

Jet Vibes

Vol. 4 ■ NO 2 ■ Winter 2006

The Newsletter for Employees of Cargojet/Starjet

"HAPPY HOLIDAYS"



We would sincerely like to thank each and every one of you personally for all of the hard work, efforts, and dedication that you have displayed over the past year. This year has certainly passed quickly but also allowed us to seek new opportunities and experience tremendous growth with the business.

Our revenues have continued to grow, exceeding 130 million dollars in 2006; our team of over 450 dedicated professionals are committed to the highest standards in safety and service excellence. We have broken records in tonnage carried each business night, exceeding over 600,000 lbs of cargo carried to thirteen major city centers across Canada and we have expanded our international service and brand. Critical success factors such as on

time performance, flexibility, teamwork, and going the extra distance for our customers have certainly made us an extremely attractive organization. For the fourth time, our customers recognized us with the Shipper's Choice Award as the best Cargo Airline in Canada.

The success of Cargojet is measured by the collective efforts and contributions of each individual employee, who form part of our entire Cargojet family. It is at this time of year more than ever, that we reflect back upon the successes that we have achieved together as a team, and thank each of you individually for your great work and continued commitment.

As 2007 approaches, we must continue to find innovative ways to increase revenues, lower our costs and build our business into the future. We must always focus on our customers, never taking their business for granted, rather continuing to earn it each and every day by exceeding their expectations of us personally as well as an organization. This will lead to continued success and growth for the company, including enhanced value for our unitholders and increased opportunities and job security for all of our employees.

(continued)



CARGOJET



I assure all of you that my commitment and promise for the future remains firmly in place. I will continue to do my very best to ensure that the Executive Management team continues to provide open two-way communication and mutual respect for all members of the Cargojet team. My open door philosophy remains intact and I encourage any of you that wish to communicate with me directly, to please call or drop me an email message as I always enjoy hearing from you.

Lastly, I wish to thank each of you and your families for your continued dedication and contribution to Cargojet. Each one of you should be extremely proud of the success that we have achieved together. This would not have been possible without the support, sacrifice and dedication of all of our families, spouses and children and we thank them all as well.

Wishing everyone all the very best for the Holiday Season and much joy, happiness, peace, health and prosperity in the New Year.

Warmest personal regards,

Ajay K. Virmani
President & CEO

PS: Many of you have asked recently about my new hairstyle. Well let me assure you I have not been cast for a movie role, nor have I been drafted by the Toronto Raptors to join their team ! Last week , I was challenged to shave my head by the management team at Cargojet to raise funds for a charity. I am very pleased to announce that together as a team we raised \$50,000.00 and donated all proceeds to the Toronto Star Santa Claus Fund. This donation will enable over 1400 children to receive gifts this festive season. Christmas is a time for giving and I am extremely proud to see that our team has contributed the single largest amount to this charity and have been instrumental in bringing smiles of happiness to many children!





"CARGOJET AND AIR INDIA ENTER INTO A STRATEGIC MARKETING ALLIANCE"



Ajay Virmani with the Air India Team

Effective August 1, 2006 Cargojet and Air India Cargo have entered into a strategic marketing alliance that will enhance two of the world's strongest economies together in a seamless network.

Air India has increased its frequency from Delhi to Toronto via Birmingham, England from three flights per week to five using Boeing 777 aircraft which has a impressive cargo capacity of approximately 15,000kgs per flight.

Both companies will benefit from this alliance as Cargojet can now assist Air India Cargo in extending its network across Canada without a costly capital investment. Additionally, Cargojet and its customers can gain access to one of the world's fastest growing market using one airway bill.

"Air India is pleased to enter a Strategic Alliance with Cargojet in Canada, as this will enhance the movement of cargo between Canada and India. With Air India's vast domestic network within India, complimented by Cargojet's strong presence in Canada serving 13 cities, this arrangement will ease the flow of cargo to interior points in both countries," says Mr. R.B. Chopra, Manager Canada for Air India.

