

Edition for insurance company

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Dear Sirs,

This issue of Air Lift Word would represent for your consideration the answers to the questions that have been asked by underwriters during 2016–2017 Volga-Dnepr's pre-renewal meetings arranged in Sharjah and London. The Volga-Dnepr Group's team hopes this to be useful andinteresting reading.



S. Lazarev General Director, AirBridgeCargo Airlines

Q: What is the price of new B747-8Fs?
A: The price of new B747-8F is \$190M



S. Maryshev Flight Director, AirBridgeCargo Airlines

Q: Are there any pilots in Volga-Dnepr Group who operate more than one aircraft type?

A: In ABC, there are pilots (90% of total number of pilots) are rated to operate 2 aircraft types – Boeing 747-400 and Boeing 747-8F



D. Sorokin
Acting AvSec Director,
Volga-Dnepr Airlines

Q: What measures were taken after Mali incident?

A:

- 1. Investigation was carried out, and all findings were corrected.
- 2. Special unit within Security Department was established to identify and assess terrorist threats.
- 3. New internal regulations (regarding actions in case of potential terrorist threats and actual terrorist attacks) were developed.
- 4. Flight and technical crews completed emergency action training including actions in case of terrorist threats and terrorist attacks.

Q: Did Volga-Dnepr Group receive any information regarding potential terrorist attacks from intelligent or other agencies prior to Mali incident?

A: No such information was received from intelligence or other agencies.

Q: At this moment, what measures are taken to protect crews when flying to high-risk airfields (not only focus on enhanced flight safety level, but also other measures specific to crew security aspects)?

A:

- 1. Collection of information, monitoring and analysis of region / airport security issues on a 24/7 basis.
- 2. Immediate information of crews during pre-flight preparations.
- 3. Hotels (when flying to high-risk areas) are chosen in accordance with crew safety criteria.
- 4. Guarding of crew members (when flying to high-risk areas) from the moment they leave an airport (for hotel) and till the moment they return to an airport.
- 5. Training sessions with Captains and Senior Engineers on actions in case of terrorist threats and terrorist attacks.
- 6. All aircraft are equipped with bullet-proof jackets for flight and technical crew members.
- 7. Procurement and deployment of portable security systems to guard aircraft on parking stands



I. Aksyonov Flight Director, Volga-Dnepr Airlines

Q: Are there any pilots in Volga-Dnepr Group who operate more than one aircraft type?

A: In VDA, there are 5 Captains and 5 FOs are rated to operate AN-124-100 and IL-76TD-90VD aircraft.

Q: How will a pilot training on new avionics be carried out after modernization of AN-124-100 aircraft?

A: Crew training on new avionics of modernized AN-124-100 will be carried out in accordance with VDA Flight Crew Training Programs which include theoretical part and practice under supervision of instructors. Based on completed training tasks (successful training completion) as to certain equipment, flight crew member will be rated to operate such equipment.



D. Gliznoutsa VP CCO Sales Volga-Dnepr Airlines

Q: What aircrafts are used to perform flights to Africa?

A: Charter flights on AN-124, IL-76 (mainly under SALIS programs).

Additionally, charter flights on ABC's B747s (but very seldom). And scheduled flights on CLA's B747.



M. Rozhkov Chief Designer - Head of Design Department, Volga-Dnepr Airlines

Q: What is included in AN-124-100 modernization?

A: There were several reasons for modernization of An-124-100: tightening of ICAO requirements in respect of Air Traffic Management and Environment Control, the need to reduce flight crew composition, the need to ensure maximum unification of An-124-100 and Boeing 747-8F in terms of flight deck ergonomic solutions and avionics, and also shortage or phased out a number of key aircraft components.

Maintain demand for AN-124-100 airplane on the air freight market, expand the client base and provide the Customers with wider range of benefits.

Basic changes:

- Avionics and Flight Deck layout changed to meet current and future ICAO air traffic control standards
- Replace the power unit to meet ICAO noise and emission standards and install FADEC-type engine automatic management and control system
- Partially modernize airplane systems for the purpose of eliminating the accumulated deficiencies, replace vendor items no longer in production.

Q: How will AN-124-100 cost increase after modernization?

A: According to preliminary estimates the cost of AN-124-100 after In-Depth Modernization will grow by \$132 mln. in respect of 1 aircraft





E. Surina
AP & FS Director,
Volga-Dnepr-Moscow

Q: How much money does Volga-Dnepr Group spend on risk management and flight safety annually?

