

CHARLIE VICTOR

THE CARGOLUX MAGAZINE



#03
The DWC issue

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WELCOME

Welcome to the latest edition of *Charlie Victor*, our very own magazine designed to keep our clients and staff informed and up-to-date. Each time we create a new issue, I am struck by the enthusiasm and pride that I see in Cargolux. Pride in our company, pride in the team, and pride in our exceptional ability to meet our customers' needs. We are not just a group of people working for, or getting service from, the same company. We are a family. And as a family of close-knit air cargo enthusiasts, we see again and again that Cargolux's reputation as a unique and high-quality player at the top of the industry is well earned.

In this issue, we highlight our outstanding team, their focus on helping the client, and on excellence in every aspect of their work. Our feature article about our new partnership with Emirates SkyCargo gives us another reason to be proud and enthusiastic about the future. Building strong bonds with such a high-quality carrier, which complements our service offering, will allow us to expand our reach and footprint in new markets and better serve our existing customer base while forging strong bonds.

Whether we are shipping regular cargo, or working with our customers to create the perfect structures to move fragile payload carefully and safely, our team's attention to detail and ability to cooperate and excel shine through each day. Personal care, communication, flexibility, and specialist knowledge about our customers' needs are central to what makes us different. We hope that the pages of this issue reflect the wonder we feel each day as we work in our very special world. ◻

MOA SIGURDARDOTTIR
HEAD OF CORPORATE COMMUNICATIONS, CARGOLUX





MEET NIEK VAN DER WEIDE

Making Carrier History

NIEK VAN DER WEIDE, EXECUTIVE VICE PRESIDENT, SALES & MARKETING, WAS PART OF THE TEAM THAT DISCUSSED, AND BROUGHT TO LIFE, THE GROUND-BREAKING MoU WITH **EMIRATES SKYCARGO.** >

It's exciting to see a combination airline and specialized carrier forming a partnership.

What did it take? The most important elements were the team effort and goodwill from both sides. Richard Forson (President/CEO), Maxim Straus (Executive Vice President/CFO) and I started the work in lock-step, with teams from both companies. We found goodwill on both sides, from starting the conversation with Emirates SkyCargo last year, to progressing it well to where we are today. It has been quite an enjoyable negotiation process as we see what a good fit this is and watch the potential for both companies come into focus.

How important is finding a good fit? Fit is very important. In our business strategy review last year, we recognized the potential in using a partner to expand our network. Emirates SkyCargo was a top candidate. They have the same high-quality and specialized cargo handling standards as Cargolux and enjoy an outstanding reputation in the industry. The two organizations have been interline partners since 1987, so there is a high level of respect and trust. This makes a strong foundation for moving forward.

Now that you have signed the Memorandum of Understanding with Emirates SkyCargo, what are the next steps? We signed the MoU on May 9, 2017, in Munich, at the Air Cargo Europe event. This lets us work more closely with Emirates SkyCargo. We will start on a relatively small scale, buying capacity from each other, enhancing interline opportunities to strengthen global reach, and increasing transportation frequency. The next step will involve looking at individual opportunities where we can leverage each other's strengths, while remaining completely separate entities with our own brands and customer interfaces.

Transport frequency is a strong selling point. What will we see in the coming months? Emirates SkyCargo and Cargolux have the ability to increase the frequency of some flights using each other's networks. For example, our networks in Africa are very complementary. Working together will enable us to leverage some

of the daily Emirates flights out of Dubai. This will allow us to offer more frequent connections. Complementary destinations and increased frequency mean more flexibility, which benefits our customers.

How will you maintain the high standard of quality that also attracts some of the world's most well-known brands to your services?

One of the aspects of this partnership that really excites Cargolux is Emirates SkyCargo's strong reputation. Both airlines have won cargo awards and have great reputations in the industry and with customers. Putting two superior carriers together will allow us to continue to maintain, or even improve our already excellent quality, as well as evolve our services. And our customers can rest assured that we're extremely confident using Emirates flights because it is a superior carrier. We are proud to have such a strong relationship with a company that values high standards of execution as much as we do.