We look forward to working closely with one of our newest alliance members and welcome them to the Cargojet Team.



"CARGOJET TEAM RECOGNIZED FOR CUSTOMER SERVICE EXCELLENCE!"

Cargojet has been recognized with two significant Customer Service achievements over the past month. We have once again been awarded the Shipper's Choice Award by Canadian Transportation & Logistics Magazine, a leading industry publication. Cargojet surpassed shipper expectations in the total Industry Sector Average and particularly in the key areas of *On-time Performance*, *Competitive Pricing*, *Leaders in Problem Solving*, *Customer Service* and *Value-Added Services*.

Cargojet is the only Canadian Air Cargo carrier, to receive this honour for the fourth year! "This milestone award is evidence of the continued hard work, dedication and commitment of every employee on the Cargojet team" says Ajay K. Virmani, President and CEO.

The survey, conducted in conjunction with the federal government and research firm G. Bramm & Associates surveyed 4500 Canadian shippers. Providing them with an opportunity to set benchmarks for expected carrier performance in seven key areas and to rate their top carriers against those benchmarks.

In addition, Cargojet recently initiated its own external customer survey, to measure performance and gauge feedback from customers in a wide range of customer service areas including, *Reception; Customer Service/ Value Added Service; Accuracy/Timeliness of Information; Sales/Marketing; Information Technology; Accounting/ Invoicing; etc..*

Over 80 customer surveys were sent out to a vast cross-section of both contract & non-contract customers asking for their feedback in 23 specific customer service areas and ranking of our service levels on a scale of 1 to 5 (1 = Requires Immediate Improvement and 5 = Excellent).

Cargojet achieved ratings above 4 or Very Good or higher, in 19 out of 23 measurement areas. This once again reflects the consistent and reliable levels of service that we provide to our customers across the country. This valuable feedback will be used to identify areas where we can continue to improve service levels and build customer loyalty and support.

Cargojet continues to exceed the expectations of our customers by delivering a premium product into the Canadian marketplace. Our on time performance levels continue to exceed 98.5%. This award and survey results are a result of the dedication and loyalty of our professional team, consisting of over four hundred employees, who are the driving force of Cargojet. Every single one of us should be proud of these exceptional results.

Congratulations to the entire Cargojet Team!



"TEAMWORK + COMMUNICATION = SUCCESS"



Western Canada has seen some of the largest growth in the country. BC and Alberta are responsible for approximately 23% of the companies overall cargo revenues and traditionally have enjoyed a +9% growth. We are proud of our contribution and truly believe in the spirit of Cargojet.

The reason for our success is simple...a desire to succeed through teamwork and a passion for customer service.

In terms of recent economic growth, Vancouver, Calgary and Edmonton represent three of the strongest economies in Canada. To help position Cargojet as the dominant Air Cargo service provider in these markets, we knew we would need to "fine tune" the coordination of our sales efforts in these three cities.

Stations in our region communicate daily, in order to fully utilize the combined available space. For example, we have customers who will tender early in order to take advantage of the rate incentives available via existing truck transportation to Edmonton and connection with Flt 574. This provides additional capacity ex Calgary or Vancouver for additional volume from our contract customers or higher yielding non-contract freight. This takes a great deal of coordination and communication with down line stations, CMC, Sales and flight operations. Each department is critical to our success.

Interline Cargo has contributed tremendously to our growth and adds a degree of flexibility to our planning as typically we have two days or more to move this traffic. Interline partners such as Lufthansa, China Airlines, Japan Airlines, Air Transat and Swiss Airlines have come to rely heavily on our ability to deliver a quality service.

Research and time has allowed us to fine tune our commodity pricing in order to capture more than 50% of the perishable market such as live seafood, mushrooms,

cherries, cut flowers and live plants. This also holds true with Sea Air cargo, which is booming due to congestion at our major seaports.

