

SAS PRESS RELEASE

Press release Nr.2
97-02-13

LUFTHANSA CARGO AND SAS CARGO JOIN FORCES

Since the alliance between SAS and Lufthansa came into effect on January 1, 1996, coordination and improvement work has primarily affected the passenger business. Now, the two freight companies - Lufthansa Cargo and SAS Cargo - have implemented an action plan for close collaboration. The goal is to offer an unbeatable product to air-freight customers around the world, at the same time achieving greater cost efficiency in both organizations.

Coordinated sales and marketing

In the near future, the sales forces at Lufthansa Cargo and SAS Cargo will begin selling both companies' cargo services and products. Marketing and public relations activities will also be coordinated. The two companies will collaborate on common product development, particularly in respect of Lufthansa Flash and SAS Priority - their respective express products.

Greater capacity, more destinations

Cooperation includes joint utilization of each carrier's belly capacity, and also a coordination of freighter operations and trucking systems. The goal is to create a flexible transport system, and to optimize freight capacity to customers' needs. An important aspect of this work is coordination and harmonization of cargo handling and quality standards in both companies.

Joint handling by 2000

The 'One-Roof' policy is the key ingredient for freight handling in the action plan. A concrete example is joint handling at Gardermoen, Oslo's new airport, which will be inaugurated before the end of 1998. Another is that, during Spring, Lufthansa Cargo will take over SAS Cargo's freight handling in Frankfurt. The overall goal for the two companies is to have joint freight handling world-wide by the year 2000.

Closer IT collaboration

Information technology is, without a doubt, a critical factor in air-freight's continued success. Lufthansa Cargo and SAS Cargo are working together to achieve common EDI standards. Both companies will work towards a closer cooperation between TradeVision, the Nordic cargo community system, and Traxon, its German counterpart. Harmonized bar code applications is another goal of the collaboration.

An alliance for the future

The alliance will strengthen both companies' competitiveness, and will contribute to the restructuring of the air-freight industry. It will offer Lufthansa Cargo and SAS Cargo expansion opportunities and reduced costs, at the same time it gives freight customers the most effective transport system to, from and within Europe.

The alliance is led by a steering committee including the companies' chief executives - Peter Grønlund, Vice President and General Manager, SAS Cargo, and Wilhelm Althen, President, Lufthansa Cargo.

SAS CORPORATE COMMUNICATIONS

FRÖSUNDAVIKS ALLÉ 1, SOLNA S-195 87 STOCKHOLM, SWEDEN. Tel. 08-797 1500

SAS PRESS RELEASE

For further information: Robert Skoog, Director Quality Assurance, Partners & Projects, SAS Cargo:
+46 8 797 19 09

Martin Schlingensiepen, Director Lufthansa Cargo Northern Europe: +46 8 614 15 56