How will Cargolux change with this new partnership? We expect 'business as usual'. Our customers will continue to be our main focus, and both airlines will keep separate identities and operations. The biggest change will be in our capacity, networks and frequency of deliveries. Cargolux has 90 flight destinations and 177 trucking destinations in 55 countries, 85 offices worldwide. Emirates SkyCargo has 150 global destinations in 83 countries. Our networks are vast and very complementary. Our customers can be confident in the more frequent and safe deliveries to additional corners of the world. ◻

**“Putting two
superior carriers
together will allow
us to continue
to maintain, or even
improve our already
excellent quality,
as well as evolve
our services.”**

Niek Van Der Weide





Cargolux products



ERIC REISCH
MANAGER SPECIAL PRODUCTS

Cargolux has a great reputation for handling prestigious cars. What are some of the special requirements?

Race/show cars, by nature, are always something special. There is certainly additional (positive) exposure for us as we contribute to the overall success of the event and meet the challenge of everyone's expectations. But really, the process does not differ much from that of handling vintage or luxury vehicles. We are always careful during transport and turn a keen eye to security around this type of cargo. When transporting high-value cars, we ensure dedicated supervision and are very careful to be vigilant during inspection and handling. Extra precaution during ground transfers is a must.

Cargolux has a dedicated process and special infrastructure for handling all of the CV power products. How do you ensure your personnel are adequately trained for this cargo type?

Training is an important aspect of our operations. Every member of our team participates in initial and recurrent training sessions which cover all aspects of our specialized transportation chain. The safety of the product and our people is always top of mind. ◻



CV power

NEW PARTNERSHIP

NABIL SULTAN
EMIRATES DIVISIONAL
SENIOR VICE PRESIDENT, CARGO



Good Business, Good Sense

THIS OPERATIONAL PARTNERSHIP WILL CONNECT OUR CUSTOMERS TO AN **EVEN WIDER NETWORK** OF DESTINATIONS ACROSS THE GLOBE. IT WILL PROVIDE ADDITIONAL MAIN DECK CAPACITY FOR THEIR PRODUCTS TO GO FARTHER, FASTER.

Emirates SkyCargo and Cargolux are both leading players in the industry and we've been strong interline associates for years. But this partnership is not just about two big players coming together on an interline basis. Our strengths are very complementary. Together we offer our customers more advantages, a broader range of services, and expanded global network. Without compromising our standards for service delivery.

As a global trade facilitator, Emirates SkyCargo operates a modern, all wide-body fleet of 255+ aircraft, including freighters, with a network of 150+ destinations in 80+ countries across six continents. We fly to main regional hubs and offer direct connectivity to secondary destinations. Our state-of-the-art fleet, sizeable capacity, and ability to transport outsized and heavy cargo, coupled with our multiple daily frequencies, mean our customers can move their products more quickly around the world. Our two modern cargo hubs handle belly-hold cargo at Dubai International Airport and freighter cargo from Dubai World Central. These hubs are connected 24/7 by a bonded virtual trucking corridor allowing cargo to land at one airport and take off from the other in five hours or less.

Operationally, we have compatible ground handling and standard operating procedures in common.

Our hubs have been certified as compliant to EU GDP (Good Distribution Practice) for the transport and handling of medical products for human use. This means that the transfer of products between the two carriers will be seamless.

Jointly, on an interline and block space basis, our customers will have access to our complementary destinations. Cargolux's specialized freighter capacity will supplement Emirates SkyCargo's existing main deck capacity. Especially for customers who require nose loading for outsized cargo, we can expand our freighter capacity over time using Cargolux aircraft. Cargolux customers will also be able to tap into belly-hold cargo capacity on our high-frequency passenger service to a variety of global destinations. Most importantly, both Cargolux and Emirates have a common vision for excellence in customer service that will keep our partnership, and customer service, strong. ◻



**“Cargolux and Emirates
have a common vision
for excellence in
customer service.”**

Nabil Sultan

SUSTAINABILITY NEWS

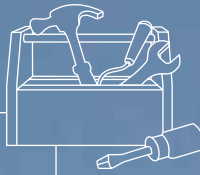
Sustainability: Here to Stay

HOT ON THE HEELS OF RECEIVING THE LEAN & GREEN AWARD, CARGOLUX PUBLISHES ITS **SUSTAINABILITY REPORT**. HIGHLIGHTS OF THE REPORT INCLUDE AN OVERVIEW OF THE FUEL-EFFICIENT FLEET, COMMUNITY INTEGRATION, ETHICS, CSR POLICIES AND ECOVADIS RATING.



