

**Atlas Air Worldwide Holdings, Inc.**  
**Consolidated Statements of Operations**  
*(in thousands, except per share data)*  
*(Unaudited)*

	<b>For the Three Months Ended</b>		<b>For the Nine Months Ended</b>	
	<b>September 30, 2015</b>	<b>September 30, 2014</b>	<b>September 30, 2015</b>	<b>September 30, 2014</b>
<b>Operating Revenue</b>				
ACMI	\$ 197,020	\$ 184,068	\$ 575,322	\$ 568,929
Charter	225,068	252,855	680,642	655,462
Dry Leasing	23,915	25,411	83,235	75,611
Other	3,901	3,467	11,383	10,331
Total Operating Revenue	<u>\$ 449,904</u>	<u>\$ 465,801</u>	<u>\$ 1,350,582</u>	<u>\$ 1,310,333</u>
<b>Operating Expenses</b>				
Aircraft fuel	87,330	115,690	262,156	301,276
Salaries, wages and benefits	86,434	78,834	262,069	229,637
Maintenance, materials and repairs	41,899	35,084	142,169	144,516
Aircraft rent	36,811	34,183	107,883	104,419
Depreciation and amortization	32,787	29,865	96,753	88,401
Travel	27,555	21,642	72,198	57,698
Navigation fees, landing fees and other				
Rent	25,413	35,336	71,582	93,368
Passenger and ground handling services	20,504	24,876	61,820	66,106
Loss on disposal of aircraft	208	-	1,531	14,679
Special charge	7,674	90	7,605	9,567
Other	34,294	29,212	97,567	84,890
Total Operating Expenses	<u>400,909</u>	<u>404,812</u>	<u>1,183,333</u>	<u>1,194,557</u>
Operating Income	<u>48,995</u>	<u>60,989</u>	<u>167,249</u>	<u>115,776</u>
<b>Non-operating Expenses (Income)</b>				
Interest income	(2,040)	(4,588)	(10,953)	(14,034)
Interest expense	22,110	25,960	71,691	78,777
Capitalized interest	(556)	(44)	(759)	(423)
Loss on early extinguishment of debt	66,729	-	66,729	-
Gain on investments	(13,439)	-	(13,439)	-
Other expense (income), net	1,364	767	1,755	831
Total Non-operating Expenses	<u>74,168</u>	<u>22,095</u>	<u>115,024</u>	<u>65,151</u>
Income (loss) before income taxes	(25,173)	38,894	52,225	50,625
Income tax expense (benefit)	(12,419)	11,318	7,357	(9,958)
<b>Net Income (Loss)</b>	<u>(12,754)</u>	<u>27,576</u>	<u>44,868</u>	<u>60,583</u>
Less: Net income (loss) attributable to noncontrolling interests	-	-	-	(4,530)
<b>Net Income (Loss) Attributable to Common Stockholders</b>	<u>\$ (12,754)</u>	<u>\$ 27,576</u>	<u>\$ 44,868</u>	<u>\$ 65,113</u>
<b>Earnings per share:</b>				
Basic	<u>\$ (0.51)</u>	<u>\$ 1.10</u>	<u>\$ 1.81</u>	<u>\$ 2.59</u>
Diluted	<u>\$ (0.51)</u>	<u>\$ 1.10</u>	<u>\$ 1.80</u>	<u>\$ 2.59</u>
<b>Weighted average shares:</b>				
Basic	<u>24,798</u>	<u>24,983</u>	<u>24,771</u>	<u>25,106</u>
Diluted	<u>24,798</u>	<u>25,064</u>	<u>24,947</u>	<u>25,164</u>

**Atlas Air Worldwide Holdings, Inc.**  
**Consolidated Balance Sheets**  
*(in thousands, except share data)*  
*(Unaudited)*

