KOREAN AIR CARGO
1. Introduction to Korean Air
   Pioneer spirit: our passion and devotion to the global air freight industry
   Adherence to securing customers' benefits to look beyond the present performance

2. Ground Handling Service
   Warehouse Handling
   Ramp Handling
   Maintenance and Fueling
   Load Control and Weight & Balance
   Document Handling and Flight Operation, etc.

3. Inchon International Airport
   More perspective with customers
   The Hub of Asia in the 21st Century
   New Cargo Facilities

4. Performance evaluation & Customer Carriers
Introduction to Korean Air

Pioneer spirit

Korean Air has explored new horizons previously untrodden in the airfreight industry as the Korean economy developed by leaps and bounds, which is a leading-edge advantage itself. In 1971, Korean Air launched its first cargo flight from Seoul to Los Angeles. Since then, we have achieved a solid status in the global air freight industry. Korean Air has been ranked the world’s second largest cargo carrier for four (4) consecutive years from 1996 to 1999 in terms of cargo tonne kilometres according to IATA World Air Transport Statistics.

We have a fleet of 120 aircraft, including thirteen B747, four MD11 freighters and several wet leased B747 freighters. Two more B744F are scheduled to join the freighter fleet this year in order to satisfy industry demands in line with the accelerated integration of the global economy.

Korean Air’s far-reaching network covers nearly 95 cities in over 35 countries on six continents with convenient 400 regular flights each day. By the expanding our routes, we have been doing our utmost to meet our customers’ growing needs.

<table>
<thead>
<tr>
<th>Fleet by Aircraft Type</th>
<th>A/C TYPE</th>
<th>PAX</th>
<th>COMBI</th>
<th>FRTR</th>
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<tbody>
<tr>
<td>B747</td>
<td>28</td>
<td>2</td>
<td></td>
<td>13</td>
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<tr>
<td>B777</td>
<td>3</td>
<td>-</td>
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<td>-</td>
</tr>
<tr>
<td>MD11</td>
<td>3</td>
<td>-</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>A300</td>
<td>25</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>A330</td>
<td>9</td>
<td>-</td>
<td>-</td>
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<tr>
<td>OTHER</td>
<td>22</td>
<td>-</td>
<td>-</td>
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<tr>
<td>T/L</td>
<td>90</td>
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</table>

Cargo Handling Rank (1999)

Ranked 2nd in the World in 96/97/98/99
Ground Handling Service

We extend your service, so you can satisfy your customer’s needs.

We are Korea’s largest supplier of ground handling service to the airlines operating at Kimpo International Airport and handle approximately over 75% of all air cargo imported and exported to/from Korea. Korean Air is uniquely positioned to provide a wide range of cargo handling services to airlines, corresponding to the service items in IATA Standard Ground Handling Agreement.

Korean Air International Routes

America: Anchorage, Atlanta, Boston, Chicago, Dallas, Honolulu, Los Angeles, New York, Newark, Portland, San Francisco, Sao Paulo, Toronto, Vancouver, Washington D.C.

Asia: Bangkok, Colombo, Ho Chi Minh, Jakarta, Kuala Lumpur, Manila, Mumbai, Penang, Singapore

China: Beijing, Hong Kong, Quindao, Sanya, Shanghai, Shenyang, Tianjin, Ulan Bator

Oceania: Auckland, Brisbane, Christchurch, Sydney

Europe: Amsterdam, Basel, Brussels, Cairo, Copenhagen, Dubai, Frankfurt, London, Milan, Moscow, Paris, Rome, Vladivostok, Zurich, Tashikent (technical landing point)

Japan: Aomori, Fukuoka, Kagoshima, Nagasaki, Nagoya, Niigata, Oita, Okayama, Osaka, Sapporo, Tokyo
Warehouse Handling
We currently serve 28 carriers in Seoul, Pusan, Cheongju and handle approximately 75% of all import and export cargo at Kimpo Airport.
We offer differentiated services with the largest modernized warehouses at Kimpo Airport: Special facilities and equipments for valuables, dangerous goods, perishables and live animals, etc.

