

**AMR CORPORATION  
FINANCIAL UPDATE**

**OCTOBER 30, 2009**

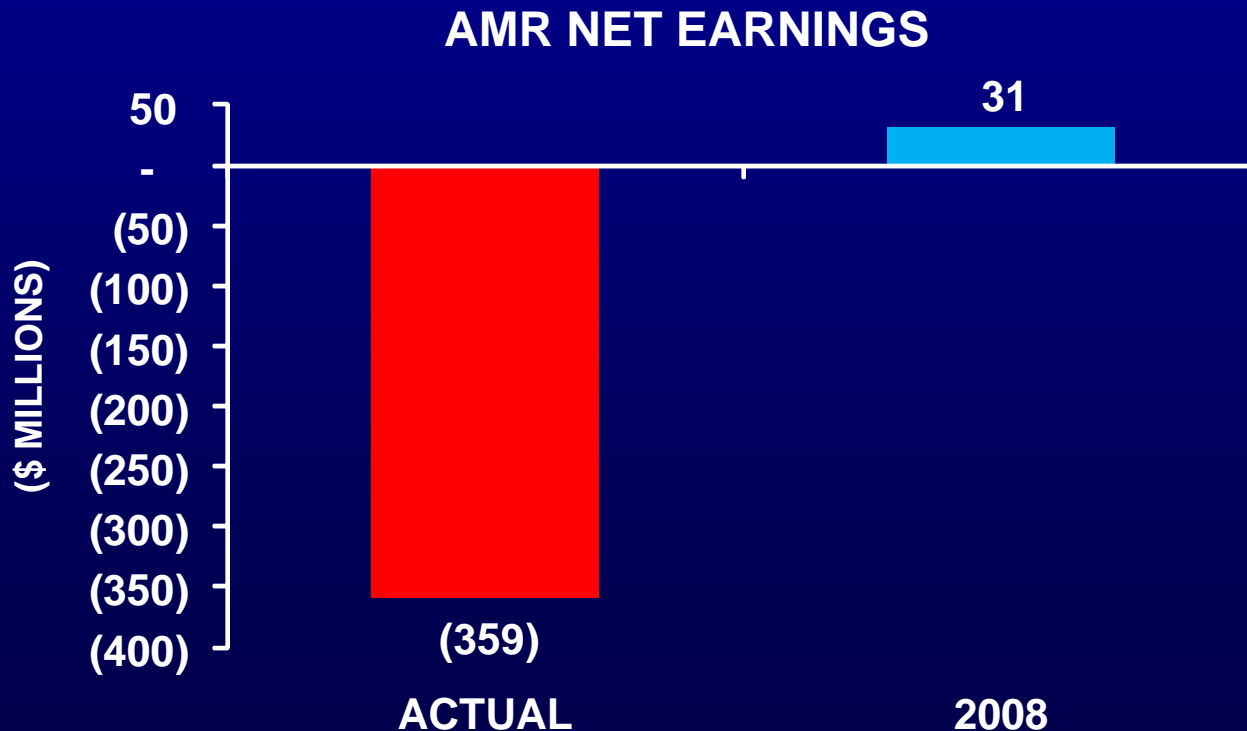
# AMR CORPORATION FINANCIAL UPDATE

- **THIRD QUARTER FINANCIAL RESULTS**
- **2009 EARNINGS OUTLOOK**
- **FINANCING UPDATE**

# **THIRD QUARTER FINANCIAL RESULTS**

# AMR CORPORATION THIRD QUARTER FINANCIAL RESULTS

- IN THE THIRD QUARTER, AMR RECORDED A NET LOSS OF \$359 MILLION, \$390 MILLION WORSE THAN 2008
  - BOTH YEARS INCLUDE SPECIAL ITEMS



