



First-Quarter 2016 Review

May 5, 2016

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Safe Harbor Statement

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This presentation also includes some non-GAAP financial measures. You can find our presentations on the most directly comparable GAAP financial measures calculated in accordance with accounting principles generally accepted in the United States and our reconciliations in our earnings release dated May 5, 2016, which is posted at www.atlasair.com.



Amazon Service



- **Strategic long-term relationship**
- **Supporting fast deliveries for Amazon's customers**
- **20 B767-300 converted freighters**
- **10-year dry leases, 7- to 10-year CMI**
- **Amazon granted rights to acquire AAWW equity**
 - **Inherent value creation**
 - **Aligns interests, strengthens long-term relationship**
- **Meaningfully accretive**
- **Agreement provides for future growth opportunities**



AAWW Key Takeaways

New era of significant business growth and development

Strategic long-term relationship with Amazon

Completed Southern Air acquisition

Together with ongoing initiatives, **Amazon and Southern Air provide strong foundation for earnings and cash flow**

Eager to capitalize on initiatives, **opportunities with Amazon and Southern Air to drive:**

- **Value and benefit for customers**
- **And for shareholders**



2016 Framework

- Business momentum, 2015 initiatives provide **foundation for growth**

- **Consistent with prior outlook**, expect adjusted earnings growth versus 2015:
 - **Before expected startup expenses and warrant impact for new Amazon service**

- **Including startup expenses and warrant impact for Amazon service**
 - **2016 adjusted EPS expected to be a few percentage points lower than 2015 adjusted EPS of \$5.01**

- **2Q16 adjusted EPS**
Approximately 3x
1Q16 adjusted EPS of \$0.31

- Seasonal business, **about three-quarters of earnings generated in second half of the year**

- **Block Hours including Southern Air to increase more than 20% over 2015**
 - About 75% of total in ACMI
 - Balance in Charter

- **Including Southern Air:**
 - **Maintenance expense** ~\$195 million
 - **Depreciation** ~\$145 million

- **Tax rate** ~32%
- **Core capex** ~\$50 to \$60 million

1Q16 Summary

Adjusted net income* of \$7.7 million, adjusted diluted EPS of \$0.31

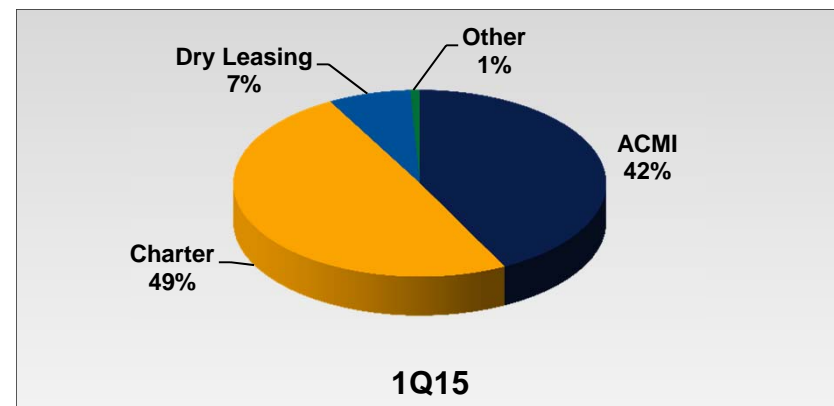
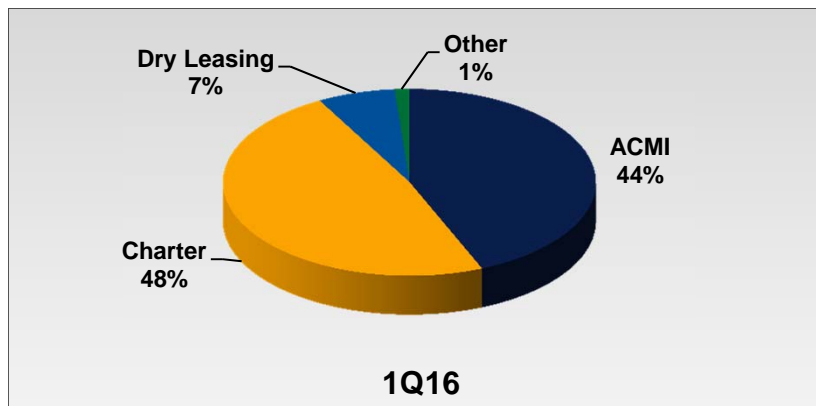
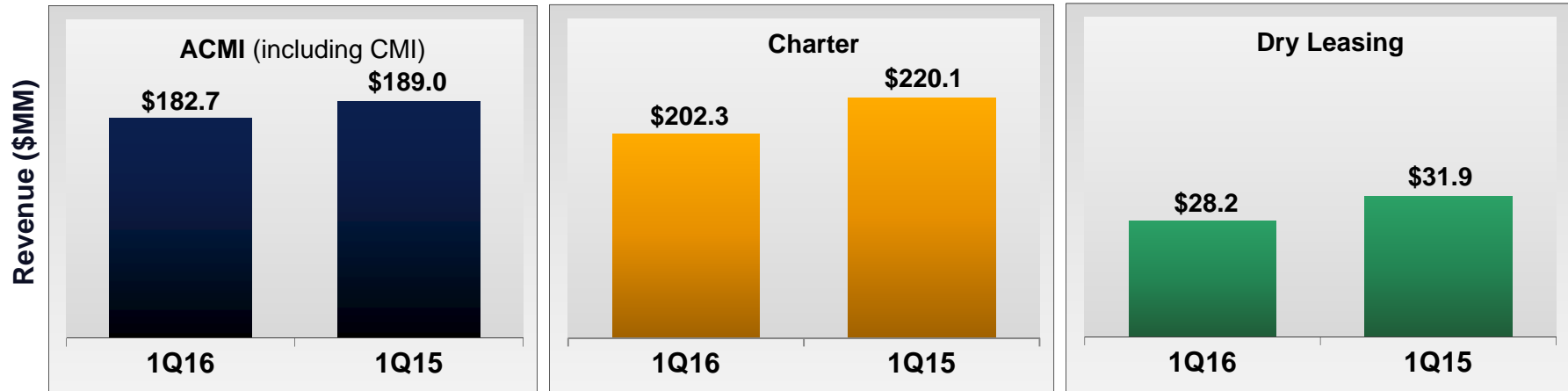
Reported net income of \$0.5 million, \$0.02 per share, included a special charge for aircraft engines held for sale

