



PEMCO CONVERSIONS ANNOUNCES DEAL WITH CHISHOLM ENTERPRISES FOR LAUNCH FULL FREIGHTER AIRCRAFT CONVERSION PROGRAM

FRANKFURT, GERMANY – February 6, 2019 –PEMCO Conversions, a wholly owned subsidiary of Airborne Maintenance and Engineering Services, has announced a Boeing 737-700 Next Generation aircraft Passenger-to-Full Freighter conversion program. Chisholm Enterprises will be the launch customer.

“We’re excited to work with Chisholm Enterprises to develop the Full Freighter conversion,” said Mike Andrews, Director, Conversion Programs for PEMCO Conversions. “As we developed the B737-700 FlexCombi conversion, our understanding of their requirements grew, allowing us to implement comprehensive solutions that enhanced our vision of the B737-700 Full Freighter, making Chisholm the ideal launch customer for this conversion.”

Chisholm Enterprises is an internationally recognized provider of tailored aviation and business solutions in the Middle East. Its subsidiary, Texel Air, a non-scheduled cargo airline and maintenance repair organization, intends to operate the B737-700F from Bahrain International Airport.

“Over the past 10 years, we have partnered with PEMCO to successfully deliver numerous aircraft designed specifically to meet our unique business requirements, the FlexCombi being one such example. With their proven expertise and insight into our business, they were our natural first choice service provider for the addition of a Next Generation (NG) Full Freighter to our fleet,” shared Chisholm Enterprises CEO George Chisholm. “We are excited to work with PEMCO again and to see our NG fleet grow to support Texel Air’s expanding operations in Bahrain.”

PEMCO Conversions will induct a B737-700 for Full Freighter modification at its headquarters in Tampa, Florida during the second quarter of 2019. The company will amend its pending application with the U.S. Federal Aviation Administration for the B737-700FC supplemental type certification (STC) to accommodate the full freighter conversion, streamlining the approval process. After initial FAA approval, PEMCO Conversions plans to certify both B737-700 conversion programs with the European Aviation Safety Agency and the Civil Aviation Administration of China.

The Full Freighter will be the second Next Generation conversion for the PEMCO Conversions team. The first was the B737-700 FlexCombi™ in 2018 (STC pending), which offers three flexible configurations. The Full Freighter maximizes freight capacity with a main deck designed for 45,000 pounds of payload and 3,844 cubic feet of total volume, and offering nine (9) pallet positions accommodating 88” x 125” or 88” x 108” pallets.

Brady Templeton, President, Airborne Maintenance and Engineering Services said: “Building relationships with our customers and understanding their needs is the driving force behind our

innovation and STC development. In this case, we are designing a great product, at a sensible price, based on knowledge developed as the market leader in the B737 passenger to freighter conversion market. The response and interest in our FlexCombi positioned us to deliver an additional model to satisfy demand in the narrowbody conversion market.”

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About PEMCO Conversions

PEMCO Conversions, a division of Pemco World Air Services, serves customers from airlines to private operators. They have developed over 70 STCs and modified over 350 aircraft plus have conversion partnerships in China, Costa Rica and Canada. Their cargo conversion program is the global leader in narrow-body passenger-to-freighter aircraft conversions. Pemco World Air Services and Airborne Maintenance and Engineering Services, wholly-owned subsidiaries of Air Transport Services Group (NASDAQ:ATSG) and separately certified repair stations, offer 320,000 sq. ft. of hangar space in Tampa, Florida and 315,000 sq. ft. of hangar space in Wilmington, Ohio, providing a range of services to the aviation sector including: heavy maintenance, line maintenance, cargo conversions, engineering services, material sales and manufacturing. For more information, please visit PEMCOAIR.com or AIRBORNEMX.com.

About Air Transport Services Group

ATSG is a leading provider of aircraft leasing and air cargo transportation and related services to domestic and foreign air carriers and other companies that outsource their air cargo lift requirements. ATSG, through its leasing and airline subsidiaries, is the world's largest owner and operator of converted Boeing 767 freighter aircraft. Through its principal subsidiaries, including three airlines with separate and distinct U.S. FAA Part 121 Air Carrier certificates, ATSG provides aircraft leasing, air cargo lift, passenger ACMI and charter services, aircraft maintenance services and airport ground services. ATSG's subsidiaries include ABX Air, Inc.; Airborne Global Solutions, Inc.; Air Transport International, Inc.; Cargo Aircraft Management, Inc.; Omni Air International, LLC; and Airborne Maintenance and Engineering Services, Inc., including its subsidiary, Pemco World Air Services, Inc. For more information, please see www.atsginc.com.

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