CRT CAPITAL GROUP LLC

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ATLAS AIR WORLDWIDE HOLDINGS, INC. (AAWW)

Maintaining our "Fair Value" Recommendation on its Common Stock and Modestly Increasing our Near-Term Price Target to $47.50 from $47.00

Research Update – May 19, 2006

I. ESTIMATED CAPITALIZATION

($'s in millions except per share data)

Security	*3/31/06* Balance	x LTM EBITDA
Total Senior Secured Debt	$ 522.8	**2.4x**
Capital Leases and Other Unsecured Debt	48.2	
Total Debt before Unamortized Discount	**571.1**	**2.6x**
Unamortized Discount (1)	103.4	
Total Debt (1)	**$ 674.5**	**3.0x**

Fully Diluted Common Shares Outstanding (millions):	20.517
Price per Share (05/18/06)	**$50.00**
Equity Market Value	$1,025.9
Cash and Equivalents	(309.2)
Total Enterprise Value	**$1,391.2**

Common Stock Information:
Ticker: *AAWW*
52 Week High/Low: $51.15/$28.00
Fiscal Year: Dec 31

($ millions, except per share amounts)

	CRT Estimates			
	Diluted EPS		**EBITDA**	
	Previous	**New**	**Previous**	**New**
1Q06A	($0.18)		$20.8	
2Q06E	1.05	$0.86	63.6	$57.6
3Q06E	1.45	1.20	77.5	67.4
4Q06E	1.62	1.67	83.3	83.4
FY05A	$3.56	--	$235.5	--
LTM	3.32			221.2
FY06E	3.82	3.55	240.9	229.1

Dividend yield: nil

	Current P/E (2)	**Current EBITDA Multiple(2)**
FY05A	**14.1x**	**6.0x**
LTM 3/31/06	**15.1**	**6.3**
FY06E	**14.1**	**5.6**

(1) At March 31, 2006, the Company had $103.4 million of unamortized discount related to the fair market value adjustments recorded against debt upon application of fresh-start accounting. Balance Sheet total debt at 3/31/2006 does not include the unamortized discount amount of debt.

(2) P/E and EBITDA multiple estimates utilize a closing price of $50.00 as of May 18, 2006; EBITDA multiple estimates at FY06E utilize CRT's estimates for 2006E debt and cash balances of $623.0 and $356.2 million, respectively (Please see Exhibits I and VII for further capitalization details)

II. BUSINESS DESCRIPTION

Atlas Air Worldwide Holdings, Inc. provides international air transportation of heavy freight cargo in the United States, Europe, Asia, Australia, the Middle East, Africa, and South America through its two operating subsidiary airlines, Atlas Air, Inc. ("Atlas") and Polar Air Cargo, Inc. ("Polar"). As of March 31, 2006, AAWW operated a fleet of 41 Boeing 747 freighter aircraft. On April 7, 2006, the Company sold one of its B747-200 aircraft for $8.4 million, from which it will record a $2.8 million gain on sale in the second quarter of 2006. Further, the Company will retire its sole 747-100 by mid-year, at which time it also expects to stop flying five of its remaining 747-200s. AAWW expects to sell or lease these five 747-200s.

III. SUMMARY AND RECOMMENDATION

We are maintaining our "Fair Value" recommendation on the Company's Common Stock and modestly increasing our $47.00 near-term price target to $47.50 as we fine tune our projections for 2006 and future growth forecasts. We note that in the Common Stock Valuation Section, we outline the incremental potential value from the utilization of NOLs - assuming no limitations - and sale of assets. We conclude that this could add $6.00 per share to the value of AAWW Common Shares and justify a $53.50 per Common Share target.

First quarter 2006 operating results were characterized by a significant reduction in military charter activity and reduced ACMI block hour volume as compared with 1Q05, which led to excess 747-200 aircraft capacity. Lower block hour volumes and higher fuel costs were partially offset by lower maintenance costs and notable pricing improvements in each operating segment. AAWW expects to cease flying five of its Boeing 747-200s and retire its one 747-100 aircraft by mid-2006, which will reduce future variable labor and contain maintenance costs. AAWW is evaluating potential opportunities regarding the sale or lease of its five 747-200s. We conclude that the reduction in AMC and ACMI block hours will persist into the 2Q06 and 3Q06; however, this will be offset by pricing gains and lower labor and maintenance expense. Though we are reducing our 2Q06 and 3Q06 EBITDA and EPS estimates as compared to our prior estimates, second quarter expectations are in line with prior year results and third quarter operating results are expected to fall just short of 3Q05 numbers. If our estimates prove to be too conservative, it will be the result of jet fuel costs falling below our $2.09 and $2.10 per gallon assumed rates for 2Q06 and 3Q06, respectively.

We emphasize that CRT's "Fair Value" designation reflects a positive (and not neutral) investment view, denoting an alignment in risk and reward with the expected return on the Common Stock representing an appropriate counterbalance to the perceived risks and warranting investment.

As part of our "Fair Value" recommendation, other fundamental positives include:

1) AAWW has limited financial leverage that is expected to decline to 2.7x at December 31, 2006 as compared to 2.9x at December 31, 2005 and 3.0x at March 31, 2006;
2) Despite our decrease in 2Q06 and full-year 2006 earnings expectations, AAWW is expected to continue to build cash throughout 2006. At December 31, 2006, we currently project that the Company will have $356 million of cash on its balance sheet (as com-

pared to our prior expectation of $342 million.) The 2006 projected cash balance compares to $305.9 million at December 31, 2005. The utilization of NOLs and deferred taxes would serve to increase year-end cash balances.