# AMR CORPORATION

## THIRD QUARTER FINANCIAL RESULTS

- THE NET IMPACT OF SPECIAL ITEMS BOOKED IN EACH YEAR IS PROVIDED BELOW

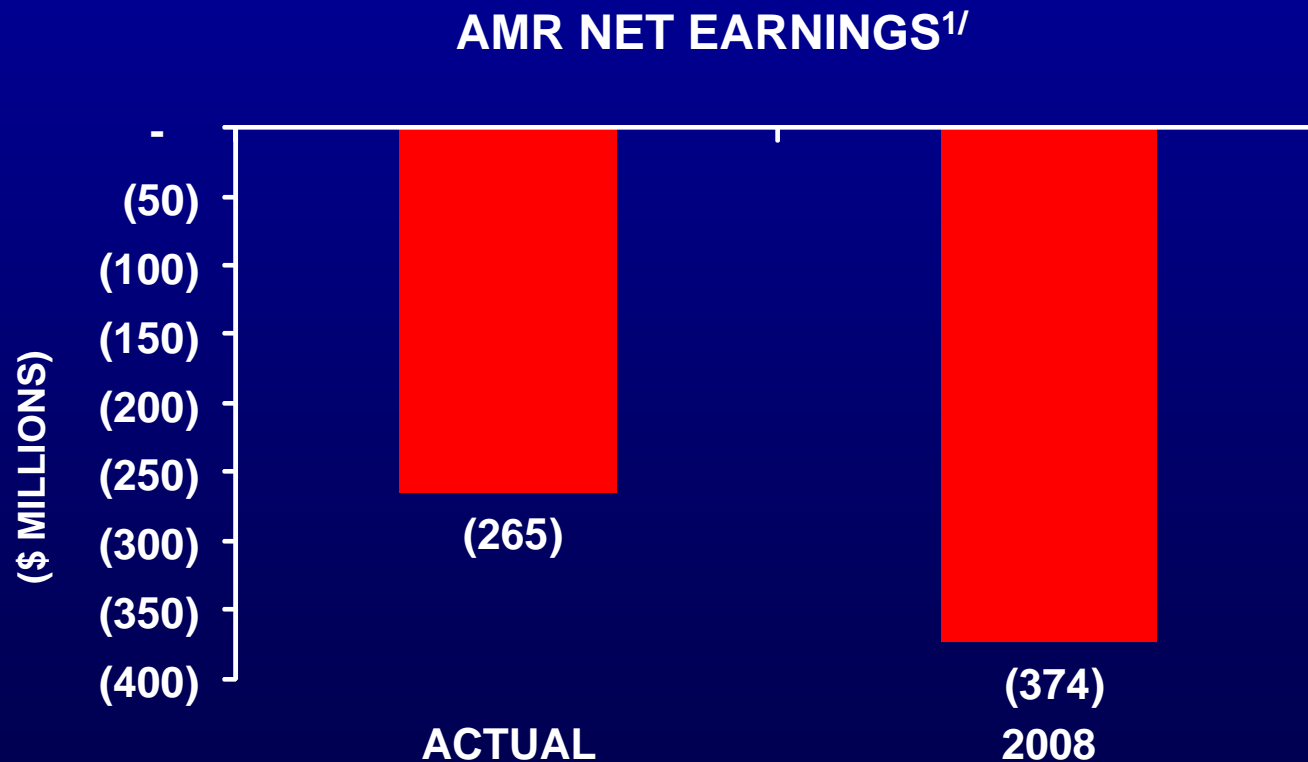
### THIRD QUARTER SPECIAL ITEMS

\$ MILLIONS

3Q09:	(\$30) <u>(64)</u> <u><u>(\$94)</u></u>	SALE-LEASEBACK LOSS ON 5 B757 AIRCRAFT GROUNDING OF FINAL 9 LEASED A300s TOTAL 3Q09
3Q08:	\$432 (27) <u><u>\$405</u></u>	GAIN ON SALE OF AMERICAN BEACON AIRCRAFT AND EMPLOYEE SEVERANCE CHARGES RELATED TO FALL 2008 CAPACITY REDUCTIONS TOTAL 3Q08

