

Build Your Success with the World's Best Cargo Expert

K O R E A N A I R C A R G O





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Our vision is to create together with you, our global stakeholders, the most innovative and individualized logistics solutions for world trade and commerce. As an industry leader, Korean Air Cargo will constantly look to the future and continuously seek new ways to add the greatest possible value to the countries, communities and customers we serve, as well as the individual lives our business activities touch.

Company History

The world has seen Korean Air grow to become one of the world's leading cargo carriers in just three decades, and it's still growing!!



Sep 10, 1974
Korean Air Cargo began world's first B747F transpacific operation on Seoul - Los Angeles route.



December 3, 1981
Korean Air Cargo opened its dedicated cargo terminal at the Los Angeles International Airport.

1969

- 1969 Korean Air was founded
- 1971 Began transpacific scheduled cargo service for the first time in air cargo industry
- 1973 Started Seoul-Paris cargo service over the North Pole
- 1974 Inaugurated world's first B747F transpacific operation on Seoul- Los Angeles route
- 1981 Opened its own financed and operating international air cargo terminal at the Los Angeles Int'l Airport
- 1996 Took delivery of B747-400 freighter, 1st of its kind



September 28, 2000
Korean Air Cargo is founding member of SkyTeam Cargo - the world's leading airline cargo alliance.



February 12, 2003
Korean Air Cargo was named 'ATW Cargo Airline of the year, 2003'.

Korea Air Cargo was launched in 1969 and, in 1971, became the first airline to offer full freighter service on transpacific routes. It currently has the largest cargo capacity on transpacific routes and is the largest freighter carrier on intra-Asian routes. It operates state-of-the-art facilities in major cities across the world. Since 1993, Korean Air Cargo has consistently been ranked by IATA as one of the world's top three cargo carriers. Recently, the airline has opened Asia's newest and most technologically-advanced cargo facilities at Incheon, and established SkyTeam Cargo, the world's leading cargo alliance, and US Cargo Sales Joint Venture, a unique cargo joint venture.

- 1996-2000 Ranked by IATA as world's second largest commercial cargo airline for 5 consecutive years
- 2000 Launched SkyTeam Cargo together with Aeromexico, Air France, and Delta
- 2000 Opened new dedicated air cargo terminal at JFK Int'l Airport in New York
- 2001 Opened a new state-of-the-art facilities at Incheon Int'l Airport
- 2003 Won ATW Award for Cargo Airline of the Year, 2003
- 2003 Introduced B747-400ERF (Extended Range Freighter)

2003

Market Leadership

- We are the largest transpacific cargo carrier.
- We are the largest intra-Asian cargo carrier.
- We have the largest freighter fleet in the commercial airline industry.
- We operate Asia's largest cargo terminal at Incheon airport.



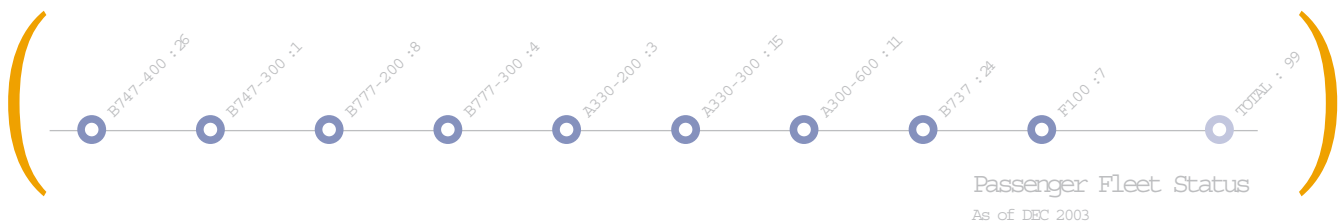
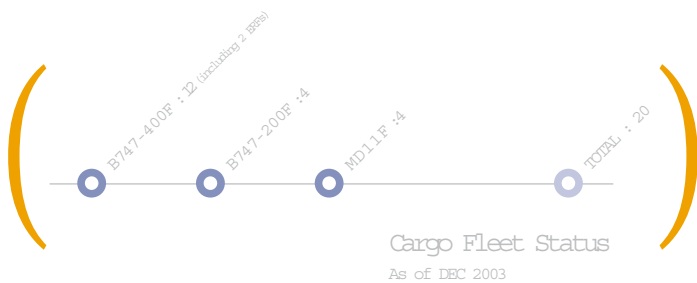
Your Solution Provider in World Trade