3) On December 1, 2005 AAWW announced that it had identified $100 million in potential cost-savings and revenue-enhancement opportunities that would be targeted to be realized over a several-year period beginning in 2006. On May 15, 2006, AAWW's CFO commented on the Company's 1Q06 earnings call that "significant opportunities across all operational areas as well as overhead had been identified" and while it would take several years to realize the full $100 million, it is expected that some savings could be captured during calendar year 2006. It should be noted that while our model has been adjusted to reflect decreased maintenance expense, landing fees and ground-handling expenses associated with the underutilization (for 2Q06) and mid-year flying cessation of the Company's remaining six Boeing 747-200 Classic aircraft, we have not explicitly included any additional "cost-savings" and "revenue enhancement opportunities" in our AAWW earnings cash flow and valuation model. Therefore, we'd argue that there is upside earnings potential in the second half of 2006 and 2007 and in the Company's Common Stock price.

IV. 1Q06 OPERATING HIGHLIGHTS

On May 15, 2006, AAWW reported tepid 1Q06 earnings which included a (4.3%) year-over-year decline in net revenue to $332.2 million, a (41.0%) decline in 1Q06 EBITDA to $20.7 million and diluted EPS of ($0.18), compared to 1Q05 revenue of $347.0 million, EBITDA of $35.1 million and diluted EPS of $0.03. AAWW recorded weaker than expected first quarter 2006 top-line results but greater than expected EBITDA as compared to CRT's estimates that had called for net revenues and EBITDA of $352.3 million and $16.5 million, respectively.

Management indicated that given shifting market dynamics, the Company is in the process of reducing nonessential capacity and reiterated its previous April 17, 2006 8-K announcement that AAWW expects to cease flying five of its Boeing 747-200 aircraft by mid-2006 (having already sold the sixth) and its sole 747-100. It is evaluating potential opportunities regarding the sale or lease of these aircraft. Furthermore, AAWW management indicated that the Company is in the process of formalizing plans to order new freighter aircraft with increased range, capacity, and fuel efficiency, but did not announce any definitive aircraft acquisition actions at this time.

Operating results for 1Q06 were characterized by a reduction in military charter activity as compared to 1Q05 that led to an excess of 747-200 aircraft capacity that AAWW could not deploy profitably. As a result, AAWW's top-line results were weaker than expected, especially the AMC Charter segment's net revenues, which fell (17.8%) year-over-year from $88.9 million in 1Q05 to $73.1 million in 1Q06. AAWW indicated that the decrease in AMC Charter activity during the quarter was primarily the result of an overall reduction in the U.S. military's heavy-lift requirements and a reduction in the Company's share of total AMC requirements. Segment performance was also burdened by an increase in fixed costs allocated to the segment due to excess, underutilized 747-200 capacity during the quarter.

Block-hour results for the three months ended March 31, 2006 showed notable declines especially in the Company's key AMC Military and ACMI segments, with total 1Q06 block hour activity falling (15.7%) below 1Q05 levels. Specifically, the AMC Military Charter segment block hours declined (27.6%) to 4,510 in 1Q06 as compared to 6,231 for 1Q05. ACMI 1Q06 block hours decreased (18.1%) year-over-year from 20,487 to 16,774. Higher year-over-year unit revenues in all four of AAWW's service types mitigated some, but not all of the impact of the reduction in total block hours. Revenue per block hour increased 9% in the ACMI business, 14% in the AMC charter business, and 13% in the Commercial charter business, while revenue per available ton mile (RATM) increased 12% in the Scheduled Service business.

Operating expenses were lower than CRT had projected for 1Q06 as a result of significantly lower than expected maintenance expense, ground handling charges and landing fees, and reduced travel expenditures (all of which benefited from reduced block hour volume). Sharply higher aircraft fuel expense and increases in labor and other operating expenses offset these benefits. Specifically, AAWW's 1Q06 maintenance expense fell 37% year-over-year to $23.6 million due to a significant reduction in engine overhauls (10 in 1Q06 versus 19 in 1Q05) and fewer required C and D checks. The Company stated that it expects full-year 2006 maintenance expense to be below 2005 levels by greater than the $24 million year-over-year reduction reported in 1Q06 as compared to 1Q05.

Further, fuel cost remains at high levels, but dropped from the record 4Q05 fuel cost per gallon of $2.26. 1Q06 average fuel cost per gallon of $2.09 (comprised of $2.20 fixed rate for AMC Military segment and $2.05 for Scheduled Service/Commercial segments) represented a year-over-year increase of nearly 44% as compared to average fuel costs of $1.40 in 1Q05. Nevertheless, 1Q06 aircraft fuel expense increased only 27%, or $21.6 million versus 1Q05, as higher fuel prices were partly offset by a 12% decline in total fuel consumption, which reflected a 13% reduction in non-ACMI block hours. The Company believes that it can pass through approximately 60% of higher jet fuel costs from its Scheduled Service segment in the form of fuel surcharges.

AAWW had cash and cash equivalents of $309.2 million at March 31, 2006 as compared to $305.9 million at year-end 2005 and $133.9 million at December 31, 2004. AAWW's face value of debt at March 31, 2006 was $674.5 million (not including $103.4 million of unamortized discount related to the fair market value adjustments recorded against debt upon fresh-start accounting). AAWW currently has limited financial leverage, and Total Debt to EBITDA has decreased significantly in the past year from 6.4x at year-end 2004 to 3.0x at March 31, 2006.