# AMR CORPORATION JULY/AUGUST FINANCIAL RESULTS

- EXCLUDING SPECIAL ITEMS, AMR RECORDED A NET LOSS OF \$265 MILLION, \$109 MILLION BETTER THAN 2008



# AMR CORPORATION

## THIRD QUARTER FINANCIAL RESULTS<sup>1/</sup>

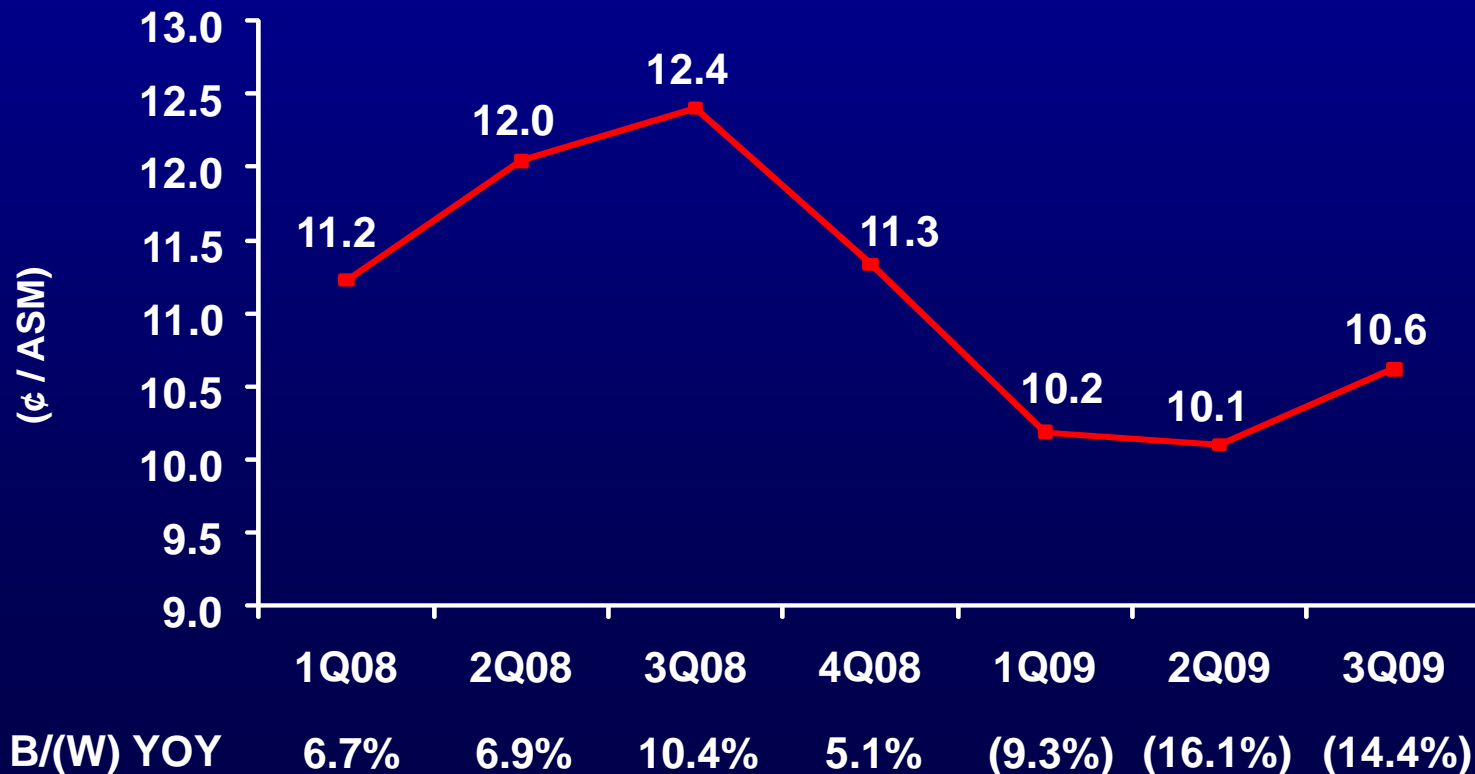
	<u>3Q</u> <u>ACTUAL</u>	<u>VARIANCE BETTER / (WORSE) THAN</u>	
		2008	
		<u>\$</u>	<u>%</u>
<b>PASSENGER REVENUE</b>			
- AA	3,882.1	(1,064.1)	(21.5)
- REGIONAL AFFILIATES	523.4	(144.8)	(21.7)
<b>CARGO &amp; OTHER REVENUE</b>	<u>720.9</u>	<u>(86.1)</u>	(10.7)
<b>TOTAL OPERATING REVENUE</b>	5,126.4	(1,295.1)	(20.2)
<b>NON-FUEL EXPENSES</b>	3,773.3	115.5	3.0
<b>FUEL EXPENSES</b>	<u>1,453.5</u>	<u>1,268.4</u>	46.6
<b>TOTAL OPERATING EXPENSES</b>	<u>5,226.7</u>	<u>1,383.8</u>	20.9
<b>OPERATING EARNINGS</b>	(100.3)	88.8	46.9
<b>OTHER INCOME / (EXPENSE)</b>	(191.9)	(9.7)	(5.3)
<b>TAXES</b>	<u>27.3</u>	<u>30.1</u>	---
<b>NET EARNINGS</b>	(265.0)	109.1	29.2
<b>AMR ASMs (000,000)</b>	41,489	(3,782)	(8.4)

