

Jet Vibes

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The Newsletter for Employees & Friends of Cargojet

"MESSAGE FROM AJAY"



Cargojet's 1st Quarter 2009 operating and financial results represented another very strong quarter and are a testament to the difficult decisions and rigorous cost controls that we implemented late last year. The tremendous performance of our new B757-200ER and B767-200ER freighter aircraft combined with the hard work, dedication and sacrifice of the entire Cargojet team have all contributed to these enviable results. While weak economic conditions continue to affect our business, we continue to find unique and innovative ways to reduce costs; deliver quality service to our customers; provide great returns for our shareholders; and to protect jobs for the future.

While we are proud of our accomplishments, we cannot rest or sit back and assume that further economic pressures will not continue to affect our business. The on-going global recession continues to put pressure on all of our customers volumes and consequently to our revenue base. We manage our business very prudently and will adjust cost levels even further to meet any revenue deterioration and protect profit margins. We will need to continue to "do more with less" and become accustomed to the new reality of a leaner and more efficient business.

On the positive side, we continue to be industry leaders in on-time performance and reliability and were recently awarded the 2008 **Outstanding Business Achievement Award** by the Hamilton Chamber of Commerce. We were a finalist alongside Purolator Courier and Horizon Utilities in the large

business category and winning this award is a great achievement and recognizes the hard work and dedication of our team of over 150 air cargo professionals located at our Hamilton International Airport hub!

Speaking of Hamilton, our new hangar expansion is now complete and will provide a home to maintain our new aircraft fleet and expands our total capacity by 80,000 square feet.

I would also like to welcome Mr. Paul Godfrey to the Board of Trustees of the Cargojet Income Fund. Paul's varied business experience, including his current role as President & CEO of the National Post, will provide valuable insight and guidance to our continued business growth.

While we are very pleased with our recent financial results, I anticipate the summer months to be difficult for our industry, as economic activity continues to deteriorate, fuel costs begin to rise and we encounter lower volumes from our customers.

We need to stay focused on providing our customers with best in class service quality and reliability in a safe and secure manner and we must continue to find innovative ways to achieve cost savings and reduce overall spending. The sacrifices that we make today will position Cargojet as a stronger business, capable of taking advantage of the growth opportunities that will arise as the economy recovers and business activity increases.

We have been through difficult times before and proven that the Cargojet team has the will, determination and spirit to succeed. I am very confident that we will emerge as a stronger and better team.

Have a safe summer.

A handwritten signature in black ink that reads "Ajay K. Virmani".

Ajay K. Virmani
President & CEO



The Cargojet logo, featuring the word "CARGOJET" in a bold, black, sans-serif font. A red swoosh underline is positioned below the text, and a small red maple leaf is placed above the letter "O".



“CARGOJET WELCOME’S PAUL TO THE BOARD...”



I am thrilled to join the Cargojet Board of Directors and to become involved in the work, goals and objectives of an industry that is basically new and different from those that I have previously been involved with.

It is my goal to bring to the Board a fresh set of eyes, along with my knowledge of politics, media, business and sports. Each industry can learn from each other and Cargojet has much to offer me with respect to the aviation and cargo business. I hope that my knowledge of politics, media relations and community involvement; along with my experience with other public and privately-run boards, will benefit Cargojet and help them grow.

Ajay Virmani has built a strong management team of which he should be very proud. Much has been achieved and I believe that more can be accomplished. I look forward to being a part of the future growth of a well run company.

Paul Godfrey
President and CEO
National Post

“CONGRATULATIONS TO THE ENTIRE CARGOJET FAMILY”

Cargojet has been awarded the 2008 Outstanding Business Achievement Award - Large Business by the Hamilton Chamber of Commerce. The award criteria included superior achievement in leadership & entrepreneurship, product or market innovations, sales/employment growth, advancement, excellence in community relations/promotions, environmental consciousness, customer service and reliability, and a high standard of employee relations.

Cargojet is very honoured to be selected as the recipient of this prestigious award. We work extremely hard to earn the loyalty of our customers by providing unparalleled on-time performance and excellent service. This award is a testament to our continued growth and investment in the Hamilton community and recognizes the hard work and dedication of our team of air cargo professionals.

HAMILTON
Chamber of Commerce
Creating Business Opportunities



"CARGOJET REGIONAL UPDATE"

In early 2007, Cargojet developed a strategy to further enhance and grow our business by creating the *Cargojet Regional* brand and began the acquisition and consolidation of several smaller feeder cargo operators into one national regional cargo airline.