ACMI earnings complemented by:

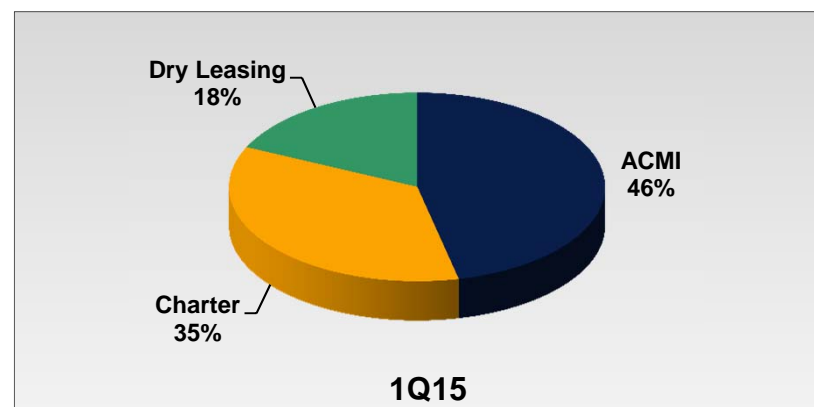
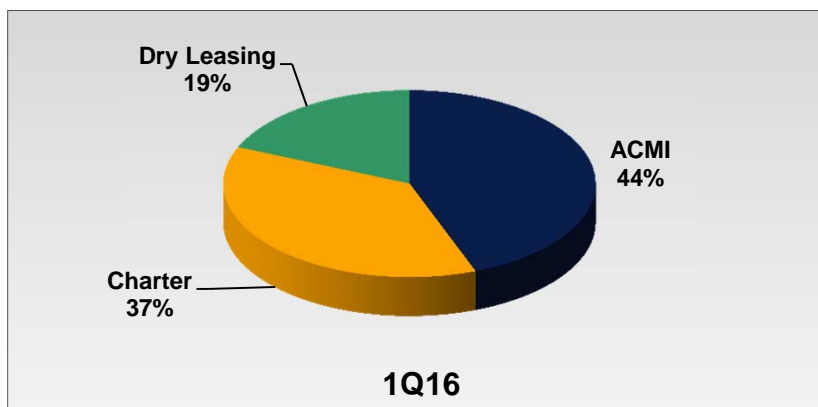
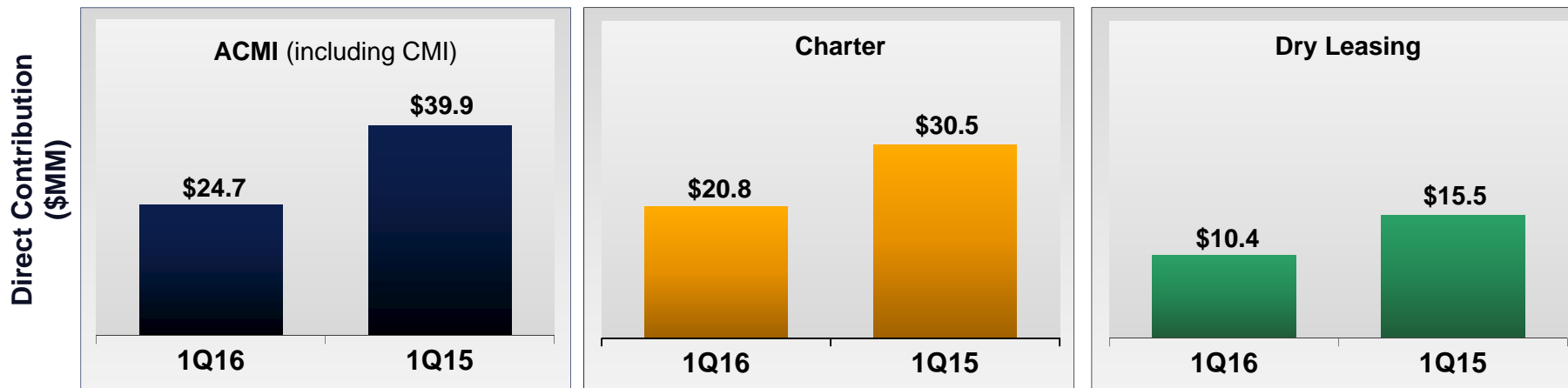
- Charter contribution
- Underlying Dry Leasing strength