1/ EXCLUDES SPECIAL ITEMS

# AMR CORPORATION THIRD QUARTER REVENUE

- THIRD QUARTER UNIT REVENUE IMPROVED MODESTLY YEAR-OVER-YEAR FROM SECOND QUARTER

## AMR UNIT REVENUE

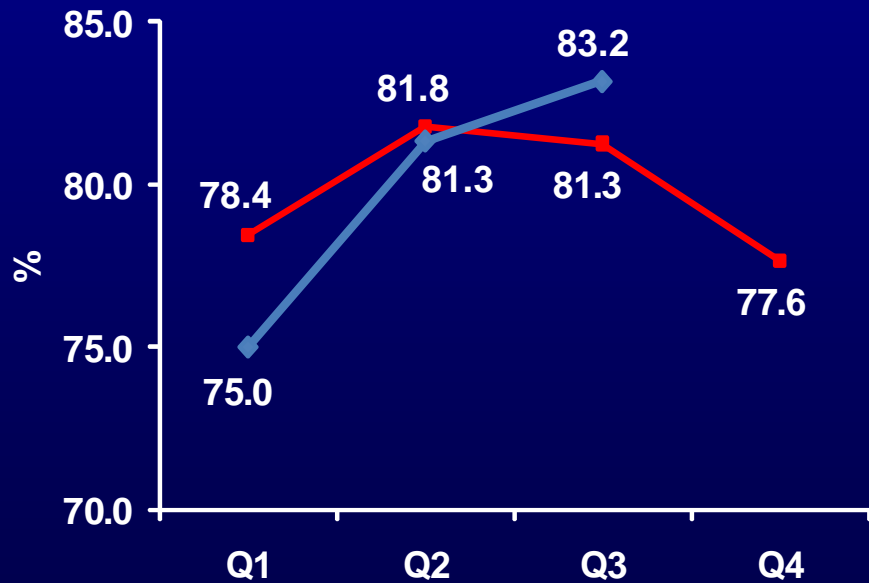


# AMR CORPORATION THIRD QUARTER REVENUE

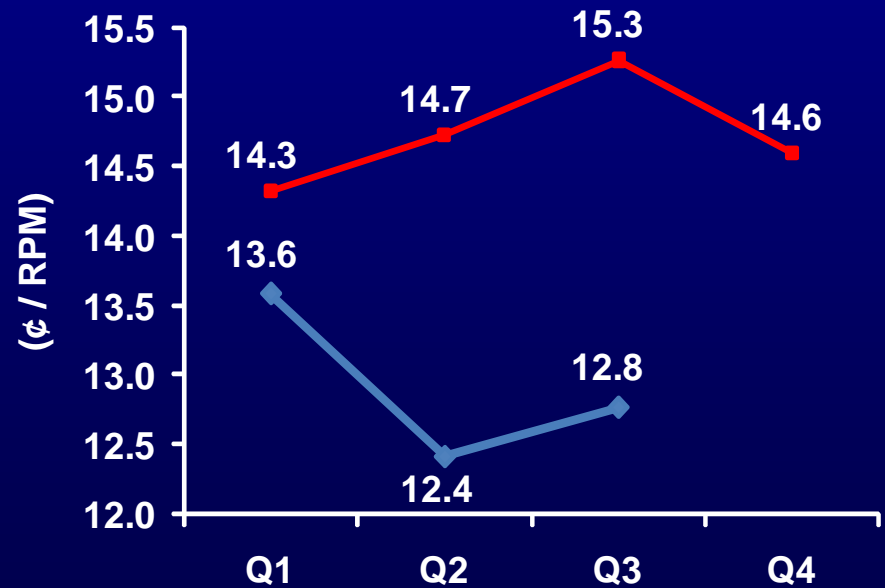