Cargolux uses

FEEDBACK, BENCHMARKS AND TOOLS BASED ON **SUSTAINABLE DEVELOPMENT STANDARDS** FROM THE GLOBAL REPORTING INITIATIVE (GRI), THE UN GLOBAL COMPACT.



Cargolux commits

TO ADHERE TO INTERNATIONAL & LOCAL APPLICABLE **RISK MANAGEMENT** REGULATIONS, INTERNAL RULES & POLICIES ARE USED TO MAINTAIN SUSTAINABLE AND PROFITABLE BUSINESS RELATIONSHIPS.



Cargolux attains

THE **'BEST GREEN AIRLINE'** AWARD. RECOGNIZED AMONG LEADING SERVICE PROVIDERS, CARGOLUX WAS HONORED AT THE ASIAN FREIGHT, LOGISTICS AND SUPPLY CHAIN (AFLAS) AWARDS.



Cargolux signed up

TO THE **UN GLOBAL COMPACT** IN 2008, PLEDGING TO APPLY 10 KEY PRINCIPLES OF SOUND ENVIRONMENTAL AND SOCIAL MANAGEMENT.





Dubai, Hot Hub for a New Partnership

ON MAY 9TH, 2017 IN MUNICH, AT THE AIR CARGO EUROPE EVENT, **CARGOLUX AND EMIRATES SKYCARGO SIGNED A MEMORANDUM OF UNDERSTANDING (MoU).**

THIS ALLOWS THE CARRIERS TO WORK MORE CLOSELY; BUYING CAPACITY FROM EACH OTHER, ENHANCING INTERLINE OPPORTUNITIES TO STRENGTHEN GLOBAL REACH AND INCREASING TRANSPORTATION FREQUENCY. >





STATISTICS TAKEN FROM THE DUBAI TOURISM OFFICE SAY THAT THIS MODERN CITY WELCOMED ALMOST **3 MILLION VISITORS** FROM AROUND THE WORLD IN 2016.





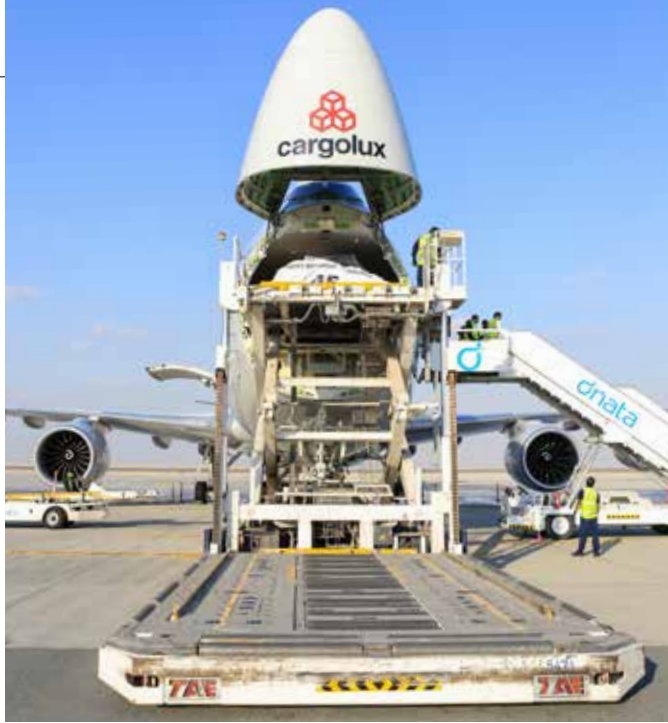


LX-VCM WITH ITS SPECIAL
LIVERY RECEIVING
« WATER-CANNON SALUTE »
IN DUBAI.



**INCREASED CAPACITY AND
HIGHER FREQUENCY OF FLIGHTS**
TRANSLATE INTO EVEN GREATER
QUALITY AND CUSTOMER SERVICE.





FROM 10,000 FT, THE ENTICING NIGHT-SCAPE OF DUBAI DRAWS FLIGHTS TOWARDS AN OASIS OF LIGHT IN THE DESERT.



