Total unit cost, incl. charter [1)]	-3.9%
Operational unit cost, incl. charter [1)]	-3.5%

[1)] Increased fuel costs had a negative impact on unit cost of 3.6%

Scandinavian Airlines Danmark

(MSEK)	Jan-Mar 2005
Passenger revenue	1,857
Other revenue	376
Total revenue	2,233
Total operating expenses	-2,412
EBITDAR	-179
Leasing costs	-233
EBITDA	-412
Depreciation	0
EBIT	-412
Net financial items	2
Income after financial items	-410
EBITDAR margin	-8.0%
Average number of employees	1,616

Traffic and production		Jan-Mar 2005	Change
Scheduled traffic			
Number of passengers (000)		1,573	-12.0%
RPK	(mill)	1,142	-8.6%
ASK	(mill)	2,235	-5.8%
Cabin factor		51.1%	-1.6%pts
Yield			-4.2%

Scandinavian Airlines Danmark's traffic decreased by 8.6% in the first quarter compared with 2004. The decrease in traffic, capacity and number of passengers is mainly due to the fact that Scandinavian Airlines Sverige has taken over half the flights between Stockholm and Copenhagen. Capacity decreased by 5.8%. The cabin factor fell during the quarter by 1.6 percentage points to 51.1% due to major overcapacity on several routes out from Copenhagen. The currency-adjusted yield fell in the same period by 4.2% because the Easter holidays occurred in March. Yield rose in January and February as a result of fuel surcharges and an increased proportion of local traffic from south Copenhagen and southern Sweden

Passenger revenue in the first quarter amounted to MSEK 1,857. Total operating revenue amounted to MSEK 2,233 which includes revenues from the growing charter operations. Income after financial items was MSEK -410 in the first quarter.

Scandinavian Airlines Danmark is focusing on commercial activities combined with cost reductions within the framework of Turnaround 2005.

SAS Braathens

(MSEK)	Jan-Mar 2005	Jan-Mar 2004 [2]
Passenger revenue	2,098	2,078
Other revenue	565	573
Total revenue	2,663	2,651
Total operating expenses	-2,429	-2,544
EBITDAR	234	107
Leasing costs	-303	-287
EBITDA	-69	-180
Depreciation	-11	-30
Capital gains	268, [1]	0
EBIT	188	-210
Net financial items	-8	-1
Income after financial items	180	-211
EBITDAR margin	8.8%	4.0%
Average number of employees	2,960	3,164
EBIT before capital gains	-80	-210
EBT before capital gains	-88	-211

[1] Pertains to internal capital gain from the sale of Braathens AS to the SAS Consortium, prior to implementation of the merger.
[2] Pro forma

Traffic and production		Jan-Mar 2005	Change
Scheduled traffic			
Number of passengers (000)		1,935	-3.4%
RPK	(mill)	1,270	2.3%
ASK	(mill)	2,201	-5.9%
Cabin factor		57.7%	4.6%pts
Yield			-3.7%

SAS Braathens' traffic, RPK, rose by 2.3% in the first quarter of 2005. The increase was mainly due to favorable development on the routes to southern Europe where Easter occurring in March had a positive effect. Capacity, ASK, decreased during the period by 5.9% due to a smaller traffic program in conjunction with the Easter period. The cabin factor improved during the period by 4.6 percentage points to 57.7%. Yield fell during the period by 3.7%. The lower yield was due to lower fares and general price pressure resulting from intense competition in the domestic and international markets.

Operating revenue during the quarter amounted to MSEK 2,663. Passenger revenue rose during the period by 1% to MSEK 2,098 (2,078). The increase was mainly due to the weaker Swedish krona. EBITDAR improved during the quarter by 118% to MSEK 234 (107). The improved earnings were mainly due to completed activities within Turnaround 2005. Income after financial items and before nonrecurring items, improved by MSEK 123 to MSEK-88 (-211).

