

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

	For the Three Months Ended		For the Twelve Months Ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
<b>Operating Revenue</b>				
ACMI	\$ 209,162	\$ 202,297	\$ 778,091	\$ 755,008
Charter	251,214	251,125	906,676	852,452
Dry Leasing	24,448	13,324	100,059	35,168
Other	4,041	3,855	14,372	14,272
Total Operating Revenue	\$ 488,865	\$ 470,601	\$ 1,799,198	\$ 1,656,900
<b>Operating Expenses</b>				
Aircraft fuel	102,987	120,818	404,263	410,353
Salaries, wages and benefits	81,506	79,920	311,143	299,136
Maintenance, materials and repairs	59,051	29,820	203,567	162,972
Aircraft rent	35,971	41,662	140,390	160,415
Navigation fees, landing fees, and other rent	37,770	31,882	131,138	90,733
Depreciation and amortization	32,392	24,549	120,793	86,389
Passenger and ground handling services	20,714	20,394	86,820	72,503
Travel	21,501	17,935	79,199	61,420
Loss (gain) on disposal of aircraft	-	272	14,679	351
Special charge	5,547	18,642	15,114	18,642
Other	31,230	26,680	116,120	107,196
Total Operating Expenses	428,669	412,574	1,623,226	1,470,110
Operating Income	60,196	58,027	175,972	186,790
<b>Non-operating Expenses (Income)</b>				
Interest income	(4,446)	(4,810)	(18,480)	(19,813)
Interest expense	25,475	21,948	104,252	83,659
Capitalized interest	(30)	(365)	(453)	(2,350)
Loss on early extinguishment of debt	-	-	-	5,518
Other expense (income), net	273	539	1,104	1,954
Total Non-operating Expenses	21,272	17,312	86,423	68,968
Income before income taxes	38,924	40,715	89,549	117,822
Income tax expense (benefit)	(2,720)	12,513	(12,678)	23,833
<b>Net Income</b>	41,644	28,202	102,227	93,989
Less: Net income (loss) attributable to noncontrolling interests	-	(1,756)	(4,530)	152
<b>Net Income Attributable to Common Stockholders</b>	\$ 41,644	\$ 29,958	\$ 106,757	\$ 93,837
<b>Earnings per share:</b>				
Basic	\$ 1.68	\$ 1.20	\$ 4.26	\$ 3.67
Diluted	\$ 1.66	\$ 1.19	\$ 4.25	\$ 3.66
<b>Weighted average shares:</b>				
Basic	24,807	25,039	25,031	25,541
Diluted	25,018	25,159	25,127	25,627

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

	<b>December 31, 2014</b>	<b>December 31, 2013</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 298,601	\$ 321,816
Short-term investments	17,802	10,904
Restricted cash	14,281	6,491
Accounts receivable, net of allowance of \$1,658 and \$1,402, respectively	162,092	132,159
Prepaid maintenance	20,806	31,620
Deferred taxes	40,923	54,001
Prepaid expenses and other current assets	51,599	36,962
Total current assets	606,104	593,953
<b>Property and Equipment</b>		
Flight equipment	3,448,791	2,969,379
Ground equipment	51,418	46,951
Less: accumulated depreciation	(348,036)	(256,685)
Purchase deposits for flight equipment	20,054	69,320
Property and equipment, net	3,172,227	2,828,965
<b>Other Assets</b>		
Long-term investments and accrued interest	120,478	130,267
Deposits and other assets	135,401	131,216
Intangible assets, net	67,410	33,858
<b>Total Assets</b>	<b>\$ 4,101,620</b>	<b>\$ 3,718,259</b>
<b>Liabilities and Equity</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 42,864	\$ 65,367
Accrued liabilities	251,594	194,292
Current portion of long-term debt <sup>1,2</sup>	190,340	157,486
Total current liabilities	484,798	417,145
<b>Other Liabilities</b>		
Long-term debt <sup>1,2</sup>	1,782,744	1,539,139
Deferred taxes	350,868	371,655
Other liabilities	65,415	68,195
Total other liabilities	2,199,027	1,978,989
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; 28,561,160 and 28,200,213 shares issued, 24,807,718 and 25,038,629 shares outstanding (net of treasury stock), as of December 31, 2014 and December 31, 2013, respectively	286	282
Additional paid-in-capital	573,133	561,481
Treasury stock, at cost; 3,753,442 and 3,161,584 shares, respectively	(145,322)	(125,826)
Accumulated other comprehensive loss	(9,572)	(10,677)
Retained earnings	999,270	892,513
Total stockholders' equity	1,417,795	1,317,773
Noncontrolling interest	—	4,352
Total equity	1,417,795	1,322,125
<b>Total Liabilities and Equity</b>	<b>\$ 4,101,620</b>	<b>\$ 3,718,259</b>