Korean Air Cargo has long been a vital force in the development of the transpacific cargo market. Through its alliances and associations, the airline is meeting the needs of the worldwide cargo industry. Operating more than 50 weekly transpacific freighter flights to 9 destinations in North America, it is the largest transpacific cargo carrier, as well as the largest intra-Asian cargo carrier with 37 weekly freighter flights to 12 major cities within the region. On European routes, it operates more than 20 non-stop freighter flights a week. The airline also carries cargo on the belly space of more than 400 weekly passenger flights worldwide.

Largest and Most Modern Freight Fleet

Korean Air Cargo is one of the largest freighter operators. Korean Air Cargo has continuously made considerable investment to modernize its freight fleet. In June 2003, the airline introduced the most modern freighter aircraft of Boeing 747-400ERF (Extra Range Freighter) to have the freighter fleet of 20 aircraft including Boeing 747Fs and MD11Fs. By 2005, Korean Air Cargo will be simplifying its freighter fleet into all B747-400 freighters, which will enable Korean Air Cargo to be the most reliable cargo carrier in terms of punctuality, safety and capacity.

With wide-bodied freighters, Korean Air Cargo can offer the most extensive range of services to customers - huge capacity as well as specialized services in; heavy cargo, outsized cargo, live animals, dangerous goods prohibited on passenger aircraft, highly sensitive items and more.



	Cargo carried*	Changes	IATA Ranking
1996	4,740		2
1997	5,553	+17.2%	2
1998	5,041	-9.2%	2
1999	5,766	+14.4%	2
2000	6,357	+10.2%	2
2001	5,331	-16.1%	3
2002	5,953	+11.7%	3

*Million Freight Ton Kilometers (FTK)



A new state-of-the-art Boeing 747-400 ERF

Quality Products

The simplest solutions for any needs of customers



Korean Air Cargo has adopted four common product categories under standardized branding - Equation, Cohesion, Variation and Dimension - with SkyTeam Cargo partner airlines. Through this common product line, Korean Air Cargo offers universal handling procedures, providing consistency with partners and a smoother transportation for customers.



Equation is an express service for packages less than 70 kilograms, designed to meet the emergency shipment needs of customers. From acceptance to delivery, Korean Air Cargo handles Equation shipment with top priority, does not require reservation, and guarantees boarding on the first available flight.



Equation-Heavy is an express service for medium to large shipments. Equation-Heavy shipments have precedence over general shipments from reservation to delivery. Korean Air Cargo guarantees reservation on the first available flight within Equation-Heavy exclusive space allotment. Least restriction on shipments weight and size, or item is an additional advantage of Equation-Heavy.



Cohesion is a selective and fully customized solution for shippers who work on a just-in-time basis with steady shipments. It guarantees space on the requested flight and stable rates in accordance with the contract between shippers, freight forwarders and Korean Air Cargo. The Cohesion Monitoring System controls the service quality from reservation to delivery.



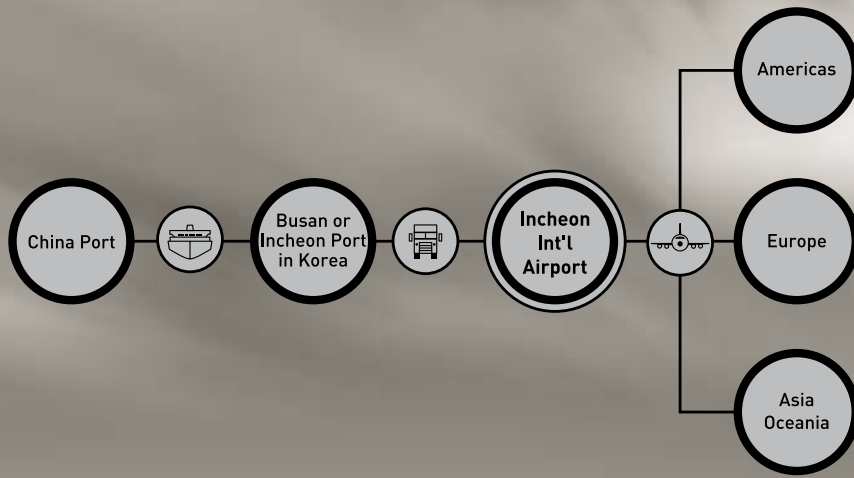
Variation is a highly specialized service that adapts to the shipping demands of customers with goods requiring special care. Customers benefit from dedicated service and equipment, as well as the airline's years of experience and know-how. Variation service has been segmented into 11 brands to address the shipping requirements associated with specific types of goods.