Cargo Terminal at Kimpo

<table>
<thead>
<tr>
<th></th>
<th>Handling Space</th>
<th>Capacity</th>
</tr>
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<tbody>
<tr>
<td>Korean Air Terminal</td>
<td>20,262 m²</td>
<td>542,000 ton</td>
</tr>
<tr>
<td>Customer Carrier Terminal</td>
<td>25,134 m²</td>
<td>230,000 ton</td>
</tr>
</tbody>
</table>

Main Equipment

<table>
<thead>
<tr>
<th>Power Equipment</th>
<th>Manual Fixed Equipment</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Elevating Transfer Vehicle</td>
<td>4 Fork Lift</td>
<td>20 Elevating Transfer Vehicle Rack</td>
</tr>
<tr>
<td>Transfer Vehicle</td>
<td>2 Tug-Car</td>
<td>140 Built-In Scale</td>
</tr>
<tr>
<td>Work Station Lift</td>
<td>30 Tomirac</td>
<td>89 Work Station Fixed</td>
</tr>
<tr>
<td>Scissors Lift</td>
<td>6 Tomicar</td>
<td>14 Hand Push Cart</td>
</tr>
<tr>
<td>Elevating Platform</td>
<td>4 Freezing room</td>
<td>2 Rack Stand</td>
</tr>
<tr>
<td>Turn Table</td>
<td>2 Refrigeration room</td>
<td>11 Hand Lift Jack</td>
</tr>
<tr>
<td>Elevating Scale Deck</td>
<td>2 Thermo-keeping room</td>
<td>2</td>
</tr>
<tr>
<td>4-way Transfer Deck</td>
<td>2 Dangerous goods room</td>
<td>2</td>
</tr>
<tr>
<td>Truck Dock Leveller</td>
<td>62 Valuables room</td>
<td>2</td>
</tr>
</tbody>
</table>

Differentiated Service
- Acceptance: Thorough check-in  
- Build-up: Higher load within contour  
- Break-down: Reliable sorting  
- Delivery: Time-definite response  
- Special Cargo: Handling with experienced know-how  
- ULD Control: Close monitoring of movement and inventory  
- Irregularity Management: Punctual tracing service
Ramp Handling

Our dedicated and experienced staff enable smooth loading and unloading of shipments. We are also fully equipped to handle a wide variety of aircraft, ranging from Fokors to B747. Korean Air’s professional cargo handling meets the needs of all our customers.
Maintenance

With 30 years of experience in maintenance, we ensure the satisfaction of all our customers. We are proud to have won the Airbus No.1 award for dispatch reliability several times from 1983 to 1989, 1993 to 1996 and the MD11 award from 1992 to 1997. Our skilled technicians do not permit any technical oversights. Maintenance training simulator have been introduced to enhance our ability to systematically diagnose aircraft problems.

Accuracy with Credibility
- FAA Approved Repair Station
- Log Book Clearance
- Material Handling
- Line Maintenance
- Technical Support

Fueling

We use the latest fueling equipments and facilities in order to supply the highest quality of fueling that complies with international standards. An automatic hydrant fuel supply system using underground piping unit installed at Kimpo Airport provides fast and excellent refueling service.

Efficiency with Safety
- Automatic Oil Supply System
- Remote Mobile Hydrant Service
- Fueling via Tank Truck
- Management & Operation of Fuel Distribution System
- Receipt & Storage of Fuel
Load Control and Weight & Balance

Quick thinking, precision and good communication skills are essential to efficient operation in an aircraft turnaround within time limit.

Our teams of experienced aircraft load masters and dispatchers have been trained under international standards.

They are fully conversant with each aircraft specification, relevant instructions in loading and unloading procedures and special cargo regulations relating to dangerous goods, outsize cargo, heavy cargo, live animals and perishables.