<sup>1</sup> Balance sheet debt at December 31, 2014 totaled \$1,973.1 million, including the impact of \$35.9 million of unamortized discount.

<sup>2</sup> The face value of our debt at December 31, 2014 totaled \$2,009.0 million, compared with \$1,738.0 million on December 31, 2013.

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

(in thousands)  
(Unaudited)

	<b>For the Twelve Months Ended</b>	
	<b>December 31, 2014</b>	<b>December 31, 2013</b>
<b>Operating Activities:</b>		
Net Income Attributable to Common Stockholders	\$ 106,757	\$ 93,837
Net income (loss) attributable to noncontrolling interests	(4,530)	152
Net Income	102,227	93,989
Adjustments to reconcile Net Income to net cash provided by operating activities:		
Depreciation and amortization	138,324	101,671
Accretion of debt securities discount	(7,947)	(8,889)
Provision for allowance for doubtful accounts	643	178
Special charge	12,013	18,642
Loss on early extinguishment of debt	-	5,518
Loss (gain) on disposal of aircraft	14,679	351
Deferred taxes	(12,714)	22,856
Stock-based compensation expense	13,606	16,690
Changes in:		
Accounts receivable	(21,070)	(6,029)
Prepaid expenses and other current assets	27,079	(4,298)
Deposits and other assets	(3,474)	4,106
Accounts payable and accrued liabilities	9,779	57,308
Net cash provided by operating activities	273,145	302,093
<b>Investing Activities:</b>		
Capital expenditures	(24,920)	(29,531)
Purchase deposits and delivery payments for flight equipment	(519,399)	(573,416)
Changes in restricted cash	(7,790)	(6,491)
Proceeds from short-term investments	3,728	5,569
Proceeds from insurance	-	9,109
Proceeds from disposal of aircraft	-	4,780
Net cash used for investing activities	(548,381)	(589,980)
<b>Financing Activities:</b>		
Proceeds from debt issuance	572,552	709,484
Customer maintenance reserves received	17,555	2,907
Refund of accelerated share repurchase	-	21,886
Prepayment of accelerated share repurchase	-	(21,886)
Proceeds from stock option exercises	69	-
Purchase of treasury stock	(19,496)	(80,976)
Excess tax benefit from stock-based compensation expense	8	465
Payment of debt issuance costs	(17,117)	(19,769)
Payments of debt	(301,550)	(412,171)
Net cash provided by financing activities	252,021	199,940
Net decrease in cash and cash equivalents	(23,215)	(87,947)
Cash and cash equivalents at the beginning of period	321,816	409,763
Cash and cash equivalents at the end of period	\$ 298,601	\$ 321,816
<b>Non-cash Investing and Financing Activities:</b>		
Acquisition of flight equipment and assumed debt	\$ -	\$ 90,498
Acquisition of flight equipment included in Accounts payable and accrued liabilities	\$ 29,087	\$ 21,823
Disposition of aircraft included in Accounts receivable	\$ 5,072	\$ -