A: Volga-Dnepr Group has spent \$4,021,600 on accident prevention and flight safety management for the last 5 years (2011-2015), i.e. on the average, approx. \$804.3K per year. For example, in 2015, the Group spent \$981.6K on such activities, including \$607.6K on activities connected with 'Machine' factor.

Q: In case of acquisition of a new aircraft, are any additional FS-related measures carried out prior to commence flights to new airports?

A: When the airline receives an aircraft of a new type, we carry out a comprehensive training on flight safety issues as follows:

- analysis of possibility to fly within the airline route network;
- training of all personnel;
- assessment of potential risks as to commissioning of new aircraft type;
- regular analysis and adjustment of the airline internal changes in connection with commissioning of new aircraft type, etc.

In case of acquisition of a new aircraft, the airline carry out the following activities:

- aircraft condition check;
- availability and condition of emergency and survival equipment, documentation.

Prior to commence flights to new airports, the airline carry out the following activities:

- mandatory audit as to airport, ornithological, meteorological, emergency, rescue, etc. services and support;
- assessment of potential risks on the Risk Assessment Group meeting:
- first flight to be performed by inspector (check) pilot.

A: Flight crew cabin is not isolated from passenger cabin (as in passenger airplanes), however, the following actions were taken:

- Flight Department disseminated newsletters based on the results of a German Wings accident analysis;
- Flight debriefing with focus on human factor was arranged;
- Human factor training program was supplemented with new topic related to crew member compatibility issues;
- Crew member compatibility program is being developed.

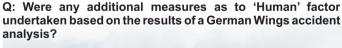
Q: Is a pilot fatigue considered as a risk factor? Is there a pilot fatigue monitoring and management system in the company?

A: For sure, pilot fatigue issues are considered as a risk factor. In this regard, to this date, the following has been implemented:

- fatigue issues are included into FOM, Chapter 7 "Flight Crew Work and Rest Time Limitations";
- continuous fatigue monitoring is carried out sleep quality questionnaire survey is conducted by Personnel Performance Capacity and Health Management Division on a regular basis;
- fitness trackers (bracelets) are used to determine crew member performance capacity;
- motivation system provides for sanatorium therapy and recreation for pilots;
- special in-flight exercises (gymnastics) and in-flight relax video lessons were developed;
- additional 28-day vacation leave (in addition to basic paid leave) is provided to pilots for additional flight hours;
- work group was formed to develop a 'Fatigue Risk Management System' standard:
- fatigue risk training was developed and included into Flight Crew Training Program (CRM section);
- meetings with families of crew members are arranged to analyze work and rest schedule of crew members.

Q: Does any database exist to include (by each Airline) pilots who failed pre-employment checks (as to any factor)?

A: All pilots are entered into a database of the checking airline. No unified database exists in Russia. However, Medical Examination Board (which is a part of government institution) carries out medical and psychological evaluation of each licensed pilot and enters evaluation results into its own database











Q: Employees of which nationalities perform maintenance activities in VD Gulf?

A: It is safe to say, VD Gulf unites specialists from across the globe. Maintenance personnel include (TAB.1)

Q: Who are the main competitors of VD Gulf in terms of maintenance of western-built aircraft?

A:Narrow-body aircraft (TAB2)

Wide-body aircraft (TAB3)

Q: Is it difficult to attract Russian specialists to work for VD Gulf?

A: No, it is not difficult.

There are a lot of people who want to perform aircraft maintenance on a rotational or full-time basis due to currency exchange rates and the fact that VD Gulf is a Russian company and a candidate will have no problems with adaptation.

However, upon employment of Russian specialists VD Gulf faces the following problems:

- engineering and technical personnel working in Russia and possessing Russian nationality usually has no licenses required by VD Gulf, e.g. EASA Part-66 licenses. That is why such personnel may take part in maintenance of western-built aircraft only as supporting (supervised) personnel. To obtain such licenses, an employee must successfully complete some expensive training courses.
- Many candidates have poor knowledge of the English language to read and understand maintenance documentation as well as to communicate with colleagues and managers.

