ATLAS AIR WORLDWIDE HOLDINGS, INC.

Management's Report

2008 Annual Meeting of Stockholders

New York, New York

May 21, 2008

Remarks by William J. Flynn
President and Chief Executive Officer

Atlas Air Worldwide Holdings Annual Meeting

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New York City

Welcome to the 2008 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 2007 Form 10-K, which we filed with the SEC on February 28.

Today we meet under a forecast of cloudy skies for the aviation industry.

With the cost of fuel up over 50 percent in just the past year alone, the industry is taking significant steps to adjust to new – and more difficult – market realities.

Fortunately, Atlas Air Worldwide Holdings is already on a different flight path – one that will leave us well-positioned operationally, financially and strategically – to fly above these turbulent challenges.

In fact, we are seeing a world of opportunity as we continue to transform the company with a proven strategy focusing on long-term growth.

Before we look ahead, I'd like to take a few moments to review the many accomplishments of the past year.

As you know, 2007 was very exciting for us for several reasons:

- We reported record earnings – despite those soaring fuel costs.

  Our net earnings doubled to $132.4 million, or $6.17 per diluted share, on operational revenues of $1.56 billion.

- Our aggressive Continuous Improvement efforts contributed some $61.5 million in savings for the year.

- We received attractive pre-delivery-deposit financing on the first five of our new 747-8 freighters.

- And we completed a landmark, strategic transaction with DHL that has significantly enhanced our business model.

The market is taking notice of our performance.

And this is translating into a higher stock price, which hit a new 52-week high of $66.00 on May 15.

Our financials and our performance are solid, but our story really is one of growth and transformation.

Many in our industry are only now making changes to combat the new market realities.

But we have been working for a number of years to reduce the risks of our business and focus on more profitable, long-term contracts that ultimately improve revenue and earnings.

Our proven strategy focuses on three key elements:

- Leasing and outsourcing new, efficient freighter aircraft to drive earnings growth.

- Implementing an expanded relationship with DHL Express to generate strong revenues and to mitigate risks associated with fuel costs and loads.

- And providing the most cost-effective solutions and services in the global airfreight market to solidify our position as the world's leading outsourcing provider.

Let's review each of those elements in more detail.

First, the new aircraft.

We eagerly await the arrival of 12 new 747-8 freighters in 2010 and 2011.

This next-generation freighter gives our customers a cutting-edge aircraft to meet the expected growth in demand for global air cargo.

To make that step a reality, we've secured attractive pre-delivery-deposit financing for the first five of the new aircraft.

These favorable terms – together with our launch-customer pricing for the aircraft – reflect the financing community's positive perceptions about the 747-8 and its compelling operating advantages.

Our new freighters will give us 16 percent more payload capacity and 16 percent more fuel efficiency than our current fleet of 747-400s. That's a compelling benefit.

But we're not sitting idle while waiting for the Boeing factory to unveil our first 747-8.

With our strong finances – and our ability to take advantage of opportunities – we recently agreed to acquire two additional 747-400 aircraft.

This will expand our fleet and generate incremental revenues and earnings starting in the second quarter of this year.

These additional -400s enable us to expand our vibrant relationship with DHL Express in advance of the original October start-up date for our express network service.

And that leads us to the next element of our strategy.

I'm delighted to report we have had a smooth start-up with DHL Express, and our operations surrounding the first two aircraft have exceeded our customer's expectations.

We will deploy a further six 747-400 freighters for DHL at the time we commence full express network ACMI service for them in October, or a total of eight aircraft.

What makes this so significant for us – beyond providing high-quality service to a global leader in express delivery – is that our Scheduled Service aircraft assets will begin to contribute the same kind of predictable revenues and margins as our ACMI services.

That means we're mitigating the risks traditionally associated with load factors and fuel prices.

A third key component of our strategy is to provide the industry with innovative, value-creating solutions so our customers can achieve their goals and facilitate the expansion of global trade.

For example, we have formed a wholly owned subsidiary in Ireland focusing on the acquisition, sale, dry leasing, marketing and servicing of aircraft and related equipment.

With our deep understanding of the freighter aircraft market and our high-quality customer base, we believe we can exploit our competitive strengths in this sector.

Dry leasing complements our ACMI services, and offers customers a broad range of leasing solutions to meet their individual airfreight requirements.

Dry leasing also provides additional stable contractual revenues and predictable margins, furthers our ability to maximize asset values through their life cycles, and is a real growth opportunity for Atlas Air Worldwide Holdings.