One of the fastest growing economies in Canada is Alberta. The Oil and Natural Gas exporters often use our services due to our high on-time reliability and commitment to customer service. This was earned over many years of proving ourselves to our customer base. Additionally, we have become the preferred carrier for both the Calgary and Edmonton Zoos and have successfully moved such exotic animals as wild African dogs, polar bears, seals, and tigers, to name a few.

The introduction of our "Value Added Service" philosophy has gained us a great reputation. We will arrange for a pickup or delivery in any city that we operate to and when we know the shipment is of "high priority", we always call the customer to confirm delivery before the customer calls us. This type of attention to detail has drawn rave reviews from our customers. We pride ourselves on going the extra mile.

We have assembled a solid group of employees in all three stations, who work together every night to see that our customers receive the highest level of service

Of course, what sets Cargojet apart in the industry is our strong commitment to our customers, and believing in the concept of teamwork from coast to coast. Any success would not be possible without the help of our colleagues across the country; it all helps to complete the overall "First Class" Cargojet package.



The YVR TEAM

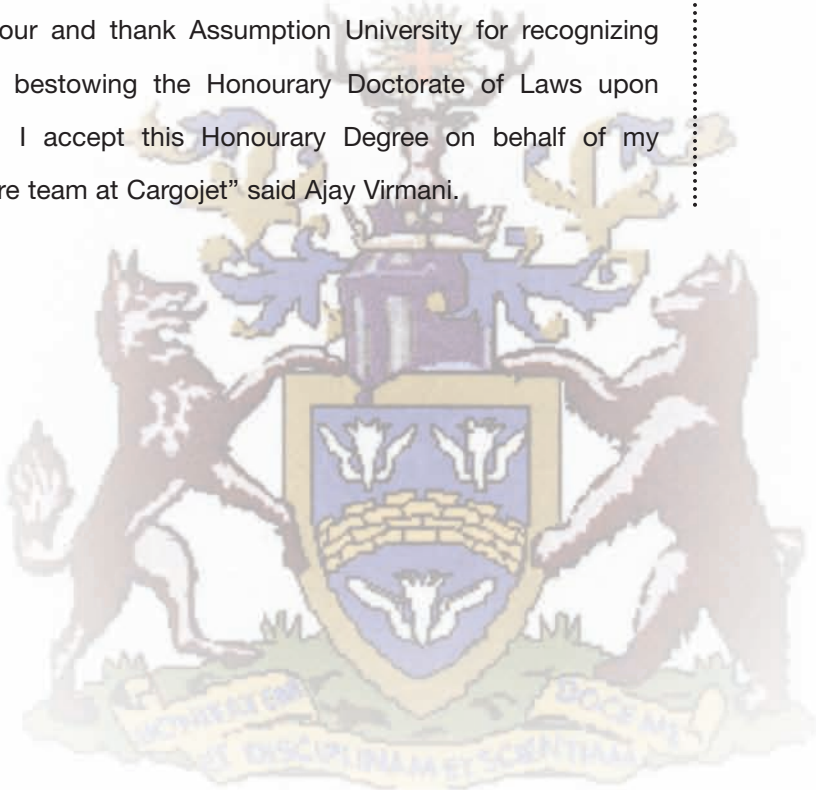
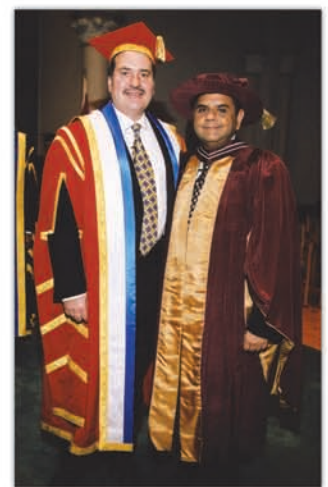


“CONGRATULATIONS TO AJAY AS HE RECEIVES HIS HONOURARY DOCTORATE DEGREE”

Ajay Virmani received an Honourary “Doctorate of Laws” from Assumption University, in conjunction with the University of Windsor on Friday, 28, 2006.