Advantages of employment of Russian specialists:

- Generally, such candidates have a vast experience, theoretical knowledge and practical skills in aircraft maintenance.
- There are no difficulties to obtain visas or passes for such candidates■

Nationality	Qty 1
Russia	31
Philippines	16
India	12
Pakistan	9
Ukraine	6
Uzbe kistan	5
UK	4
Sri-Lanka	3
Belorussia	3
Hungary	2
Iraq	2
Morocco	2
France	2
Ireland	1
China	1
Spain	1
Bulgaria	1
Slovakia	1
S.A.R.	1
Total	103

	MRO - provider	Location	Hangar space	Approval
1	JorAMCo*	Amman, Jordan	27,000 sq.m.	EASA, JCARC, FAA
1	myTechnic	Sabina, Turkey	15,000 sq.m.	DGCA, EASA
1	FL Technics	Moscow, Jakarta, Vilnus,Kaunas	67,200sq.m.	EASA, GCAA and others
1	S7 Engineering	Novosibirsk, Min Vodi Russia	9 C-check lines	EASA
2	Turkish Technics	Ankara, Istanbul Ataturk	73,500 sq.m.	DGCA, EASA, FAA
2	Lufthansa Technics	Bolgaria, Malta, Slovakia, Germany		EASA, GCAA and others
2	GMR Aero Technic	Hyderabad, India	1*WB or 2*NB + 1*NB painting fac	EASA+DGCA and others
3	HAITEC	Germany	1*WB+2NB	EASA, FAA, GCAA
Ne	MRO - provid er	L ocation	Hangar space	Approval 3
1	HAE CO	Xiamen, HongKong	12 WB and 5NB	EASA, FAA, HKCAD, CAAC, Bermuda –up to D check
1	HAE CO (Air China+L ufthansa)	Xiamen, HongKong Beijing	12 WB and 5NB 4+WB+1+B747 painting facility	CAAC, Bermuda -up to D
WE	AMECO (Air		4*WB+1*B747 painting	CAAC, Bermuda –up to D check
ī	AME CO (Air China+L uf thansa)	Bajing	4*WB+1*B747 painting facility	CAAC, Bermuda -up to D check EASA, FAA
1	AME CO (Air Chima+L uf thamsa) Garuda GMF	Beijing Jakarta, Indonesia PayaLibar, Changhi	4*WB+1*B747 painting facility 7WB+16NB	CAAC, Bermuda -up to D check EASA, FAA EASA, FAA
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1 1 2 2 3	AME CO (Air Chima+L ufthansa) Garuda GAIF SASCO (ST Aerospace) Lufthansa Technic Philipp ines	Beijing Jakarta, Indonesia PayaLibar, Changhi Singapore Manila, Philippines	4*WB -1*B747 painting facility 7WB+16NB 8*WB 1*WB+2*NB	CAAC, Bermuda –up to D check EASA, FAA EASA, FAA EASA, FAA

11.05.2016 | AIRBRIDGECARGO GETS FORMULA 1 TO THE STARTING LINE IN SOCHI

The fast-moving world of Formula 1 motor racing found the perfect cargo airline in AirBridgeCargo Airlines (ABC) to ensure every competitor was on the starting line of the 2016 Russian Grand Prix in Sochi from 29 April to 1 May.



ABC has successfully prepared and operated a series of six Boeing 747 charter flights from Shanghai to Sochi following the Chinese Grand Prix on 17 April. The racing cars, car frames and other vehicle parts, as well as special equipment, were safely transported in special containers with the total weight of more than 100 tons per flight.

2016 is the third year of the Russian Grand Prix in Sochi and is part of a seven-year programme of Formula 1 races in the city to 2020.

Robert van de Weg, ABC Senior Vice-President, Marketing & Sales, said: "The first word that comes to your mind when we here Formula 1 is speed. Speed in everything – the race itself and of course the "pit stops". Similarly, due to the tight schedule of the races, the requirement of 'speed and control' of the delivery of the racing cars and related equipment to the next racing venue is a hard requirement. We are therefore proud to be part this event which implies absolute commitment from AirBridge Cargo Airlines. Since 2012 AirBridgeCargo has enjoyed a privilege of moving cars for Formula One Management and we are delighted to see that the total number of flights carrying cars and equipment around the world has reached 20 by this year. To be one of the airline chosen

by of Formula One Management means that ABC stands out for its high level of service quality, customized delivery solutions and experience. We are honoured to work with Formula One Management and look forward to our future cooperation."

Mr. Alan Woollard, Logistics Manager at Formula One Management Limited, added: "Over the last decade the geography of Formula one races has expanded significantly with Asian region coming on the arena. This is the reason we need a large-scale and complex logistics programme to support Formula 1 races all over the world as it represents a real challenge. That's why we choose to work with reliable and proven cargo airlines like AirBridgeCargo Airlines because we have confidence in their ability to delivery the service and support we need."