PRODUCT



Saving Lives, Big Time

WHEN YOU KNOW THAT **THE CARGO WILL SAVE LIVES**, AND THAT YOU ARE HELPING GET IT TO WHERE IT IS NEEDED, IT GIVES YOU A DIFFERENT PERSPECTIVE AND ADDS WEIGHT TO YOUR RESPONSIBILITY.

If you look after Cargolux's CV Jumbo product, thinking big comes easily. What sets Cargolux apart, especially when it comes to moving massive freight, is their thoughtful and strategic approach to all elements of their business. This included forming a relationship and working closely with Boeing in the development of their latest generation of energy-efficient 747-8 Freighters. These planes form the heart of the fleet. "We know every inch of those planes," says Eric Reisch, Manager Special Products. "Many cargo companies will decline to transport an item that is oversized or has an unusual footprint, but never give up hope until we say it can't be done. We go the extra mile to accommodate. AND we never compromise safety!"

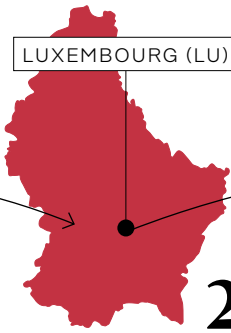
It takes more than just big planes to move outsized goods. The team at Cargolux is a blend of engineers, shoring experts and specialists who consider every aspect of the move. From point of origin, right to offloading and beyond, every aspect of the transport is planned and reviewed for any small element that could affect success.

Much of their cargo requires specialized loading equipment such as heavy-duty high loaders or cranes. The team works closely with the client to design the

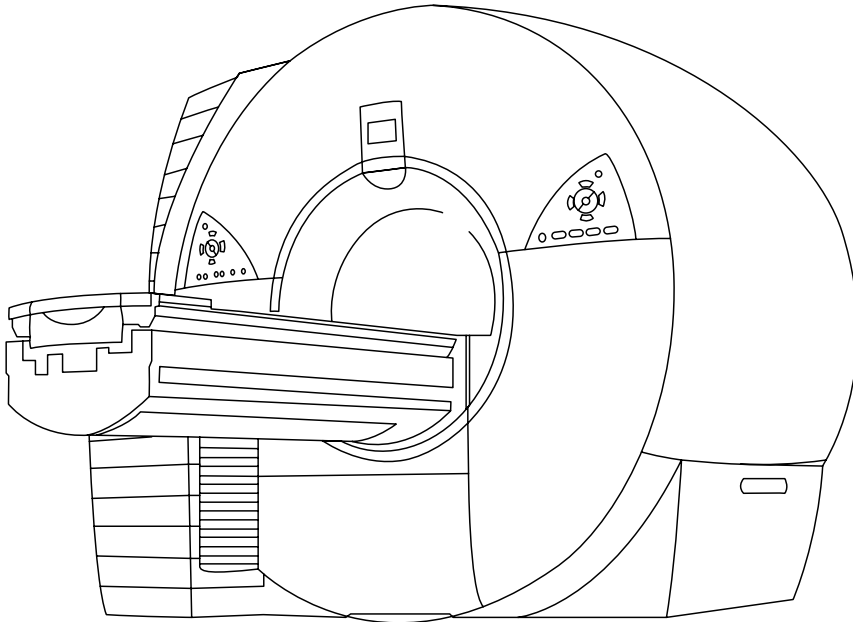
perfect transportation solution and to check that the destination airport has the correct infrastructure on the ground to receive the precious cargo. If not, they make suggestions for remediation as required.

The two 25-ton MRIs originating in Oxford (UK) and being moved from Luxembourg to Los Angeles and New York are great examples of this in-house expertise. These were the biggest and heaviest MRIs ever moved on board of a 747, which required lengthy and advanced special planning. Communication between all stakeholders at both origin and destination was key to making this team effort a success. To ensure that these magnetoms fit in the planes and arrived in good condition, the Cargolux shoring team with its engineers assisted in the design and construction of the special transportation frame that fit the plane like a glove and kept the cargo riding smoothly. ◻

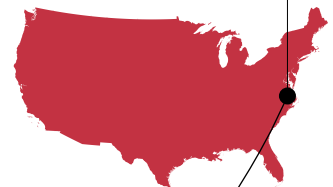
LUXEMBOURG (LU)



2



NEW YORK (US)



3

LOS ANGELES (US)

4



“We know every inch of our planes and we go the extra mile! Never give up hope that your item is transportable until Cargolux says it can’t be done.”