Scandinavian Airlines Sverige

(MSEK)	Jan-Mar 2005
Passenger revenue	1,400
Other revenue	408
Total revenue	1,808
Total operating expenses	-1,847
EBITDAR	-39
Leasing costs	-173
EBITDA	-212
Depreciation	-1
EBIT	-213
Net financial items	-6
Income after financial items	-219
EBITDAR margin	-2.2%
Average number of employees	1,451

Traffic and production		Jan-Mar 2005	Change
Scheduled traffic			
Number of passengers (000)		1,309	-3.8%
RPK	(mill)	943	-4.1%
ASK	(mill)	1,740	-4.1%
Cabin factor		54.2%	-0.0%pts
Yield			5.5%

Scandinavian Airlines Sverige's traffic, RPK, decreased by 4.1% in the first quarter of 2005 compared with the previous year. Capacity, ASK, decreased in the same period by 4.1% and the cabin factor remained unchanged at 54.2%. The total yield rose by 5.5% mainly due to introduction of fuel surcharges.

Passenger revenue in the first quarter of 2005 amounted to MSEK 1,400. EBITDAR during the first quarter amounted to MSEK -39 and income after financial items was MSEK -219. Earnings were negatively affected by the major overcapacity primarily on Swedish domestic traffic.

On March 30 a new concept was launched in Swedish domestic traffic which was very well received by the market with more than 100,000 reservations by the end of April. During April the cabin factor increased by 5.6 percentage points compared with 2004 to 69%.

In addition to its commercial focus Scandinavian Airlines Sverige continued to implement planned activities within Turnaround 2005.

Scandinavian Airlines International

(MSEK)	Jan-Mar 2005
Passenger revenue	1,123
Other revenue	471
Total revenue	1,594
Total operating expenses	-1,683
EBITDAR	-89
Leasing costs	-171
EBITDA	-260
Depreciation	-2
EBIT	-262
Net financial items	7
Income after financial items	-255
EBITDAR margin	-5.6%
Average number of employees	743

Traffic and production		Jan-Mar 2005	Change
Scheduled traffic			
Number of passengers (000)		330	-0.3%
RPK	(mill)	2,380	1.7%
ASK	(mill)	3,235	9.4%
Cabin factor		73.6%	-5.6%pts
Yield			3.8%

Scandinavian Airlines International's intercontinental traffic, RPK, increased by 1.7% in the first quarter of 2005 compared with the previous year. Since capacity, ASK, increased in the same period by 9.4%, the cabin factor fell by 5.6 percentage points to 73.6%. By leasing in an aircraft from United Airlines capacity increased both on routes from Copenhagen to the U.S. and on the route Copenhagen to/from Shanghai. The total yield rose by 3.8%. This increase was due, among other things, to the introduction of fuel surcharges to compensate for the increased fuel costs.

The winter months are normally seasonally weak for SAS's intercontinental traffic. Passenger revenue in the first quarter amounted to MSEK 1,123. Total operating revenue amounted to MSEK 1,594. EBITDAR during the period amounted to MSEK -89. Income after financial items amounted to MSEK -255.

Scandinavian Airlines International was the first airline in the world to introduce wireless Internet on board, SAS Net Access/Connexion by Boeing, on all Airbus A330/A340 aircraft. In the first quarter it was decided to install flat beds in Business Class starting at the beginning of 2006 as part of product development for increased comfort.

Subsidiary & Affiliated Airlines

(excluding Braathens)

Statement of income

(MSEK)	January-March 2005	Pro forma January-March 2004
Passenger revenue	1,746	1,544
Freight revenue	30	24
Charter revenue	407	398
Other traffic revenue	70	49
Other revenue	354	260
Operating revenue	2,607	2,275
Payroll expenses	-648	-579
Selling costs	-66	-90
Jet fuel	-397	-319
Government user fees	-360	-361
Catering costs	-105	-134
Handling costs	-176	-208
Technical aircraft maintenance	-229	-237
Data and telecommunications costs	-45	-51
Other operating expenses	-374	-269
Operating expenses	-2,400	-2,248
Income before depreciation and leasing costs, EBITDAR	207	27
Leasing costs, aircraft	-242	-271
Income before depreciation, EBITDA	-35	-244
Depreciation	-76	-71
Share of income in affiliated companies	-3	50
Operating income, EBIT	-114	-265
Net financial items	-31	-23
Subsidiary & Affiliated Airlines – Income after financial items	-145	-288

Earnings performance

The Subsidiary & Affiliated Airlines business area 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 Scandinavian Airlines Businesses business area and is therefore not included in the 2004 statement of income.