On top of that, we also expect to explore business combinations and alliances with other cargo airlines, air cargo service providers, dry leasing companies and other companies to enhance our competitive position, geographic reach and service portfolio.

These strategies and initiatives have enabled us to better serve our customers and to grow our business and improve our performance.

And the results speak for themselves.

Our industry-leading solutions, together with our capacity, assets, experience, intellectual capital, and high-quality, reliable operations have resulted in enduring, strategic – and profitable – relationships.

Some of our renowned customers include DHL Express, Emirates, British Airways, Qantas, Air New Zealand, the U.S. military, and leading global freight forwarders.

We serve all global markets, with the majority of our flying outside of the United States.

We serve customers who are focused on world markets in Asia, Europe, the Middle East, South America, Australia and New Zealand – where demand is strong and will grow in the long run.

This is our world of opportunity.

I spoke earlier about how we are lessening the risk of ever-increasing fuel costs.

Consider this – once the full impact of our strategic partnership with DHL is implemented in 2009, about 85 percent of our capacity is expected to be under predictable, long-term, take-or-pay contracts.

Taking into account our forecasted military charter business, about 92 percent of our capacity next year is expected to be tied to fixed-price contracts.

Already, all of our 747-400 capacity is committed through 2008.

So while record prices have increased our projected net fuel bill for this year by nearly $30 million since our late February guidance, our direct exposure to fuel prices will be largely eliminated in late October.

That's when our Scheduled Service subsidiary, Polar Air Cargo Worldwide, commences flying under its long-term blocked space agreement with DHL Express.

It's another example of how our strategy is paying off.

And the timing is excellent.

We see favorable supply and demand trends in the global freighter aircraft segment that we're ready to take advantage of.

First, aircraft ownership continues to shift from airlines to lessors – a significant opportunity to expand both our wet- and dry-leasing operations.

Industry studies also indicate that global air cargo traffic is expected to triple over the next two decades.

As demand continues to increase, we believe the supply of suitable freighter aircraft will not keep pace.

That's due to limited production capacity, limited passenger-to-freighter conversions, and the anticipated retirement of aging, fuel-thirsty aircraft from the world fleet.

Given these developments, we believe that demand for high-efficiency, wide-body freighter aircraft and related outsourced aircraft operating solutions will increase due to growing international trade.

All this amounts to an exciting and dynamic future for Atlas Air Worldwide Holdings.

One with a world of opportunity.

We have a solid financial foundation, and other than the short-term effect of fuel prices in 2008, our outlook is unchanged.

Based on our current initiatives and strategies, we can reaffirm our expectation that pretax earnings will range from $165 million to $175 million in 2009 – the first full year of our express network ACMI service for DHL.

At $86 million through March 31, we are on track to exceed our goal of $100 million of annualized savings in 2008.

And we continue to identify – and expect to achieve – additional cost savings through our Continuous Improvement efforts.

We are on target to achieve our strategic and operating objectives over the course of 2008 and beyond.

We have substantially de-risked our business, and our focus is on long-term contracts that improve revenue and earnings.

We believe that the scale, scope and quality of our outsourced services are unparalleled in our industry:

- We have an efficient aircraft fleet.

- We have high-quality, cost-effective, operations.

- We provide premium service.

- We offer fully integrated and reliable solutions for our customers.

The result? Customers who are motivated to seek long-term relationships with us.

These relationships build resilience into our business model, and allow us to command higher prices than our competitors in several key areas.

So we will continue the flight path we’re on:

- To provide freighter leasing services that enable our customers to continue to expand their capacity, operate dedicated freighter aircraft, and capitalize on the growing airfreight market.

- To have a fleet strategy that focuses on our customers and reinforces our position as the most technologically advanced, most efficient, and most reliable provider of air cargo services.

- To continue to evaluate our fleet allocation to ensure that we offer the most efficient and relevant mix of aircraft across our various businesses.

- To flexibly redeploy aircraft to meet changing market conditions, ensuring the maximum utilization of our fleet.

- To evaluate other fleet types for both our ACMI and dry-leasing offerings.

- To grow our capacity by some 35 percent with the new 747-8 freighter to meet worldwide demand for our services.

- And to take advantage of opportunities to expand our relationships with our existing customers, while seeking new customers and new geographic markets.

Thanks to the achievements of our employees, we have transformed Atlas Air Worldwide Holdings into a stronger, more competitive company – ready to grow our business, extend our industry leadership, and provide value to our customers and stockholders.

For us, it truly is a world of opportunity.

And I am delighted that you are joining us on our journey.

Thank you.