Eric Reisch, Manager Special Products

FIRST EK FREIGHTER IN LUX

Emirates SkyCargo Lands in Luxembourg

CARGOLUX WELCOMES EMIRATES SKYCARGO TO LUXEMBOURG. THE FIRST MANIFESTATION OF THE MoU SIGNED IN MAY WAS AN EMIRATES SKYCARGO BOEING 777F. LANDING ON MONDAY, JUNE 12TH, IT OFF-LOADED ITS CARGO AT THE CARGO CENTER.

On Monday afternoon, June 12th, barely a month after the MoU was signed between Cargolux and Emirates SkyCargo, a Boeing 777F arrived and invited guests and customers witnessed history being made. The landing was the first concrete testimonial in Luxembourg of the partnership between these two great organizations and also brings new business to Findel airport.

Emirates Executive, Henrik Ambak, Divisional Senior Vice President, Cargo, and Cargolux's Chris A. Nielsen, Vice President of Sales, met the plane and fielded questions as it landed. In addition to normal cargo, pharmaceutical cargo, that was off-loaded on Monday, and vehicles will generally be the standard payload transported via Luxembourg.

The Luxembourg government views logistics as an important pillar in the local economy and, according to a study commissioned by lux-Airport, Findel already contributes 5% to the country's GDP. The study from 2015 posted on the Grand Duchy of Luxembourg Statistics Portal goes on to list benefits such as over 6,000 people directly employed by companies located at the airport, and impacts to over 24,000 jobs either directly or indirectly in the country. With 2017 freight handling up almost 20% from 2016, no doubt lux-Airport is happy to welcome Emirates SkyCargo as its newest customer.

Currently, the Dubai-based carrier plans to land in Luxembourg once per week but will review this schedule regularly and evolve this timetable to accommodate business requirements. Emirates freight will be handled in Luxair Cargo's state-of-the-air freight center. One of the advantages for customers of Cargolux and Emirates SkyCargo is the fast turnaround time that both companies offer. And amazingly, the Boeing 777F, with a wingspan of almost 65 meters, can transport a payload of up to 100 tons, which can quickly be off-loaded within 90 minutes to 2 hours.

Although Emirates SkyCargo and Cargolux are only sharing access to their many destinations and taking advantage of each other's schedules to increase delivery frequency, they will remain totally separate entities. This is an interesting situation of friendly competition and collaboration. When queried on this, Chris's response was typical of Cargolux's long-view strategy: "We like competition. It helps everyone stay sharp and encourages the industry to improve and evolve." ◻

WE LIKE COMPETITION. WE EXCEL AT MEETING OUR CUSTOMERS' NEEDS, BUT COMPETITION HELPS EVERYONE STAY SHARP AND ENCOURAGES THE INDUSTRY TO IMPROVE AND EVOLVE.



PARTNERS AND COMPETITORS, ALTHOUGH THEY HAVE SIGNED A MoU WHICH WILL GIVE ACCESS TO A WIDER RANGE OF DESTINATIONS AND FLIGHT FREQUENCIES, CARGOLUX AND EMIRATES SKYCARGO REMAIN COMPETITORS.







SUCCESSFUL TEAMS

Business as Usual, Exceeding Expectations!

WE LEVERAGE OUR **'FAMILY SPIRIT'**. WE TRUST AND RESPECT EACH OTHER SO WE CAN LOOK AT ALL ASPECTS OF A PROBLEM AND WORK TOGETHER FOR THE BEST SOLUTION CALMLY AND EFFICIENTLY. WE ARE NOT THE BIGGEST, BUT WE HAVE AN IMPRESSIVE PORTFOLIO OF TRAFFIC RIGHTS, AND WE ENJOY SOLVING PROBLEMS. IT'S A GREAT COMBINATION IN THIS BUSINESS.



Listening to Geoffroy Didier and Daniel Rolin describes how their teams work together, gives the impression that just about anyone can jump in to solve a customer's problem. Their stories about regularly going above and beyond provide evidence of the great teamwork that keeps them top of mind with customers.

"We are not the biggest carrier," says Geoffroy, "but we have some of the best performance and efficiencies in the industry. It's about taking advantage of aircraft locations and leveraging the constant motion of our fleet."

