



# Third-Quarter 2011 Review

November 3, 2011

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# Safe Harbor Statement

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This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 that reflect Atlas Air Worldwide Holdings Inc.’s (AAWW) current views with respect to certain current and future events and financial performance. Such forward-looking statements are and will be, as the case may be, subject to many risks, uncertainties and factors relating to the operations and business environments of AAWW and its subsidiaries that may cause actual results to be materially different from any future results, express or implied, in such forward-looking statements.

For additional information, we refer you to the risk factors set forth in the documents filed by AAWW with the Securities and Exchange Commission. Other factors and assumptions not identified above are also involved in the preparation of forward-looking statements, and the failure of such other factors and assumptions to be realized may also cause actual results to differ materially from those discussed.

AAWW assumes no obligation to update the statements in this presentation to reflect actual results, changes in assumptions, or changes in other factors affecting such estimates, other than as required by law.

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 November 3, 2011, which is posted on our Web site at [www.atlasair.com](http://www.atlasair.com).



# AAWW Key Takeaways

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## 2011: Underlying core strength



**Above contract minimums in core ACMI**

**Sequential improvement in quarterly results**

**New business opportunities**

**Continued productivity gains and cost control**

# 3Q11 Highlights

Delivered third-quarter **net income\*** of **\$28.2 million** and **diluted EPS of \$1.07**

Achieved third-quarter **operating revenue of \$363 million**

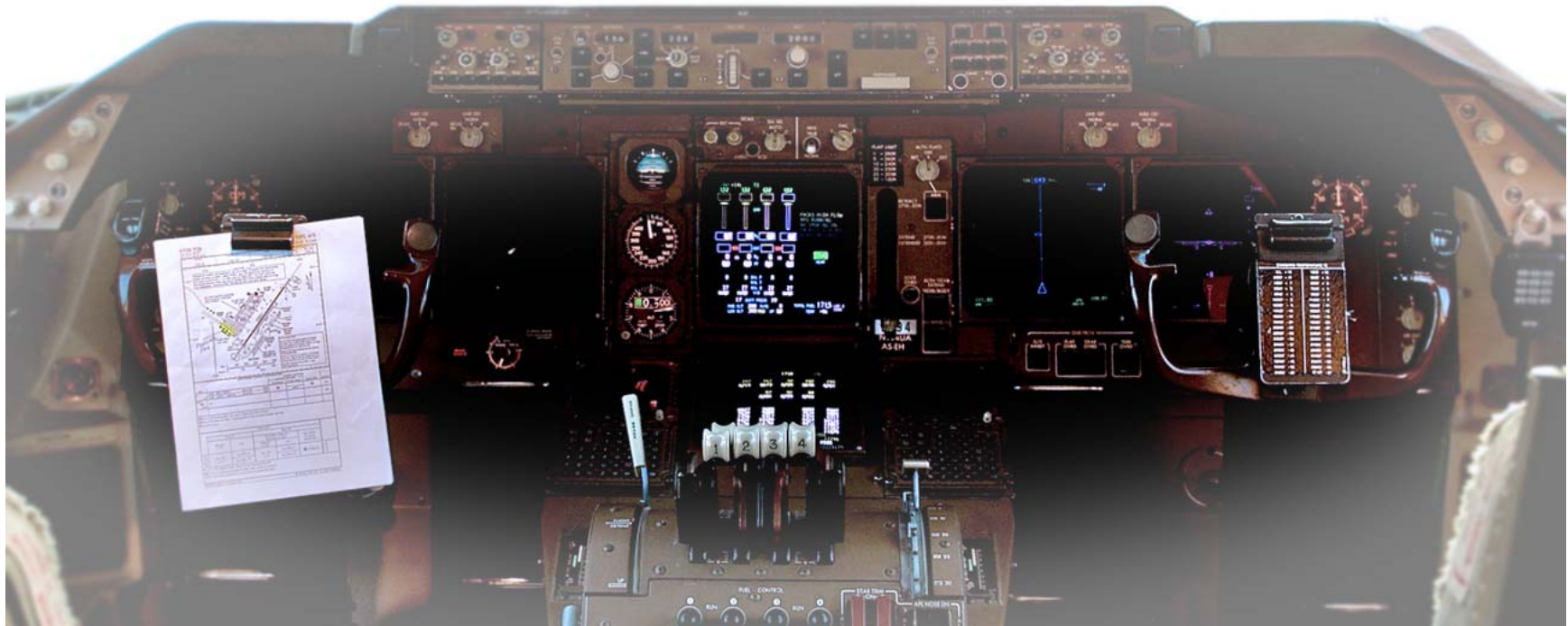
- ACMI revenues grew 13%
- Improved ACMI volumes 9%
- ACMI rates increased 4%