In the first quarter the business area accounted for 16% of the SAS Group's operating revenue before group eliminations. The airlines in the business area transported 2.2 million passengers during the quarter.

The business area's operating revenue for the first quarter of 2005 amounted to MSEK 2,607 (2,275) an increase of 14.6%. The business area reported income after financial items for the period of MSEK -145 (-288), an improvement of MSEK 143.

Spanair's income after financial items improved considerably compared with the previous year by MSEK 134 to MSEK -158 (-292) due to new routes and more passengers combined with effective cost control.

Widerøe's income after financial items was unchanged compared with the previous year and amounted to MSEK 14 (14) despite negative effects from Easter occurring during March in 2005.

Blue1's income after financial items also improved substantially by MSEK 62 and amounted to MSEK -4 (-66). The improved earnings were largely due to higher occupancy and continued favorable traffic growth.

Traffic and production*		Jan-Mar 2005	Change
Scheduled traffic			
Number of passengers (000)		2,152	22.5%
RPK	(mill)	1,606	32.2%
ASK	(mill)	3,054	28.7%
Cabin factor		52.6%	+1.4%pts

* Spanair, Widerøe, Blue1 and airBaltic.

Traffic development 2005	Spanair	Widerøe	Blue1	airBaltic
Passengers	13.2%	-2.2%	42.3%	95.1%
RPK	17.2%	-0.2%	27.6%	217.4%
ASK	17.3%	-2.4%	1.3%	200.7%
Cabin factor	53.4%	50.8%	52.0%	50.0%
Cabin factor, change	0.0%pts	1.1%pts	10.7%pts	2.6%pts

Spanair

(MSEK)	Jan-Mar 2005	Jan-Mar 2004
Passenger revenue	1,043	901
Other revenue	531	504
Total revenue	1,574	1,405
Payroll expenses	-288	-267
Other operating expenses	-1,167	-1,122
Total operating expenses	-1,455	-1,389
EBITDAR	119	16
Leasing costs	-228	-260
EBITDA	-109	-244
Depreciation	-28	-27
EBIT	-137	-271
Net financial items	-21	-21
Income after financial items	-158	-292
EBITDAR margin	7.6%	1.1%
Average number of employees	2,641	2,496

Specified statement of income available at www.sasgroup.net

Traffic and production	Jan-Mar 2005	Change
Scheduled traffic		
Number of passengers (000)	1,261	13.2%
RPK (mill)	1,101	17.2%
ASK (mill)	2,063	17.3%
Cabin factor	53.4%	-0.0%pts
Yield, (EUR/RPK)		1.3%
Unit cost, tot. EUR		-6.5%
Charter traffic		
Number of passengers (000)	350	2.7%

In accordance with Spanair's growth plans, traffic increased in the first quarter by 17.2% after a capacity increase of 17.3%. Two domestic routes were opened during the quarter and on international routes the number of departures was extended. The cabin factor was unchanged at 53.4%. Yield rose during the first quarter by 1.3% due to the introduction of fuel surcharges.

Operating revenue rose during the quarter by 12.0% to MSEK 1,574 (1,405) due to larger volumes and improved yield. Operating expenses rose due to the increased capacity by 4.8% to MSEK 1,455 (1,389). Fuel costs rose compared with the previous year by MSEK 66, an increase of 27.7%. EBITDAR improved by MSEK 103 to MSEK 119 (16).

Leasing costs fell by MSEK 32 due to the weak USD.

Income after financial items improved by MSEK 134 to MSEK -158 (-292).

widerøe

(MSEK)	Jan-Mar 2005	Jan-Mar 2004
Passenger revenue	371	386
Other revenue	268	202
Total revenue	639	588
Payroll expenses	-232	-198
Other operating expenses	-327	-318
Total operating expenses	-559	-516
EBITDAR	80	72
Leasing costs	-21	-22
EBITDA	59	50
Depreciation	-37	-34
EBIT	22	16
Net financial items	-8	-2
Income after financial items	14	14
EBITDAR margin	12.5%	12.2%
Average number of employees	1,325	1,264

Traffic and production	Jan-Mar 2005	Change
Scheduled traffic		
Number of passengers (000)	420	-2.2%
RPK (mill)	128	-0.2%
ASK (mill)	253	-2.4%
Cabin factor	50.8%	+1.1%pts
Yield, (NOK/RPK)		-2.6%
Unit cost, tot. incl. charter, (NOK)	2.02	9.4%

Widerøe's traffic, RPK, fell in the first quarter of 2005 marginally by 0.2% mainly due to Easter occurring in March instead of April as in the previous year. Capacity decreased by 2.4% and the number of landings by approximately 4%. The cabin factor therefore improved by 1.1 percentage points to 50.8%.

