



CARGO *News*



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January Message From Claude Morin, Managing Director



It is my sincere hope that each of you enjoyed a very happy holiday season. The New Year brings with it a time for reflection and the opportunity to look at the year ahead. 1997 went out with a bang for Air Canada Cargo, recording the best quarterly revenue in the history of Air Canada! This in an environment where our Montreal operations consolidated and our largest cargo customer experienced a labour strike. No doubt the holiday period was a very busy time for us and I'd like to personally thank everyone who pulled together the effort and the teamwork it required to accomplish the incredible gains we achieved.

The prosperity of 1997 encourages us to aggressively pursue our focus on improved customer service, accessibility and new technologies in 1998.

The addition of EDI scanners to our bar coding process will allow more efficient tracking of shipments through our TOTEM system. A new international service, Express 90-*i*, will be introduced on selective routes to bring our already popular Express 30 and Express 60 products to a new global level of efficiency.

Our web site, one of the best in the business, will continue to provide our customers with the detailed information they need, everything from contact lists

for our Sales and Customer Service teams; track and trace capability; capacity opportunities and our Road Feeder Network schedules. Accessing Air Canada Cargo, from anywhere in the world, has never been easier.

The strong economic growth in Europe and North America bodes well for Air Canada Cargo, foretelling a year that could surpass even the unprecedented results of 1997. Limited exposure in Asia ensures that, while economic difficulties there are resolved, Air Canada Cargo's stability will not be compromised.

As a final mention, I would like to reconfirm our intention to continue our thriving relationships with the air freight forwarding community. As key partners, this group will be integral to Air Canada Cargo's success.

I wish all of our customers and our employees only the best for the New Year. Let us combine our efforts and pursue 1998 with the same irrepressible vigor we experienced in 1997.

Sincerely,

Claude Morin

Air Canada Official Carrier of Team Canada To Nagano

As the official carrier of the Canadian Olympic team for the winter games in Nagano, Japan, Air Canada Cargo recognizes that we're shipping more than athletes and their equipment, we're carrying the hopes and dreams of a nation. Canada's finest athletes will be converging in Calgary as early as January 17 for a commemorative celebration of the Winter games that were held there in 1988.

Not only is the Canadian team depending on us, but the CBC also knows it can count on Air Canada to safely transport everything from their cameras and broadcast equipment to their sets and news desks. We're taking special care of this event's very special cargo and its important passengers. None of the Olympic shipments are being handled with any other cargo, other shipments landing at Osaka will be segregated and the Olympic materials will be handled in a flow completely their own.

Air Canada Cargo has a specially assigned cargo staff member to interface with the athlete's equipment and baggage, receive shipments, prepare the necessary manifests and cut the complete air waybill. This operative will be dealing exclusively with the cargo for the Nagano winter games.

Constant communication is kept with our team in Vancouver to ensure they are prepared for any circumstance and can initiate their part of the procedure.

Cargo is an industry that relies on teamwork, cooperation and networking and Air Canada is pleased to be working with Nippon Express as our forwarding agents on behalf of the CBC in Japan and for the return to Canada. Air Canada wishes the best to our Olympic team and we're certain that the high hopes of Canadians everywhere will be met with the excitement and enthusiasm that Team Canada has demonstrated in the past!

Bring home the gold, Canada!



Emmet The Elephant Has ... Three Wives!

On November 7, 1997, Air Canada Cargo had a very special delivery to make, a 4000-pound elephant named Emmet. Born in captivity on July 10, 1991, at Burnet Park Zoo in Syracuse, New York, Emmet was moved to London in a specially designed crate built by Mr. Ed Novak.

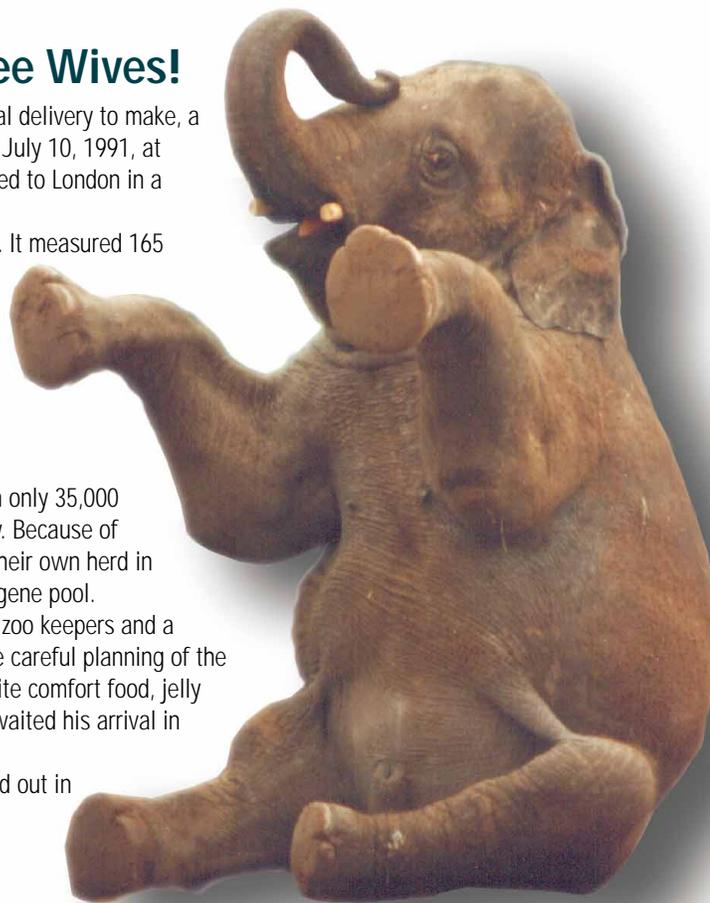
The crate and the elephant together weighed in at 4,500 Kgs. It measured 165 inches long, 66 inches wide and 102 inches high. And you thought you had a lot of luggage!