Information technology plays an increasingly important role in our service. More integrated and upgraded DCS system will soon help load masters control loads safely and handle aircraft swiftly in connection with manifesting and sending necessary messages.

Step by Step Procedure

Load Control is completed on the following procedures:
- Load Planning
- Weight & Balance
- Load Supervision
- Information Control
Document Handling

Import shipments are delivered to the consignee in less than 4 hours after an aircraft arrives thanks to our well-streamed documentation process that is handled by our highly motivated staff.

In accordance with each carrier’s requirements, we check all documents to ensure that export shipments are carried without failure and prepare cargo manifests by each Unit Load Device if necessary.

Korean Air is well aware of that prevention irregularities is better than cure and that immediate action should be taken before a customer complaints.

Customs Clearance Linkage

Since 1996, Korea Customs Service has launched the new EDI (Electric Data Interchange) system that brings you an efficient, punctual and paperless customs clearance service.

It is linked with the Korean Air Cargo System-ACE, customs brokers and forwarders.

Flight Operations

Our qualified dispatchers provide sophisticated flight operation services using the most modernized computer system for our valued customers.

On-time performance is ensured through specific briefings on flight operations.

On-time Service

- Filing ATS, ICAO Flight Plans
- Weather Folders & NOTAM
- Report of Operational Status & Movements
- Briefing Operational Information
- Monitoring Flight Movements within VHF
- Fuel Payload Calculations

Security

Korean Air’s security services provide high reliability for aircraft, cargo and mail. We secure every shipment with x-ray machines and our well-trained staff work in close cooperation with the Airport Authority.

Catering Services

Korean Air supplies accurately and promptly fresh meals using world-class hygienic control.
Inchon International Airport

Multi-modal Transport
Sea and Air/ Air and Sea / Transit Cargo Point

<table>
<thead>
<tr>
<th>Korean Air Cargo Terminal</th>
<th>Korea Airport Service’s Cargo Terminal</th>
</tr>
</thead>
</table>
| March 30, 2001  
44,100m² (420m x 105m)  
1,000,000 Ton  
24 Hours | March 30, 2001  
22,050 m² (210m x 105m)  
270,000 Ton  
24 Hours |
| Open Handling Space  
Capacity Operation Hour | 
Korean Air’s bottom line is to share our advantages with our customers

The Korean Air Cargo Terminal is designed to enhance customer satisfaction with an advanced automated cargo handling system contracted to and installed by German Mannesmann Dematic.

Korean Air provides our valuable customers with a dedicated space, our experienced personnel and advanced systems.

Above all, we are proud of our qualified workforce whose range of activities include not only dexterous physical handling in ramp and warehousing, but also flawless documentation in load control, manifesting, irregularity tracing, customs clearance, etc.

Korean Air will finish upgrading our current cargo information system - ACE II - soon before the new terminal’s opening, investing new equipment, introducing a barcode system, wireless palm terminal, etc. and wiring into a new terminal management system which benefits our customers.

ACE II also has linkages with TRAXSON, AMS-U.S. Customs Clearance System, etc.
Korean Air brings a better vision of logistics in the 21st century.

Inchon International Airport is poised to become a major leading airport and will provide the best quality service with state-of-the-art technology. Not only is it located in the center of Northeast Asia, it is also ideal hub to connect North American and European air routes.

Korean Air’s and Korea Airport Service’s cargo terminals are being built to accommodate more than 1.27 million tons of cargo annually and will be operational 24 hours a day. Multi-modal transport will enable easy access to the airport from any part of Korea through the Airport Expressway, Airport Railway and Kyung-in Canal in the near future. Furthermore, a new port will be built at Inchon Airport to provide connections to major ports in China.