Over the last 12 years AirBridgeCargo Airlines has been mastering its expertise in moving cars by air and helping customers to transport high speed, rally, classic and even solar-powered cars to destinations around the world, including last-minute deliveries for famous races. The airline's proven portfolio and its ability to meet the logistics deadlines for customers makes it number one choice among its clients

24.05.2016 | ITALIAN AIR CARGO COMMUNITY PAYS TRIBUTE TO AIRBRIDGECARGO'S PERFORMANCE

Milan, May 11 – The Italian Association of Air Cargo Agents (ANAMA) presented its "Quality awards 2016" to air transport members at an annual event held at Alcatraz Milano, with the highest accolade (Quality Overall Performance) going to AirBridgeCargo Airlines.

ANAMA, which stands out as the major cargo association in Italy, hands out its "Quality Awards" annually acknowledging overall performance and contribution of the companies to the development of air cargo sector in Italy. This year ANAMA members voted for ABC to accredit its high level of service quality and performance.

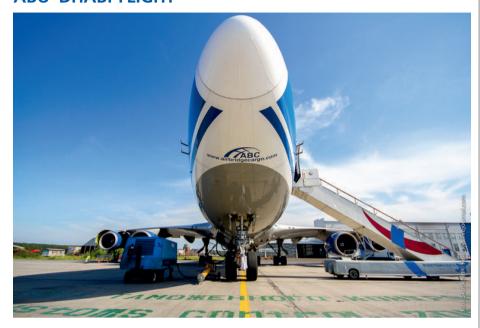
'We are proud to be here among other winners knowing that our efforts have been duly appreciated. Since 2009, when AirBridgeCargo has set its footprint in Italy with the launch of Milano services, we have been consistently enhancing our service quality by offering our customers greater connectivity and number of destinations, higher level of on-time performance supported and ensured by highly skilled personnel with precious knowledge of international market and local market expertise. This recognition awarded to us proves that we have chosen the correct path of development and gives us the impulse and strength for further growth" — pointed out Georges Biwer, Vice-President, EMEA.



Starting from one frequency per week back in 2009 at the moment ABC operates 8 flights from Milan through its hub in Moscow Sheremetyevo airport thus offering its customers access to all the points of ABC's international network which, in its turn, resulted in significant growth of Italian market – 53% upsurge for the first 4 months of 2016 year-over-year.

As in previous years ANAMA honored all industry partners, among them being airlines, general sales agents and handlings agents – the tradition it set in 1997 with each year reinforcing the scale of event and importance of the award itself

24.05.2016 | AIRBRIDGECARGO EMBRACES NEW **DESTINATIONS WITH THE LAUNCH OF HOUSTON -**ABU-DHABI FLIGHT



Effective May 23 AirBridgeCargo Airlines will introduce Houston- Abu-Dhabi flight - a new regular freight service under its expanded international network.

ABC's new flight will be operated on a weekly basis departing Houston on Monday evenings via Chicago and Luxembourg to Abu -Dhabi, returning to Moscow (Sheremetyevo airport) thus providing its USA customers with a new regular service from the southern states of USA to Europe, the UAE following to the capital of the UAE and finally as well as to Moscow with connectivity options throughout carrier's network. From Luxembourg, ABC offers an extensive range of trucking services to cover continental Europe, and from Abu Dhabi trucking services will offer connections to both Dubai airports: - both DXB and DWC.

This above means that ABC we will be able to offer our Houston-area customers access to important destinations in Europe, the UAE, Abu Dhabi, Dubai as well as and to ABC network destinations like Singapore and Johannesburg.

"The Introduction of a Houston flight is something that has been on our agenda for quite a longsome time as we have been expanding our presence in USA and exploring cities which are of great demand among our customers in order to and offering better coverage to the market as a whole. We are delighted to add Houston and Abu -Dhabi into our growing list of among our destinations as we can now it will provide an excellent direct connection from the Houston area to key markets in Russia and the Middle East. We expect that the oil and gas industry in will particularly will benefit from this new service flight, while we also look forward to offering our new service to other industries. and will continue to put our sales forces to develop this destination further for other commodities", - highlighted Hendrik Falk, ABC's vice president North and South America. Apart from opening new market horizons to customers in Houston, this new service will also compliment ABC's existing frequencies from Dallas, Atlanta, Chicago and Los Angeles, thus reinforcing carrier's position at the North American market while guaranteeing high level of service quality and opening up seamless connections to Europe, Far East and Southeast Asia.

"Houston's global profile is stronger than ever before, and a driving force behind that is the growing number of global connections made through George Bush Intercontinental Airport and William P. Hobby Airport. It takes committed partners like AirBridgeCargo Airlines to serve as a conduit for goods and services from around the world that strengthen those connections and make Houston a truly international destination for business and beyond. We are delighted to have AirBridgeCargo among our carriers, especially understanding the scale of its achievements and performance" stated Mario Diaz, Director of Aviation for the Houston Airport System

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