Higher AMC Charter demand **including new passenger service**

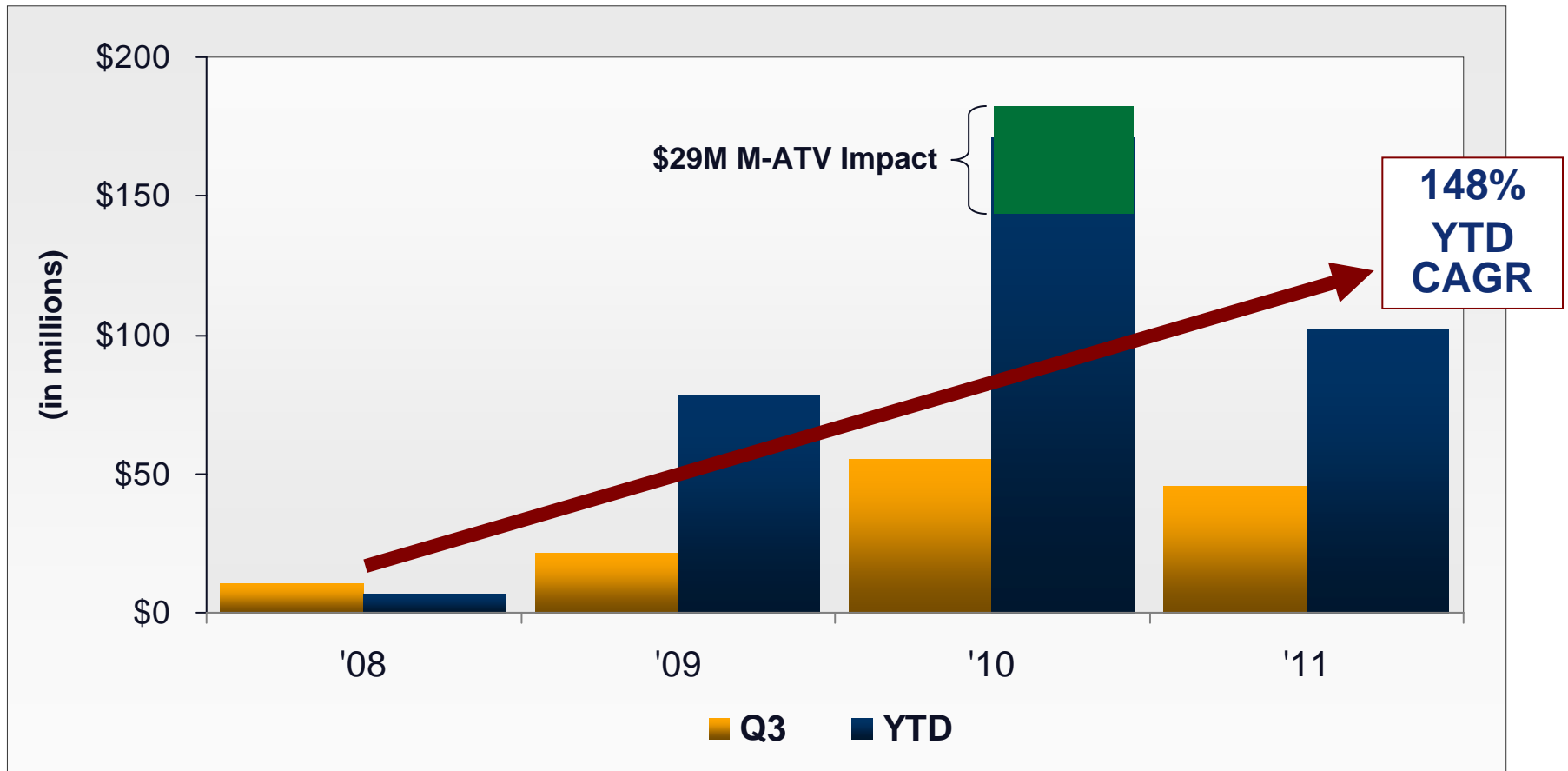


# 2011 Financial Guidance

**Full-Year 2011 EPS** guidance of **>\$4.30** per diluted share reflects softer charter market conditions, Boeing delays, and start-up costs for new business



# Pretax Income



# Recent Business Developments

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## ACMI

- **First 747-8F entered service November 2**
- **First five 747-8Fs placed – 3 British Airways, 2 Panalpina**

## CMI

- **To operate five 767 freighters for DHL in North America**
- **First general freight CMI service starting in 2012**

## AMC

- **Purchased two passenger 747-400s and two 767-300ERs for military and commercial charter service**
- **Growth area, with meaningful earnings**

## Labor

- **Five-year term – labor stability assured to 2016**
- **Maintained flexible work rules, increased efficiencies and productivity**

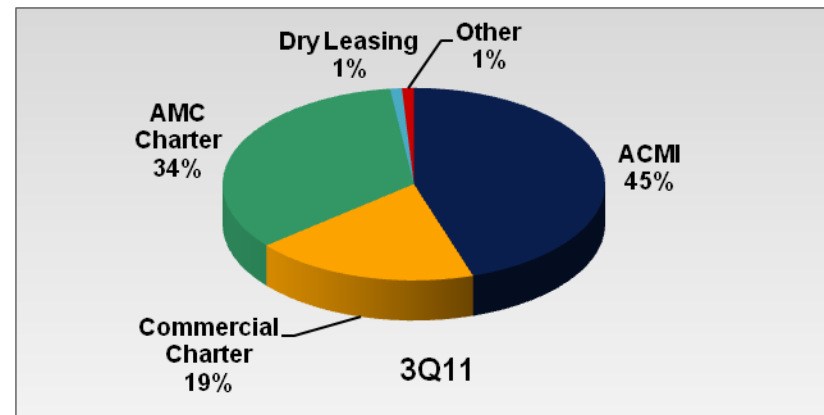
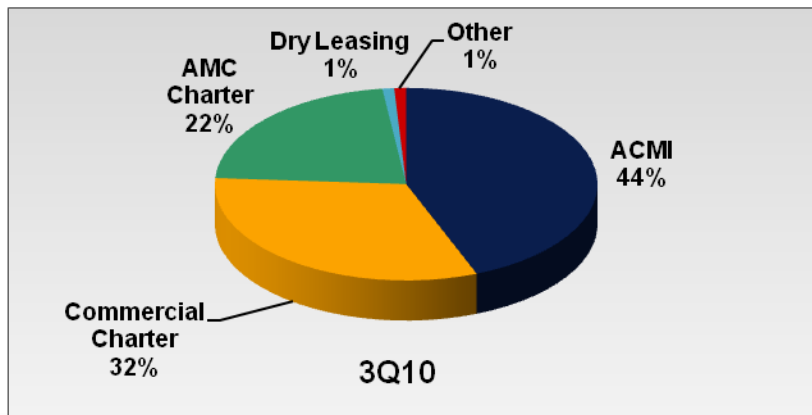
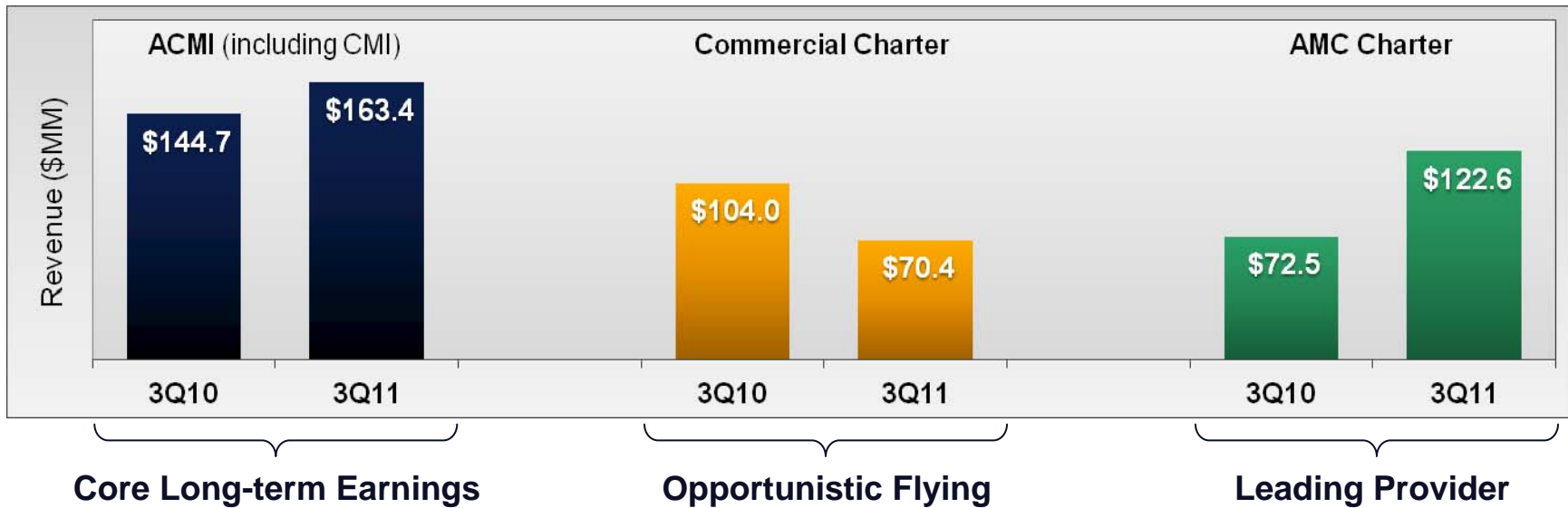
# 3Q11 Financial Performance Summary