- WITH OUR CAPACITY CUTS AND LOWER FARES, LOAD FACTOR INCREASED BY 1.9 POINTS

— HOWEVER, PASSENGER YIELD DROPPED BY 16.4%

### AMR LOAD FACTOR



### AMR YIELD



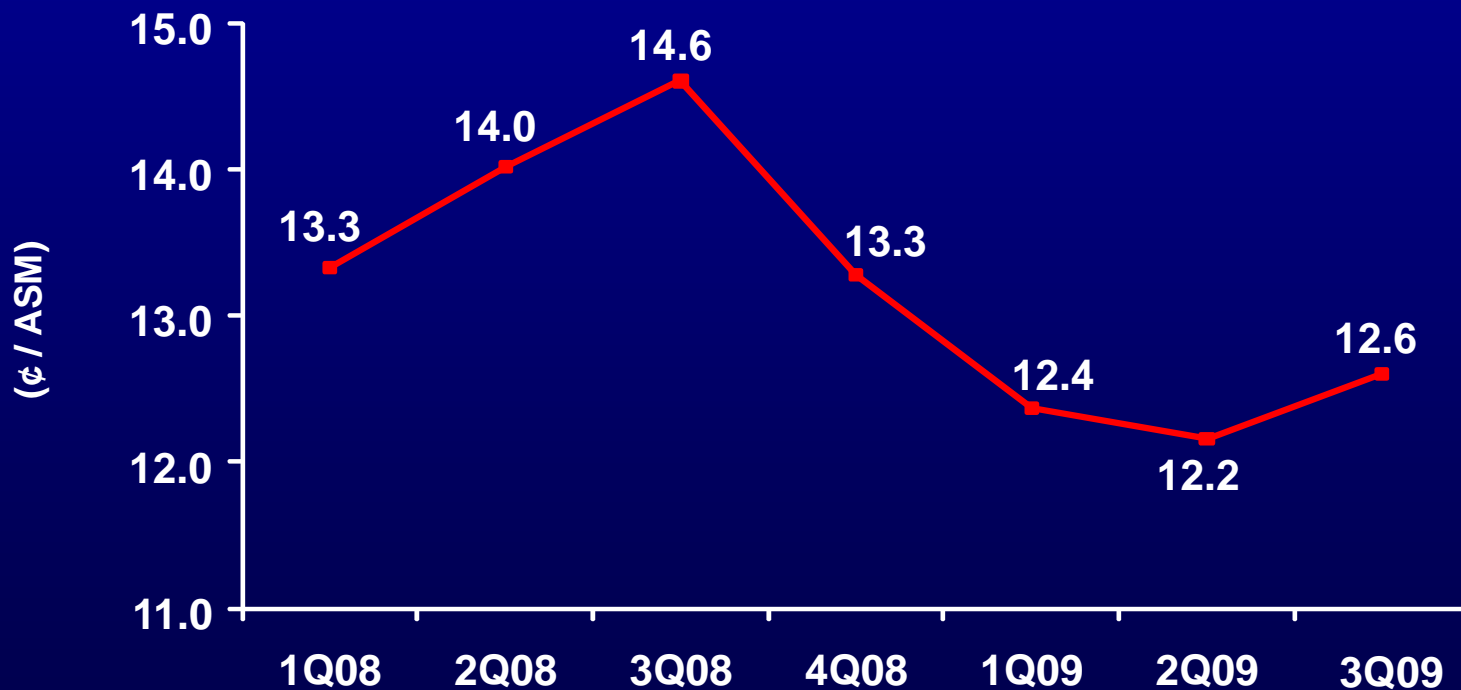
■ 2008

◆ 2009

# AMR CORPORATION THIRD QUARTER COSTS

- **THIRD QUARTER UNIT COSTS WERE 13.7% LOWER THAN LAST YEAR REFLECTING THE LARGE DROP IN FUEL PRICES**

