

2017 ANNUAL REPORT



REACHING NEW HEIGHTS



As we celebrate our 25th year, 2017 saw continued momentum along our growth trajectory, maintaining a strong foundation for future earnings and cash flows.

Atlas Air Worldwide Holdings, Inc. [Nasdaq: AAWW] is a growing global leader in innovative, outsourced aviation services.

Our broad array of 747, 777, 767, 757 and 737 aircraft empowers leading express and e-commerce delivery providers, airlines, freight forwarders and charter customers to increase fleet flexibility and network efficiency, drive an expanded global presence, and more quickly capitalize on market opportunities.

Working within a stable financial structure, guided by seasoned industry executives and a vision carried out—every day—by experienced and motivated employees, we continue to capitalize on strategic initiatives powering business growth and delivering value to our customers and shareholders.

Atlas Air Worldwide is the parent company of Atlas Air, Inc., Southern Air, Inc., majority owner of Polar Air Cargo Worldwide, Inc., and owner of Titan Aviation Holdings, Inc., which leases aircraft worldwide.

BUILDING ON OUR LEGACY OF INNOVATION AND GROWTH

TO OUR SHAREHOLDERS

Atlas Air Worldwide is a global leader in innovative, outsourced aviation operating services. We have grown tremendously in the 25 years since we began operations with a single 747 freighter, and we are committed to growing much more. We have built a resilient company with strong earnings and cash flow, a solid balance sheet, and a culture of continuous improvement. Our fleet of more than 100 cargo and passenger aircraft and the value-added services that we provide are closely aligned with our customers' needs—and our drive to achieve performance and value for our shareholders.

As we celebrate a quarter century of operational excellence, we are executing a strategic plan that leverages our core competencies and will enable us to grow our business into the future.

Whether for express and e-commerce delivery providers, international airlines, freight forwarders, charter customers, the U.S. military or others, we deliver added value, reliability and superior performance.

We empower our customers to increase fleet flexibility and network efficiency, drive an expanded global presence, and more quickly capitalize on aviation and airfreight market opportunities.

Airfreight services like those that Atlas Air Worldwide provides are at the center of today's modern, global economy.

Our continued long-term growth reflects our ability to provide

efficient access to markets; serve as a catalyst for international trade; propel economic and social development; and be a vital supply chain component.

As supply chains become more complex and countries specialize in production, flows of both intermediate goods and high-value, time-sensitive products continue to increase—and to drive the demand for reliable airfreight service.

By providing the broadest array of 747, 777, 767, 757 and 737 aircraft for domestic, regional and international operations, we are well-suited to meet the current and anticipated requirements of our customers.

We are also expanding the markets we serve, building stronger customer relationships, and capturing new opportunities.

We have a strategic focus on the growing global markets, and we

are moving more deeply into the fast-growing express and e-commerce markets.

More than 70% of our current freighters operate for customers in express and e-commerce, and that focus will continue as we execute for DHL Express and ramp up our 767-300 service for Amazon, which is on track to increase from 12 aircraft at year-end 2017 to an expected 20 by the end of 2018.

The evolution of e-commerce is transforming the global supply chain—and creating significant new opportunities for our company.

E-commerce is the fastest-growing segment in airfreight. E-commerce penetration levels are still low—less than 10% of global retail sales, which means there is tremendous upside potential. And freighter aircraft—like the ones we operate—are essential in providing the just-in-time service required.



Our development strategy is designed to respond to these and other profitable opportunities and produce attractive earnings.

Driving our execution is:

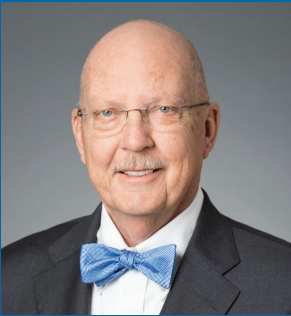
- » An experienced, dedicated team of employees focused on our customers' expectations;
- » A modern, superior fleet tailored to meet our customers' unique needs;
- » Unrivaled value-added global operating services; and
- » A solid financial structure.