V. 2Q06 and 2006 OPERATING EXPECTATIONS

We have decreased our 2Q06 net revenue estimate from $434.9 million to $399.7 million. Our model continues to assume that pricing will remain strong in 2Q06 and the remainder of

2006. We are estimating 2Q06 year-over-year revenue per block hour increases of 9.3% and 16.5% for the Company's Scheduled Service and AMC Military segments, respectively. Together with projected year-over-year block hour changes result in Scheduled Service Revenue increasing 14.4% to $161.2 million (as compared to our prior estimate of $174.6 million) and AMC Military net revenue decreasing (18.4%) to $85.1 million (from our prior estimate of $100.7 million).

As a result of cost savings associated with lower labor costs, maintenance expense, ground handling and landing fees, our revised 2Q06 EBITDA estimate is $57.6 million and flat as compared to $57.7 million in the prior year's period. Our diluted EPS estimate is projected to increase from $0.77 in 2Q05 to $0.86 in 2Q06.

Though the first three months of the year are historically AAWW's seasonally weakest months, we expect that the significant drop in year-over-year 1Q06 ACMI and AMC Military block hours and revenues indicate a full-year trend of lower revenues. Our model now assumes a further reduction in full-year 2006 annual total block hours to (9.4%) from (7.8%) previously. Our new full-year 2006 estimate is characterized by a (10.0%) drop in ACMI to 75,277 block hours and a (29.5%) decline in AMC Military activity to 20,633 bock hours. These declines will be partially offset by our expectation that Scheduled Service will generate a 5.1% increase in 2006 block hours to 39,059 and Commercial Charter will grow its bock hours by 8.4% to 6,781.

We project that 2006 EBITDA will be $229.1 million as compared to $221.1 million in 2005. Our 2006 diluted EPS estimate is $3.55, which assumes a 40% effective tax rate and no NOL utilization. Utilization of NOLs is expected to increase actual results to greater than $3.55 per Common Share.

VI. COMMON STOCK VALUATION
(Please refer to Exhibit II)

Our $47.50 Common Stock price target equates to 5.4x AAWW's projected 2006 EBITDA of $229.1 million, which is approximately equal to the median for small capitalization air freight operators. In deriving our current $47.50 price target, we have continued to utilize a discounted cash flow methodology that quantifies the effects of a potential reduction in the demand for the Company's AMC Charter segment. Our discounted cash flow model assumes an 11.0% discount rate, a weighted average 10-year compounded annual growth rate ("CAGR") of approximately 2.50% (compared to our previous estimate of 1.67%) and a terminal value of 5.0x EBITDA. We have made the following updated assumptions regarding our assumed annual 10-year EBITDA growth rate:

1) Approximately 56% (versus 47% as of December 2005) of CRT's 2006E EBITDA forecast of $220.8 million ($124.3 million, respectively) will grow at a 6.2% 10-year CAGR, which reflects the estimated 2003-2023 World Average GDP growth rate.
2) The remaining 44% of our 2006 EBITDA estimate (53% previously as of December 2005), which represents the AMC Military segments LTM FAC contribution as of March

31, 2006, will decrease at a (1.5%) 10-year CAGR. (Please note that a more rapid cyclical slowdown that is front-end loaded would result in a lower price target.)

This calculation assumes 20.5 million fully diluted Common Shares outstanding. Our matrices in Exhibit II provide a range of Common Stock values based on a 4.0x to 6.0x range of terminal EBITDA multiples and a range of 10.0% to 12.0% in required equity returns. We believe that a 10% to 12% equity hurdle rate represents realistic long-term equity market return requirements.

We note that our Common Stock price target could change with a different terminal valuation multiple. For example, at today's closing Common Stock price of $50.00, utilizing our model's assumptions would imply that the market is pricing a 5.5x terminal EBITDA multiple and an 11% required equity return. Separately, it is also very important to note that we do not include the value of the Company's NOLs in our valuation. At December 31, 2006, the Company had $212 million of federal income tax NOLs as a result of it prior bankruptcy and the cancellation of debt. It is not clear if the utilization of these NOLs will be subject to annual limitations. Without annual limitations, we believe that the NOLs could add as much as $4.00 per share to our $47.50 price target, or $51.50 per Common share.

Lastly, if the Company receives value for its five 747-200s that it may retire at mid-year, the proceeds would reduce debt without impacting our projected earnings stream, which would increase the total enterprise and per share value of AAWW. If these five 747-200s were to be sold for the $8.4 million that the Company received on April 7, 2006 for the sale of one of its aircraft, then a sale of the remaining five aircraft would generate $42.0 million, or approximately $2.00 per share. Further, the addition of the value of the aircraft and the potential value of the NOLs would add $6.00 to our price target that would climb to $53.50 per Common Share. These additional points need to be considered when evaluating the AAWW Common Stock. AAWW currently trades at $47.50, the mid-point of our "official" price target, and a price target that also considers full usage of NOLs in 2006 and 2007 and sale of five 747-200s in 3Q06.

