Build Your Success with the World’s Best Cargo Expert

KOREAN AIR CARGO
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!!

1969
- Korean Air was founded

1971
- Began transpacific scheduled cargo service
- In air cargo industry

1973
- Started Berlin-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 International Airport

1996
- Took delivery of first B747 freighter
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.
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.

<table>
<thead>
<tr>
<th>Year</th>
<th>Cargo carried</th>
<th>Changes</th>
<th>IATA Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>4,740</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>1997</td>
<td>5,362</td>
<td>+17.2%</td>
<td>2</td>
</tr>
<tr>
<td>1998</td>
<td>5,041</td>
<td>-5.2%</td>
<td>2</td>
</tr>
<tr>
<td>1999</td>
<td>5,706</td>
<td>+14.4%</td>
<td>2</td>
</tr>
<tr>
<td>2000</td>
<td>6,897</td>
<td>+20.2%</td>
<td>2</td>
</tr>
<tr>
<td>2001</td>
<td>6,311</td>
<td>-9.1%</td>
<td>3</td>
</tr>
<tr>
<td>2002</td>
<td>5,867</td>
<td>+8.7%</td>
<td>3</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Section</th>
<th>Incheon Cargo Terminal</th>
<th>JFK Cargo Terminal</th>
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<tbody>
<tr>
<td>Warehouse Area</td>
<td>49,715 ft²</td>
<td>17,065 ft²</td>
</tr>
<tr>
<td>Total Space</td>
<td>97,863 ft²</td>
<td>18,000 ft²</td>
</tr>
<tr>
<td>Yearly Capacity</td>
<td>970,000 tons</td>
<td>200,000 tons</td>
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<tr>
<td>Main Facilities</td>
<td>ETV, AS/AS, MSS</td>
<td>ETV, AS/AS, Nose Dock</td>
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</tbody>
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Korea: Seoul (Incheon), Busan, Jeju
Americas: New York, Los Angeles, Chicago, San Francisco, Toronto
Japan: Tokyo, Osaka
Europe: Paris, Frankfurt
Faster, safer and more efficient cargo handling process guaranteed by state-of-the-art IT technologies
Korea Air Cargo guarantees superior services with:


- 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.
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.skyteamcargo.com

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<th>SkyTeam Cargo in Facts &amp; Figures (As of DEC 2003)</th>
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<tbody>
<tr>
<td>Network</td>
</tr>
<tr>
<td>Aircraft/Daily Flights</td>
</tr>
<tr>
<td>Freight Ton-Kilometres Flown (Fktx)</td>
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<tr>
<td>Revenue (US Dollars)</td>
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</table>
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, resolve investment in facilities for the best service and synergy by alliance with other distinguished air companies.
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.
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KOREAN AIR CARGO
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