	<b>September 30, 2015</b>	<b>December 31, 2014</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 376,695	\$ 298,601
Short-term investments	1,866	17,802
Restricted cash	11,085	14,281
Accounts receivable, net of allowance of \$1,163 and \$1,658, respectively	169,676	162,092
Prepaid maintenance	6,398	20,806
Deferred taxes	41,669	40,923
Prepaid expenses and other current assets	29,017	51,599
Total current assets	636,406	606,104
<b>Property and Equipment</b>		
Flight equipment	3,520,413	3,448,791
Ground equipment	57,522	51,418
Less: accumulated depreciation	(425,504)	(348,036)
Purchase deposits for flight equipment	54,548	20,054
Property and equipment, net	3,206,979	3,172,227
<b>Other Assets</b>		
Long-term investments and accrued interest	44,052	120,478
Deposits and other assets	80,208	80,258
Intangible assets, net	60,694	67,410
<b>Total Assets</b>	\$ 4,028,339	\$ 4,046,477
<b>Liabilities and Equity</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 60,338	\$ 42,864
Accrued liabilities	257,954	251,594
Current portion of long-term debt <sup>1,2</sup>	152,421	181,202
Total current liabilities	470,713	475,660
<b>Other Liabilities</b>		
Long-term debt <sup>1,2</sup>	1,642,424	1,736,739
Deferred taxes	358,259	350,868
Other liabilities	69,402	65,415
Total other liabilities	2,070,085	2,153,022
Commitments and contingencies		
<b>Equity</b>		
Stockholders' Equity		
Preferred stock, \$1 par value; 10,000,000 shares authorized; no shares issued	—	—
Common stock, \$0.01 par value; 50,000,000 shares authorized; 28,946,645 and 28,561,160 shares issued, 24,631,001 and 24,807,718, shares outstanding (net of treasury stock), as of September 30, 2015 and December 31, 2014, respectively	290	286
Additional paid-in-capital	623,554	573,133
Treasury stock, at cost; 4,315,644 and 3,753,442 shares, respectively	(171,715)	(145,322)
Accumulated other comprehensive loss	(8,726)	(9,572)
Retained earnings	1,044,138	999,270
Total equity	1,487,541	1,417,795
<b>Total Liabilities and Equity</b>	\$ 4,028,339	\$ 4,046,477

<sup>1</sup> Balance sheet debt at September 30, 2015 totaled \$1,794.8 million, including the impact of \$51.0 million of unamortized discount and debt issuance costs of \$53.1 million.

<sup>2</sup> The face value of our debt at September 30, 2015 totaled \$1,898.9 million, compared with \$2,009.0 million on December 31, 2014.

**Atlas Air Worldwide Holdings, Inc.**  
**Consolidated Statements of Cash Flows**

(in thousands)  
(Unaudited)

	<b>For the Nine Months Ended</b>	
	<b>September 30, 2015</b>	<b>September 30, 2014</b>
<b>Operating Activities:</b>		
Net Income	44,868	60,583
Adjustments to reconcile Net Income to net cash provided by operating activities:		
Depreciation and amortization	110,872	101,493
Accretion of debt securities discount	(4,316)	(6,022)
Provision for allowance for doubtful accounts	61	420
Special charge, net of cash payment	6,589	6,484
Loss on early extinguishment of debt	66,729	—
Loss on disposal of aircraft	1,531	14,679
Deferred taxes	6,417	(10,282)
Stock-based compensation expense	14,481	9,769
Changes in:		
Accounts receivable	(4,920)	(27,147)
Prepaid expenses and other current assets	24,311	36,931
Deposits and other assets	666	(5,978)
Accounts payable and accrued liabilities	(1,440)	(12,402)
Net cash provided by operating activities	265,849	168,528
<b>Investing Activities:</b>		
Capital expenditures	(33,835)	(17,509)
Purchase deposits and payments for flight equipment	(77,502)	(502,782)
Changes in restricted cash	3,196	(7,072)
Proceeds from investments	76,752	2,886
Proceeds from disposal of aircraft	25,166	—
Net cash used for investing activities	(6,223)	(524,477)
<b>Financing Activities:</b>		
Proceeds from debt issuance	224,500	572,552
Customer maintenance reserves received	12,250	12,950
Customer maintenance reserves paid	(1,752)	—
Proceeds from sale of warrants	36,290	—
Payments for convertible note hedges	(52,903)	—
Proceeds from stock option exercises	1,193	—
Excess tax benefit from stock-based compensation expense	588	—
Payment of debt issuance costs	(6,804)	(17,117)
Purchase of treasury stock	(26,393)	(19,479)
Payment of debt extinguishment costs	(34,014)	—
Payments of debt	(334,487)	(252,549)
Net cash (used for) provided by financing activities	(181,532)	296,357
Net increase (decrease) in cash and cash equivalents	78,094	(59,592)
Cash and cash equivalents at the beginning of period	298,601	321,816
Cash and cash equivalents at the end of period	\$ 376,695	\$ 262,224
<b>Non-cash Investing and Financing Activities:</b>		
Acquisition of flight and ground equipment included in Accounts payable and Accrued liabilities	\$ 18,321	\$ 29,087
Disposition of aircraft included in Accounts receivable	\$ —	\$ 5,072