As we move forward and build upon the successes of 2017, we are fortunate to be guided by a skilled management group, led by Chief Executive Officer,

"We have a strategic focus on the growing global markets, and we are moving more deeply into the fast-growing express and e-commerce markets."

Bill Flynn. Supporting Bill are our Chief Operating Officer, John Dietrich; Chief Commercial Officer, Michael Steen; Chief Financial Officer, Spencer Schwartz; and General Counsel, Chief Human Resources Officer and Secretary, Adam Kokas.

My fellow board members and I have the highest levels of confidence in Bill, his senior team, and all of our employees. And with a winning strategy, a strong, focused team, and deliverable results, we are very excited about the future of Atlas Air Worldwide.



Robert F. Agnew
Chairman of the Board

April 18, 2018

FINANCIAL AND OPERATING HIGHLIGHTS

[\$ in millions, except per share]	For the Year Ended		% Change
	12/31/17	12/31/16	
Operating revenue	\$ 2,156.5	\$ 1,839.6	17
EBITDA, as adjusted ¹	\$ 428.6	\$ 382.3	12
Income from continuing operations, net of taxes	224.3	42.6	427
Adjusted income from continuing operations, net of taxes ²	133.7	114.3	17
Diluted EPS from continuing operations	8.68	1.70	411
Adjusted diluted EPS from continuing operations ²	4.93	4.50	10
Total assets	\$ 4,955.5	\$4,247.4	17
Debt obligations	2,227.0	1,851.4	20
Stockholders' equity	\$ 1,789.9	\$ 1,517.3	18
Aircraft fleet [total] ³	103	90	14
Block hours	252,802	210,444	20

¹EBITDA, as adjusted is a non-GAAP measure that excludes certain items. See Page A-1 included with this Annual Report to Shareholders for a reconciliation to the most directly comparable financial measures in accordance with GAAP.

²Adjusted income from continuing operations, net of taxes and adjusted diluted EPS from continuing operations are non-GAAP measures that exclude certain items. See Page 45 of our 2017 Annual Report on Form 10-K, included with this Annual Report to Shareholders, for a reconciliation to the most directly comparable financial measures in accordance with GAAP.

³Includes customer-owned aircraft operated by the company.

TRANSFORMING THE INDUSTRY. LEADING THROUGH EXCELLENCE.

1992

Michael Chowdry founded Atlas Air with a single 747-200 aircraft


1993

- First proving flight
- First customer China Airlines on routes from Taipei to Europe

1994

- Adds contract air cargo service between Taipei and Chicago following acquisition of fourth 747 freighter, a nose-loader
- Ends year with six 747 freighters

1998

Atlas Air now flying 12 747 freighters


1997

Places order for 10 new, more-advanced 747-400 freighters

2003

Receives Outstanding Citizenship Award for exceptional support of the U.S. military from the Adopt-A-Soldier Platoon



Proof Positive

1998

Atlas Air named "Cargo Carrier of the Year" by Airport Press

2001

- Forms Atlas Air Worldwide holding company structure
- Acquires Polar Air Cargo, Inc.

2007

- Polar closes on a strategic transaction with DHL Express
- Wins a five-year U.S. Air Force contract to train the air crews of Air Force One


2006

- Begins trading on NASDAQ as AAWW
- Joins the Russell 2000 index
- Places order for next-generation 747-8 freighters

2008

Begins express network service for DHL Express


2009

Founds Titan Aviation Leasing as a freighter-centric leasing company


2010

Commences Dreamlifter flight service for Boeing, delivering major assemblies for 787 Dreamliner program


2011

- Gains approval from the Department of Defense to launch U.S. military passenger charter operations

- Takes delivery of first three 747-8 freighters
- Initiates new 767 passenger and cargo operating platforms


2013

- Joins the S&P SmallCap 600 Index
- Titan acquires first three 777 freighters


2014

Titan acquires three additional 777 freighters

2015

- Takes delivery of tenth 747-8 freighter
- Celebrates one millionth military passenger
- Titan acquires first two 767 aircraft


2016

- Acquires Southern Air and adds 777 and 737 operating platforms
- Announces agreement with Amazon to lease and operate twenty 767s