The initial launch in October 2007 brought the assets of Georgian Express under the Cargojet umbrella and we formally began operating a regional feeder air cargo operation.

The strategy was fairly simple. Several smaller and regionally located operators had historically served this portion of the market. They typically provided dedicated aircraft to single customers on an ACMI basis to secondary markets across Canada. These very same customers are major contract customers of Cargojet's overnight network and most of the traffic actually connects to/from our aircraft. It made perfect sense to rationalize this portion of the air cargo market through consolidation. It is a natural extension of our current overnight network and will eventually lead to connectivity and expands the range of services that we can offer to our customers. It also increases these customers' dependence and builds loyalty to the Cargojet brand.

In May 2008, we continued our expansion with the acquisition of a majority interest in Prince Edward Air Ltd. Recently we announced that we are acquiring the remaining minority interest and have begun the process of bringing all operational and administrative functions under the Cargojet umbrella. This is a natural progression of the strategy that began in 2007 and we will be formally re-branding and launching the *Cargojet Regional* brand in June of this year. In addition to the obvious customer synergies that exist, there are some very valuable employee synergies that are also created. The Regional business provides a natural development and training environment and a source for qualified flight crews and maintenance personnel for the Cargojet mainline business. This provides a natural career development and advancement path that previously did not exist in the cargo airline industry in Canada.

We are very excited and enthusiastic about the opportunities that the *Cargojet Regional* brand will provide for our customers, our team our unitholders as we continue to grow this business well into the future.





“UPDATE ON CARGOJET’S SAFETY MANAGEMENT SYSTEM”

Dear Team,

As we continue to face challenging and uncertain economic times, we must keep our focus on the core values that have always formed the foundation of our growth and success.

Safety, reliability and providing value added services to our customers and our team continue to be our number one priority. As we approach the completion phase of our Safety Management System (SMS), we should reflect on our successes in this area:

- ISO 9001:2008 Quality Standard Accreditations, for the ninth consecutive year. Cargojet is the only air cargo carrier in Canada with this accreditation.
- IOSA (IATA Operational Safety Audit) compliance 2009 - we have recently earned the International Air Transport Association’s (IATA) Operational Safety certification. The IATA Operational Safety Audit (IOSA) programme is an internationally recognized and accepted evaluation system designed to assess the operational management and control systems of an airline. IOSA uses internationally recognized quality audit principles and is designed to conduct audits in a standardized and consistent manner.

The next step is to complete the Safety Management System (SMS) validation by Transport Canada that will occur in June 2009. This will require our full and complete support during the review with Transport Canada Inspectors and our SMS Team. I would ask for your complete cooperation during this process and an on-going commitment to the achievement of our corporate safety initiatives.

These corporate safety objectives are aligned with our overall corporate objectives and we will measure our progress as we go forward.

Our 2009 Safety Objectives & Goals continue to be as follows:

2009 CORPORATE OBJECTIVES:

1. TRAINING

- a. Commitment to get 100% SMS Training completed by September 15, 2009 and check for effectiveness.

2. REGULATORY REVIEW

- a. Review and amend the regulatory review process to ensure compliance and documented records are maintained. The status of the review will be conveyed to the Management quarterly.

3. CONTINUAL IMPROVEMENT

- a. Continue to develop and adhere to the Quality Assurance Programs

4. HAZARD AWARENESS

- a. Increase employee awareness of SMS and Safety Hazards

These objectives have been conveyed to the Safety Action Committee to develop measurable goals and to communicate them to the entire Cargojet team. They will have my full support to ensure at Cargojet we continually monitor our progress and continue to execute our safety plan. It is every employee’s responsibility to ensure we collectively operate in a safe and secure environment at all times.

Wishing all of you a healthy, happy and safe summer.

Best regards,

Ajay Virmani



“INTRODUCING OUR NEW HANGAR FACILITY”

The new hangar in YHM is completed. Cargojet received interim occupancy on April 3rd which allows the use of the hangar bay pending full completion of the structure. On April 10th, GAJ was towed into the new hangar for its first A check in the new facility. It is anticipated that the first floor offices and warehouse will be available by the end of the month, with completion of the mezzanine office level shortly thereafter.

Pertinent details of the hangar are:

- Total area of building - 77240 sq. ft.
- Total area of new apron - 75000 sq. ft.
- Area of hangar bay - 61360 sq. ft.

First floor offices and warehouse - 10000 sq. ft including offices, library, training room, locker and washrooms, crew room, stores warehouse, shipping and receiving and loading docks, and vehicle and pedestrian corridor to existing hangar.