Widerøe's operations are divided into two parts. One part is on the Norwegian short runway network which is procured by the Norwegian state. These operations accounted during the first quarter for approximately 36% of passenger revenue. The other larger operations comprise commercial route traffic within, to and from Norway.

Passenger revenue fell during the quarter by 3.9% to MSEK 371 (386) due to lower yield and volumes. Other revenues rose by MSEK 66 due to the introduction of fuel surcharges which meant that total operating revenue rose in the first quarter by MSEK 51 to MSEK 639 (588). Operating expenses rose MSEK 43 due to higher jet fuel prices

EBITDAR improved by 11.1% to MSEK 80 (72). Income after financial items despite the negative Easter effect was on a par with the previous year and amounted to MSEK 14 (14).

Blue1

(MSEK)	Jan-Mar 2005	Jan-Mar 2004
Passenger revenue	332	257
Other revenue	47	11
Total revenue	379	268
Payroll expenses	-62	-51
Other operating expenses	-283	-245
Total operating expenses	-345	-296
EBITDAR	34	-28
Leasing costs	-33	-34
EBITDA	1	-62
Depreciation	-3	-3
EBIT	-2	-65
Net financial items	-2	-1
Income after financial items	-4	-66
EBITDAR margin	9.0%	-10.4%
Average number of employees	435	326

Traffic and production		Jan-Mar 2005	Change
Scheduled traffic			
Number of passengers (000)		304	42.3%
RPK	(mill)	187	27.6%
ASK	(mill)	359	1.3%
Cabin factor		52.0%	+10.7%pts
Yield, (EUR/RPK)			2.3%
Unit cost, tot. incl. charter, EUR			5.2%

The traffic trend was positive in the first quarter of the year. The number of passengers increased by 42.3% compared with the same period in the previous year. The increase in capacity, ASK, was 1.3%. The cabin factor thus improved considerably by 10.7 percentage points.

Domestic routes developed favorably and two new routes were opened at the end of January, Helsinki-Vaasa and Helsinki-Rovaniemi. The cabin factor for domestic routes was 60.3%.

Blue1 started charter operations in the first quarter in the form of seasonal traffic between Helsinki and Kittilä.

Yield increased by 2.3% compared with the previous year. Revenue per available seat kilometer, RASK, increased by 28% mainly due to introduction of fuel surcharges.

Passenger revenue amounted to MSEK 332 (257), an increase of MSEK 75 over the previous year. EBITDAR improved by MSEK 62 to MSEK 34 (-28). Income after financial items improved by MSEK 62 and amounted to MSEK -4 (-66).

The improved earnings were due to improved yield and higher occupancy. The increase in occupancy is due to rearrangement of the traffic program. Membership of Star Alliance as a regional member and increased Internet sales have had a significant impact on the positive volume increase.

Airlines Support Businesses

Statement of income

(MSEK)	January-March 2005	January-March 2004
Operating revenue	3,757	3,507
Payroll expenses	-1,621	-1,558
Handling costs	-319	-288
Technical aircraft maintenance	-495	-455
Data and telecommunications costs	-164	-157
Other operating expenses	-900	-892
Operating expenses	-3,499	-3,350
Income before depreciation, EBITDA	258	157
Depreciation	-111	-124
Operating income, EBIT	147	33
Net financial items	-31	-21
Airline Support Businesses - Income after financial items	116	12

	SAS Ground Services January-March		SAS Technical Services January-March		SAS Cargo Group January-March	
	2005	2004	2005	2004	2005	2004
Operating revenue	1,574	1,517	1,503	1,331	714	714
Of which external operating revenue	17.7%	16.3%	18.4%	15.6%	95.2%	96.4%
Operating expenses	-1,492	-1,496	-1,344	-1,215	-691	-709
EBITDA	82	21	159	116	23	5
EBIT	55	-14	88	39	11	-6
Income after financial items	51	-13	64	20	5	-12
Average number of employees	6,888	6,585	3,670	3,770	1,314	1,250

Earnings performance

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 the first quarter, the business area accounted for 24% of the SAS Group's operating revenue before group eliminations.