EXHIBIT I
DETAILED CAPITALIZATION

($'s in millions except per share data)

Security	Maturity	Ratings	3/31/05[2] Balance	x LTM EBITDA
Aircraft Credit Facility	Various	NR	$ 31.9	
AFL III Credit Facility	Various	NR	107.4	
2000 EETC's	Various	NR	68.0	
1999 EETC's	Various	NR	126.7	
1998 EETC's	Various	NR	188.8	
Total Senior Secured Debt			**$522.8**	**2.4x**
Capital leases	Various	NR	29.3	
Other unsecured debt	Various	NR	18.9	
Total Debt before Unamortized Discount			**$571.1**	**2.6x**
Unamortized Discount [1]			103.4	
Total Debt [1]			**$674.5**	**3.0x**

Fully Diluted Common Shares Outstanding (millions):	20.517
Price per Share (5/18/06)	**$50.00**
Equity Market Value	$1,025.9
Cash and Equivalents	(309.2)
Total Enterprise Value	**$1,391.2**

Stock Information:
Ticker: *AAWW*
52 Week High/Low: $51.15/$28.00
Fiscal Year: Dec 31

(1) At March 31, 2006, the Company had $103.4 million of unamortized discount related to the fair market value adjustments recorded against debt upon application of fresh-start accounting. Balance Sheet total debt at 3/31/2006 does not include the unamortized discount amount of debt.
(2) Specific values are estimated for debt amounts as only Total Senior Debt amount was given in 10Q and in press release.

EXHIBIT II
DISCOUNTED CASH FLOW VALUATION

($ in millions) except for per share values

Firm Value [1]

	Terminal EBITDA multiple				
	4.0 x	**4.5 x**	**5.0 x**	**5.5 x**	**6.0 x**
10.0%	$ 1,187	$ 1,249	$ 1,312	$ 1,374	$ 1,437
10.5%	1,154	1,214	**1,274**	1,334	1,394
11.0%	1,123	**1,181**	**1,238**	**1,296**	1,354
11.5%	1,093	1,149	**1,204**	1,259	1,315
12.0%	1,065	1,118	1,171	1,224	1,277

Equity Value [2]

	Terminal EBITDA multiple				
	4.0 x	**4.5 x**	**5.0 x**	**5.5 x**	**6.0 x**
10.0%	$ 924	$ 987	$ 1,049	$ 1,112	$ 1,174
10.5%	892	952	**1,012**	1,072	1,132
11.0%	861	**918**	**976**	**1,034**	1,091
11.5%	831	886	**942**	997	1,052
12.0%	802	855	908	962	1,015

Equity Value per share [3]

	Terminal EBITDA multiple				
	4.0 x	**4.5 x**	**5.0 x**	**5.5 x**	**6.0 x**
10.0%	$ 45.05	$ 48.10	$ 51.14	$ 54.18	$ 57.23
10.5%	43.47	46.40	**$49.32**	52.24	55.16
11.0%	41.96	**$44.76**	**$47.57**	**$50.37**	53.18
11.5%	40.50	43.20	**$45.89**	48.58	51.28
12.0%	39.10	41.69	44.28	46.86	49.45

Note:

1) Firm value assumes:
   a. 56% of CRT's 2006E EBITDA forecast of $214.9 million ($124.0 million, respectively) grows 6.2% annually* for a 10-yr period ending December 31, 2015
   b. 44% of CRT's 2006E EBITDA forecast which is attributed to the AMC Military's portion of EBITDA ($96.5 million, respectively) is assumed to decline (1.5%) over a 10-yr period ending December 31, 2015
   c. A Terminal Value based on a range of 4.0x to 6.0x EBITDA is added and annual values are discounted at long-term equity market rates of 10% to 12%
2) Subtracts 2006E net debt of $267 million (utilizes assumption of cash balance @ 12/31/06E of $356.2 million plus total face value of debt @ 12/31/06E of $623 million)
3) Per share values are based on 20.5 million fully diluted shares outstanding

* 2003 – 2023 World Average GDP growth is estimated to be 6.2%, based on Boeing forecasts (contained in Commercial Market
Outlook and World Air Cargo Forecast)

(Source: CRT Estimates)

EXHIBIT III
PROJECTED ANNUAL INCOME STATEMENT

($ in millions, except per share data)	FYA 12/31/2004	FYA 12/31/2005	LTM 3/31/2006	FYE 12/31/2006
OPERATING REVENUES				
Scheduled Service	$ 640.4	$ 555.9	$ 563.4	$ 634.1
ACMI Lease Contracts	376.7	466.0	454.7	447.6
AMC (Military) Charter	282.5	440.6	424.8	337.4
Commerical Charter	69.1	107.8	112.8	126.9
Other revenue	45.9	47.5	47.4	47.4
Total Operating Revenues	**1,414.7**	**$ 1,617.9**	**$ 1,603.1**	**$ 1,593.3**
OPERATING EXPENSES				
Aircraft fuel	$ 351.1	$ 432.4	$ 453.9	$ 477.6
Salaries, wages & benefits	212.1	244.5	248.2	240.6
Maintenance, materials and repairs	236.0	233.6	210.0	192.6
Aircraft rent	142.0	150.9	151.8	154.1
Ground handling	94.4	71.7	69.5	64.6
Landing fees and other rent	91.0	80.1	78.0	68.1
Depreciation and amortization	59.0	46.3	46.9	51.1
Travel	55.3	60.1	58.5	55.2
Pre-petition & post-emergence costs	15.7	3.7	2.2	0.1
Other	113.9	109.1	112.0	111.4
Insurance Gain	-	(7.8)	(7.8)	-
Total Operating Expenses	**$ 1,370.4**	**$ 1,424.6**	**$ 1,423.2**	**$ 1,415.4**
Operating Income (Loss)	**$ 44.3**	**$ 193.3**	**$ 179.9**	**$ 178.0**
Adjusted Operating Income	**$ 59.9**	**$ 189.2**	**$ 174.3**	**$ 178.1**
Operating Income Margin	*4.2%*	*11.7%*	*10.9%*	*11.2%*
Adjusted EBITDA	**118.9**	**235.5**	**221.1**	**229.1**
EBITDA Margin	*8.4%*	*14.6%*	*13.8%*	*14.4%*
Adjusted EBITDAR	**260.9**	**386.4**	**372.9**	**383.2**
EBITDA Margin	*18.4%*	*23.9%*	*23.3%*	*24.0%*
Non-operating Expenses (income)				
Interest income	(1.5)	(6.8)	(9.6)	(12.4)
Interest expense	80.8	74.4	73.9	66.3
Other, net	(2.1)	2.0	(0.4)	2.4
Reorganization Items, Net	(112.5)	-	-	-
PRETAX INCOME	**$ 79.5**	**$ 123.8**	**$ 116.1**	**$ 121.7**
Income tax expense (benefit)	28.6	49.9	46.6	48.8
NET INCOME (LOSS)	**$ 51.0**	**$ 73.9**	**$ 69.5**	**$ 72.9**
Basic Shares Outstanding (millions)	20.2	20.3	20.5	20.5
Diluted Shares Outstanding (millions)	20.4	20.7	20.5	20.5
Basic EPS	$ 1.86	$ 3.64	$ 3.39	$ 3.55
Diluted EPS	$ 1.85	$ 3.56	$ 3.39	$ 3.55
Diluted Adjusted EPS [(1)]		$ 3.44	$ 3.22	$ 3.56