“This honorary degree is bestowed upon individuals who have excelled in their respective industries. The selection process focuses on individuals whose entrepreneurial spirit, drive and success personify their leadership and quest for excellence. Ajay Virmani represents one of Canada’s dream like success stories in that he moved from entry level employment with a company and ended up owning it! This is the stuff of which corporate fairy tales are made. Ajay is a phenomenon all unto himself,” says Dr. Paul Cassano, Vice President Development, Assumption University.

“I was very humbled to receive such as prestigious honour and thank Assumption University for recognizing and bestowing the Honourary Doctorate of Laws upon me. I accept this Honourary Degree on behalf of my entire team at Cargojet” said Ajay Virmani.





"SAFETY MANAGEMENT SYSTEMS (SMS)"

Ajay's recent message has kicked off the next phase of the implementation of the Cargojet SMS. Not only is SMS a Transport Canada requirement, it also makes a lot of sense for you and our business. Here's why.

The Cargojet SMS will achieve many things as it reaches fully operational status. The obvious and most important aim is to increase your safety in the workplace, and by making you more aware of hazards, probably safer away from work as well. However, it's important to remember that this is something that applies to everyone in every facet of our company; it's not just another name for OSH.

A large part of the Cargojet SMS will be to spread the safety message through various means, be it posters, a web-site, training or employee involvement in the administration of the program. A cornerstone of SMS is communication, and of course communication is a two-way street.

We will talk to you, but you need to answer if we are to make that communication a reality. And the best way to answer the call of the Cargojet SMS is to submit reports. Reports are the starting point, whether it's by a form, or a phone call, or an e-mail on safety@cargojet.com. The system can't react and make your workplace safer if it does not know there is a hazard, and the best person to report a hazard is someone who experiences it.

A hazard is not necessarily something that happens either. It's also something that could happen, and the goal of the program is to stop it from happening in the first place. In this regard, there is no such thing as too much information, and everyone has something to contribute. Think of all those times that a few inches or a few seconds difference could have resulted in an injury. In some parts of our business, that is just the way it is, but it doesn't mean we have to leave it that way.

Keep your head up, and eyes open. You'll see many things, if you're looking for them, which should be reported. We'll also tell you some things to look out for that others have come across, things that if they happen to you for the first time may cause an injury.

And then tell us about what you see. Any time, any day of the week, send along a short note, or a written report. We promise we will follow-up; we will examine the concern, and let everyone know about the hazard and what has been done about it.

The other thing to keep in mind is that the Cargojet SMS is also a confidential reporting system if you would prefer to pass along the information without anyone knowing about it, or if you prefer complete anonymity. Remember, though,

that we can do a better job if we can follow up with you and ask for more information. But if not, that's okay too because the important thing is to have the system be aware of the hazard, not the person.

If some misfortune does befall you, also remember we need to know that right away as well. The reports are for both potential hazards and for actual occurrences. And no injury or damage is too small to report. Once again, it could have been just a matter of inches or seconds for the results being much worse, and the next person may not be so lucky.

You've heard all of this before, no doubt. What's different now? Mostly it's that the Cargojet SMS is a company-wide program that applies to us all; it's not just for those involved in the operation of the aircraft, nor is it just another government Health and Safety program for the folks in the Cargo operation. It's for everyone, from Diane on the switchboard in Mississauga, to Doug turning wrenches in Winnipeg, to Lyle in the office in Vancouver, to Steve turning the flights around in Moncton; heck, it's even for Ajay. If you spend part of your day in a Cargojet facility or vehicle anywhere in the country, you're in.