1Q16 vs. 1Q15 Segment Revenue



1Q16 vs. 1Q15 Segment Contribution



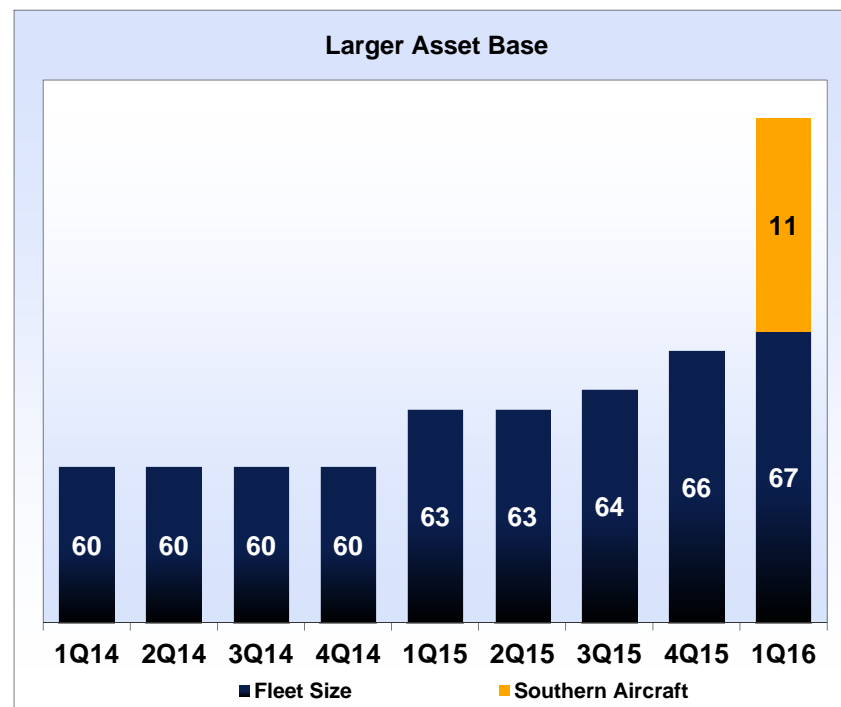
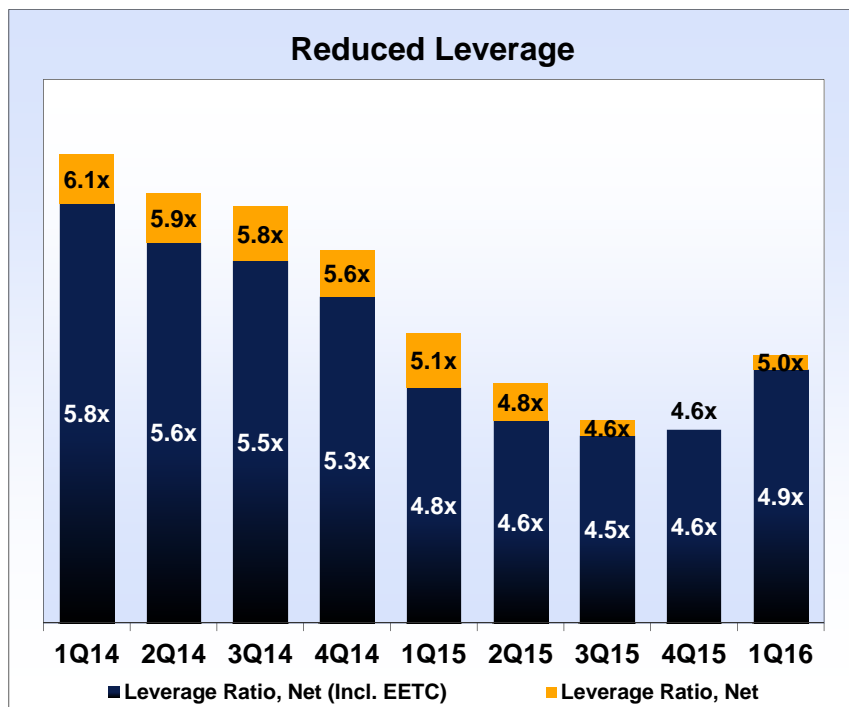
Balance Sheet & Financial Ratios