**Atlas Air Worldwide Holdings, Inc.**  
**Direct Contribution**  
*(in thousands)*  
*(Unaudited)*

	<b>For the Three Months Ended</b>		<b>For the Nine Months Ended</b>	
	<b>September 30, 2015</b>	<b>September 30, 2014</b>	<b>September 30, 2015</b>	<b>September 30, 2014</b>
<b>Operating Revenue:</b>				
ACMI	\$ 197,020	\$ 184,068	\$ 575,322	\$ 568,929
Charter	225,068	252,855	680,642	655,462
Dry Leasing	23,915	25,411	83,235	75,611
Other	3,901	3,467	11,383	10,331
<b>Total Operating Revenue</b>	<b>\$ 449,904</b>	<b>\$ 465,801</b>	<b>\$ 1,350,582</b>	<b>\$ 1,310,333</b>
<b>Direct Contribution:</b>				
ACMI	\$ 46,991	\$ 54,974	\$ 138,051	\$ 145,107
Charter	29,496	16,299	84,974	20,306
Dry Leasing	7,673	8,721	34,092	25,630
<b>Total Direct Contribution</b>	<b>\$ 84,160</b>	<b>\$ 79,994</b>	<b>\$ 257,117</b>	<b>\$ 191,043</b>
Add back (subtract):				
Unallocated income and expenses, net <sup>1</sup>	(48,161)	(41,010)	(142,466)	(116,172)
Loss on early extinguishment of debt	(66,729)	-	(66,729)	-
Gain on investments	13,439	-	13,439	-
Special charge	(7,674)	(90)	(7,605)	(9,567)
Loss on disposal of aircraft	(208)	-	(1,531)	(14,679)
<b>Income (loss) before Income Taxes</b>	<b>(25,173)</b>	<b>38,894</b>	<b>52,225</b>	<b>50,625</b>
Add back (subtract):				
Interest income	(2,040)	(4,588)	(10,953)	(14,034)
Interest expense	22,110	25,960	71,691	78,777
Capitalized interest	(556)	(44)	(759)	(423)
Loss on early extinguishment of debt	66,729	-	66,729	-
Gain on investments	(13,439)	-	(13,439)	-
Other expense (income), net	1,364	767	1,755	831
<b>Operating Income</b>	<b>\$ 48,995</b>	<b>\$ 60,989</b>	<b>\$ 167,249</b>	<b>\$ 115,776</b>

Atlas Air Worldwide uses an economic performance metric, Direct Contribution, to show the profitability of each of its segments after allocation of direct ownership costs. Atlas Air Worldwide currently has the following reportable segments: ACMI, Charter, and Dry Leasing. Each segment has different operating and economic characteristics, which are separately reviewed by our chief operating decision maker.

Direct Contribution consists of income (loss) before taxes, excluding special charges, nonrecurring items, gains (losses) on the sale of aircraft, and unallocated fixed costs.

Direct costs include crew costs, maintenance costs, fuel, ground operations, sales costs, aircraft rent, interest expense related to aircraft debt and aircraft depreciation.

Unallocated income and expenses include corporate overhead, non-aircraft depreciation, unallocated interest expense and income, foreign exchange gains and losses, other revenue and other non-operating costs, including unusual items and certain noncash income and expenses.

<sup>1</sup> During the first quarter of 2015, we revised the methodology for allocating certain unallocated expenses to our segments. Prior period information has been adjusted consistently to reflect this change.