As Director of Network Management, Route Planning, Geoffroy Didier works closely with almost every department and division in Cargolux, but none closer than with Charter. While Network Management is the epicenter of decision-making for payload routing on the 23 carriers that regularly circle the world, Geoff and Daniel Rolin, Manager Charter Services, work closely to route the three dedicated Charter freighters.

Being the first point of contact for unusual transportation challenges, Charter can receive requests from anywhere in the world. It keeps its team on the ready 24/7, with personnel on the ground in Hong Kong (1 person), Houston (1) and Luxembourg (5). Dan's small team can deal with everything from disaster relief to event logistics or factory closures or moving off-size cargo or providing solutions for aircraft-on-ground (AOG) situations.

Geoff and Dan have worked together for so many years, and are so aligned with their customers that they can actually finish each other's sentences. And with operations in over 60 countries, it is an asset to have teams that work so closely, and well, together. Although Cargolux is smaller than some carriers, it has a track record of team spirit and foresight.

"We can be dealing with situations that can be very costly for our customers," says Dan. "Our job is to make sure we anticipate problems and find an appropriately priced solution that meets their needs. We may not be the least expensive every time but we are competitive, and we are reliable. If we quote, we perform!" adds Geoff.

The key behind that consistent performance is the approach that Cargolux takes to problem solving. "We take a step-by-step approach. We involve everyone who might have some input. We look at what is best for the customer and best for the company. It's all about understanding the common good", says Daniel. "We really sweat the details to go the extra mile."

Examples of that outstanding teamwork and reliability are found at every level of the organization. And Cargolux's business-as-usual is being able to mobilize the team quickly to find the most effective solution every time. Geoff recounts one situation during the summer when an aircraft ran into weight problems due to temperature changes, causing a shift in lift capability. It took some quick route changes and extra stops to make the delivery, but the cargo arrived on time. "Underperformance is really not an option with our customers. We are showing up with some of the biggest aircraft ever built, and every single one is a bit different. We have to consider so many aspects in our planning that everyone has a strategic role to play in ensuring we achieve our goals."

The list of elements that must be contemplated is staggering: flight routing concerns due to airspace closures from weather or complicated geopolitical situation (flight operations), aircraft status (maintenance), and beyond. Teams at Cargolux keep a constant eye on changes in potential customer needs as well as any element that might affect their ability to deliver on time and on cost. In an industry where margins can be low and competition is fierce, Cargolux distinguishes itself with an extensive traffic rights portfolio, flexibility to realize route economies and high efficiency to ensure the most suitable pricing strategy.

Whether flying engines from New York to Toulouse, obtaining permissions for last-minute cargo deliveries, or correctly placing aircraft for seasonal "blips", the Charter and Network Management teams work closely together to excel. Orchestrating the jigsaw of routes and aircraft, these teams regularly do the impossible, exceeding customer expectations and keeping personnel and cargo safe. ◻