Dimension, designed primarily for consolidation shipments, is a standard service, ensuring reliable, on-time, and airport-to-airport cargo transportation. Customers benefit from regular handling time and large capacity.

KAL-SkyBridge Service

A Combination of Sea, Land, and Air Transportation provides our customers with reduced transit time and lower costs.





For shipments to and from China, Korean Air Cargo provides KAL-SkyBridge service, which links air transport with ocean shipping and land trucking, cutting transit time and enhancing cost efficiencies for customers. KAL-SkyBridge service allows shipment to move by ocean from China to Korea, and then by air to destinations all around the world, or vice versa.

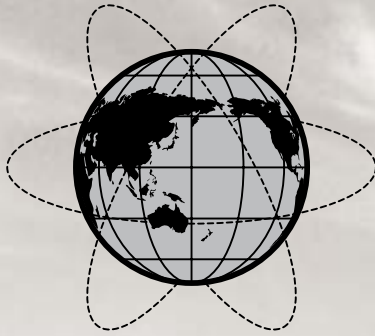
Taking only one week to complete the whole journey, it takes less time than ocean shipping, and costs less than air transport. Korean Air Cargo operates this inter-modal service, launched in 1991, in cooperation with our qualified partners.

* Cities served in China

- Dalian
- Dandong
- Qingdao
- Shanghai
- Tianjin
- Weizai
- Yantai

State-of-the-Art Cargo Terminal
Facilities

Dedicated cargo terminals for better service





Korean Air Cargo is operating dedicated cargo terminals in major cities across the world. This ensures speedy and safe cargo handling on the ground. Dedicated cargo terminals are designed to handle growing cargo volumes and various customer's needs with integrated and automated system for smooth cargo flow. Recently, Korean Air Cargo opened state-of-the-art facilities at JFK in the U.S. and Incheon in Korea. Opened in 2000, the facilities at JFK can park three 747 freighters simultaneously and the terminal is one of the largest on the U.S. East Coast. Its handling capacity now reaches 200,000 tons a year. The new cargo terminal at Incheon, which opened in 2001, is the most up-to-date terminal and logistic hub in Northeast Asia. Korean Air Cargo's current handling capacity at Incheon is more than 970,000 tons a year, and this figure is expected to increase up to 1,350,000 tons by 2004 in two phases.

Section	Incheon Cargo Terminal	JFK Cargo Terminal
Warehouse Area	49,715 m ²	17,065 m ²
Total Space	57,863 m ²	18,000 m ²
Yearly Capacity	970,000 tons	200,000 tons
Main Facilities	EIV, AS/RS, MSS	EIV, AS/RS, Nose Dock

Korea : Seoul (Incheon), Busan, Jeju

Americas : New York, Los Angeles, Chicago, San Francisco, Toronto

Japan : Tokyo, Osaka

Europe : Paris, Frankfurt

Most Advanced IT Systems

Faster, safer and more efficient cargo handling process guaranteed by state-of-the-art IT technologies





Korea Air Cargo guarantees superior services with

- On-line booking and shipment tracking via its website (<http://cargo.koreanair.com>)
- Now available in Chinese, English, Japanese and Korean languages.
- Efficient cargo traffic management through its own built cargo terminal operation system (CIS : Cargo Traffic System) and barcode system.
- Computerized warehouse control by its dedicated warehouse operation system (TMS: Terminal Management System)
- Capturing and processing of data generated through all stages of cargo transport, from reservation to settlement, on a real-time basis by its newly developed web-based intra sales support system (KAL-eOffice)
- To be extended to provide customers with web-based access to this system, virtually creating an on-line one-stop customer service center by 2004.