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

	<u>For the Three Months Ended</u>		<u>For the Twelve Months Ended</u>	
	<u>December 31, 2014</u>	<u>December 31, 2013</u>	<u>December 31, 2014</u>	<u>December 31, 2013</u>
<b>Operating Revenue:</b>				
ACMI	\$ 209,162	\$ 202,297	\$ 778,091	\$ 755,008
Charter	251,214	251,125	906,676	852,452
Dry Leasing	24,448	13,324	100,059	35,168
Other	4,041	3,855	14,372	14,272
<b>Total Operating Revenue</b>	<b><u>\$ 488,865</u></b>	<b><u>\$ 470,601</u></b>	<b><u>\$ 1,799,198</u></b>	<b><u>\$ 1,656,900</u></b>
<b>Direct Contribution:</b>				
ACMI	\$ 54,196	\$ 70,235	\$ 197,750	\$ 227,829
Charter	29,139	27,426	54,099	52,546
Dry Leasing	7,594	5,723	33,224	14,017
<b>Total Direct Contribution for Reportable Segments</b>	<b><u>\$ 90,929</u></b>	<b><u>\$ 103,384</u></b>	<b><u>\$ 285,073</u></b>	<b><u>\$ 294,392</u></b>
Unallocated income and expenses, net	(46,458)	(43,755)	(165,731)	(152,059)
Special charge	(5,547)	(18,642)	(15,114)	(18,642)
Loss on early extinguishment of debt	-	-	-	(5,518)
Loss (gain) on disposal of aircraft	-	(272)	(14,679)	(351)
<b>Income before Income Taxes</b>	<b><u>38,924</u></b>	<b><u>40,715</u></b>	<b><u>89,549</u></b>	<b><u>117,822</u></b>
Interest income	(4,446)	(4,810)	(18,480)	(19,813)
Interest expense	25,475	21,948	104,252	83,659
Capitalized interest	(30)	(365)	(453)	(2,350)
Loss on early extinguishment of debt	-	-	-	5,518
Other expense (income), net	273	539	1,104	1,954
<b>Operating Income</b>	<b><u>\$ 60,196</u></b>	<b><u>\$ 58,027</u></b>	<b><u>\$ 175,972</u></b>	<b><u>\$ 186,790</u></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.

Direct Contribution consists of income (loss) before taxes, excluding special charges, nonrecurring items, losses (gains) 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, interest income, foreign exchange gains and losses, other revenue and other non-operating costs, including one-time items.

**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>December 31, 2014</b>	<b>December 31, 2013</b>	<b>Percent Change</b>
<b>Net Income Attributable to Common Stockholders</b>	\$ 41,644	\$ 29,958	39.0%
<b>After-tax impact from:</b>			
ETI tax benefit	(10,742)	-	
Special charge <sup>1</sup>	7,024	11,714	
Accrual for legal matters	850	-	
Loss on disposal of aircraft	-	174	
<b>Adjusted Net Income Attributable to Common Stockholders</b>	<b>\$ 38,776</b>	<b>\$ 41,846</b>	<b>(7.3%)</b>
<b>Diluted EPS</b>	\$ 1.66	\$ 1.19	39.5%
<b>After-tax impact from:</b>			
ETI tax benefit	(0.43)	-	
Special charge <sup>1</sup>	0.28	0.47	
Accrual for legal matters	0.03	-	
Loss on disposal of aircraft	-	0.01	
<b>Adjusted Diluted EPS</b>	<b>\$ 1.55<sup>3</sup></b>	<b>\$ 1.66<sup>3</sup></b>	<b>(6.6%)</b>

	<b>For the Twelve Months Ended</b>		
	<b>December 31, 2014</b>	<b>December 31, 2013</b>	<b>Percent Change</b>
<b>Net Income Attributable to Common Stockholders</b>	\$ 106,757	\$ 93,837	13.8%
<b>After-tax impact from:</b>			
ETI tax benefit	(34,755)	(14,160)	
Special charge <sup>1</sup>	10,930	11,714	
Accrual for legal matters	1,150	-	
Loss on early extinguishment of debt <sup>2</sup>	-	5,160	
Loss on disposal of aircraft	9,389	224	
<b>Adjusted Net Income Attributable to Common Stockholders</b>	<b>\$ 93,471</b>	<b>\$ 96,775</b>	<b>(3.4%)</b>
<b>Diluted EPS</b>	\$ 4.25	\$ 3.66	16.1%
<b>After-tax impact from:</b>			
ETI tax benefit	(1.38)	(0.55)	
Special charge <sup>1</sup>	0.43	0.46	
Accrual for legal matters	0.05	-	
Loss on early extinguishment of debt <sup>2</sup>	-	0.20	
Loss on disposal of aircraft	0.37	0.01	
<b>Adjusted Diluted EPS</b>	<b>\$ 3.72</b>	<b>\$ 3.78</b>	<b>(1.6%)</b>

<sup>1</sup> Included in Special charge in 2014 were a loss on an aircraft held for sale, employee termination benefits, a loan reserve, and professional fees and tax adjustments related to GSS. Included in Special charge in 2013 were lease termination charges related to two leased 747-400BCFs and an impairment charge for a customer relationship intangible asset.