\$ in millions, except per share data	1Q 2011		2Q 2011		3Q 2011	
<b>Operating revenue</b>	\$	<b>297.6</b>	\$	<b>349.6</b>	\$	<b>362.9</b>
<b>Operating expenses</b>		<b>281.1</b>		<b>312.0</b>		<b>319.4</b>
<b>Operating income</b>		<b>16.5</b>		<b>37.6</b>		<b>43.5</b>
<b>Income before income taxes</b>		<b>16.7</b>		<b>39.4</b>		<b>45.8</b>
<b>Net income attributable to common stockholders</b>		<b>10.5</b>		<b>23.8</b>		<b>28.2</b>
<b>Diluted EPS</b>	\$	<b>0.40</b>	\$	<b>0.90</b>	\$	<b>1.07</b>

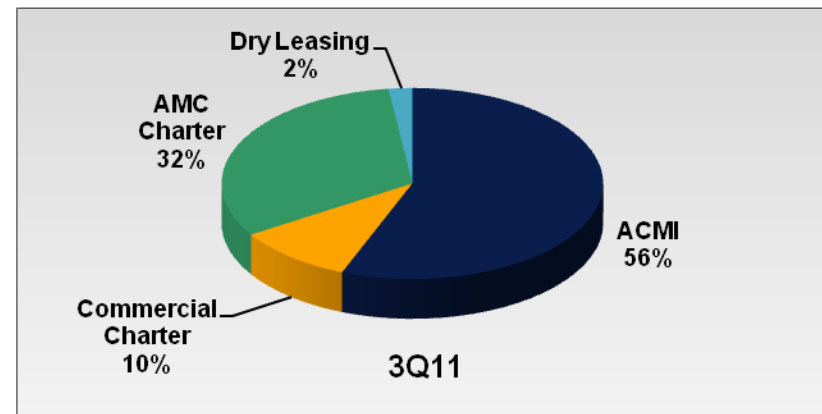
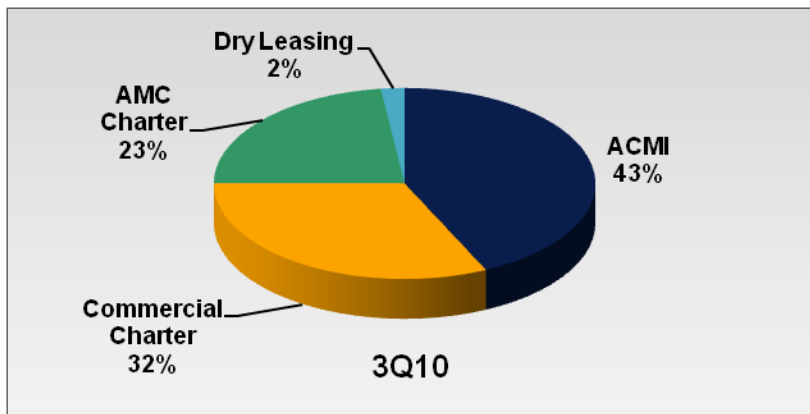
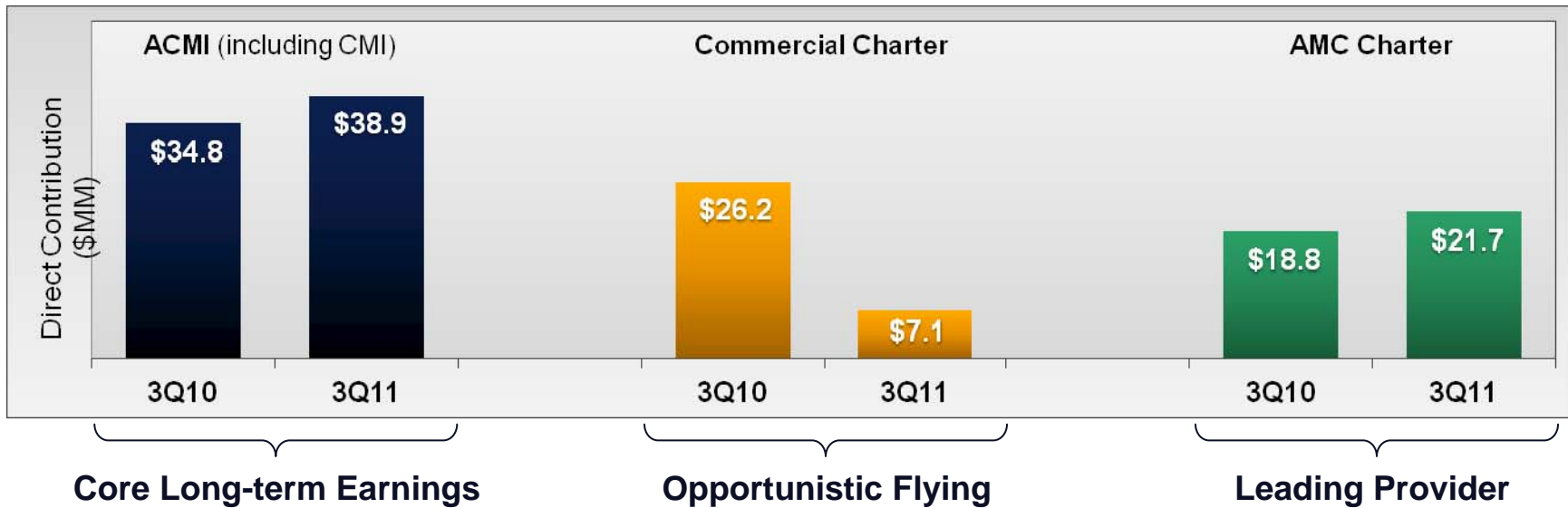