In \$Millions	3/31/2016	12/31/2015
Cash, Equivs, S-T Invsts & Rstr Cash	335.9	444.0
Total Balance Sheet Debt	1,869.6	1,901.3
Net Leverage Ratio (Incl. operating leases and EETC Investments)*	4.9	4.6



*See Appendix for Non-GAAP reconciliation.

Strengthening the Balance Sheet



Expect to pay down ~\$40 million of debt per quarter for the remainder of 2016

AAWW Leading The Way Forward

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Strategic long-term relationship with Amazon

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Appendix

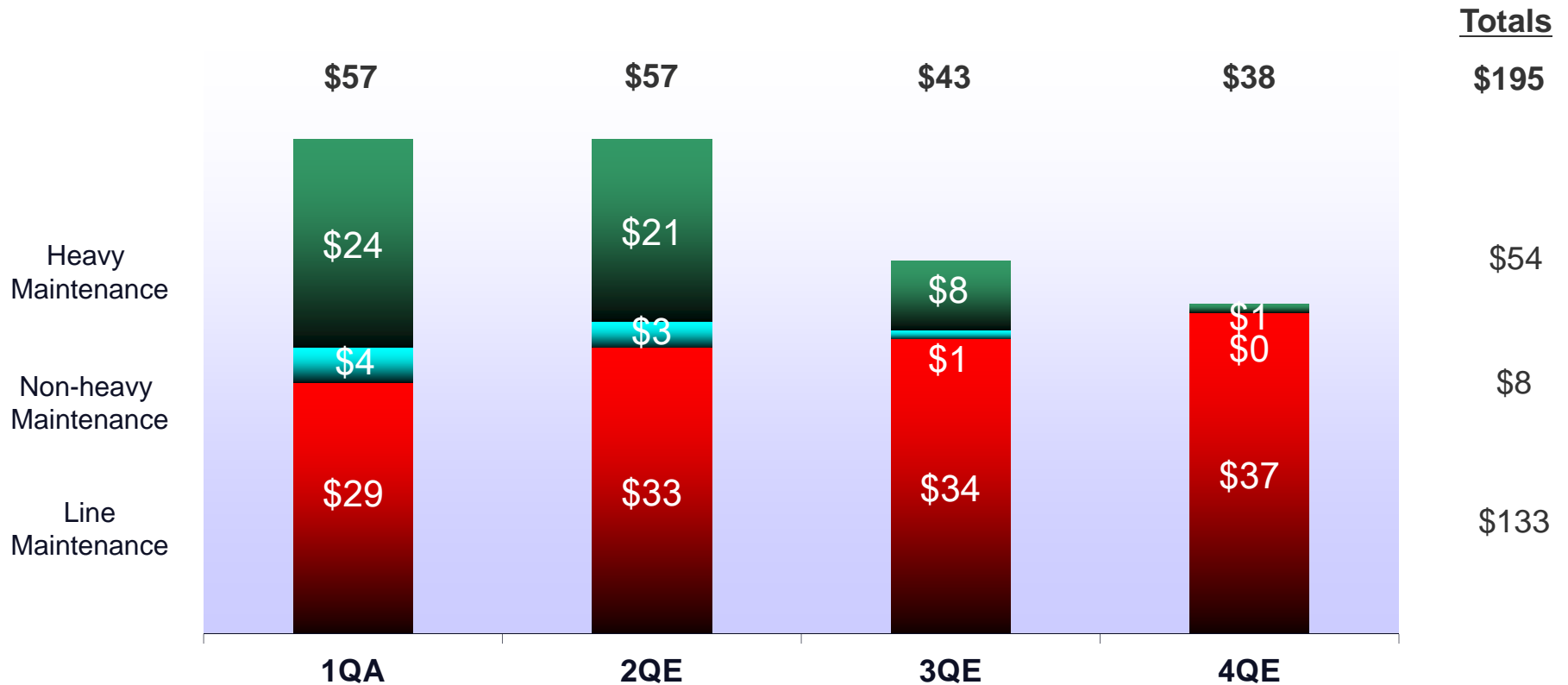
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2016 Maintenance Expense