A special forklift was required to remove Emmet's crate from the van used to truck him to Pearson International Airport. Ed Novak's experience in such safety apparatus has also been utilized by Hollywood in the climactic scene used in *Operation: Dumbo Drop*, with Danny Glover.

A member of the endangered Asian Elephant family, of which only 35,000 remain, Emmet at 6 1/2 years old has reached breeding maturity. Because of the wonders of nature, female elephants will shun males from their own herd in order to prevent inbreeding which would weaken the collective gene pool.

Tucked away safe in his transport, Emmet traveled with two zoo keepers and a veterinarian in case there were any complications. Thanks to the careful planning of the journey, everything went smoothly and Emmet enjoyed his favorite comfort food, jelly beans, to calm him during the ride. Three female Pachyderms awaited his arrival in London to welcome him to his new home.

We at Air Canada were very excited and proud to have helped out in the care of this most precious cargo. Good luck, Emmet!



ACC Ships Haute Cuisine To Connoisseurs Of Paris

Lovers of fine dining in Paris have a taste for Canadian lobster, and Air Canada Cargo is making sure they get it fresh. December is the month when lobsters finish their moulting process and enter prime traveling and eating condition as their shells harden and their meat fills out the space underneath. When the lobsters mature, it's time to take action and our Yield Management Team has to find additional space to accommodate the annual lobster exodus.

In 1996, Mike Morey, leader of the Cargo Yield Management Group got word from some members of our Scheduling Team that a B747 Combi was being ferried to Paris' Orly Airport for routine maintenance. Mike and Cliff Moen our Schedule Planning Manager in Montreal, worked together with Pat O'Malley, Cargo Sales Manager in Halifax to fill the empty B747 with the massive amounts of coming lobster. This year, the team booked the ferry again, and obtained additional space on AC870 and AC880. As many lobsters as possible were flown direct from Halifax. When the limited space was used up, we trucked it to Montreal and flew it to Toronto to connect to our non-stop services to Paris.

The flight was destined for Orly, France but because of inclement weather in Halifax the flight departed late, missed curfew and had to land in Paris. We'd like to acknowledge the tremendous efficiency displayed by Emanuel Schellinger, Cargo Terminal Coordinator in Paris, and the efforts of his team who were well prepared for the flight, and worked hard to maintain the integrity of this very special shipment.

This year Paris' delicious load of 42 000 Kgs of live lobsters were shipped out on the B747 ferry on December 28th, arriving just in time for distribution for the New Year's celebrations. We like to think that the City of Lights shone a little brighter for the delicacy provided by Canadian waters and transported with care by Air Canada Cargo.



AIR CANADA**Cargo**

Winter 1998 International Schedule Highlights

BETWEEN	AND	DETAILS
Calgary	Frankfurt	Daily 767-300 service
Calgary/Edmonton	London	Daily 767-300 service ex Calgary, including 3 flights via Edmonton
Halifax	London	5 weekly 767 flights
London	Delhi	4 weekly A340 flights
Montreal 	London	Daily 747 Combi service, originating in Ottawa
Montreal 	Paris	Daily 747 Combi service
Ottawa 	London	Daily 747 Combi service, via Montreal
Toronto 	Frankfurt	Daily 747 service, including weekday Combi service
Toronto	Glasgow/Manchester	5 flights per week with 767 aircraft
Toronto 	London	Up to 16 weekly flights, including up to 9 747 Combi flights per week
Toronto	Dallas	Now three daily non-stop flights with A 319 aircraft
Toronto	Los Angeles	Now four daily non-stop flights including three widebody aircraft
Toronto	Vancouver	Seven daily non-stop flights using widebody aircraft
Toronto	Paris	Daily 767 flights
Toronto	Tel Aviv	3 767-300 flights per week
Toronto	Zurich	Daily 767-300 service
Vancouver	Seoul	3 weekly A340 flights
Vancouver	Hong Kong	4 weekly A340 flights
Vancouver	London	Daily service with A340/767 equipment
Vancouver	Osaka	Daily A340 service

AIR CANADA**Cargo**

For more information, please contact your Air Canada Cargo representative or visit us online at:
 World Wide Web: <http://www.aircanada.ca/cargo> Compuserve: GO AIRCANADA