**Atlas Air Worldwide Holdings, Inc.**  
**Reconciliation to Non-GAAP Measures**  
*(in thousands, except per share data)*  
*(Unaudited)*

	<b>For the Three Months Ended</b>	
	<b>September 30, 2015</b>	<b>September 30, 2014</b>
<b>Net Cash Provided by Operating Activities</b>	\$ 94,752	\$ 61,402
Less:		
Capital expenditures	11,718	6,856
Capitalized interest	556	44
<b>Free Cash Flow<sup>1</sup></b>	<b>\$ 82,478</b>	<b>\$ 54,502</b>

	<b>For the Nine Months Ended</b>	
	<b>September 30, 2015</b>	<b>September 30, 2014</b>
<b>Net Cash Provided by Operating Activities</b>	\$ 265,849	\$ 168,528
Less:		
Capital expenditures	33,835	17,509
Capitalized interest	759	423
<b>Free Cash Flow<sup>1</sup></b>	<b>\$ 231,255</b>	<b>\$ 150,596</b>

<sup>1</sup> Free Cash Flow = Cash Flows from Operations minus Base Capital Expenditures and Capitalized Interest.  
Base Capital Expenditures excludes purchases of aircraft.

**Atlas Air Worldwide Holdings, Inc.**  
**Reconciliation to Non-GAAP Measures**

*(in thousands)*  
*(Unaudited)*

	<u>For the Three Months Ended</u>		<u>For the Nine Months Ended</u>	
	<u>September 30, 2015</u>	<u>September 30, 2014</u>	<u>September 30, 2015</u>	<u>September 30, 2014</u>
<b>Income (loss) before income taxes</b>	\$ (25,173)	\$ 38,894	\$ 52,225	\$ 50,625
Noncash interest expenses and income, net	1,835	39	2,662	(225)
Loss on disposal of aircraft	208	-	1,531	14,679
Special charge <sup>1</sup>	7,674	90	7,605	9,567
Accrual for legal matters and U.S. class action professional fees	1,539	-	1,539	469
Loss on early extinguishment of debt	66,729	-	66,729	-
Gain on investments	(13,439)	-	(13,439)	-
<b>Adjusted pretax income</b>	39,373	39,023	118,852	75,115
Interest (income) expense, net <sup>2</sup>	18,276	21,886	59,106	66,335
Other non-operating expenses (income)	1,364	767	1,755	831
<b>Adjusted operating income</b>	59,013	61,676	179,713	142,281
Depreciation and amortization	32,787	29,865	96,753	88,401
<b>EBITDA, as adjusted<sup>3</sup></b>	91,800	91,541	276,466	230,682
Aircraft rent	36,214	33,586	106,094	102,629
<b>EBITDAR, as adjusted<sup>4</sup></b>	<u>\$ 128,014</u>	<u>\$ 125,127</u>	<u>\$ 382,560</u>	<u>\$ 333,311</u>

<sup>1</sup> Included in Special charge in 2015 were costs related to the early termination of high-rate operating leases for two engines. Included in Special charge in 2014 were employee termination benefits, a loan reserve and tax adjustments related to GSS, and adjustments to lease termination costs for two 747-400BCFs.

<sup>2</sup> Reflects impact of noncash expenses and income related convertible notes, debt and investments.

<sup>3</sup> Adjusted EBITDA: Earnings before interest, taxes, depreciation, amortization, noncash interest expenses and income, net, loss on disposal of aircraft, special charge, accrual for legal matters, loss on early extinguishment of debt, and gain on investments, as applicable.

<sup>4</sup> Adjusted EBITDAR: Earnings before interest, taxes, depreciation, amortization, aircraft rent expense, noncash interest expenses and income, net, loss on disposal of aircraft, special charge, accrual for legal matters, loss on early extinguishment of debt, and gain on investments, as applicable.