2017

- Our 25th year
- Record volumes, record revenue and robust earnings growth
- Fleet grows to 103 aircraft



CAPITALIZING ON NEW OPPORTUNITIES

TO OUR SHAREHOLDERS: OUR 25TH YEAR

Record volumes. Record revenue. And robust earnings growth. 2017, our 25th anniversary, was a year of exciting growth for Atlas Air Worldwide. And we expect that excitement and growth to continue in 2018. Our performance in 2017 and our outlook for higher volumes, revenue and earnings in 2018 reflect the strategic initiatives that we have put in place over many years—initiatives that have transformed our company, broadened our customer base, and diversified our fleet. We are capitalizing on our strong market position and our focus on express, e-commerce and fast-growing global markets. We are operating in a strong airfreight environment, underpinned by global economic growth. And with the building blocks we have in place, we see opportunities to grow with existing customers and new ones.

2017 ACHIEVEMENTS

Our vision is to be our customers' most trusted partner. And we are committed to driving value for our shareholders.

In keeping with our vision and commitment, we continue to strengthen our position as the leader in international aviation outsourcing.

During 2017, we achieved significant progress toward the integration of Southern Air, a highly complementary business combination that has expanded our platform into 777 and 737 operations; provided customers with access to a broader array of aircraft and operating services; and generated new avenues of business growth.

We recorded significant progress on our initiative to provide air transport services for leading e-commerce retailer Amazon. We placed and began operating 11 incremental 767-300s for Amazon during 2017, raising the number to 12 at year-end. That was in line with our expectations when we commenced this new service in 2016 and with our expectation to ramp up to a total of 20 aircraft by the end of 2018.

Also in 2017, we completed agreements to operate 747 freighters for several new customers, including Asiana Cargo, Cathay Pacific Cargo, DHL Global Forwarding, and Nippon Cargo Airlines.

While expanding our customer base and presence in key markets, we continue to focus on strengthening relationships with our current valued customers.

For example, in March 2018, we announced the acquisition of two 777 freighters that will operate in ACMI service for DHL Express. They are consistent with our strategy of growing the operations that we acquired as part of Southern Air.

In addition to expanding our operating platforms and our fleet from 90 to 103 aircraft during 2017, we continued to maintain a safe, compliant operation.

As always, these and other accomplishments were made possible by our dedicated team of talented employees.

OUR PERFORMANCE

Our financial and operating performance in 2017 reflected the leadership and strength of our ACMI and Charter businesses, the growth and annuity-like contribution of our Dry Leasing operations, ongoing efficiency and productivity initiatives, and a disciplined balance sheet focus.

Volumes increased 20% to 252,802 block hours in 2017, with revenue growing 17% to \$2.16 billion and total direct contribution by our business segments increasing 15% to \$422.6 million.

252,802

Block Hours
+20%

\$2.16B

Revenue
+17%

RECORD VOLUMES,
RECORD REVENUE, ROBUST
EARNINGS GROWTH



\$428.6M

EBITDA, As Adjusted
+12%

\$133.7M

Adjusted Income from Continuing Operations
+17%

On an adjusted basis, income from continuing operations, net of taxes¹, grew 17% to \$133.7 million, or \$4.93 per diluted share in 2017, with EBITDA, as adjusted², rising 12% to \$428.6 million.

On a reported basis, income from continuing operations increased to \$224.3 million, or \$8.68 per diluted share, primarily due to a \$130.0 million benefit related to the revaluation of our deferred tax liabilities as a result of the passage of the U.S. Tax Cuts and Jobs Act in late December, partially offset by an unrealized loss on financial instruments of \$12.5 million related to outstanding warrants.

In addition to our focus on express, e-commerce and growing global markets, both adjusted and reported results in 2017 benefited from our first full year of contribution from Southern Air and our service for Amazon, which was accretive for the full year and which we expect to become meaningfully more accretive to earnings and cash flows over time.

LOOKING AHEAD

Atlas Air Worldwide is a stronger company today, well-positioned to capitalize on market dynamics and to deliver significant growth in our volumes, revenue, EBITDA and adjusted net income in 2018.