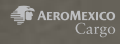
SkyTeam Cargo

One simple move from you, one complete solution from us



CARGO

Caring more about you





In 2000, Aeromexico, Air France, Delta and Korean Air together launched SkyTeam Cargo to provide complete air cargo solutions for its customers, featuring access to a global network, a common platform of products and services, a single point of contact for sales and services in major markets and seamless processing of shipments through coordinated warehousing operations. SkyTeam Cargo has extended its reach with the joining of Czech Airlines Cargo in April 2001, and Alitalia Cargo in August 2001. SkyTeam Cargo customers now have access to a combined fleet of 1,224 aircraft, making 8,217 daily flights through the alliance's extensive network covering the world's key trade routes.

For more information, please visit www.skyteammcargo.com

SkyTeam Cargo in Facts & Figures (As of DEC 2003)

Network	512 destinations in 114 countries
Aircraft/Daily Flights	1,224/8,217
Freight Ton-Kilometers Flown (FTK)	15.2billion (Year 2002)
Revenue (US Dollars)	3.8billion (Year 2002)

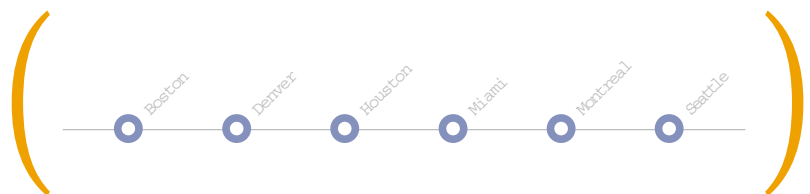
Road Feeder Service and Cargo Drop Center

Prepared for destinations beyond on-line points



Road Feeder Service and Cargo Drop Centers are prepared for destinations beyond on-line points. Special services are in store for special destinations. To help link customer shipments with diversified, major destinations beyond its on-line points, Korean Air Cargo operates trucking systems called Road Feeder Service in Europe, North America, and Japan.

Particularly in North America, Korean Air runs six Cargo Drop Centers (CDC) in its off-line cities and this service functions similarly to its on-line freighter service.



Ground Handling Services for Customer Carriers

The ground handling services continue to evolve to meet the customers' growing needs. With more than 30 years of accumulated experience and expertise in cargo ground handling, Korean Air Cargo is the nation's largest supplier of ground handling services, and handles over 75% of all air cargo to/from Korea.

All of its valuable world-class customer carriers recognize Korean Air Cargo's service to be of the best quality. Korean Air is uniquely positioned to provide a wide range of cargo handling services that cover all the service items of Annex A in the IATA's Standard Ground Handling Agreement.

Above all, Korean Air Cargo is proud of its qualified personnel whose range of expertise covers not only smart physical handling in ramp and warehousing, but also flawless documentation in load control, manifesting, irregularity tracing, customs clearance, etc.

Korean Air named Cargo Airline of the Year

Air Transport World (ATW) Honors Airline's Cargo Operation



Korean Air is selected as the best air cargo carrier in 2003 by Air Transport World, a magazine of authority in the world airline industry.

According to ATW officials, Korean Air Cargo has been a top-ranked carrier on a commercial basis for many years. Now it has put together all the pieces needed to be considered a world-class operation.

This award proves Korean Air Cargo's transportation capability, consistently enhanced through the customer-oriented product improvement on the base of the safety, resolute investment in facilities for the best service and synergy by alliance with other distinguished air companies.

Global Networks



European Route



Asian Route





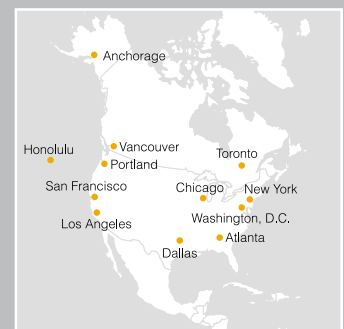
Japan Route



Oceania Route



Transpacific Route







Korean Air Cargo is always with you with
world best cargo service

Korean Air Cargo will focus on improving customer service quality through optimization of its capabilities and resources such as human resources, fleet, cargo terminal facilities and flight schedules, while controlling service quality through IT, and maximizing alliance synergy with SkyTeam Cargo partners. Maintaining its position at the forefront of transportation logistics innovation, Korean Air Cargo aims to be the air cargo industry leader, and the best cargo carrier in the 21st century.

KOREAN AIR CARGO

<http://cargo.koreanair.com>

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