Mezzanine level offices - 7200 sq. ft. including office space, break room, washrooms, meeting/training rooms.

ULD repair shop - 1500 sq. ft. with outside ULD storage area of 2400 sq. ft. for units awaiting repair.

The building will have a standby generator which will provide backup power for the network servers, first floor and mezzanine offices as well as partial heat and lights for continuance of core operations.

The new parking area will provide parking for an additional 30 vehicles for a total of 50 for the hangar complex.

What an exciting time for all of us at Cargojet!





“INTRODUCING JOHN KIM”



When I joined Cargojet a little over a year ago, I looked forward to being part of a successful growing company run by people who were energetic, enthusiastic, dedicated, and who truly understood the value of teamwork. Without exception, the people that I have met at Cargojet over the past twelve months have displayed these qualities in everything that they do. I've worked in a number of different companies and industries over the past 21 years and I would say that Cargojet's culture of teamwork and

success is second to none. So I am grateful for this opportunity to introduce myself to the Cargojet Team and more importantly, introduce you to the individuals who run the Accounting Department and give you some insights into what we do and the projects that we are working on.

Prior to joining Cargojet I worked in various finance positions for a number of different companies including CTV, CHUM, Royal LePage Relocation Services, Mosaic Marketing Group, Carlson Marketing Group and Maclean Hunter Publishing. I grew up in Edmonton and worked for Ernst & Young Chartered Accountants in Calgary before moving to Toronto in 1991. My wife and I live in Oakville and we have two boys ages 12 and 8. Tragically, my sons have become Leafs fans while I stay true to my Oilers. My wife's name is Maria Renzella and she works as the EVP Corporate Services at ORNGE, who run Ontario's air ambulance service.

The Accounting Team

Including myself, the Accounting Group at Cargojet has 18 people. I report to Dan Mills who is Cargojet's Chief Financial Officer (CFO). The Accounting Group is organized into different teams lead by the following individuals:

Anthony Joseph: Anthony is a Senior Financial Advisor and reports directly to Dan Mills. Anthony has worked with the Cargojet Management Team for over 27 years and has served in the past as Cargojet's Contoller reporting to the CFO. Currently, Anthony is responsible for all aspects of our internal controls over financial reporting and will be leading our conversion to the new International Financial Reporting Standards (IFRS).

Baljit Sidhu CGA: Baljit is a Senior Financial Advisor and previously held the position of Cargojet Contoller. Baljit is responsible for financial planning and business analysis and reports to me. Baljit works closely with Cargojet's senior managers to analyze new business opportunities and strategies. Baljit holds a Certified General Accountant (CGA) designation.

Sanjeev Maini CA: Sanjeev is currently Cargojet's Contoller and reports to me. Sanjeev and his teams manage most of the work that goes on in our department. He is chiefly responsible for all aspects of financial accounting, financial reporting, tax, banking, billing, and accounts payable. Sanjeev holds a Chartered Accountant designation from India.

Chandra Swargam: Chandra is our Accounting Manager and reports to Sanjeev. Chandra manages the Billing and Accounts Payable Teams and is the project manager for our SAP system upgrade. Kuldip Dhani (Billing Supervisor), Steve Cameron (Accounts Payable Supervisor) and Vipul Noble (Sr. Accounting Analyst) report to Chandra.

Bryan Williams CMA: Bryan is a Sr. Financial Analyst and reports to Sanjeev. Bryan manages our team of staff accountants comprised of Chinthha Saram CGA (Sr. Accountant), Chinthaka Wijesinha (Intermediate Accountant) and Vidya Goorbachan (Intermediate Accountant). Bryan achieved his Certified Management Accountant (CMA) designation in 2008.

I'd also like to recognize and congratulate Chinthha Saram for her recent achievement of obtaining her CGA designation. As described by the CGA Association of Canada, "CGAs are part of a select group of financial professionals who occupy key positions wherever Canadians do business. A Certified General Accountant is a professional accountant who provides various accounting, business and advisory services in all sectors of the economy." The CGA designation is recognized worldwide and is achieved only after years of study and practical experience.

The SAP Project

Over the past few years it became apparent that Cargojet had outgrown it's accounting system. In prior years the Accounting Team and IT had achieved considerable success in improving and automating our existing accounting systems and processes. However, our present accounting system still has severe limitations as it was designed for business one-tenth our current size.