Offering the best access for air cargo to customers: Furthermore, our comprehensive cargo facilities in Kimpo will serve as a Air Cargo City Terminal to streamline and expedite cargo flows by linking shippers and consignees with Inchon Airport covering all the necessary warehousing activities.
Our state-of-the-art cargo facilities include:

- Elevating transfer vehicles with 1,144 positions
- Box storage system with 424 cells
- Auto storage and retrieval system with 1,344 cells for small shipments
- Deep-Freezing(-18 C), Ventilated, Refrigerated (-5 C) rooms for perishables, sensitive chemicals
- D.G room for dangerous goods, radioactive materials in addition to staff qualified for IATA certificate
- Strong room for highly valuable goods
- Various work stations large enough to handle 20 foot pallet
- Underground electric power supply system for aircraft in front of cargo warehouse
- Ten (10) B747F parking lot in front of our terminals

At Incheon airport, we would provide punctual line-haul services for passenger flights with more frequency and less cargo that are parked at the remote passenger terminal 2 km to 5 km away from the cargo terminal. Korean Air develops punctual line-haul service by using our experienced workforce with large horse-power vehicles.
Korean Air’s valuable customers

We have established an organization specifically to answer the needs of each customer carriers whose cargo must be handled speedily, safely and punctually in cooperation with forwarders, customs and airport operators.
Performance Evaluation by Customers

By leveraging 30 years of accumulated experience and know-how in cargo ground handling service, our mission is to become the world’s leading supplier of quality ground services and information services to customers around the world.

Our main goal is to help you satisfy your customers’ needs, and in keeping with our goals, we have developed professional rules and standards. This is why we are proud of our customer’s noteworthy accomplishment.
KAL Address & Contact Points
Cargo Ground Handling Agreements Team
- Address: 1370, Gonghang-dong, Kangseo-Gu, Seoul, Korea
  SITA: SELFHKE TEL: 656-5844/49/50/51 FAX: 656-5839 / e-mail: selfth@koreanair.co.kr
- Operation SITA: SELFOKE TEL: 656-5760/61/54 FAX: 656-5853 / e-mail: selfks@koreanair.co.kr
- Maintenance SITA: SELMPKE TEL: 656-3033 FAX: 656-3119 / e-mail: selmco@koreanair.co.kr
- Flight Operation SITA: SELOCKE TEL: 656-6043 FAX: 656-6086 / e-mail: selofc@koreanair.co.kr
- Catering Services SITA: SELUCKE TEL: 656-5614 FAX: 656-5678 / e-mail: selucm@koreanair.co.kr

Korea Airport Service Co., Ltd (Korean Air's affiliate)
- Warehousing SITA: SELHSCKE TEL: 660-6511/2 FAX: 660-6675
- Ramp Handling SITA: SELHSCKE TEL: 656-5369 FAX: 661-9376
- Fueling SITA: SELHSCKE TEL: 660-6418/20 FAX: 660-6415

Airport Authority
- Landing, Parking, Lighting Charge TEL: 660-2277 FAX: 660-4272
- Noise Charge TEL: 660-2137 FAX: 664-8282
Customs Office TEL: 660-5495 FAX: 660-5424
Quarantine Office TEL: 660-0852 FAX: 664-9403


Customer Carriers

<table>
<thead>
<tr>
<th>AC</th>
<th>Air Canada</th>
<th>CX</th>
<th>Cathay Pacific Airways</th>
<th>K2</th>
<th>Kyrghyzstan Airlines</th>
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<td>DL</td>
<td>Delta Air Lines</td>
<td>LH</td>
<td>Lufthansa</td>
</tr>
<tr>
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<td>Alitalia Airlines</td>
<td>GA</td>
<td>Garuda Indonesia</td>
<td>MH</td>
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</tr>
<tr>
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<td>British Airways</td>
<td>JD</td>
<td>Japan Air System</td>
<td>MU</td>
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<td>KZ</td>
<td>Nippon Cargo Airlines</td>
<td>PR</td>
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