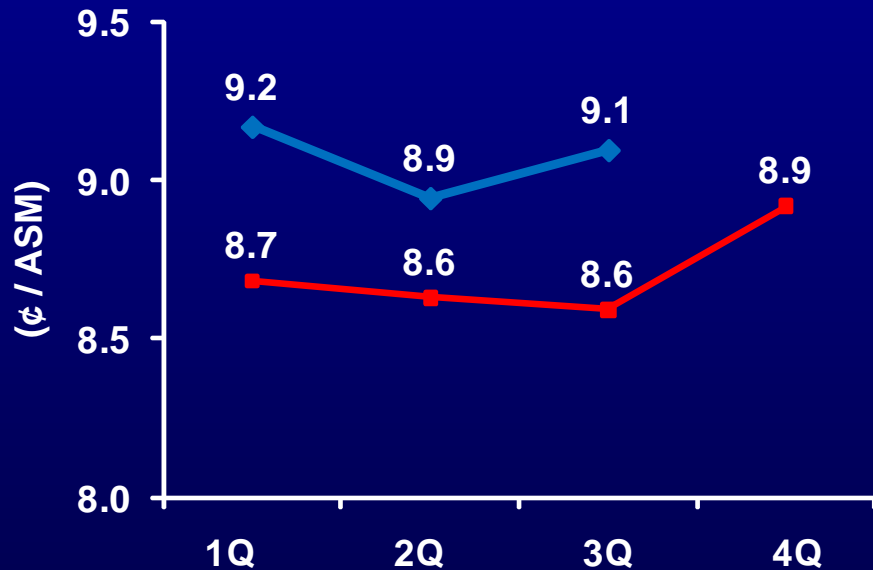
**AMR UNIT COSTS<sup>1/</sup>**



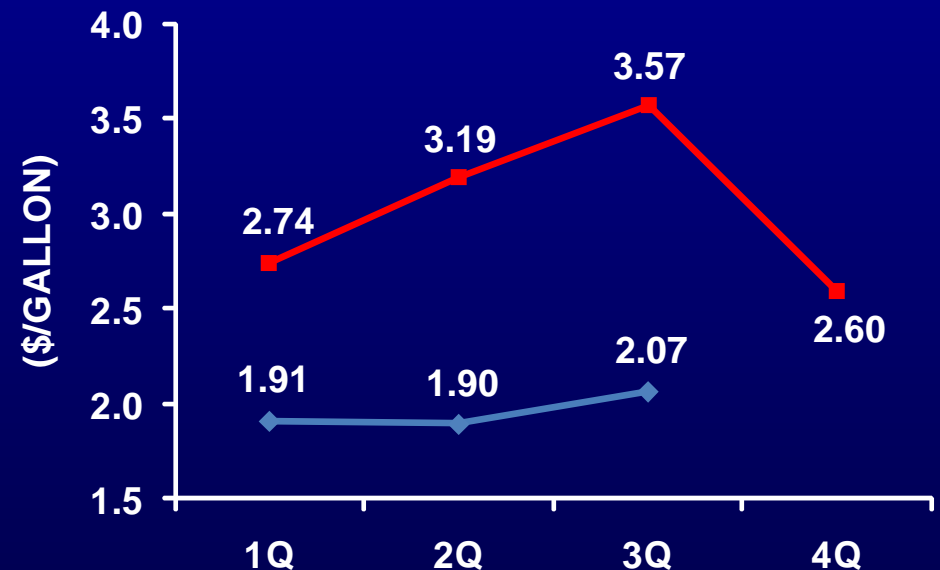
# AMR CORPORATION THIRD QUARTER COSTS

- **NON-FUEL UNIT COSTS INCREASED 5.9% YEAR-OVER-YEAR, WHILE THIRD QUARTER FUEL PRICE WAS \$2.07 PER GALLON, 42.2% LOWER THAN A YEAR AGO**

