

SAS Cargo – small profit in 2004

Despite difficult market conditions for airfreight in 2004 SAS Cargo managed to continue the positive trend by presenting a profit for the third consecutive year. In its third full year as an independent company SAS Cargo's profit before interest and tax (EBT) was 12 million SEK. The turnover was 2,838 million SEK.

As expected, the unit revenue per tons kilometer (yield) continued to fall in 2004. The decline was from 2.15 in 2003 to 2.03 in 2004. The main reasons were increased overcapacity in the market driving the prices down together with decreasing USD rates.

Even though the result of 2004 is lower than expected, the President of SAS Cargo Group A/S, Kenneth Marx, explains that SAS Cargo is on the right track and he is very optimistic that a new strategic focus on increasing both revenue and profit in 2005 will lead to better results already this year.

- The 2004 result was influenced by an internal profit adjustment in relation to the SAS Group. SAS Cargo's overall 2004 result was not at a satisfactory level, but if we leave out of account this adjustment the result was acceptable, he explains.

The total amount of full-time employees rose with seven to 1265. It was mainly the cargo handling division, Global Handling, which increased staff in order to maintain a high quality level while implementing a new IT-system.

For SAS Cargo Group A/S, 2004 was characterized by the introduction of new capacity between Scandinavia and Shanghai and from the US. Emirates SkyCargo became a new partner on SAS Cargo's Hong Kong operation, when Lufthansa Cargo decided to pull out their MD-11 freighter after several years of cooperation on the joint operation. Boeing 747-400 freighters now service this operation between Gothenburg and Hong Kong. In March 2005 the frequency went up from two to three departures per week.

Furthermore, Spirit Air Cargo Handling, which includes the Swedish air cargo terminals in Stockholm and Gothenburg, was formed as an independent legal entity owned by SAS Cargo Group A/S.

Internally, the implementation of a new IT-system challenged some of the existing working processes of the organization that needed to be changed.

SAS Cargo Group A/S is an independent company owned 100% by SAS Group.

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