\* See Appendix for GAAP reconciliations of special items for the three months ended March 31, June 30 and September 30, 2011.

# 3Q11 vs. 3Q10 Revenue by Segment

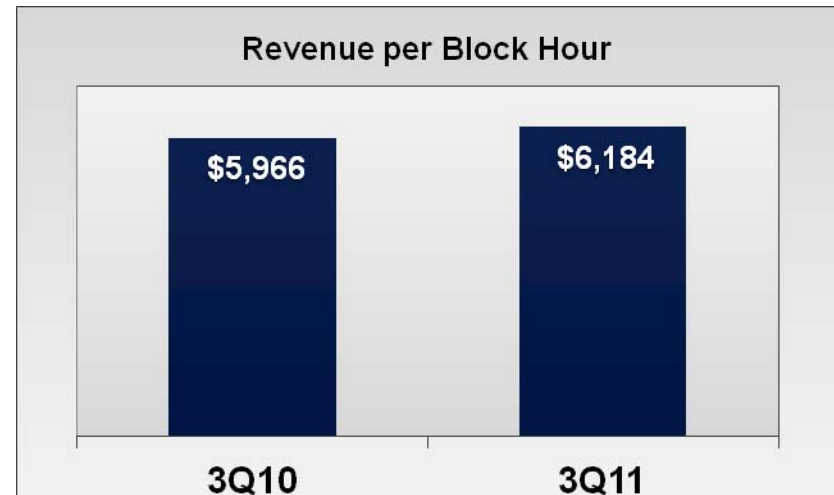
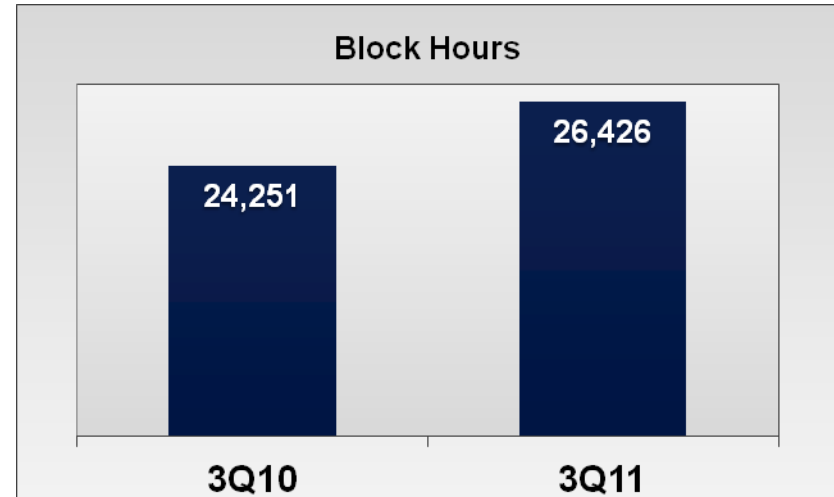


# 3Q11 vs. 3Q10 Segment Contribution



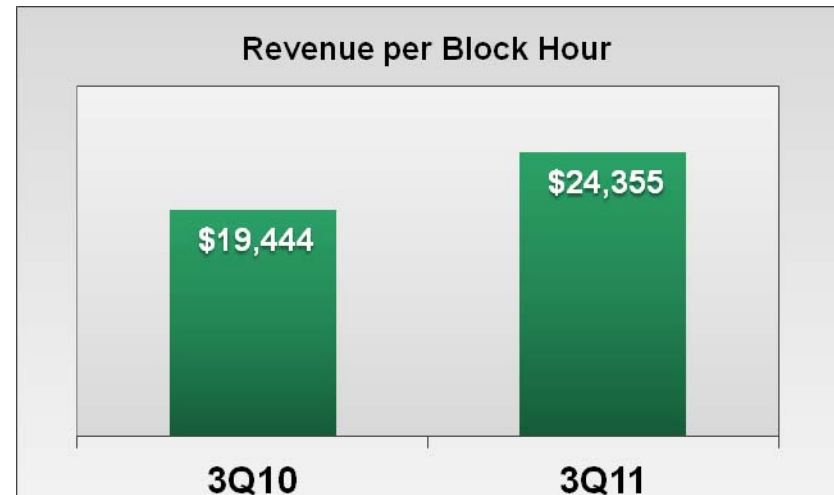
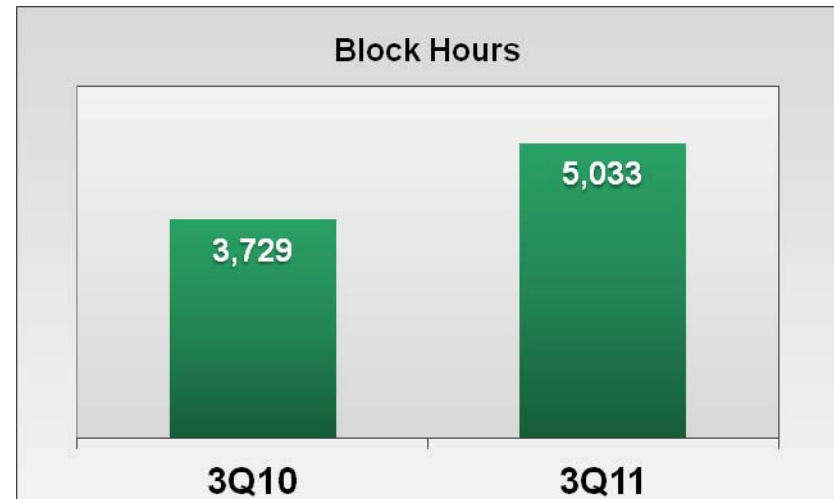
# ACMI (Including CMI)

