

Record result from SAS Cargo

A revenue increase of 17% and improved profitability gave SAS Cargo the best result ever in 2005.

With revenue of 3.306 million Swedish Crowns (356 MEUR) and a profit before tax (EBT) of 68 million Swedish Crowns (7.3 MEUR) SAS Cargo continues the positive development, which the company has experienced since 2001 where it was separated from the SAS Group and made in to an independent legal entity.

SAS Cargo managed to increase both revenue and profit in a market, which is characterized by huge overcapacity and great imbalance in the flow of goods between Asia and Europe.

The fierce competition in the market caused the average unit revenue (Yield) to continue the decreasing trend. The Yield fell to 1.92 Swedish Crowns (0.21 EUR) from 2.03 Swedish Crowns (0.22 EUR) in 2004.

- Even though we did not completely reach the targets we aimed for, I am happy to conclude that we are developing positively and that we show progress from year to year. The result in 2005 is the best ever for SAS Cargo, however we need to be better at earning money. And we will do this by increasing focus on our core business and continue to develop our route network and capacity, says Kenneth Marx, President and CEO of SAS Cargo Group A/S.

Increased capacity

Since Kenneth Marx took over as responsible of the Scandinavian air cargo company in 2004, the management team has introduced a strategy plan, which demands growth in terms of revenue as well as in terms of bottom line. This has resulted in a series of capacity agreements with airlines outside the SAS Group in 2005.

-We need to be able to offer our customers the right capacity and the right products. Therefore, we must adjust and optimize our route network and our capacity supply all the time in order to follow the demand, Kenneth Marx continues.

The increased focus on capacity in 2005 lead to all-cargo capacity agreements with the WOW partners from Lufthansa Cargo and Singapore Airlines Cargo to



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selected destinations. Furthermore, agreements with Korean Air Cargo and Emirates SkyCargo were signed.

Onboard the passenger aircrafts SAS Cargo made a capacity agreement with an airline outside the SAS Group for the first time ever, when they in September 2005 took over the responsibility of the cargo capacity onboard Sterling's fleet.

Facts about SAS Cargo Group A/S

SAS Cargo Group A/S is an independent company 100% owned by the SAS Group. SAS Cargo's revenue in 2005 was 3.306 MSEK (356 MEUR). SAS Cargo has 1332 employees within Scandinavia and 130 outside Scandinavia. SAS Cargo Group's revenue comes primarily from transportation of airfreight and mail from airport to airport and from the handling of air cargo for other airlines at SAS Cargo's terminals in Scandinavia and the USA.

For further information

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