"2017, our 25th anniversary, was a year of exciting growth for Atlas Air Worldwide. And we expect that excitement and growth to continue in 2018."

As we move ahead, we will continue to build upon the innovations, successes and growth that are our hallmarks.

With the strength of our brand and our global market leadership in outsourced aircraft and services, the integration of Southern Air, our long-term agreements with Amazon, our outstanding employees, and deeper business relationships, we are eager to continue to drive value and benefits for our customers and to grow revenue and earnings for our shareholders.



William J. Flynn
President and Chief
Executive Officer

April 18, 2018

¹Adjusted income from continuing operations, net of taxes and adjusted diluted EPS from continuing operations are non-GAAP measures that exclude certain items. See Page 45 of our 2017 Annual Report on Form 10-K, included with this Annual Report to Shareholders, for a reconciliation to the most directly comparable financial measures in accordance with GAAP.

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OUR FLEET AND OUR CUSTOMERS

TOTAL FLEET: 103 / OPERATING FLEET: 94

747

- 46 BOEING 747s**
10 747-8Fs
28 747-400Fs
4 747-400 passenger
4 Boeing Large Cargo Freighters (LCFs)



777

- 11 BOEING 777s**
5 CMI 777Fs
6 Titan 777Fs



767

- 39 BOEING 767/757s**
33 767-200/300Fs*
5 767-200/300 passenger
1 757-200 freighter Titan