In recent years the units within the business area have made their operations more efficient in response to structural changes within the industry, which continued to provide significant improvements during the first quarter of 2005. Operating revenue rose in the first quarter by 7.2% to MSEK 3,757 (3,507). Income after financial items improved by MSEK 104 to MSEK 116 (12).

Competition within the ground handling sector remained intense in the first quarter with continued price pressure. Operating revenue for **SAS Ground Services**, SGS, in the first quarter amounted to MSEK 1,574 (1,517). Income after financial items improved by MSEK 64 to MSEK 51 (-13). SGS also took over the operations SAS Ground Equipment on July 1, 2004, which had a marginally positive impact on earnings. During the first quarter SAS Ground Services lost Maersk as a customer in Denmark. After year-end SAS Ground Services signed agreements with Thai Airways and Thomas Cook in the U.K, and a Scandinavian agreement with LOT.

Costs have decreased compared with 2004 mainly through the activities within the framework of Turnaround 2005. The proportion of self-service check-in is increasing steadily. In March SGS exceeded its target of a maximum of 30% manual check-in at 13 airports.

SAS Technical Services' operating revenue for the period January-March amounted to MSEK 1,503 (1,331), an increase of 12.9% compared with the previous year. External revenues increased by 26% to MSEK 270 despite intense competition. During the first quarter SAS Technical Services signed several new contracts which will increase operating revenue over time.

Improved revenues combined with continued efficiency enhancements led to improved earnings. Operating income before depreciation improved by 37% and the EBITDA margin amounted to 10.6% during the quarter. Income after financial items improved to MSEK 64 (20).

In order to ensure continued positive development SAS Technical Services is conducting an analysis of future capacity and structure within Base/Heavy Maintenance. Demand is expected to decrease within this part of the operations in future years while there is major overcapacity in the market. The analysis is expected to be completed after the summer.

SAS Cargo's operating revenue in the first quarter amounted to MSEK 714 (714). Operating revenue was positively affected by capacity increases on the intercontinental destinations in Asia and partly the U.S. The weak USD had a negative impact on operating revenue. The increased fuel prices could be compensated during the quarter through the introduction of fuel surcharges.

Competition intensified during the quarter in Scandinavia from both freight companies and transport with trucks. Yield fell to SEK 1.92 (2.12). SAS Cargo has initiated activities designed to increase capacity utilization.

SAS Cargo's income after financial items improved by MSEK 17 to MSEK 5 (-12).

Airline Related Businesses

Statement of income

(MSEK)	January-March 2005	January-March 2004
Operating revenue	416	670
Payroll expenses	-99	-108
Handling costs	-33	-50
Technical aircraft maintenance	-81	-294
Data and telecommunications costs	-14	-13
Other operating expenses	-157	-150
Operating expenses	-384	-615
Income before depreciation, EBITDA	32	55
Depreciation	-32	-37
Operating income, EBIT	0	18
Net financial items	-3	-4
Airline Related Businesses - Income after financial items	-3	14

	SAS Flight Academy January-March		Jetpak January-March		European Aeronautical Group January-March	
	2005	2004	2005	2004	2005	2004
Operating revenue	128	145	108	113	45	47
Of which external operating revenue	41.8%	37.9%	99.3%	99.7%	60.2%	63.1%
Operating expenses	-88	-102	-98	-106	-40	-41
EBITDA	40	43	10	7	5	6
EBIT	21	20	4	3	2	3
Income after financial items	20	20	4	2	2	3
Average number of employees	163	149	162	176	159	155

Earnings performance

Airline Related Businesses includes SAS Flight Academy, Jetpak, European Aeronautical Group, SAS Media and SAS Business Opportunities. An agreement was concluded for the sale of SAS Trading's operations in Eastern Europe in the first quarter of 2005. The remaining part of SAS Trading will be transferred to SAS Business Opportunities during the first quarter of 2005. The sale is subject to approval from the relevant authorities. SAS Flight Academy is a leading trading center 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 develops opportunities within non-seat business.