- Sustainable long-term core earnings
- Improved block-hour volumes
- New ACMI agreements with DHL Express and Panalpina
- 19 of our 24 747-400 freighters in active ACMI service
- Customers flew 4.5% above their minimum contractual block hours in 3Q11
  - Expect 5% above for 4Q11
- CMI: 9-year agreement with Boeing; first full year of long-term passenger CMI for SonAir



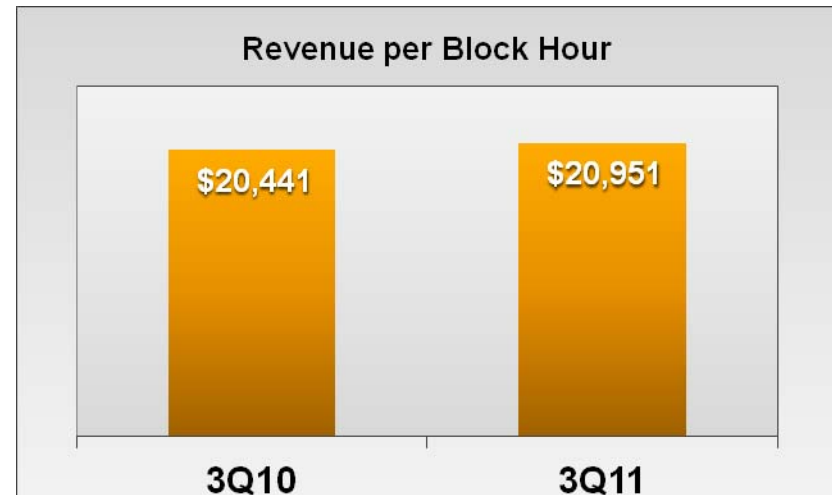
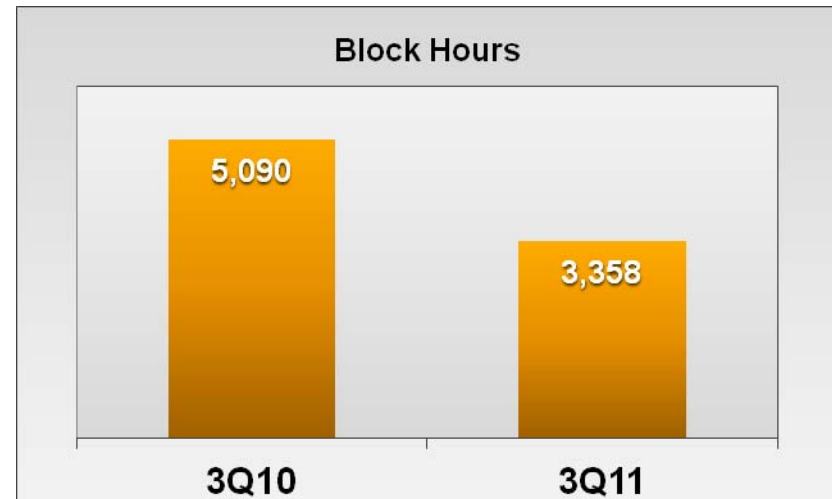
# AMC Charter

- Higher block-hour volumes reflected an increase in AMC cargo demand
- New passenger service contributed 467 block hours versus none in 3Q10
- Revenue rates reflected:
  - An increase in the average “pegged” fuel price
  - Higher rates paid on 747-400Fs utilized in 3Q11



# Commercial Charter

- Block-hour volumes reflected:
  - The redeployment of 747-400Fs to long-term, core ACMI
  - A reduction in opportunities for return-leg charters following one-way AMC missions
- Block-hour rates reflected:
  - Recovery of increased aircraft fuel costs in South American markets
  - Constrained yields on charters out of Asia



# Balance Sheet & Financial Ratios

In \$Millions	12/31/2009	12/31/2010	9/30/2011
<b>Cash, Equivalents, Restricted Cash &amp; Short-term Investments</b>	636.3	595.1	545.5
<b>Total Balance Sheet Debt</b>	565.5	487.2	524.0
<b>Leverage Ratio, Net</b>	3.1	2.5	3.3

