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BEST YEAR IN HISTORY FOR CARGOLUX GROUP

Luxembourg, 25 April 2018 – 2017 proved to be an exceptional year for Cargolux Airlines. Net profit after taxes for 2017 totaled US$ 122.3 million (compared to US$ 5.5 million in 2016) whilst FTKs increased by 12.3%. Consequently the load factor of the airline increased to 70.1% for the year. For the first time in its history the Cargolux Group exceeded 1 million chargeable tonnes flown. Its worldwide market share grew to reach 4% and it ranks as the 6th largest airline in respect of international scheduled freight operations.

Market demand remained high throughout 2017 resulting in the airline generating a record 131,212 block hours, a 7% increase compared to the previous year. Accordingly aircraft utilization remained high with the daily average utilization in excess of 15:00 hours.

“The outstanding results for 2017 are a reflection of Cargolux’ employees’ dedication, passion and commitment to make this year a successful one on all fronts”, says Richard Forson, Cargolux President and CEO. “Our employees are at the heart of Cargolux’ success and continually endeavor to ensure all requirements are met to provide customer satisfaction and ensure business sustainability. At the same time, I would also like to thank all of our loyal customers for their support”.

In 2017, Cargolux embarked on a journey of transformation with the launch of its 2025 Strategy which is focused on ensuring that the airline remains a sustainable, relevant and competitive provider of quality services to our customers. This includes a comprehensive review of all our business processes, technological developments and innovation, to make it easier to transact with our customers, new product development and focusing on the well-being of our employees.

Business Highlights

Cargolux continued to build on its strong commercial relationship with China, especially at its Zhengzhou hub. Cargolux carried in excess of 250,000 tonnes of freight to and from China, including 147,000 tonnes to and from Zhengzhou and established itself as the largest cargo carrier in this hub. The airline operates between 19 and 25 weekly flights to mainland China depending on the season. During a State visit by Prime Minister Xavier Bettel in June 2017, several key MoUs and agreements were signed between both governments to extend commercial exchanges between the countries.

In 2017, Cargolux and Emirates SkyCargo also entered into a groundbreaking

agreement, the first of its kind between a mainstream airline and an all-cargo carrier. A number of agreements were signed, including capacity swaps on each other's aircraft to certain destinations, a new freighter service operated by Emirates SkyCargo's between Luxembourg and Dubai that complements the thrice-weekly connection that Cargolux 2 already offers to Dubai World Central, thus increasing connectivity between both hubs. The implementation of this agreement allows Cargolux to access Emirates SkyCargo's extensive network thus broadening the range of destinations available to customers.

In order to offer its customers a tailored service geared towards their specific needs, Cargolux is continuously looking to further develop its global network. In 2017 two additional destinations were added in Africa; Douala in Cameroon and Lubumbashi in the Democratic Republic of the Congo. These weekly flights bring the number of destinations in Africa up to 14. Since July 2017, the airline also offers 4 weekly connections between Europe and Quito, Ecuador, in addition to flights to Curitiba, Viracopos and Mexico.

Lean, green and socially responsible

Cargolux is a signatory of the United Nations Global Compact and remains committed to applying these principles in its operations. With the establishment of its Stakeholder Engagement Program, the airline chose 14 core principles from the United Nations' 17 Sustainable Development Goals (SDGs) to promote sustainable business, both for the company and its stakeholders, as well as for the environment. In addition to ensuring the working environment is suitable and adapted to all employees, the company is committed to reducing its noise and CO_2 emissions in line with its "lean and green" philosophy.

Concrete measures have been put in place to mitigate the effects of Cargolux's operations on the communities around its hub in Luxembourg as well as on the environment. Flight operations were adapted to reduce noise pollution and CO_2 emissions, and the company is looking to establish a paperless workplace through the digitization of processes. As a cargo carrier, Cargolux is aware of its impact on the environment and is committed to reducing its footprint even further. In 2017, the airline reduced its carbon footprint by 2.2%, well above IATA's goal of 1.5% per year until 2020.

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