SAS Flight Academy's operating revenue fell in the first quarter of 2005 by MSEK 17 to MSEK 128 (145). The positive trend with increased revenues from customers outside the SAS Group continued and SAS Flight Academy received a number of new customers during the first quarter. The lower revenues were largely compensated on the costs side. Income after financial items was on a par with the previous year and amounted to MSEK 20 (20).

Jetpak's operating revenue decreased in the first quarter by 4.4% to MSEK 108 (113). Income after financial items amounted to MSEK 4 (2).

European Aeronautical Group's operating revenue in the first quarter amounted to MSEK 45 (47). The company acquired a number of new customers during the quarter but the market was characterized by strong competition and price pressure. Income after financial items amounted to MSEK 2 (3).

Hotels

Statement of income

(MSEK)	January-March 2005	January-March 2004
Rooms revenue	587	472
Food and beverage revenue	345	309
Other revenue	164	137
Operating revenue	1,096	918
Operating expenses	-390	-328
Payroll expe nses	-437	-362
Rental expenses, property insurance and property tax	-355	-285
Income before depreciation	-86	-57
Depreciation	-48	-38
Share of income in affiliated companies	8	7
Operating income, EBIT	-126	-88
Net financial items	-20	-12
Hotels - Income after financial items	-146	-100
Key figures		
EBITDA, MSEK [1)]	-78	-50
Revenue per available room (SEK) (RevPAR) [2)]	508	487
Revenue per available room (EUR) (RevPAR) [2)]	56	53
Gross profit margin	24.5%	24.8%
Number of rooms available/night	12,200	9,800
Number of rooms available/night [2)]	26,500	21,600
Number of hotels	50	42
Number of hotels including management and franchise	196	170

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

Earnings performance

Revenue for the quarter amounted to MSEK 1,096 (918), an increase of 19.4%. The increase is mainly attributable to new hotels, but adjusted for these, an increase for comparable units of 3.0% is still shown.

Revenue per available room (RevPAR) increased in the total hotel market at the beginning of the year by 3-4% compared with the previous year. For comparable units within Rezidor SAS revenue per available room was 5.7% higher than in the first quarter of 2004. All areas showed growth, but the U.K. and Ireland as well as Russia and the Baltic countries continued to show the strongest development. Other hotel revenues, primarily food and beverage revenue, showed a weaker development.

During the period Rezidor SAS signed eight contracts for new hotels. Eight new Park Inn hotels were opened during the period, seven in Germany and one in Denmark, as well as two Radisson SAS hotels, one in Germany and one in France.

EBITDA, income before depreciation and including share of income in affiliated companies amounted to MSEK -78 (-50) for the quarter. Earnings performance compared with 2004 is seasonally affected by new hotels which like other hotels always have weak results in the first months of the year. Comparable units had improved EBITDA by approximately MSEK 5.5 as a result of increased RevPAR.

Income after financial items amounted to MSEK -146 (-100).

During the first quarter the SAS Group concluded an agreement with the U.S.-based Carlson Hotels Worldwide. Under this agreement Carlson Hotels acquires 25% in Rezidor SAS in exchange for improved commercial terms in the parties' Master Franchise Agreement. The agreement is subject to approval from the competition authorities.

Reporting according to IFRS (International Financial Reporting Standards)

With effect from January 1, 2005, the SAS Group prepares its consolidated accounts according to International Financial Reporting Standards (IFRS), in accordance with the current EU directive.

The date for transition to IFRS was 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 is the first financial report that the SAS Group has prepared in accordance with IFRS.

The differences between IFRS and previously applied accounting principles are shown below. 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.

Reconciliation balance sheet January 1, 2004

(MSEK)	January 1, 2004	IFRS effects	January 1, 2004, according to IFRS
Intangible fixed assets	2,810		2,810
Tangible fixed assets	29,706		29,706
Financial fixed assets	10,252		10,252
Total fixed assets	42,768		42,768
Current assets	1,286		1,286
Current receivables	8,155		8,155
Cash, bank and short-term investments	9,066		9,066
Total current assets	18,507		18,507
Total assets	61,275		61,275
Shareholders' equity	13,134	112	13,246
Minority interests	112	-112	-
Provisions	4,888		4,888
Long-term liabilities	20,855		20,855
Current liabilities	22,286		22,286
Total shareholders' equity and liabilities	61,275		61,275