# 4Q11 Sequential Improvement

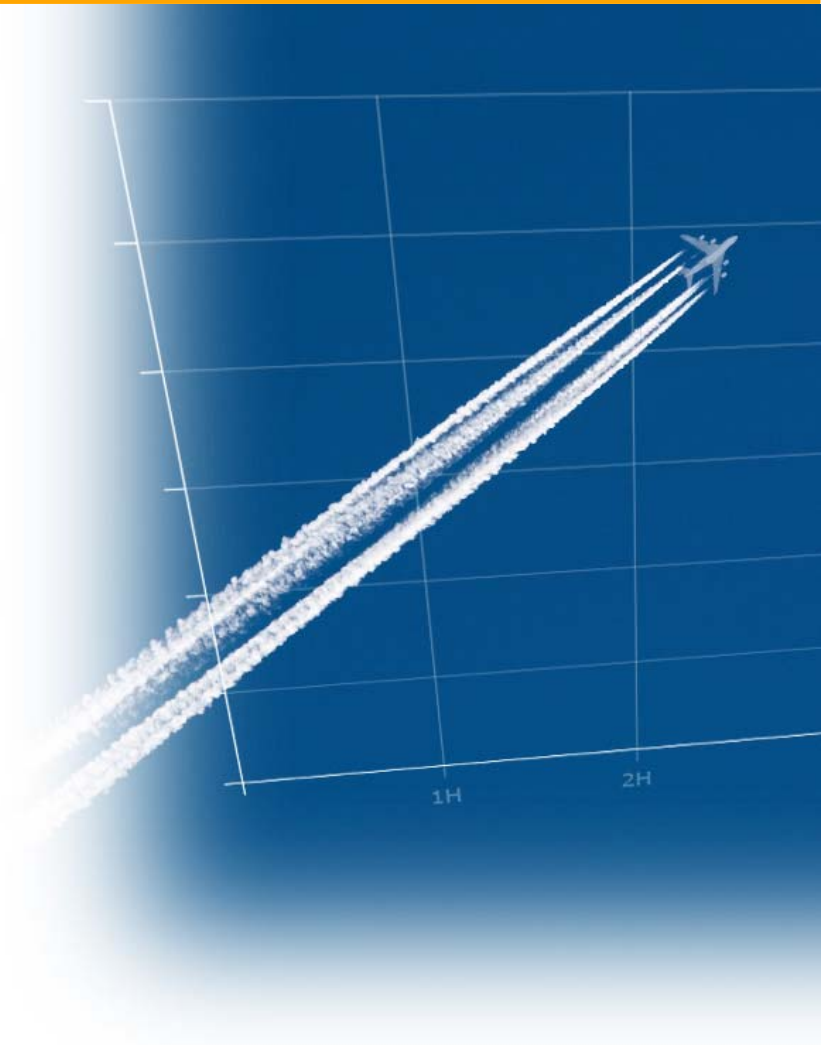
ACMI above **minimum flying**

Introduction of **747-8F**

Increased  
**Commercial Charter** demand

Substantially **lower**  
**maintenance expense**

Continuous improvement  
**productivity gains & cost control**



# Our Forecasted Year-End 2012 Operating Fleet



## 24 Boeing 747-400 Freighters

21 747-400Fs  
3 747-400BCFs



## 7\* Boeing 747-8Fs

2 on order  
Options for 14 additional 747-8F



## 4 Boeing Large Cargo Freighters (LCFs)

Customer-owned



## 4 Boeing 747-400 Passenger

2 Custom Aircraft (customer-owned)  
2 Boeing 747-400s



## 3 Boeing 767-300ER Passenger



## 5 Boeing 767-200 Freighters



\* Reflects termination of three early build 747-8Fs due to delays and performance considerations.

# Atlas Strategic Fleet Plan

## Aircraft placement/renewal projection

- On average, 3-4 ACMI contracts are up for renewal annually
- 9 747-8F enter service between 4Q11 and 1H13
- 1 747-200 aircraft retired in mid-2011; all remaining 747-200s retired by mid-2012
- 1 747-400BCF aircraft is returned in 2014
- 747-400 aircraft replace 747-200s in AMC and Commercial Charter
- **9 new, better-performing aircraft replace 7 older, lesser-performing aircraft**

## 2012-2014 Aircraft Placement Risk

	2012	2013	2014
<b>Required New Aircraft Placements</b>			
747-8F Deliveries	4.0	2.0	0.0
Avg. ACMI Contracts up for Renewal	3.5	3.5	3.5
<b>Total New Placements Required</b>	<b>7.5</b>	<b>5.5</b>	<b>3.5</b>
<b>Aircraft Retirements</b>			
747-200	(5.0)	0.0	0.0
747-400BCF	0.0	0.0	(1.0)
<b>Total Retirements</b>	<b>(5.0)</b>	<b>0.0</b>	<b>(1.0)</b>
<b>Net Placements Required</b>	2.5	5.5	2.5
<b>Increment (Under)/Over Typical Placements</b>	<b>(1.0)</b>	<b>2.0</b>	<b>(1.0)</b>

# AAWW Key Takeaways

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## 2011: Underlying core strength



**Above contract minimums in core ACMI**

**Sequential improvement in quarterly results**

**New business opportunities**

**Continued productivity gains and cost control**

# Q & A

AAWW Third-Quarter 2011 Review  
November 3, 2011



# Appendix

AAWW Third-Quarter 2011 Review  
November 3, 2011



# Current Earnings and Future Growth

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## Our earnings and growth reflect...

- The **strategic actions we have taken** to transform our business and reduce our commercial and operating risk
- The complementary nature of our business segments and **our ability to optimize capacity allocations** among them
- **Our ability to leverage the global scale and scope of our business** to capitalize on profitable market opportunities and strong market conditions
- **The innovative, value-added solutions we deliver for our customers**



# Current Earnings and Future Growth (continued)

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## Our earnings and growth reflect...

- A solid **track record of execution**
- **Sustainable core earnings growth**
- The **global nature of our business**
- **Global airfreight tonnage at record levels and expected to grow**
  - Above-average growth on Asian routes—*where we fly*
- Tight supply of fuel-efficient, high-payload wide-body freighter aircraft



# Income Statement

In \$Millions	3Q11	3Q10	QoQ
<b>Total Revenue</b>	<b>\$ 362.9</b>	<b>\$ 326.7</b>	<b>11.1%</b>
Aircraft Fuel	103.7	74.2	39.7%
Labor	61.9	56.2	10.1%
Maintenance	47.8	44.7	6.8%
<b>Operating Expenses</b>	<b>319.4</b>	<b>271.8</b>	<b>17.5%</b>
Income before income taxes	45.8	55.2	-17.0%
Income taxes	17.5	21.2	-17.6%
<b>Net Income Attributable to Common Stockholders</b>	<b>28.2</b>	<b>33.8</b>	<b>-16.6%</b>
<i>Margin%</i>	<i>7.8%</i>	<i>10.3%</i>	<i>(2.6)</i>
<b>EBT</b>	<b>45.8</b>	<b>55.2</b>	<b>-17.1%</b>
<i>Margin%</i>	<i>12.6%</i>	<i>16.9%</i>	<i>(4.3)</i>
<b>EBITDAR, as adjusted*</b>	<b>94.4</b>	<b>101.9</b>	<b>-7.4%</b>
<i>Margin%</i>	<i>26.0%</i>	<i>31.2%</i>	<i>(5.2)</i>
<b>Diluted EPS</b>	<b>1.07</b>	<b>1.29</b>	<b>-17.1%</b>



Percentage changes subject to rounding

\*EBITDAR, as adjusted: Earnings before interest, taxes, depreciation, amortization, aircraft rent expense, net accrual for legal settlements, and gain on disposal of assets, as applicable.