**Atlas Air Worldwide Holdings, Inc.**  
**Operating Statistics and Traffic Results**  
*(Unaudited)*

	For the Three Months Ended			For the Nine Months Ended		
	September 30,		Increase/ (Decrease)	September 30,		Increase/ (Decrease)
	2015	2014		2015	2014	
<b>Block Hours</b>						
ACMI	32,072	28,096	3,976	92,490	83,770	8,720
Charter						
Cargo	8,564	8,675	(111)	26,047	22,145	3,902
Passenger	3,767	4,007	(240)	11,247	10,210	1,037
Other	506	261	245	1,140	796	344
Total Block Hours	<u>44,909</u>	<u>41,039</u>	<u>3,870</u>	<u>130,924</u>	<u>116,921</u>	<u>14,003</u>
<b>Revenue Per Block Hour</b>						
ACMI	\$ 6,143	\$ 6,551	\$ (408)	\$ 6,220	\$ 6,792	\$ (572)
Charter	18,252	19,938	(1,686)	18,251	20,258	(2,007)
Cargo	17,762	19,860	(2,098)	17,736	20,036	(2,300)
Passenger	19,366	20,107	(741)	19,443	20,741	(1,298)
<b>Average Utilization (block hours per day)</b>						
ACMI <sup>1</sup>	9.1	9.6	(0.5)	9.3	9.4	(0.1)
Charter						
Cargo	9.5	9.2	0.3	9.6	8.4	1.2
Passenger	9.5	9.5	-	8.8	8.0	0.8
All Operating Aircraft <sup>1,2</sup>	<u>9.3</u>	<u>9.5</u>	<u>(0.2)</u>	<u>9.4</u>	<u>9.1</u>	<u>0.3</u>
<b>Charter</b>						
<b>Fuel</b>						
Average fuel cost per gallon	\$ 2.38	\$ 3.17	\$ (0.79)	\$ 2.40	\$ 3.19	\$ (0.79)
Fuel gallons consumed (000s)	36,649	36,483	166	109,344	94,342	15,002

<sup>1</sup> ACMI and All Operating Aircraft averages in the third quarter and first nine months of 2015 reflect the impact of increases in the number of CMI aircraft and amount of CMI flying compared with the same periods of 2014.

<sup>2</sup> Average of All Operating Aircraft excludes Dry Leasing aircraft, which do not contribute to block-hour volumes.

**Atlas Air Worldwide Holdings, Inc.**  
**Operating Statistics and Traffic Results**  
*(Unaudited)*

	For the Three Months Ended			For the Nine Months Ended		
	September 30,		Increase/ (Decrease)	September 30,		Increase/ (Decrease)
	2015	2014		2015	2014	
<b>Segment Operating Fleet</b> (average aircraft equivalents during the period)						
<b>ACMI<sup>1</sup></b>						
747-8F Cargo	9.0	8.4	0.6	8.9	8.5	0.4
747-400 Cargo	12.8	11.1	1.7	12.1	11.8	0.3
747-400 Dreamlifter	2.9	3.0	(0.1)	3.0	3.1	(0.1)
767-300 Cargo	2.0	2.0	-	2.0	2.0	-
767-200 Cargo	9.0	5.0	4.0	8.1	5.0	3.1
747-400 Passenger	1.5	1.3	0.2	1.2	1.1	0.1
767-200 Passenger	1.0	1.0	-	1.0	1.0	-
767-300 Passenger	-	0.1	(0.1)	-	-	-
Total	<u>38.2</u>	<u>31.9</u>	<u>6.3</u>	<u>36.3</u>	<u>32.5</u>	<u>3.8</u>
<b>Charter</b>						
747-8F Cargo	-	0.5	(0.5)	0.1	0.5	(0.4)
747-400 Cargo	9.8	9.8	-	9.8	9.2	0.6
747-400 Passenger	1.4	1.6	(0.2)	1.8	1.8	-
767-300 Passenger	2.9	3.0	(0.1)	2.9	2.9	-
Total	<u>14.1</u>	<u>14.9</u>	<u>(0.8)</u>	<u>14.6</u>	<u>14.4</u>	<u>0.2</u>
<b>Dry Leasing</b>						
777-200 Cargo	6.0	6.0	-	6.0	5.9	0.1
757-200 Cargo	1.0	1.0	-	1.0	1.0	-
737-300 Cargo	1.0	1.0	-	1.0	1.0	-
737-800 Passenger	1.0	2.0	(1.0)	1.2	2.0	(0.8)
Total	<u>9.0</u>	<u>10.0</u>	<u>(1.0)</u>	<u>9.2</u>	<u>9.9</u>	<u>(0.7)</u>
<b>Total Operating Aircraft</b>	<u><u>61.3</u></u>	<u><u>56.8</u></u>	<u><u>4.5</u></u>	<u><u>60.1</u></u>	<u><u>56.8</u></u>	<u><u>3.3</u></u>
Out of Service <sup>2</sup>	-	1.0	(1.0)	0.6	1.0	(0.4)

<sup>1</sup> ACMI average fleet excludes spare aircraft provided by CMI customers.

<sup>2</sup> Out-of-service aircraft were temporarily parked during the period and are completely unencumbered.