<sup>2</sup> Loss on early extinguishment of debt was related to the financing of 747-8F and 777-200LRF aircraft.

<sup>3</sup> Items may not sum due to rounding.

**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>December 31, 2014</b>	<b>December 31, 2013</b>
<b>Net Cash Provided by Operating Activities</b>	\$ 104,617	\$ 97,000
Less:		
Capital expenditures	7,411	4,671
Capitalized interest	30	365
<b>Free Cash Flow<sup>1</sup></b>	<b>\$ 97,176</b>	<b>\$ 91,964</b>

	<b>For the Twelve Months Ended</b>	
	<b>December 31, 2014</b>	<b>December 31, 2013</b>
<b>Net Cash Provided by Operating Activities</b>	\$ 273,145	\$ 302,093
Less:		
Capital expenditures	24,920	29,531
Capitalized interest	453	2,350
<b>Free Cash Flow<sup>1</sup></b>	<b>\$ 247,772</b>	<b>\$ 270,212</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 Twelve Months Ended</u>	
	<u>December 31, 2014</u>	<u>December 31, 2013</u>	<u>December 31, 2014</u>	<u>December 31, 2013</u>
<b>Income before income taxes</b>	\$ 38,924	\$ 40,715	\$ 89,549	\$ 117,822
Special charge <sup>1</sup>	5,547	18,642	15,114	18,642
Accrual for legal matters	850	-	1,319	-
Loss on early extinguishment of debt <sup>2</sup>	-	-	-	5,518
Loss (gain) on disposal of aircraft	-	272	14,679	351
<b>Adjusted pretax income</b>	<u>45,321</u>	<u>59,629</u>	<u>121,661</u>	<u>142,333</u>
Interest (income) expense, net	20,999	16,773	85,319	61,496
Other non-operating expenses (income)	273	539	1,104	1,954
<b>Adjusted operating income</b>	<u>66,593</u>	<u>76,941</u>	<u>207,084</u>	<u>205,783</u>
Depreciation and amortization	<u>32,392</u>	<u>24,549</u>	<u>120,793</u>	<u>86,389</u>
<b>EBITDA, as adjusted<sup>3</sup></b>	98,985	101,490	327,877	292,172
Aircraft rent	<u>35,971</u>	<u>41,662</u>	<u>140,390</u>	<u>160,415</u>
<b>EBITDAR, as adjusted<sup>4</sup></b>	<u>\$ 134,956</u>	<u>\$ 143,152</u>	<u>\$ 468,267</u>	<u>\$ 452,587</u>

<sup>1</sup> Included in Special charge in 2014 were a loss on an aircraft held for sale, employee termination benefits, a loan reserve, and professional fees and tax adjustments related to GSS. Included in Special charge in 2013 were lease termination charges related to two leased 747-400BCFs and an impairment charge for a customer relationship intangible asset.

<sup>2</sup> Loss on early extinguishment of debt was related to the financing of 747-8F and 777-200LRF aircraft.