# Cash Flow Statement

In \$Millions	9M11	9M10
<b>Beginning Balance</b>	\$ 588.9	\$ 613.7
<b>Cash from operating activities</b>	118.6	214.1
Capital expenditures	(205.4)	(59.6)
Changes in restricted cash	(120.3)	-
Investment in debt securities	-	(100.1)
Other investing activities	5.8	9.4
<b>Cash (used in) from investing activities</b>	<b>(319.8)</b>	<b>(150.3)</b>
Payments on debt	(87.2)	(152.3)
Proceeds from loan	120.3	20.6
Other financing activities	(3.4)	(0.6)
<b>Cash (used in) from financing activities</b>	<b>29.6</b>	<b>(132.3)</b>
<b>Ending Balance*</b>	<b>\$ 417.4</b>	<b>\$ 545.3</b>



\* Restricted cash is excluded from 9M11 ending balance.

# Operating Statistics Summary

	3Q11	3Q10	QoQ
<b>Fleet (avg. during the period)</b>	34.4	30.2	13.9%
<b>Block Hours</b>			
ACMI	26,426	24,251	9.0%
AMC Charter	5,033	3,729	35.0%
Commercial Charter	3,358	5,090	-34.0%
Non revenue	366	207	76.8%
Total Block Hours	35,183	33,277	5.7%
<b>Revenue Per Block Hour</b>			
ACMI	\$ 6,184	\$ 5,966	3.7%
AMC Charter	24,355	19,444	25.3%
Commercial Charter	20,951	20,441	2.5%
<b>Fuel</b>			
<b>AMC</b>			
Average fuel cost per gallon	\$ 3.97	\$ 2.68	48.1%
Fuel gallons consumed (000s)	16,108	12,280	31.2%
<b>Commercial Charter</b>			
Average fuel cost per gallon	\$ 3.20	\$ 2.32	37.9%
Fuel gallons consumed (000s)	12,414	17,786	-30.2%

# Reconciliation to Non-GAAP Measures

\$ in millions, except per share data	For the Three Months Ended		
	Sept. 30, 2011	June 30, 2011	March 31, 2011
<b>Net Income Attributable to Common Stockholders</b>	\$ 28,206	\$ 23,847	\$ 10,516
After-tax impact from:			
Gain on disposal of aircraft	(104)	(115)	(76)
<b>Adjusted Net Income Attributable to Common Stockholders</b>	\$ 28,102	\$ 23,732	\$ 10,440
<b>Diluted EPS</b>	\$ 1.07	\$ 0.90	\$ 0.40
After-tax impact from:			
Gain on disposal of aircraft	-	-	-
<b>Adjusted Diluted EPS</b>	\$ 1.07	\$ 0.90	\$ 0.40



\* See Appendix for GAAP reconciliations of special items for the three months ended March 31, June 30 and September 30, 2011.

# Reconciliation to Non-GAAP Measures

For the Three Months Ended

	Sept. 30, 2011	Sept. 30, 2010	Percent Change
<b>Net Income Attributable to Common Stockholders</b>	\$ 28,206	\$ 33,804	(16.6%)
After-tax impact from:			
Gain on disposal of aircraft	(104)	(101)	
<b>Adjusted Net Income Attributable to Common Stockholders</b>	\$ 28,102	\$ 33,703	(16.6%)
<b>Diluted EPS</b>	\$ 1.07	\$ 1.29	(17.1%)
After-tax impact from:			
Gain on disposal of aircraft	-	-	
<b>Adjusted Diluted EPS</b>	\$ 1.07	\$ 1.29	(17.1%)



# Reconciliation to Non-GAAP Measures

## For the Three Months Ended

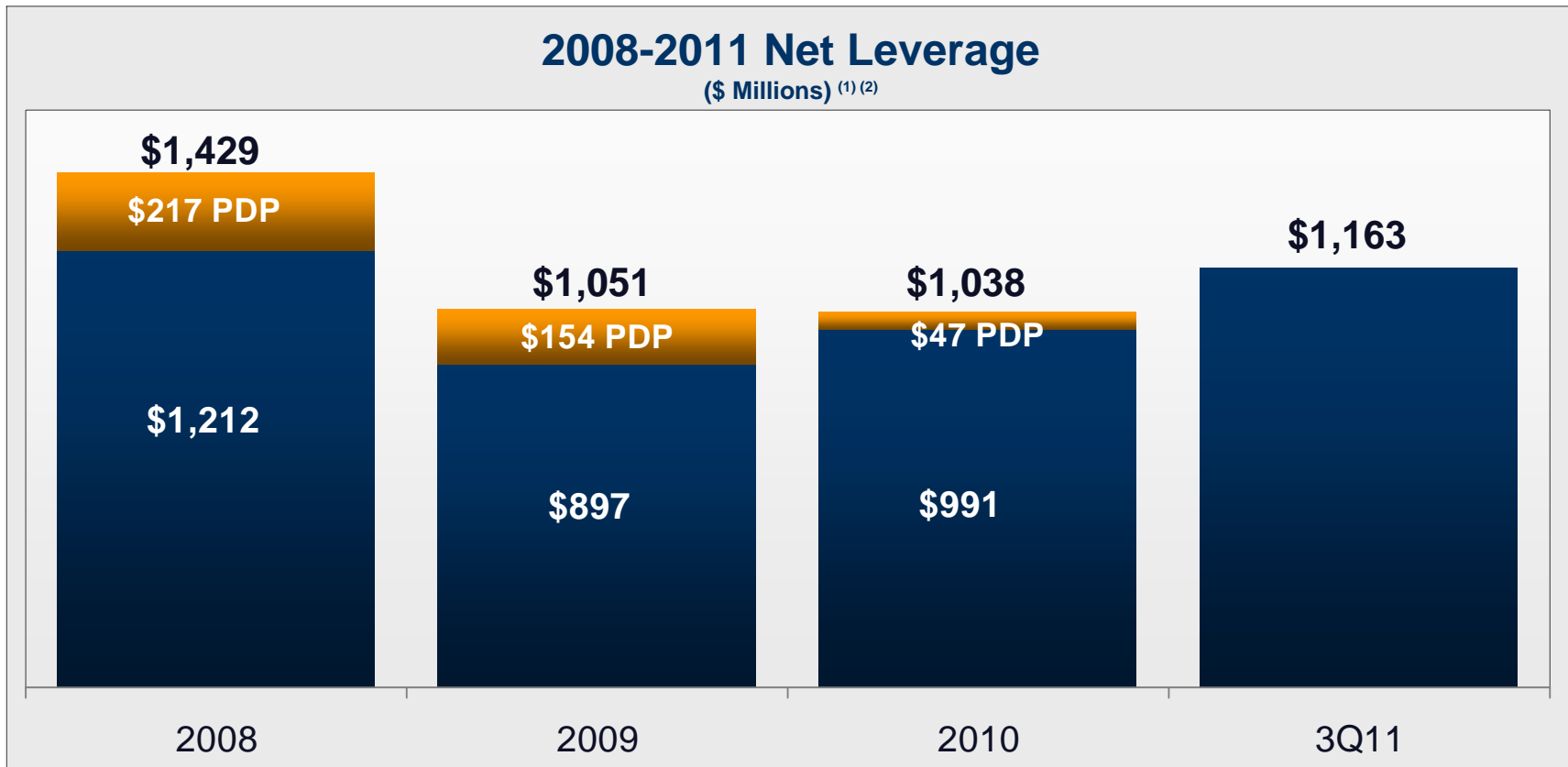
	Sept. 30, 2011	Sept. 30, 2010	Percent Change
<b>Income before income taxes</b>	\$ 45,806	\$ 55,225	(17.1%)
Gain on disposal of aircraft	(163)	(161)	
<b>Pretax income before gain on disposal of aircraft</b>	45,643	55,064	(17.1%)
Interest expense, net	(2,185)	285	
Other non-operating expenses	(121)	(614)	
<b>Operating income before non-operating items and gain on disposal of aircraft</b>	43,337	54,735	
Depreciation and amortization	9,964	8,403	
<b>EBITDA, as adjusted*</b>	53,301	63,138	
Aircraft rent	41,055	38,764	
<b>EBITDAR, as adjusted*</b>	\$ 94,356	\$ 101,902	(7.4%)