(Source: Company Reports and CRT Estimates)

EXHIBIT IV
PROJECTED QUARTERLY INCOME STATEMENT

($ in millions, except per share data)	3/31/2005A	3/31/2006A	6/30/2005A	6/30/2006E	9/30/2005A	9/30/2006E	12/31/2005A	12/30/2006E
OPERATING REVENUES								
Scheduled Service	$ 121.1	$ 128.7	$ 141.0	$ 161.2	$ 138.6	$ 170.5	$ 155.2	$ 173.7
ACMI Lease Contracts	109.5	98.2	122.6	120.9	115.9	113.9	118.0	114.6
AMC (Military) Charter	88.9	73.1	104.4	85.1	115.5	92.9	131.9	86.2
Commerical Charter	15.5	20.5	15.6	20.8	22.8	25.7	53.9	59.9
Other revenue	11.8	11.7	11.7	11.7	12.1	12.1	12.0	12.0
Total Operating Revenues	**$ 346.9**	**$ 332.2**	**$ 395.2**	**$ 399.7**	**$ 404.9**	**$ 415.1**	**$ 470.9**	**$ 446.4**
OPERATING EXPENSES								
Aircraft fuel	$ 79.6	$ 101.2	$ 101.9	$ 121.5	$ 105.1	$ 127.7	$ 145.7	$ 127.2
Salaries, wages & benefits	56.4	60.1	57.7	60.0	61.7	58.8	68.8	61.7
Maintenance, materials and repairs	64.0	40.4	58.9	48.3	49.5	49.5	61.2	54.5
Aircraft rent	36.9	37.8	37.6	38.3	37.6	38.3	38.9	39.7
Ground handling	18.2	15.9	19.4	16.8	16.0	15.5	18.2	16.4
Landing fees and other rent	18.4	16.3	20.7	17.1	20.4	17.0	20.6	17.7
Depreciation and amortization	13.0	13.5	13.1	13.5	11.8	12.0	8.5	12.0
Travel	14.8	13.2	14.6	13.3	14.9	14.0	15.8	14.7
Pre-petition & post-emergence costs	1.6	0.1	0.8	0.0	0.5	0.0	0.7	0.0
Other	23.6	26.6	26.8	26.8	27.0	27.0	31.7	31.1
Insurance Gain	-		-		(7.5)		(0.4)	
Total Operating Expenses	**$ 326.5**	**$ 325.0**	**$ 351.4**	**$ 355.6**	**$ 336.9**	**$ 359.7**	**$ 409.8**	**$ 375.0**
Operating Income (Loss)	**$ 20.5**	**$ 7.1**	**$ 43.8**	**$ 44.0**	**$ 68.0**	**$ 55.4**	**$ 61.0**	**$ 71.4**
Adjusted Operating Income	**$ 22.1**	**$ 7.2**	**$ 44.6**	**$ 44.0**	**$ 61.1**	**$ 55.4**	**$ 61.4**	**$ 71.4**
Operating Income Margin	*6.4%*	*2.2%*	*11.3%*	*11.0%*	*15.1%*	*13.4%*	*13.0%*	*16.0%*
Adjusted EBITDA	**35.1**	**20.8**	**57.7**	**57.6**	**72.8**	**67.4**	**69.9**	**83.4**
EBITDA Margin	*10.1%*	*6.3%*	*14.6%*	*14.4%*	*18.0%*	*16.2%*	*14.8%*	*18.7%*
Adjusted EBITDAR	**72.0**	**58.6**	**95.2**	**95.9**	**110.4**	**105.7**	**108.8**	**123.1**
EBITDA Margin	*20.7%*	*17.6%*	*24.1%*	*24.0%*	*27.3%*	*25.5%*	*23.1%*	*27.6%*
Non-operating Expenses (income)								
Interest income	(0.8)	(3.6)	(1.3)	(3.3)	(2.0)	(2.8)	(2.7)	(2.8)
Interest expense	17.8	17.3	18.0	16.6	19.6	16.3	19.0	16.1
Other, net	2.0	(0.4)	0.2	2.8	(0.2)	0.0	0.0	0.0
Reorganization Items, Net	-	-	-	-	-	-	-	-
PRETAX INCOME	1.5	(6.2)	26.9	27.9	50.6	41.9	44.8	58.1
Income tax expense (benefit)	0.8	(2.5)	11.0	10.3	20.8	17.2	17.3	23.8
NET INCOME (LOSS)	0.7	(3.7)	15.9	17.6	29.9	24.7	27.5	34.3
Basic Shares Outstanding (millions)	20.2	20.5	20.2	20.5	20.3	20.5	20.4	20.5
Diluted Shares Outstanding (millions)	20.5	20.5	20.5	20.5	20.8	20.5	20.8	20.5
Basic EPS	$ 0.03	$ (0.18)	$ 0.78	$ 0.86	$ 1.47	$ 1.20	$ 1.35	$ 1.67
Diluted EPS	$ 0.03	$ (0.18)	$ 0.77	$ 0.86	$ 1.44	$ 1.20	$ 1.32	$ 1.67