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

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

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

	<u>For the Three Months Ended</u>			<u>For the Twelve Months Ended</u>		
	<u>December 31,</u> <u>2014</u>	<u>2013</u>	<u>Increase/ (Decrease)</u>	<u>December 31,</u> <u>2014</u>	<u>2013</u>	<u>Increase/ (Decrease)</u>
<b>Block Hours</b>						
ACMI	31,272	30,084	1,188	115,042	115,358	(316)
Charter						
Cargo	9,467	9,906	(439)	31,612	30,816	796
Passenger	2,876	2,704	172	13,085	11,713	1,372
Nonrevenue	555	395	160	1,351	1,050	301
Total Block Hours	<u>44,170</u>	<u>43,089</u>	<u>1,081</u>	<u>161,090</u>	<u>158,937</u>	<u>2,153</u>
<b>Revenue Per Block Hour</b>						
ACMI	\$ 6,688	\$ 6,724	\$ (36)	\$ 6,764	\$ 6,545	\$ 219
Charter						
Cargo	20,641	19,717	924	20,217	19,829	388
Passenger	19,404	20,640	(1,236)	20,449	20,609	(160)
<b>Average Utilization (block hours per day)</b>						
ACMI <sup>1</sup>	10.1	9.6	0.5	9.6	10.2	(0.6)
Charter						
Cargo	11.8	11.1	0.7	9.1	7.7	1.4
Passenger	6.9	6.8	0.1	7.8	7.1	0.7
All Operating Aircraft <sup>1,2</sup>	<u>10.2</u>	<u>9.7</u>	<u>0.5</u>	<u>9.4</u>	<u>9.4</u>	<u>-</u>
<b>Fuel</b>						
<b>Charter</b>						
Average fuel cost per gallon	\$ 2.75	\$ 3.19	\$ (0.44)	\$ 3.07	\$ 3.28	\$ (0.21)
Fuel gallons consumed (000s)	37,445	37,893	(448)	131,787	124,949	6,838

<sup>1</sup> ACMI and All Operating Aircraft averages in the fourth quarter and full-year 2014 reflect the impact of increases in the number of CMI aircraft and amount of CMI flying compared with the same periods of 2013.

<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)*

	<u>For the Three Months Ended</u>			<u>For the Twelve Months Ended</u>		
	<u>December 31,</u> <u>2014</u>	<u>2013</u>	<u>Increase/ (Decrease)</u>	<u>December 31,</u> <u>2014</u>	<u>2013</u>	<u>Increase/ (Decrease)</u>
<b>Segment Operating Fleet</b> (average aircraft equivalents during the period)						
<b>ACMI<sup>1</sup></b>						
747-8F Cargo	8.5	8.0	0.5	8.5	7.8	0.7
747-400 Cargo	13.0	13.8	(0.8)	12.0	12.6	(0.6)
747-400 Dreamlifter	2.9	2.6	0.3	3.1	1.8	1.3
767-300 Cargo	2.0	2.0	-	2.0	1.8	0.2
767-200 Cargo	5.0	5.0	-	5.0	5.0	-
747-400 Passenger	1.4	1.7	(0.3)	1.2	1.3	(0.1)
767-300 Passenger	-	-	-	-	0.2	(0.2)
767-200 Passenger	1.0	1.0	-	1.0	0.5	0.5
Total	<u>33.8</u>	<u>34.1</u>	<u>(0.3)</u>	<u>32.8</u>	<u>31.0</u>	<u>1.8</u>
<b>Charter</b>						
747-8F Cargo	0.4	0.9	(0.5)	0.5	0.6	(0.1)
747-400 Cargo	8.3	8.8	(0.5)	9.0	10.3	(1.3)
747-400 Passenger	1.5	1.3	0.2	1.7	1.7	-
767-300 Passenger	3.0	3.0	-	2.9	2.8	0.1
Total	<u>13.2</u>	<u>14.0</u>	<u>(0.8)</u>	<u>14.1</u>	<u>15.4</u>	<u>(1.3)</u>
<b>Dry Leasing</b>						
777-200 Cargo	6.0	3.0	3.0	6.0	1.7	4.3
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	2.0	2.0	-	2.0	2.0	-
Total	<u>10.0</u>	<u>7.0</u>	<u>3.0</u>	<u>10.0</u>	<u>5.7</u>	<u>4.3</u>
<b>Total Operating Aircraft</b>	<u><u>57.0</u></u>	<u><u>55.1</u></u>	<u><u>1.9</u></u>	<u><u>56.9</u></u>	<u><u>52.1</u></u>	<u><u>4.8</u></u>
Out of Service <sup>2</sup>	1.0	1.1	(0.1)	1.0	0.9	0.1

<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.