EBITDA, as adjusted: Earnings before interest, taxes, depreciation, amortization, and gain on disposal of assets, as applicable.

\*EBITDAR, as adjusted: Earnings before interest, taxes, depreciation, amortization, aircraft rent expense, and gain on disposal of assets, as applicable.

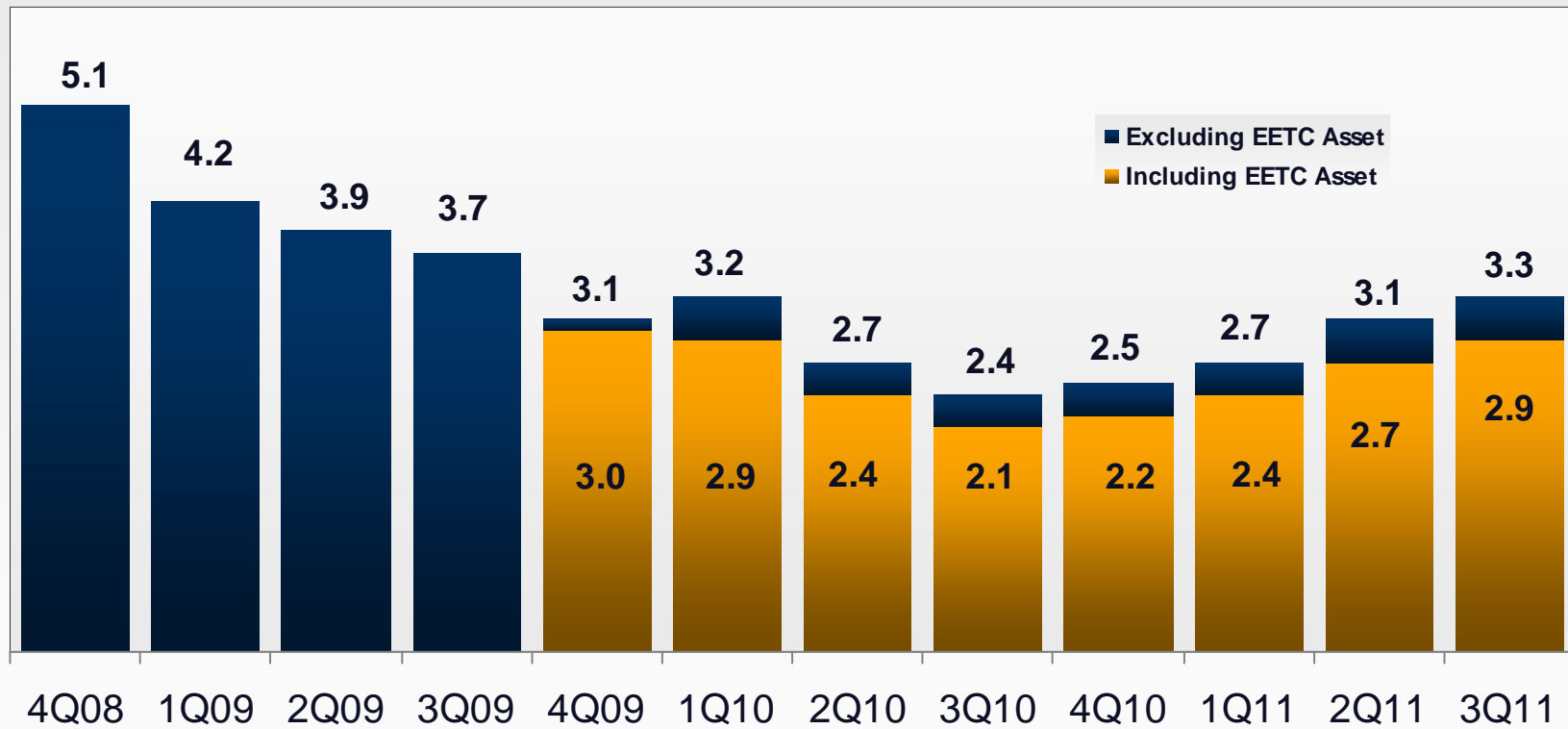
# AAWW Net Leverage



(1) Net Leverage = (Face Debt + TTM Capitalized Rents) – (Cash, Restricted Cash & S-T Investments)  
 (2) 3Q11 amount reflects \$120 of restricted cash on September 30 applied to acquisition of first 747-8 freighter in 4Q11

# AAWW Leverage Trends

2008-2011 Net Leverage / EBITDAR Ratio





*Thank you.*