This is a program that will be with us from here on, and it won't be long before the elements of the Cargojet SMS are second nature. It's not really something new. It's a better way for the many different things we do already like Flight Safety, Occupational Safety and Health, and Maintenance Quality Assurance. Then we include policy and procedure development in every area of the company and bring them together under one comprehensive program. Then we enhance them and include everyone at Cargojet. It's a way of avoiding duplication in paperwork and activity, and a way to standardize and improve our safety effort. Best of all, it's easy; phone, e-mail, fax, write, but tell us, and we'll do the rest.

And keep an eye out for the new Cargojet Safety web-site coming soon; it will be a place where you can get information, file reports, get the latest version of all the major company manuals, and access all those hard to find internet links for rules and regulations and standards. If there's anything else you would like to see on the web site let us know. Any safety questions, comments, suggestions or concerns you have, no matter how small, let us know that too. The Cargojet SMS; communicating what you see will make it work, and when it works, we're all safer.

Paul Rinaldo
Director of Maintenance

George Sugar
VP of Flight Ops



"HALLOWEEN DRESS UP DAY"



Pumpkin Christmas Tree ...
(Rob a little early for
the holidays)



Ajay & The Dancing Girls



Cargojet's Singing Bells ...



Purchasing Team ...



Wade's Finance Team





Festive Fam



Welcome To Candy Land



"We Love Candy"



"Simply The Best"



A Marshmallow World



"This is the Best Party ... Ever"



Celine Dion at Her Best!



Bozidar, Ajay, Paul & Cheryl Rinaldo



"I Got You Babe ..."



Family Bunch



Gingerbread Man
Catch Me If You Can



Enjoying The Festivities



Please Let Me Loose ... daddy



The Lovely Cantwell Family



Who Can Sing Louder???



Chandra ... Leader of the Pack



"Happy Holidays"
Terry & Angela Campbell



"Cha .. Cha .. Cha .."
Jody & Ajay



"FESTIVE CELEBRATIONS FROM THE WEST"



Lyle & His Elf



Peace to All ...



Santa's Helpers



Tis The Season



"Five Golden Pilots"



Vancouver Celebrates The Holidays



Wishing All The Very Best



Across The Land ...



“SENIOR DIRECTOR STRATEGIC INITIATIVES”



Let me start by saying how happy I am to have had the opportunity to join the Cargojet team in March of this year. I look forward to working with all of you over the months and years to come. My perspective is somewhat unique, as I come to Cargojet having previously spent 22 years with one of Cargojet's largest customers. From a customer point of view, I was

always impressed with the quality of service and the positive attitude that the Cargojet team portrayed. The strong emphasis that the entire Cargojet team places on positive customer relations has always seemed to me, to be a key to the overall success of Cargojet.

Many of you may wonder, “What role does Strategic Planning play in the companies development?” The answer is a complex one. To continue to fortify the existing business model that the Cargojet team has built, we must continue to explore new business opportunities, while never taking our eye off the day-to-day business imperatives. We cannot rely solely on organic growth from the existing customer base to propel the enterprise to the next level. We must continually ask ourselves, “What more can we do to improve the business foundation that has been built?” We should always be somewhat dissatisfied with our results and seek out areas where we can improve upon our existing business model. Strategy can take on many different facets and support various departments while interacting across functional boundaries. It could be something as basic as reviewing existing methods and procedures to identify opportunities for improvement, or seeking to identify cost savings opportunities; to more obscure, far reaching, “WHAT IF” growth opportunities. We continually validate our current network operations and design to ensure that we maintain an effective and efficient operation.

The domestic overnight market in Canada has been built on a model of “Single source alliances”. These alliances have traditionally developed out of customer need and governmental restrictions. With the Cargojet business model, we are able to drive cost out of the system by eliminating empty space while simultaneously leveling the competitive playing field. One of my key mandates is to expand the opportunities for Cargojet in this critical area.