Reconciliation statement of income January 2004 – March 2004

(MSEK)	January-March 2004	IFRS effects	January-March according to IFRS
Operating revenue	12,567		12,567
Payroll expenses	-4,889		-4,889
Other operating expenses	-7,722		-7,722
Leasing costs for aircraft	-639		-639
Depreciation	-729	38	-691
Share of income in affiliated companies	64	5	69
Income from the sale of shares in subsidiaries and affiliated companies	0		0
Income from the sale of aircraft and buildings	48		48
Operating income	-1,300	43	-1,257
Income from other shares and participations	0		0
Net financial items	-283		-283
Income after financial items	-1,583	43	-1,540
Tax	166		166
Minority interests	15	-15	-
Net income for the period	-1,402	28	-1,374
Attributable to:			
Parent Company shareholders			-1,359
Minority interests			-15

Reconciliation balance sheet March 31, 2004

(MSEK)	March 31, 2004	IFRS effects	March 31, 2004 according to IFRS
Intangible fixed assets	3,350	38	3,388
Tangible fixed assets	28,463		28,463
Financial fixed assets	11,172	5	11,177
Total fixed assets	42,985	43	43,028
Current assets	1,293		1,293
Current receivables	9,754		9,754
Cash, bank and short-term investments	8,385		8,385
Total current assets	19,432		19,432
Total assets	62,417	43	62,460
Shareholders' equity	11,849	59	11,908
Minority interests	16	-16	-
Provisions	4,773		4,773
Long-term liabilities	21,156		21,156
Current liabilities	24,623		24,623
Total shareholders' equity and liabilities	62,417	43	62,460

Reconciliation statement of income January-December 2004

(MSEK)	January-December 2004	IFRS effects	January-December 2004 according to IFRS
Operating revenue	58,073		58,073
Payroll expenses	-19,585		-19,585
Other operating expenses	-34,105		-34,105
Leasing costs for aircraft	-2,689		-2,689
Depreciation	-2,853	151	-2,702
Share of income in affiliated companies	137	20	157
Income from the sale of shares in subsidiaries and affiliated companies	5		5
Income from the sale of aircraft and buildings	113		113
Operating income	-904	171	-733
Income from other shares and participation	1		1
Net financial items	-1,042		-1,042
Income after financial items	-1,945	171	-1,774
Tax	69	-1	68
Minority interests	4	-4	-
Net income for the period	-1,872	166	-1,706
Attributable to:			
Parent Company shareholders			-1,702
Minority interests			-4

Reconciliation balance sheet December 31, 2004 and January 1, 2005

(MSEK)	December 31, 2004	IFRS effects	December 31, 2004 according to IFRS	IFRS effects IAS 39	January 1, 2005 according to IFRS
Intangible fixed assets	3,029	151	3,180		3,180
Tangible fixed assets	24,166		24,166		24,166
Financial fixed assets	11,074	20	11,094	-64	11,030
Total fixed assets	38,269	171	38,440	-64	38,376
Current assets	1,289		1,289		1,289
Current receivables	9,459		9,459	205	9,664
Cash, bank and short-term investments	8,595		8,595	1	8,596
Total current assets	19,343		19,343	206	19,549
Total assets	57,612	171	57,783	142	57,925
Shareholders' equity	11,159	195	11,354	1,468	12,822
Minority interests	25	-25	-		
Provisions	4,255	1	4,256	571	4,827
Long-term liabilities	21,103		21,103	-1,581	19,522
Current liabilities	21,070		21,070	-316	20,754
Total shareholders' equity and liabilities	57,612	171	57,783	142	57,925