(Source: Company Reports and CRT Estimates)

EXHIBIT V
ANNUAL HISTORICAL AND PROJECTED BLOCK HOUR / REVENUE COMPOSITION BY SEGMENT

	Annual Historical				Forecast
($ in millions)	FYA 12/31/2003	FYA 12/31/2004	FYA 12/31/2005	LTM 3/31/2006	FYE 12/31/2006
OPERATING REVENUES					
Scheduled Service	$ 522.0	$ 640.4	$ 555.9	$ 563.4	$ 634.1
ACMI contracts	305.5	376.7	466.0	454.7	447.6
AMC Charter	430.3	282.5	440.6	424.8	337.4
Commerical Charter	86.6	69.1	107.8	112.8	126.9
Other revenue	37.3	45.9	47.5	47.4	47.4
Total Operating Revenues	**$ 1,381.7**	**1,414.7**	**1,617.9**	**$ 1,603.1**	**$ 1,593.3**
% change	*17.3%*	*2.4%*	*14.4%*	**-**	*-1.5%*
Operating Revenues % makeup					
Scheduled Service	*37.8%*	*45.3%*	*34.4%*	*35.1%*	*39.8%*
ACMI contracts	*22.1%*	*26.6%*	*28.8%*	*28.4%*	*28.1%*
AMC Charter	*31.1%*	*20.0%*	*27.2%*	*26.5%*	*21.2%*
Commerical Charter	*6.3%*	*4.9%*	*6.7%*	*7.0%*	*8.0%*
Other revenue	*2.7%*	*3.2%*	*2.9%*	*3.0%*	*3.0%*
	100.0%	***100.0%***	***100.0%***	***100.0%***	***100.0%***
BLOCK HOURS (in 000s)					
Scheduled Service	54.2	55.1	37.2	36.7	39.1
ACMI Contract	58.5	70.3	83.7	80.0	75.3
AMC Charter	35.0	22.4	29.3	27.6	20.7
Commercial Charter	8.0	5.0	6.3	6.5	6.8
Non Revenue / Other	3.0	1.2	0.8	0.7	0.7
Total Block Hours	**158.7**	**154.0**	**157.3**	**151.4**	**142.5**
Block Hours % makeup					
Scheduled Service	*34.2%*	*35.8%*	*23.6%*	*24.2%*	*27.4%*
ACMI contracts	*36.9%*	*45.7%*	*53.2%*	*52.8%*	*52.8%*
AMC Charter	*22.0%*	*14.5%*	*18.6%*	*18.2%*	*14.5%*
Commerical Charter	*5.0%*	*3.2%*	*4.0%*	*4.3%*	*4.8%*
Other revenue	*1.9%*	*0.8%*	*0.5%*	*0.5%*	*0.5%*
	100.0%	***100.0%***	***100.0%***	***100.0%***	***100.0%***
Block Hours Y-O-Y % change					
Scheduled Service	*63.6%*	*1.6%*	*-32.5%*	-	*5.1%*
ACMI Contract	*-5.3%*	*20.2%*	*19.0%*	-	*-10.0%*
AMC Charter	*93.8%*	*-36.0%*	*31.0%*	-	*-29.5%*
Commercial Charter	*-42.3%*	*-37.5%*	*25.8%*	-	*8.4%*
Non Revenue / Other	*-81.3%*	*-61.1%*	*-28.6%*	-	*-12.2%*
Total Block Hours Y-O-Y% change	***11.1%***	***-3.0%***	***2.1%***	**-**	***-9.4%***

(Source: Company Reports and CRT Estimates)