As Canadian businesses have evolved and become more global in reach and streamlined in their approach, the willingness to explore more creative solutions has been welcomed. Canadian business leaders are recognized worldwide for being innovative and “out of the box” thinkers. We seek to encourage this creativity and embrace new opportunities to be a critical link in these global supply chains. We will not be shy in testing new boundaries and business opportunities that add to the Cargojet value proposition.

The future of Cargojet is only limited by our ability as a unified team, to envision what could be. Let's all embrace creativity and always ask, “What more can we do to improve our business?”

We must earn the business that our customers give to us each and everyday. Having the opportunity to write this article reminds me of a couple of old phrases in the Airline business that still ring true today, “You're only as good as your last departure” and “You must view your business as though you go in and out of business everyday.”

I look forward to being involved with all of the Cargojet team in many future successes. Together, we can take the business to the next level. From a strategic standpoint, the future is bright and the opportunities are limitless.

Jim Fisher
Senior Director Strategic Initiatives





JETBITS . . .

Congratulations ... BABY GALLERY...



Baby Bjorn

Mom and baby are doing great. We are very happy with the way everything went. Bjorn was born in record time, six hours from the time we went to the hospital. I was glad to have been here for the birth.

Baby Rachel Lowe



Congratulations to proud parents
Alex & Aimee Lowe

Sameday Golf Tournament



Casey Chatham invited to the Sameday Golf Tournament to participate in the longest drive competition, as usual, no one was able to defeat Casey.

SHARE WITH US . . .

Jet Vibes is an employee publication of Cargojet / Starjet. Your stories, ideas, pictures and comments are welcome for our next issue.

Please send contributions to:
cargojetcommunications@cargojet.com

Presentation



Congratulations to Sandy Stares of our YHZ office, for naming the new system, "InfoJet." Sandy was presented a laptop computer for winning the contest, name the system. The prize was awarded by Ajay, Dan & Jamie.

Prime Minister's Visit



Prime Minister Stephen Harper takes a tour of the Cargojet Aircraft and the BAX facility with Dwayne Hihn (Country Manager - BAX)

Congratulations



Congratulations to Luciano & Diane Oliva
as they celebrate their wedding

Cargo Riddle ...

An airplane is sitting on an enormous treadmill. As the plane starts its engine, the treadmill runs in the opposite direction at the the same speed the plane is moving. Can the plane take off?

Cargojet's Baseball Team



Back Row L to R: Mark "E", Shawn Arsenault,
Taylor Timson, John Pellerin,
George Gallant, Alison Job.

Front Row L to R: David Thellefsen, Ron
Munroe, Ryan & Nolan McNeil, Pam Marshall,
Lisa Stinson, Alana Job.

On Sunday June 24th, employees from YHM, and Head Office, took part in an annual slo-pitch tournament in memory of our dear friend and colleague, Denise Giroux. Team Cargojet looked good from the start, winning the first game vs. UPS in dramatic fashion. Down by a few runs, Ryan McNeil hit a 3 run blast over the fence to give us the win. Our second game wasn't quite as dramatic, Cargojet beat Eastside Mario's 28-2. Several players hit homeruns in this affair including John Pellerin, and Mark "E". In our third game, fatigue, and too many rib sandwiches slowed our momentum, and we lost to Skyway 17-6. Despite the loss we advanced to the next round, but with only 10 minutes of rest after our previous game, we fell to a team with stars on their shirts by about 6 runs.

The tournament was held by Neighbour to Neighbour. Neighbour to Neighbour Centre improves the ability of residents in the Greater Hamilton area to be self-sufficient and enhance the quality of life through programs and services in the areas of employment, family support and skills development. Cargojet's YHM employees have been involved with the bi-annual slo-pitch tournaments since 2001.

Congratulations



Congratulations to Trevor and Cindy
on their engagement

Jet Shop

**Merchandise For Sale! Please complete
order form and forward to marketing dept.**