

Setting the standard

The CEO of Cargolux, launch customer for the 747-8 Freighter, talks candidly about his company's partnership with Boeing and the importance of innovation, quality and meeting commitments



Dear readers,

Congratulations on the first flight of the 747-8. I am honored to have the opportunity to address you all.

Some of you may not know Cargolux Airlines.

After all, we are just a small carrier based in the Grand Duchy of Luxembourg, a little country in Europe. But I am proud to say that Cargolux, as small as it is, is a major player in the air cargo industry today. We are the eighth-biggest cargo carrier worldwide, measured in tonne-kilometers (ton-miles) flown, and the biggest all-cargo airline in Europe. We operate a fleet of 14 747-400 Freighters.

Cargolux and Boeing go back a long way. We received our first new 747-200F in 1979, at a time when we operated a fleet of DC-8 aircraft. The 747 has taken us to new heights, opened many new markets and opportunities for us, and brought us into the major league of the industry. Our first -200 freighter was also the first of its kind in Luxembourg, bringing new standards in efficiency, environmental consciousness and growth to this country.

In 1993, Cargolux was the first airline worldwide to introduce the 747-400F. Again, we were proud to work with the fine people of Boeing to take the next step. I can safely say that the -400 has been a major success for us. At the time, many in the industry questioned our decision to buy a new, highly advanced aircraft when cheaper secondhand, converted passenger aircraft dominated the world freighter fleets. But our trust in Boeing has paid off and many competitors introduced their own 747-400 Freighters when they saw we could make money with it.

The 747-400F set new benchmarks in payload, range and environmental friendliness and has helped to turn Cargolux into a billion-dollar company. Recently, we saw the departure of our very first -400 aircraft to a major U.S. carrier after 16 years of nonstop service. In fact, Cargolux has always had one of the highest daily utilization rates for the 747-400F in the industry and that airplane has never let us down.

As our first -400 has left us, we are looking to the future in the shape of the 747-8F, of which we are a launch customer. We are very excited about this new aircraft that will take Cargolux through the next decades.

Innovation has always been one of our biggest qualities and was decisive in paving the way for the success of our company. The new aircraft will reinforce our competitiveness and increase our presence in the market. Environmental performance, not only of our fleet but of our company as a whole, has been a major concern for me for many years. Therefore, I particularly appreciate the improved environmental performance of the -8, translating into sustained noise reduction, lower emissions and increased fuel efficiency.

Of course, we cannot mention the 747-8 without touching on the sore point of the production delay. Initially, we were to receive our first units in 2009. That has now been pushed back to late 2010. I see this development with regret. On one hand, the current economic crisis, which has not only hit Cargolux but Boeing and the rest of the industry as well, has shown us that the markets still suffer from a lot of overcapacity. On the other hand, we could well need the added fuel efficiency and payload of the new freighter today to help us lower our operating costs. Right now, it would have made a lot of economical sense for us to operate this aircraft and it also might have given us a competitive edge in times when every little move counts toward survival.