EXHIBIT VI
QUARTERLY HISTORICAL AND PROJECTED BLOCK HOUR / REVENUE COMPOSITION BY SEGMENT

($ in millions)	3/31/2005A	3/31/2006A	6/30/2005A	6/30/2006E	9/30/2005A	9/30/2006E	12/30/2005A	12/30/2006E
OPERATING REVENUES								
Scheduled Service	$ 121.1	$ 128.7	$ 141.0	$ 161.2	$ 138.6	$ 170.5	$ 155.2	$ 173.7
ACMI contracts	109.5	98.2	122.6	120.9	115.9	113.9	118.0	114.6
AMC Charter	88.9	73.1	104.4	85.1	115.5	92.9	131.9	86.2
Commerical Charter	15.5	20.5	15.6	20.8	22.8	25.7	53.9	59.9
Other revenue	11.8	11.7	11.7	11.7	12.1	12.1	12.0	12.0
Total Operating Revenues	**$ 346.9**	**$ 332.2**	**$ 395.2**	**$ 399.7**	**$ 404.9**	**$ 415.1**	**$ 470.9**	**$ 446.4**
% change	*16.6%*	*-4.3%*	*16.8%*	*1.1%*	*15.6%*	*2.5%*	*9.8%*	*-5.2%*
Operating Revenues % makeup								
Scheduled Service	*34.9%*	*38.7%*	*35.7%*	*40.3%*	*34.2%*	*41.1%*	*33.0%*	*38.9%*
ACMI contracts	*31.6%*	*29.6%*	*31.0%*	*30.2%*	*28.6%*	*27.4%*	*25.1%*	*25.7%*
AMC Charter	*25.6%*	*22.0%*	*26.4%*	*21.3%*	*28.5%*	*22.4%*	*28.0%*	*19.3%*
Commerical Charter	*4.5%*	*6.2%*	*3.9%*	*5.2%*	*5.6%*	*6.2%*	*11.5%*	*13.4%*
Other revenue	*3.4%*	*3.5%*	*3.0%*	*2.9%*	*3.0%*	*2.9%*	*2.5%*	*2.7%*
	100.0%	***100.0%***	***100.0%***	***100.0%***	***100.0%***	***100.0%***	***100.0%***	***100.0%***
BLOCK HOURS (in 000s)								
Scheduled Service	9.1	8.6	9.9	10.4	9.0	10.3	9.2	9.8
ACMI Contract	20.5	16.8	22.6	20.6	20.8	19.5	19.8	18.4
AMC Charter	6.2	4.5	7.5	5.3	8.2	5.7	7.4	5.2
Commercial Charter	1.2	1.4	1.0	1.2	1.4	1.4	2.7	2.7
Non Revenue / Other	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Total Block Hours	**37.3**	**31.4**	**$ 41.3**	**$ 37.7**	**$ 39.5**	**$ 37.1**	**$ 39.2**	**$ 36.3**
Block Hours % makeup								
Scheduled Service	*24.4%*	*27.2%*	*24.1%*	*27.6%*	*22.7%*	*27.8%*	*23.4%*	*27.0%*
ACMI contracts	*54.9%*	*53.3%*	*54.8%*	*54.7%*	*52.6%*	*52.5%*	*50.5%*	*50.7%*
AMC Charter	*16.7%*	*14.3%*	*18.2%*	*13.9%*	*20.7%*	*15.5%*	*18.8%*	*14.2%*
Commerical Charter	*3.3%*	*4.6%*	*2.4%*	*3.2%*	*3.5%*	*3.8%*	*6.8%*	*7.5%*
Other revenue	*0.7%*	*0.5%*	*0.5%*	*0.5%*	*0.5%*	*0.5%*	*0.5%*	*0.5%*
	100.0%	***100.0%***	***100.0%***	***100.0%***	***100.0%***	***100.0%***	***100.0%***	***100.0%***
Block Hours Y-O-Y % change								
Scheduled Service	*-34.7%*	*-5.7%*	*-30.9%*	*4.6%*	*-34.8%*	*15.0%*	*-29.7%*	*6.5%*
ACMI Contract	*30.4%*	*-18.1%*	*43.6%*	*-8.7%*	*21.9%*	*-6.4%*	*-9.4%*	*-7.0%*
AMC Charter	*37.3%*	*-27.6%*	*20.4%*	*-30.0%*	*32.2%*	*-30.0%*	*36.4%*	*-30.0%*
Commercial Charter	*102.5%*	*17.0%*	*51.5%*	*21.4%*	*53.1%*	*2.5%*	*-5.4%*	*2.5%*
Non Revenue / Other	*-12.2%*	*-38.9%*	*-29.9%*	*0.0%*	*-44.5%*	*0.0%*	*-25.8%*	*0.0%*
Total Block Hours Y-O-Y% chan	***6.4%***	***-15.7%***	***10.6%***	***-8.6%***	***3.3%***	***-6.1%***	***-9.6%***	***-7.5%***

(Source: Company Reports and CRT Estimates)