Despite the past improvements we still needed to find solutions to deal with a number of new accounting challenges. These challenges include the demanding and growing financial reporting requirements of the TSX, the complexity of Cargojet's legal trust structure and the consequences of recent changes in the tax laws, and the impending change from our current set of Canadian accounting rules to new International Financial Reporting Standards (IFRS). We realized that we needed to automate more of our work and change the way we produce and manage accounting information. In 2008 we made the decision to invest in a new accounting system that will be implemented in July 2009.

We have chosen SAP financial software that will provide us with the same platform used by many of the world's most successful and fastest growing companies. With the implementation of SAP, we will achieve a vast improvement in our productivity and will have the tools to deal with our public reporting commitments, our complex corporate structure, and the conversion to IFRS. The upgrade of our financial system is a critical step in ensuring that we can manage our current business and future growth effectively.

Prince Edward Air Ltd. (PEAL)

As part of the ongoing efforts to improve the profitability and performance of our regional business, the HR and Accounting functions formerly performed by people at PEAL's head office in Charlottetown were taken on by our Cargojet staff in Mississauga. Lisa Gallant and her staff at PEAL were a tremendous help in helping us transition the work from their office to ours. We extend our gratitude and best wishes to them in their future endeavours.

Up to the Challenge

In looking back on my first year at Cargojet, I am reminded of the old saying; "People are at their best when things are the worst." Without a doubt these past few months have been some of the most difficult that any of us have faced in quite some time. But I think Cargojet stands out as an example of what people at a great Company can achieve in the face of great adversity. The management team at Cargojet has had to make some difficult decisions to secure our financial future, and everyone in our Company has responded in positive way. If there is one impression that I've gained from my first year at Cargojet, it is that "our team always plays to win". I look forward to another winning season with all of my new teammates at Cargojet.

John Kim
VP Finance



"THANKS TO THE CARGOJET TEAM"



BERMUDA AQUARIUM, MUSEUM & ZOO
"to inspire appreciation and care of island environments"

Dear Team Cargojet

I wanted to write personally and thank you and your team for the excellent job they did delivering our stranded seal to Newark yesterday. I have heard word from the National Aquarium in Baltimore that their newest patient has settled in and is doing well so far. Apparently, he was completely nonplussed by the whole transport and did fine throughout the journey. It is only through your help that we are able to transport him back to the US and give him the best opportunity of release back to the wild. This is the second time that FedEx and Cargo Jet have stepped up to the plate and provided complimentary transport for our animals. From the entire team at the Bermuda Aquarium Museum and Zoo, I just want to pass on our heartfelt thanks for your generosity, service and professionalism.

Sincerely,

Dr. Ian Walker
Acting Principal Curator
Bermuda Aquarium, Museum and Zoo



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"CONGRATULATIONS CHINTHA!"



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Well Done Chintha!

JETBITS . . .

BABY GALLERY . . . Congratulations . . .



BABY ALEXANDER

Congratulations to Cheryl and Jeff Ellis as they celebrate the birth of their son Alexander



BABY EMMA

Proud Dad Alex Lemire & his wife introduce their daughter Emma



BABY JUSTIN

Steve & Elizabeth Cantwell welcome their new bundle of joy Justin Cantwell



BABY TORBEN LINO

The Lino Family introduces proudly their second son, Torben Lino



BABY CHARLOTTE BEST

Alex Best & his wife introduce their new born baby daughter Charlotte



BABY McCABE

Tracy McCabe shows off her bundle of joy



BABY MATTHEW RUSSELL RUITER

Congratulations to Warren & Liz as they celebrate the birth of their son, Matthew



BABY BROOKLYN

First officer Robbie Flynn & his family welcome their new baby daughter, Brooklyn



BABY BYLLEE

Scott and Wendy Bauer welcome their beautiful baby daughter, Byllee Lynne McInnees-Bauer



BEST WISHES & FAREWELL

A fond farewell to Cargo Movement Control shift manager Bob Byrne, who after 10 years of dedicated service has elected to move home to Gander NFLD and return to school.

All the best Bob, we wish you well and will miss you.



Tag (YVR) receiving his watch, and five year certificate. In the photo from left to right are: Said Suleiman, Tag Ahmed & Ron Munroe



Congratulations to Bryan (Finance) & Dawn as they celebrate their engagement

Jet Shop

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

SHARE WITH US . . .

Jet Vibes is an employee publication of Cargojet. Your stories, ideas, pictures and comments are welcome. Next issue will be our Summer Issue.

Please send contributions to:
cargojetcommunications@cargojet.com