



**ATLAS AIR WORLDWIDE HOLDINGS, INC.**

**Management's Report**

**2009 Annual Meeting of Stockholders**

**New York, New York**

**May 22, 2009**

**Remarks by William J. Flynn  
President and Chief Executive Officer**

## **Atlas Air Worldwide Holdings Annual Meeting**

**May 22, 2009  
New York City**

Welcome to the 2009 Atlas Air Worldwide Holdings annual meeting of stockholders.

On behalf of the management team and our employees worldwide, I'd like to thank you for attending today and being part of this exciting time for our Company.

Before I begin, I'd like to remind you that my comments may include some forward-looking statements, and I need to remind you of the usual disclaimers:

- These statements are subject to many risks and uncertainties;
- These risks and uncertainties may cause actual results to be materially different from any future results, express or implied;
- And that for additional information, you should read the "Risk Factors" in our 2008 Form 10-K, which we filed with the SEC on February 26.

When we gathered for last year's annual meeting, we met under a forecast of cloudy skies for the aviation industry.

All too well, we know the storm that followed.

Record high fuel prices in the first half of 2008 were accompanied by the ongoing impact of global recession in the second half.

Rather than the usual pre-holiday peak season, global airfreight traffic experienced a pronounced downturn that has continued into 2009.

The storm clouds of 2008 and early 2009 appear to be dissipating, and global markets have hopefully begun a bottoming process.

While it is too early to forecast any meaningful recovery, Atlas Air Worldwide Holdings is well-positioned – operationally, financially and strategically – to deliver substantial earnings growth in 2009.

Our outlook for 2009 reflects the strategic actions we have taken to transform our business and to limit our commercial and operational risk.

It also reflects our solid financial platform, and our high level of liquidity.

Several key achievements in 2008 have positioned us for stronger operating results in 2009.

- Most importantly, the successful start-up of our strategic joint venture with DHL Express has transformed our Scheduled Service aircraft assets – which were burdened by fuel-price and load risks – into ACMI-like contributors with predictable revenues and margins.
- In addition, we exceeded our goal of \$100 million of annualized savings from our Continuous Improvement initiatives.

We accomplished this during the second quarter, six months ahead of our target.

Having exceeded our goal, we continue to identify and achieve additional cost savings.

- We accessed the capital markets for \$370 million of new financing on favorable terms.
- We continued to de-risk our fleet plan through the retirement of our aging 747-200 assets, and we aggressively reduced costs in line with the reductions in capacity.
- And we exceeded our service-quality performance goals.

We often talk about our service quality, and how important it is to differentiate our Company from our competitors.

In today's challenging global business climate, our customers are looking to us for:

- Leadership;
- Value-added thinking; and
- Game-changing solutions that contribute to business growth.

So I am pleased to let you know that the recent annual Air Cargo Excellence Awards, a survey of freight forwarders, has recognized our ACMI customer – Emirates SkyCargo – as the #1 cargo airline for customer service, performance, and overall value.

Polar Air Cargo Worldwide received an overall “excellent” rating.

In addition, Qantas was a top-ten pick, and British Airways was in the top 20...

And both received “excellent” ratings, as well.

The outstanding metrics that our customers and Polar have achieved are the direct result of the strong efforts and commitment of our operating teams and crew.

Our business strategies – and our focus on delivering exceptional service and value to our customers – enabled us to deliver solid earnings from operations before special items in 2008, despite the extraordinary market environment in which we operated.

They have also positioned us for future earnings growth.

In 2008, our net earnings totaled \$63.7 million, or \$2.97 per diluted share.

Operating results benefited from the transformation of Polar’s scheduled-service operation to full express network ACMI service for DHL and other Polar customers in late October.

They also benefited from the resilience and quality of our ACMI and AMC military charter operations.

Earnings for the year included special items that had a combined net after-tax impact of \$30.3 million, or \$1.41 per share.

These reflected a gain on DHL Express’ investment in Polar Air Cargo Worldwide, as well as a largely non-cash charge associated with the retirement and impairment of our 747-200 freighter fleet.

Aggressive management action with respect to our older-generation Classic fleet has permitted us to avoid costly maintenance expenditures with respect to these aircraft.

It has also enabled us to use the remaining 747-200 engines and related parts to support the aircraft still in our 747-200 fleet, which will further reduce future maintenance expenditures.

On May 5, we reported record first-quarter earnings.

Earnings for the period that ended on March 31, 2009, reflected the first full quarter of contribution from our express network ACMI operations.

They also provided the first clear indication that the transformation of our business model has enhanced the quality and visibility of our earnings.

The strategic transformation of our business model, together with:

- Our aggressive fleet management actions,

- Continuous Improvement gains, and
- Solid AMC demand,

...Drove first-quarter net income, which totaled \$23.4 million, or \$1.12 per share.

Excluding one-time items, pretax earnings totaled nearly \$25.0 million for the quarter.

Our strong operating results reflect the de-risking of our business model.

And they were achieved in spite of a 20-percent-plus decline in global airfreight traffic compared with the first quarter of 2008.

With the transformation of our business model, our core earnings from operations should be less seasonal in 2009 than in the past.

Nevertheless, we still expect to experience some quarter-to-quarter variability in our earnings pattern, largely due to the uneven timing of aircraft maintenance expenditures, which usually are higher in the first half of the year than in the second half.

Recent industry data and economic reports suggest that the pace of the deep declines that we have seen in global airfreight and business activity over the past two quarters is leveling off and a bottom may be forming.

We continue to see accelerated retirement of aging and inefficient capacity from the marketplace, due to soft demand and concerns about prospective fuel-price levels.

This will mitigate the impact of the overall reduction in airfreight demand.

Any improvement in demand, therefore, could have an early and meaningful impact on Atlas given:

- The capacity reductions that are taking place;
- Delays in the deliveries of newer-generation freighters; and
- The drop off in 747-400 freighter conversions.

Even in this difficult and uncertain market environment, we see an exciting and dynamic future for Atlas Air Worldwide Holdings.

We are the leading outsource provider of global airfreight asset and operating solutions.

And we are positioned to substantially improve earnings in 2009.

We provide our customers unparalleled access to the most modern and efficient freighters.

We provide them operational expertise that is unmatched in the airfreight industry.

And we work with our customers as true consultants, helping to drive platform optimization and enhanced efficiencies.

We continue to execute on initiatives that will drive future revenues and earnings, especially the introduction of the next-generation 747-8 freighter into our fleet.

We are the only outsource operator with an order position in the 747-8F.

While the expected delivery date of the first of our 12 747-8Fs has moved to late 2010 at the earliest, we continue to look forward to providing our customers with a cutting-edge aircraft that offers superior payload and operating economics.

In closing, I want to thank each of our employees for their extraordinary efforts on behalf of our customers and our stockholders.

In a difficult environment, it is the dedication and expertise of our people – unmatched in the industry – that has enabled us to stay focused on our business plan and to position the Company for continued growth.

Thank you very much for your participation today.

And thank you for your interest in Atlas Air Worldwide Holdings.