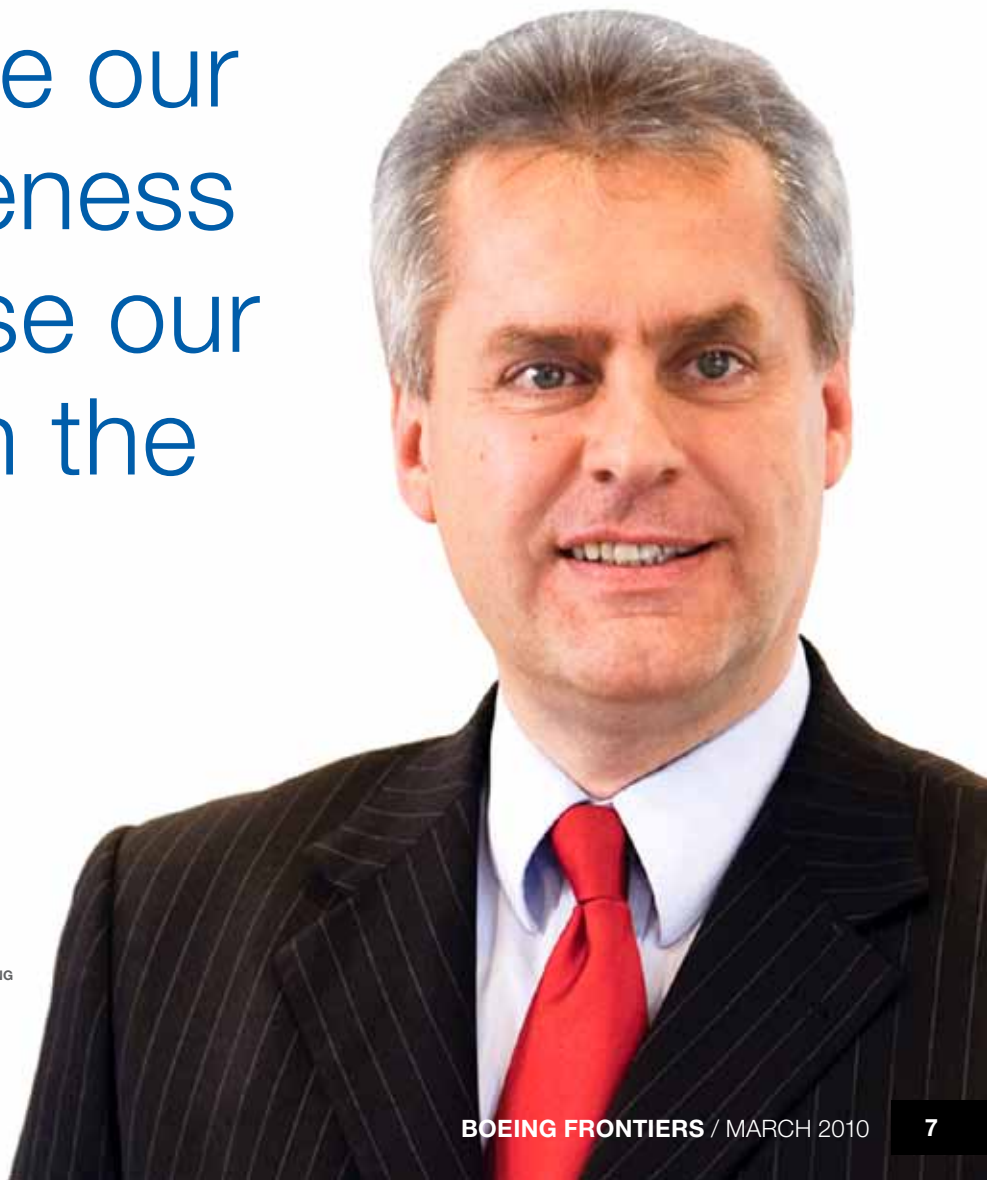
I cannot deny that Cargolux has suffered because of the delay. Still, operating the 747-400F, one of the most modern and efficient aircraft around today, has lessened the impact of the crisis for us somewhat. We are now looking forward, proud of our contribution to the development of the new 747-8F. I dare say that without Cargolux, chances are there would be no new 747.

I am happy that Boeing and Cargolux have strengthened their good relationship and respect for each other even further. Two companies that offer quality, excellence and a superior product—that sounds like a winning team to me.

Best regards,
Ulrich Ogiemann
President and CEO
Cargolux Airlines International
Luxembourg



“The new 747-8 will reinforce our competitiveness and increase our presence in the market.”



PHOTOS: (Top) A Cargolux 747-400F. TIM STAKE/BOEING
(Right) Ulrich Ogiemann, Cargolux president and chief executive officer. CARGOLUX AIRLINES