DANIEL ROLIN
MANAGER CHARTER
SERVICES



GEOFFROY DIDIER
DIRECTOR OF NETWORK
MANAGEMENT, ROUTE PLANNING

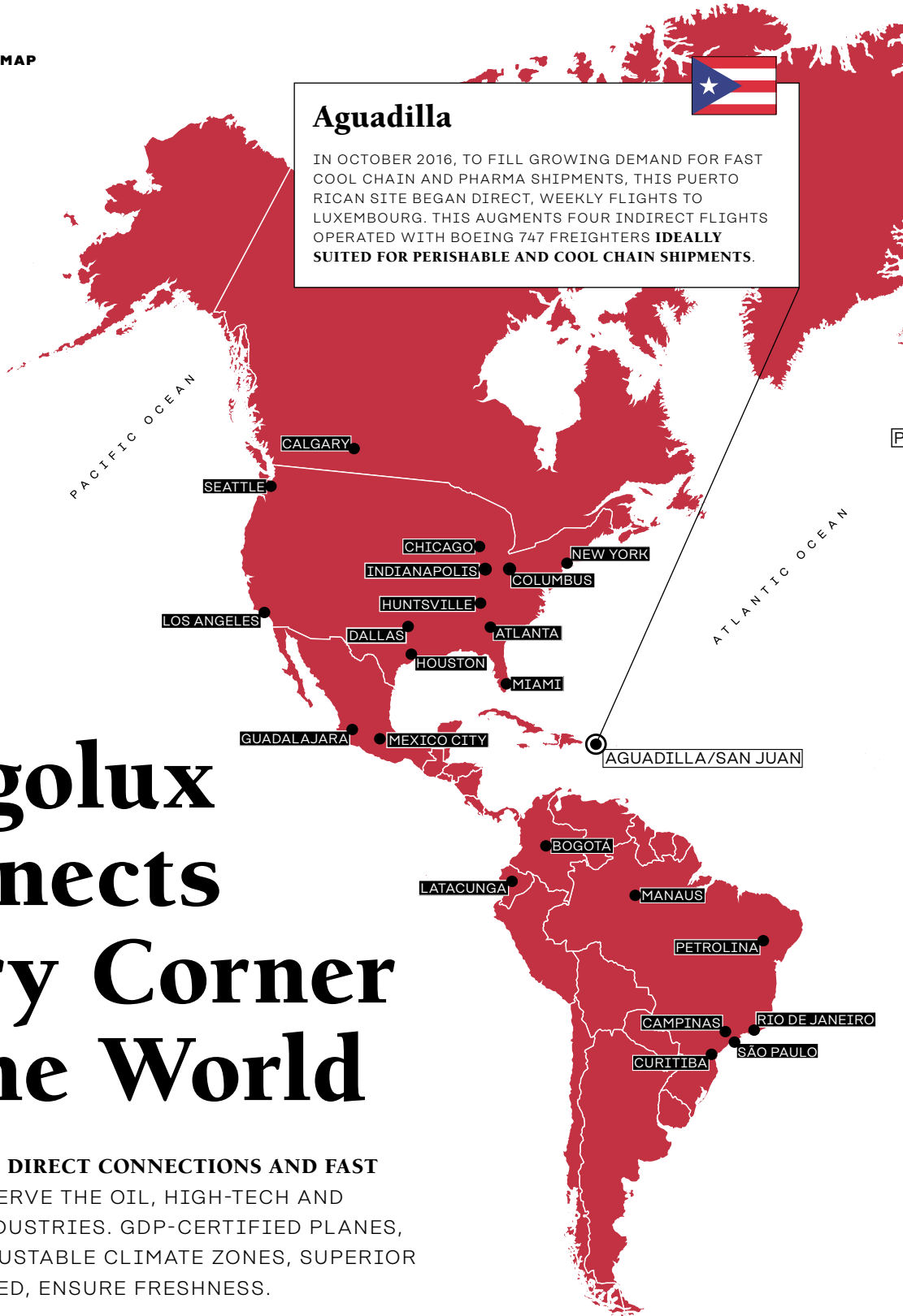
“UNDERPERFORMANCE IS NOT REALLY AN OPTION. WHEN IT COMES TO MAINTAINING OUR CUSTOMERS’ **TRUST AND RESPECT**, IT’S JUST YOU AND THE PROBLEM, UNTIL YOU HAVE A SOLUTION.”



“Ensuring flexibility and performance means that every department and division at Cargolux has a strategic role to play.”