737

- 7 BOEING 737s**
5 737-400Fs
1 737-300F Titan
1 737-800 passenger Titan



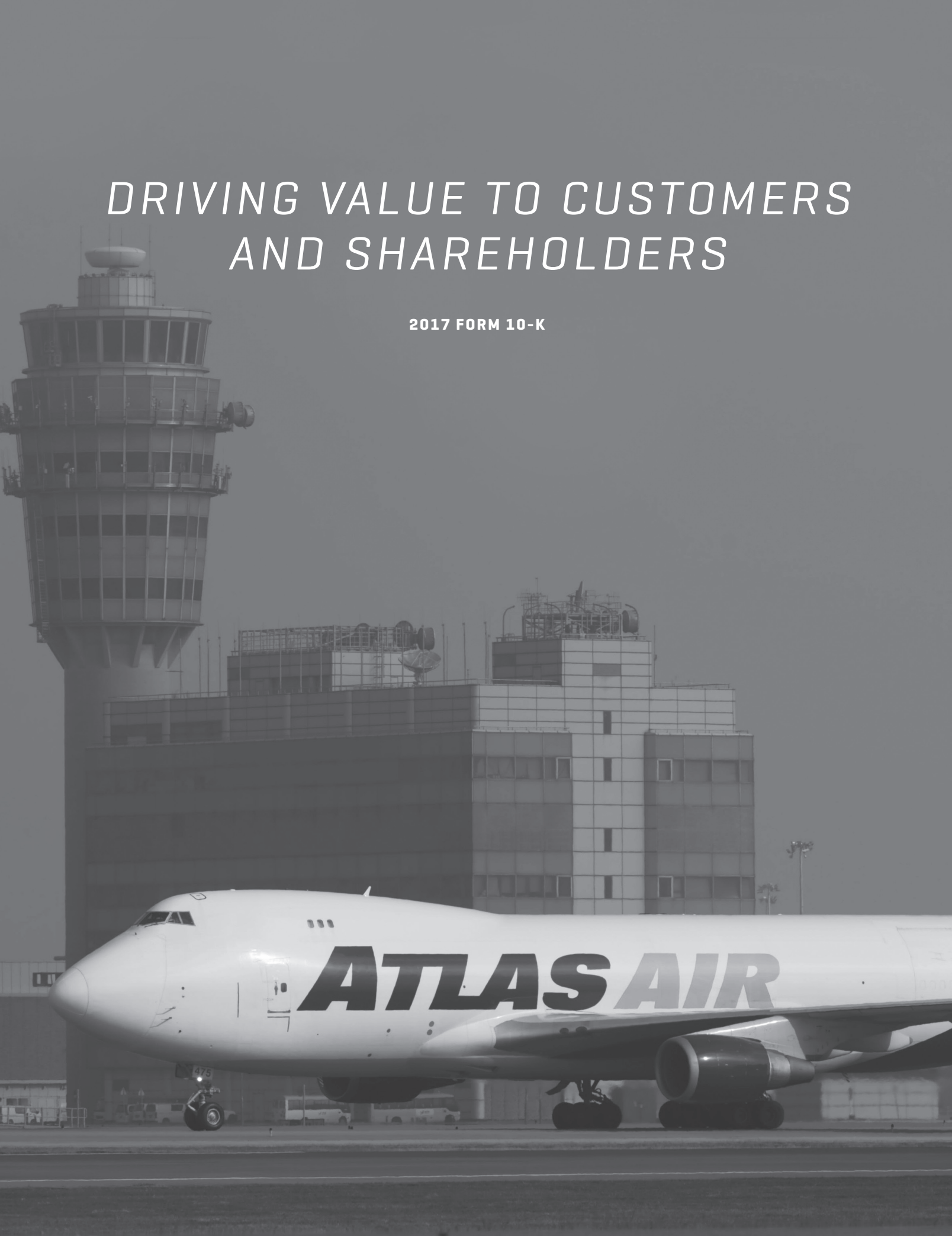
*includes to-be-converted aircraft

PARTNERING WITH THE BEST



DRIVING VALUE TO CUSTOMERS AND SHAREHOLDERS

2017 FORM 10-K



CORPORATE INFORMATION

BOARD OF DIRECTORS

ROBERT F. AGNEW

Chairman of the Board,
Atlas Air Worldwide
Holdings, Inc.
President & Chief
Executive Officer,
Morten Beyer & Agnew

TIMOTHY J. BERNLOHR

Managing Member,
TJB Management
Consulting, LLC

CHARLES F. BOLDEN, JR.

Independent
Businessman,
Major General, Retired
United States Marine
Corps

WILLIAM J. FLYNN

President & Chief
Executive Officer,
Atlas Air Worldwide
Holdings, Inc.

JAMES S. GILMORE, III

Attorney at Law
& Business Consultant,
Former Governor
of Virginia

BOBBY J. GRIFFIN

Former President,
International
Operations
Ryder System, Inc.

CAROL B. HALLETT

Of Counsel,
U.S. Chamber of
Commerce



FREDERICK MCCORKLE

Independent
Businessman,
Lieutenant General,
Retired, United States
Marine Corps

DUNCAN J. McNABB

Independent
Businessman,
General, Retired
United States
Air Force

JOHN K. WULFF

Former Chairman
Hercules Incorporated,
Former Chief
Financial Officer,
Union Carbide
Corporation

EXECUTIVE MANAGEMENT

WILLIAM J. FLYNN

President & Chief Executive Officer

JOHN W. DIETRICH

Executive Vice President &
Chief Operating Officer;
President & Chief Operating Officer,
Atlas Air, Inc.

ADAM R. KOKAS

Executive Vice President,
General Counsel, Chief Human Resources
Officer & Secretary

SPENCER SCHWARTZ

Executive Vice President &
Chief Financial Officer

MICHAEL T. STEEN

Executive Vice President &
Chief Commercial Officer;
President & Chief Executive
Officer, Titan Aviation Holdings, Inc.

COMPANY INFORMATION

STOCK EXCHANGE

The common stock of Atlas Air Worldwide
Holdings, Inc. is traded on the NASDAQ
Global Select MarketSM under the symbol AAWW.

CORPORATE OFFICE

Atlas Air Worldwide Holdings, Inc.
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Purchase, New York 10577-2543

STOCK TRANSFER AGENT

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[Inside U.S., U.S. territories & Canada]
Telephone: 1-201-680-6578
[Outside U.S., U.S. territories & Canada]
www.computershare.com/investor

INDEPENDENT ACCOUNTANTS

PricewaterhouseCoopers LLP
New York, New York

WEBSITE

www.atlasair.com

INVESTOR INFORMATION

Securities analysts and investors may write
to Investor Relations at the Corporate Office,
call 1-914-701-8200, or email
InvestorRelations@atlasair.com.



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Nighttime operations at Cincinnati/Northern
Kentucky International Airport.