



The President and Members of the Staff Delegation  
Cargolux Airlines International S.A.  
Luxembourg Airport  
L-2990 Luxembourg

Luxembourg, January 30<sup>th</sup>, 2014

Dear David and Members of the Staff Delegation,

Thank you for your letter regarding the present situation within Cargolux. I can assure you that we on the Board are equally concerned with the current state of flux within the company in an increasingly competitive environment. The company has gone through difficult times previously and survived and I have no reason to believe that it will not come out of the present crisis stronger and more firmly set on a path of sustainable growth. We are highly focused on filling the vacant positions in the quickest possible time and also ensuring that the individuals selected have the requisite qualifications for the job. The procedure chosen - to have recourse to a highly regarded head hunter - is meant to ensure that we get the best available candidates for the Board's final selection.

As regards the resignation of Robert Van De Weg and Peter Van De Pas, this is their decision and theirs alone.

As Chairman of the Board, the decision to accept the resignations was not taken lightly but only after due consideration of the issues involved and whether this could be reconciled with the decisions already taken by the Board of Directors and by the shareholders.

At this point, I must emphasize that it is simply not true that no action was taken after the board's decision to approve the commercial cooperation agreement with HNCA in December. EXCOM was invited to a meeting with two Ministers - François Bausch and Pierre Gramegna - and myself where their concerns were again discussed and where we again explained why the HNCA offer was finally accepted. Both the government and myself, in no uncertain terms, expressed not only our appreciation for the superb performance accomplished in 2013, but also our clear desire that EXCOM should now apply their considerable talent and undeniable commitment to enabling Cargolux to successfully meet the new challenges ahead. I would also like to reiterate that after this meeting the Ministers and myself believed that all of the issues regarding the HNCA deal had been clarified and accepted.



Robert, Henning and Richard were invited to join the government delegation that went to Zhengzhou in January. At a meeting with HNCA, EXCOM outlined their action plan for the start-up of operations at CGO which was well received by HNCA.

And finally, the Directors, at the Board meeting held on 22 January 2014, clearly demonstrated their faith and confidence in EXCOM's strategy for the airline as set out in its budget and 5 year Business Plan. As you are well aware, it is a 2014 Budget and Business Plan based on growth for the foreseeable future, including a significant increase in manpower in the current year as well as an additional 747-8F for delivery in 2015, all of that at a time when most airlines are laying off staff and reducing their cargo fleet.

Despite the challenging conditions in the industry, the Board of Directors nevertheless supported it and the present shareholders, in the same meeting, all confirmed their commitment to participating up to US\$ 175 million in the additional equity requirement as proposed by EXCOM. This represents a significant additional commitment by the shareholders following their contribution of US\$ 100m in the first quarter of 2013.

Under these circumstances it is imperative for the Company to have EXCOM giving their full support to the mandate received from the Board of Directors. That is, to deliver on the Budget approved for 2014 and the Business Plan for 2015 to 2018 as well as on the implementation of the Commercial Cooperation Agreement concluded with HNCA.

Both Robert Van de Weg and Peter Van de Pas have finally however stated that they would not be comfortable in fully supporting the above mandate, specifically the agreement with HNCA, and have accordingly exercised their right to resign from their positions with the company. I respect them for that as much as I respect them for their past accomplishments and I do sincerely regret that they could not see themselves forming part of an EXCOM tasked with the mandate decided by the Board.

As stated above, we are already in the process of searching for replacements for the vacant positions and are fully aware of the urgency of having a fully staffed EXCOM in the near future. That exercise however cannot be conducted successfully in an atmosphere of constant rumor mongering and biased public debate. We seriously run the risk of losing good potential candidates who do not want to be associated with a company which so blatantly discusses sensitive internal matters in all manner of public forums for whatever reason.

The message from the Board is clear and it is positive: Cargolux is indeed a great company, presently number 8 in an industry which we outperformed in spectacular fashion in a very difficult year, and we have just given management the tools and money needed to continue to grow. We are also about to engage in a challenging new partnership with investors from what every analyst agrees will be the World's next largest economy by far and it is indeed up to us to seize the opportunities for



incremental business inherent in that partnership. It is high time that we all rally behind this positive message and stop badmouthing ourselves. We give you our commitment and count on the continued commitment of each one of you.

Kind regards,

Paul Helminger  
Chairman of the Board of Directors