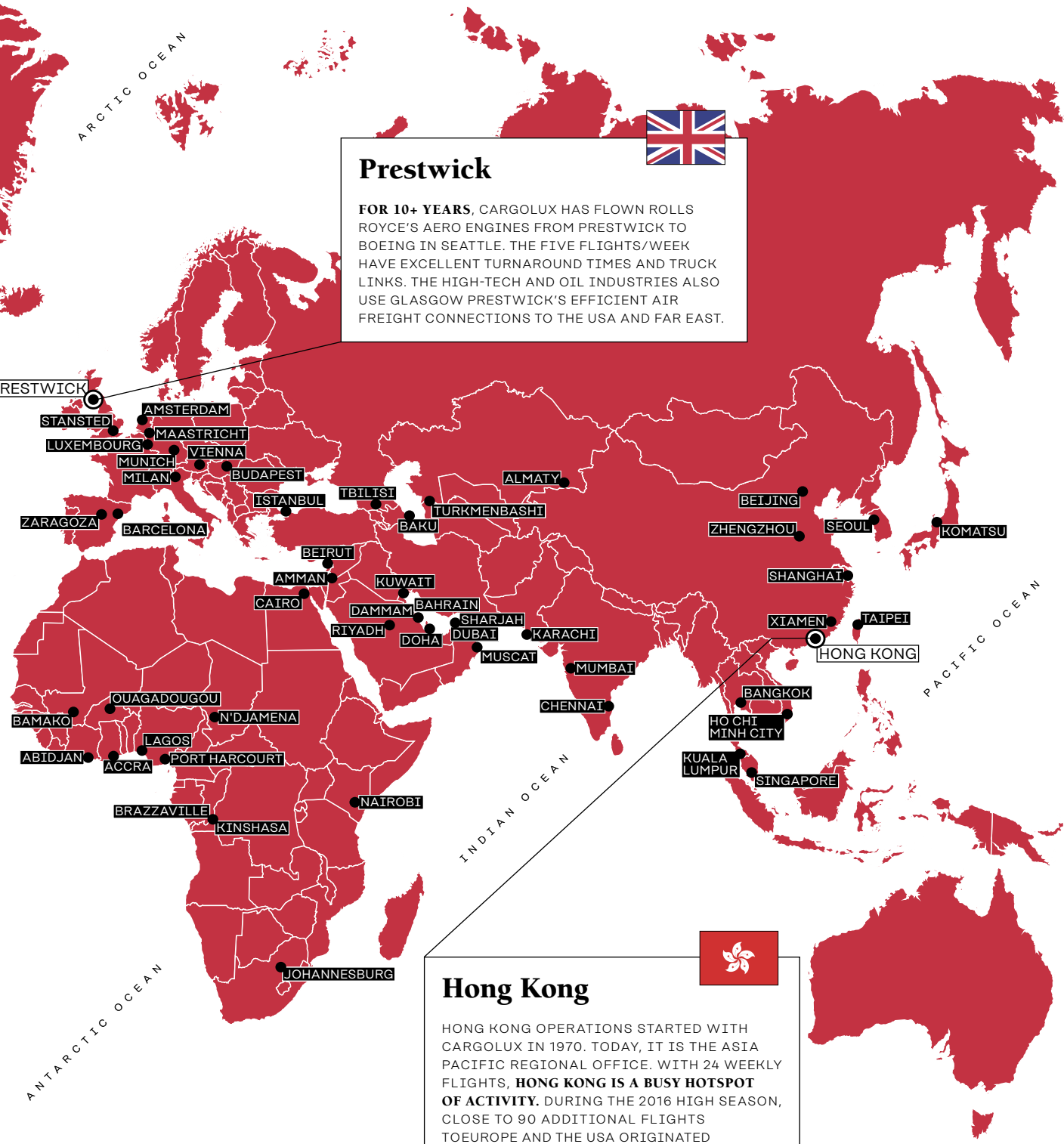
Daniel Rolin

ROUTE MAP



Cargolux Connects Every Corner of the World

THESE CENTERS' **DIRECT CONNECTIONS AND FAST TURNAROUND** SERVE THE OIL, HIGH-TECH AND PERISHABLE INDUSTRIES. GDP-CERTIFIED PLANES, WITH FOUR ADJUSTABLE CLIMATE ZONES, SUPERIOR RANGE AND SPEED, ENSURE FRESHNESS.



Prestwick



FOR 10+ YEARS, CARGOLUX HAS FLOWN ROLLS ROYCE'S AERO ENGINES FROM PRESTWICK TO BOEING IN SEATTLE. THE FIVE FLIGHTS/WEEK HAVE EXCELLENT TURNAROUND TIMES AND TRUCK LINKS. THE HIGH-TECH AND OIL INDUSTRIES ALSO USE GLASGOW PRESTWICK'S EFFICIENT AIR FREIGHT CONNECTIONS TO THE USA AND FAR EAST.

Hong Kong



HONG KONG OPERATIONS STARTED WITH CARGOLUX IN 1970. TODAY, IT IS THE ASIA PACIFIC REGIONAL OFFICE. WITH 24 WEEKLY FLIGHTS, **HONG KONG IS A BUSY HOTSPOT OF ACTIVITY**. DURING THE 2016 HIGH SEASON, CLOSE TO 90 ADDITIONAL FLIGHTS TO EUROPE AND THE USA ORIGINATED IN HONG KONG.

CHARLIE VICTOR

THE CARGOLUX MAGAZINE

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cargoluxgroup

you name it, we fly it!