EXHIBIT VII
DETAILED HISTORICAL AND PROJECTED CAPITALIZATION TABLE

DETAILED HISTORICAL & PROJECTED CAPITALIZATION TABLE										CRT PROJECTIONS	
($ in millions)	FYA 12/31/2003 (1)	9/30/2004A (2)	FYA 12/31/2004	3/31/2005A	6/30/2005A	9/30/2005A	FYA 12/31/2005	3/31/2006A	6/30/2006E	9/30/2006E	FYE 12/31/2006
Debt & Capital Leases											
Aircraft Credit Facility	$ 43.6	$ 41.2	$ 35.0	$ 34.6	$ 34.1	$ 33.7	$ 33.2	$ 31.9	$ 30.4	$ 28.9	$ 27.3
AFL III Credit Facility	162.9	136.7	138.3	137.8	121.1	118.6	113.5	107.4	100.2	92.8	85.3
9 1/4% Senior Notes due 2008	152.9	-	-	-	-	-	-	-	-	-	-
9 3/8% Senior Notes due 2006	147.0	-	-	-	-	-	-	-	-	-	-
10 3/4% Senior Notes due 2005	137.5	-	-	-	-	-	-	-	-	-	-
2000 EETCs	59.9	71.7	71.6	69.5	69.3	69.1	68.3	68.0	67.6	67.2	66.8
1999 EETCs	87.3	135.5	135.0	133.9	132.8	131.6	127.9	126.7	125.6	124.5	123.3
1998 EETCs	73.5	201.0	200.5	199.1	197.6	196.1	190.6	188.8	187.0	185.1	183.3
Total Senior Secured Debt	**$ 864.4**	**$ 586.0**	**$ 580.4**	**$ 574.9**	**$ 554.9**	**$ 549.1**	**$ 533.5**	**$ 522.8**	**$ 510.8**	**$ 498.5**	**$ 486.0**
Capital leases	52.3	38.2	36.7	35.2	33.6	32.0	30.4	29.3	28.2	27.1	26.0
Other Debt	47.8	22.8	22.0	21.1	20.3	19.5	19.2	18.9	18.6	18.0	17.7
TOTAL DEBT & CAPITAL LEASES	**$ 964.6**	**$ 647.0**	**$ 639.1**	**$ 631.2**	**$ 608.7**	**$ 600.5**	**$ 583.1**	**$ 571.1**	**$ 557.6**	**$ 543.7**	**$ 529.8**
Unamortized Debt Discount (3)	-	-	$ 123.4	$ 119.7	$ 116.2	$ 110.7	$ 106.8	$ 103.4	$ 100.0	$ 96.6	$ 93.2
Total Face Value of Debt	**-**	**-**	**762.5**	**750.9**	**725.0**	**711.2**	**689.9**	**674.5**	**657.6**	**640.3**	**623.0**
Total Cash & Equivalents	93.3	97.3	133.9	163.6	192.5	277.8	305.9	309.2	320.9	337.7	360.5
NET DEBT	**$ 871.3**	**$ 549.7**	**$ 628.6**	**$ 587.3**	**$ 532.4**	**$ 433.4**	**$ 384.0**	**$ 365.3**	**$ 336.7**	**$ 302.5**	**$ 262.5**
Net Interest Expense	93.6	88.2	79.3	72.9	70.3	69.0	67.6	64.2	60.9	56.8	53.9
LTM Adjusted EBITDA	**$ 96.6**	**$ 86.7**	**$ 118.9**	**$ 152.2**	**$ 186.3**	**$ 248.2**	**$ 235.5**	**$ 221.2**	**$ 221.1**	**$ 215.7**	**$ 229.1**
Total Senior Secured Debt / LTM EBITDA	8.9 x	6.8 x	4.9 x	3.8 x	3.0 x	2.2 x	2.3 x	2.4 x	2.3 x	2.3 x	2.1 x
Total Debt / LTM EBITDA	10.0 x	7.5 x	6.4 x	4.9 x	3.9 x	2.9 x	2.9 x	3.0 x	3.0 x	3.0 x	2.7 x
Net Debt / LTM EBITDA	9.0 x	6.3 x	5.3 x	3.9 x	2.9 x	1.7 x	1.6 x	1.7 x	1.5 x	1.4 x	1.1 x
Adj. LTM EBITDA / LTM Net Interest Exp.	1.0 x	1.0 x	1.5 x	2.1 x	2.6 x	3.6 x	3.5 x	3.4 x	3.6 x	3.8 x	4.3 x
Adj. LTM EBITDA - Capex / LTM Net Interest	0.9 x	0.9 x	1.1 x	1.6 x	2.1 x	3.1 x	3.1 x	2.9 x	3.1 x	3.2 x	3.4 x

Notes:
(1) Bankruptcy petition date was 1/30/2004
(2) AAWW filed a Plan of Reorganization and Disclosure Statement on April 22, 2004; AAWW's Bankruptcy Plan of Reorg. was confirmed on July 15th and became effective on July 26, 2004. 3Q04 results were the Company's first filing post emergence from Bankruptcy
(3) As of most recent quarter, March 31, 2006, the Company had $103.4 million of unamortized discount related to the fair market value adjustments recorded against debt upon application of fresh- start accounting. Balance Sheet total debt at 1/31/2006 does not include the unamortized discount amount of debt.

(Source: Company Financials and CRT Estimates)

REQUIRED DISCLOSURES

The recommendations and guidance expressed in this research report accurately reflect the personal recommendations and guidance of the research analyst principally responsible for the preparation of this report.

No part of the compensation received by the analyst principally responsible for the preparation of this report was, is or will be directly or indirectly related to the specific recommendations and guidance expressed in this report. Direct or indirect analyst compensation may be based on performance-related considerations associated with the recommendations and guidance expressed by the analyst in this report.

The research analyst primarily responsible for the preparation of this report received compensation that is based upon CRT Capital Group LLC's total business revenues, including revenues derived from CRT's investment banking business.

Rating	*Meaning*
Buy	*Expected rate of return on investment at current price levels is above that rate required, in CRT's view, to undertake the attendant risks perceived – positive risk/reward investment balance.*
Fair Value	*Expected rate of return on investment at current price levels is in line with that rate required, in CRT's view, to undertake the attendant risks perceived – equitable risk/reward investment balance.*
Sell	*Expected rate of return on investment at current price levels is below that rate required, in CRT's view, to undertake the attendant risks perceived – negative risk/reward investment balance.*

CRT Equity Securities Ratings Percentages As of March 31, 2006		Percentage of Banking Clients Within Each Ratings Category As of March 31, 2006
Buy	52%	6%
Fair Value/Hold	26%	0%
Sell	22%	0%

Risks that may impede achievement of the stated price target, if any, include, but are not limited to, broad market and macroeconomic fluctuations and unforeseen changes in the subject company's fundamentals or business trends.

OTHER DISCLOSURES