In \$Millions



- Line maintenance expense increases commensurate with additional block hour flying
- Line maintenance expense is approximately \$610 per block hour
- Non-heavy maintenance includes discrete events such as APU, thrust reverser, and landing gear overhauls
- Includes estimated impact of Southern acquisition as of 2Q16



Reconciliation to Non-GAAP Measures

In \$Millions

	1Q16	4Q15	3Q15	2Q15	1Q15	4Q14	3Q14	2Q14	1Q14
Face Value of Debt	\$ 1,972.2	\$ 2,008.1	\$ 1,899.0	\$ 2,134.4	\$ 1,958.2	\$ 2,009.0	\$ 2,058.0	\$ 2,109.5	\$ 2,158.9
Plus: Present Value of Operating Leases	823.7	848.0	872.2	891.0	914.8	939.7	964.3	988.7	1,012.8
Adjusted Debt	2,795.9	2,856.1	2,771.2	3,025.5	2,873.0	2,948.7	3,022.3	3,098.2	3,171.7
Less: Cash and Equivalents	\$ 331.9	\$ 438.9	\$ 387.8	\$ 530.5	\$ 351.4	\$ 312.9	\$ 275.8	\$ 289.6	\$ 292.2
Less: EETC Asset	38.1	42.7	45.9	131.3	138.1	138.3	137.9	138.7	140.0
LTM EBITDAR	\$ 496.4	\$ 521.2	\$ 517.5	\$ 514.6	\$ 492.4	\$ 468.3	\$ 476.5	\$ 473.6	\$ 473.4
Net Leverage Ratio	4.9	4.6	4.5	4.6	4.8	5.3	5.5	5.6	5.8
Adjusted Debt	\$ 2,795.9	\$ 2,856.1	\$ 2,771.2	\$ 3,025.5	\$ 2,873.0	\$ 2,948.7	\$ 3,022.3	\$ 3,098.2	\$ 3,171.7
Less: Cash and Equivalents	(331.9)	(438.9)	(387.8)	(530.5)	(351.4)	(312.9)	(275.8)	(289.6)	(292.2)
Adjusted Net Debt	2,464.0	2,417.2	2,383.4	2,495.0	2,521.6	2,635.8	2,746.5	2,808.6	2,879.5
LTM EBITDAR	\$ 496.4	\$ 521.2	\$ 517.5	\$ 514.6	\$ 492.4	\$ 468.3	\$ 476.5	\$ 473.6	\$ 473.4
Net Leverage Ratio (Including EETC Investment)	5.0	4.6	4.6	4.8	5.1	5.6	5.8	5.9	6.1



Thank you.