Reconciliation consolidated shareholders' equity

	Note	(MSEK)
Equity January 1, 2004, according to Swedish accounting principles		13,134
Effects of change of accounting principles in accordance with IFRS		
Minority interests	b	112
Equity according to IFRS January 1, 2004		13,246
Equity at March 31, 2004, according to Swedish accounting principles		11,849
Effects of change of accounting principles in accordance with IFRS		
Goodwill amortization	a	43
Minority interests	b	16
Total IFRS effects		59
Equity according to IFRS March 31, 2004		11,908
Equity December 31, 2004, according to Swedish accounting principles		11,159
Effects of change of accounting principles in accordance with IFRS		
Goodwill amortization	a	171
Deferred tax on IFRS effects	d	-1
Minority interests	b	25
Total IFRS effe cts		195
Equity according to IFRS December 31, 2004		11,354
Fair value of short-term investments	c	1
Fair value of financial derivative instruments	c	-348
Amortized cost of financial borrowings	c	116
Fair value hedge	c	0
Cash flow hedge, commercial flows	c	22
Cash flow hedge, aircraft	c	2,248
Deferred tax on IFRS effects	d	-571
Total IFRS effects		1,468
Equity according to IFRS January 1, 2005		12,822

Explanatory notes:

a. **Amortization of goodwill**

According to IFRS 3, 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 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 IAS 1, 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 for the period with an amount attributable to shareholders and minority owners respectively specified under net income.

c. **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 not to restate comparative figures/information regarding 2004. Consequently, recognition and measurement of financial instruments, hedging of cash flow and fair value hedges and application of hedge accounting prior to January 1, 2005, 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. All financial instruments, including derivative instruments, will be recognized in the balance sheet.

An initial classification of each financial instrument establishes the accounting principle for measurement of changes in value of the instrument in the accounts. In cases where loans and derivative instruments are intended to hedge future cash flows, hedge accounting may be applied. 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. The changes in value of the hedging instrument affect either equity (cash flow hedges) or income (fair value hedges). The hedging transaction will be recognized as income in the same period as the hedged position is closed.

d. **Deferred tax on IFRS changes**

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

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 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.
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 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.
FTE, Full Time Equivalent – Full-time positions.
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 (40% of leasing costs and aircraft depreciation) minus non-traffic related revenue per ASK.
Unit revenue (yield) - Average traffic revenue per RPK.
Yield - See Unit revenue .

Financial calendar

Interim Report 2, January-June 2005 .... August 17, 2005
Interim Report 3, January-September 2005 .... November 8, 2005
Year-end report 2005 .... February 9, 2006
Annual Report & Sustainability Report 2005 .... March 7, 2006
SAS AB Annual General Meeting .... April 20, 2006
Interim Report 1 .... May 4, 2006

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
Investor Relations SAS Group: Sture Stølen +46 8 797 14 51, e-mail: investor.relations@sas.se

Important events

First-quarter 2005

- Following the tsunami disaster in Asia, Scandinavian Airlines conducted 23 extra flights to Thailand.

- 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 changed areas of responsibility in Group Management in order to achieve a similar structure and clarify profit responsibility. John Dueholm took over responsibility for the business area Scandinavian Airlines Businesses from February 15.

- The SAS Group concluded an agreement for the sale of SAS Trading's operations in Poland, Latvia and Estonia to Inflight Service Europe AB. The sale is subject to approval from the relevant authorities. The remaining operations in SAS Trading will be sold or integrated in SAS Business Opportunities.

- The SAS Group intensified its cooperation with the U. S.-based Carlson Hotels Worldwide. Under the agreement Carlson Hotels acquires a 25% shareholding in Rezidor SAS in exchange for improved commercial terms regarding the parties' existing Master Franchise Agreement (MFA).

- Scandinavian Airlines became the first airline in the world to offer wireless Internet on board all intercontinental aircraft.

- Scandinavian Airlines Sverige launched "Nya inrikesflyget" (a new domestic concept) based on one-way fares and simplified ticket rules

Events after March 31, 2005

- SAS AB's Annual General Meeting decided not to issue a dividend for 2004. In addition, all members of SAS AB's Board were re-elected and Timo Peltola was elected as a new member of the Board.

- Scandinavian Airlines Danmark is opposing the substantial increases in charges at Copenhagen airport for the period 2006-2008.

- The airlines in the SAS Group are carrying out fare adjustments in order to neutralize the effect of the increased jet fuel prices.

- Preliminary traffic figures for Scandinavian Airline Businesses for April show an increase in the cabin factor of 0.3 percentage points to approximately 67%. Early indications of yield for April show a continued stable development and a positive figure primarily due to the Easter effect. The preliminary figures also show that "Nya inrikesflyget" (the new domestic concept) has been very well received with an improved cabin factor on Swedish domestic of 5.6 percentage points to 69%.

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