### AMR NON-FUEL UNIT COSTS<sup>1/</sup>



### AMR FUEL PRICE



■ 2008

◆ 2009

# AMR CORPORATION

## THIRD QUARTER CASH FLOW

- WE ENDED THE QUARTER WITH \$4.6 BILLION IN CASH, \$1.3 BILLION HIGHER THAN OUR BALANCE ON JUNE 30, 2009

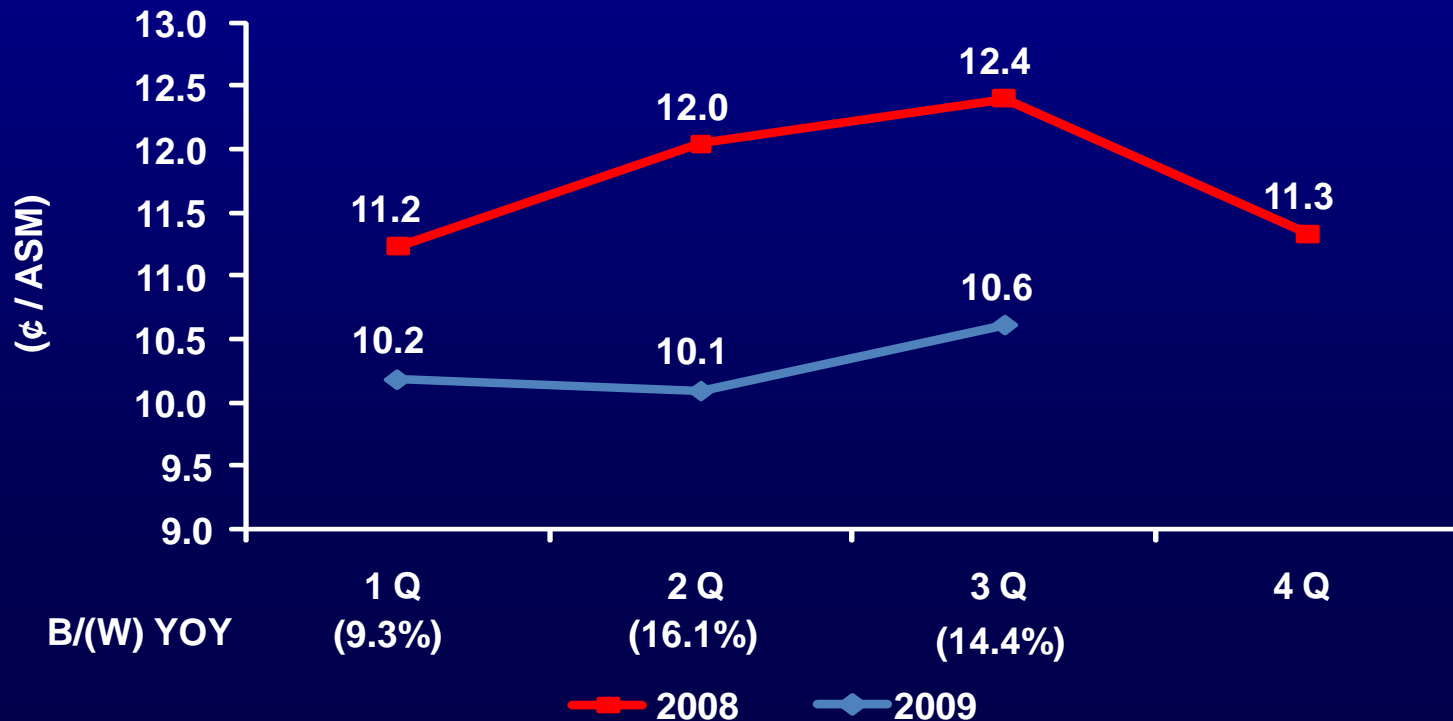
	\$ MILLIONS	
BEGINNING CASH BALANCE @ 6/30/2009		3,269
<b>CASH FLOW FROM OPERATIONS</b>		
NET INCOME/(LOSS)	(359)	
DEPRECIATION AND AMORTIZATION	272	
SPECIAL ITEMS	94	
OTHER	(18)	
<b>NET CASH FLOW FROM OPERATIONS</b>	(11)	(11)
<b>CASH FLOW FROM INVESTING</b>		(490)
<b>CASH FLOW FROM FINANCING</b>		
ISSUANCE OF DEBT	1,409	
ISSUANCE OF EQUITY AND CONVERTIBLE DEBT	842	
SALE-LEASEBACK TRANSACTIONS	243	
SCHEDULED DEBT REPAYMENTS	(691)	
<b>NET CASH FLOW FROM FINANCING</b>	1,803	1,803
<b>ENDING CASH BALANCE @ 9/30/2009</b>		4,571

# EARNINGS OUTLOOK

# AMR CORPORATION EARNINGS OUTLOOK

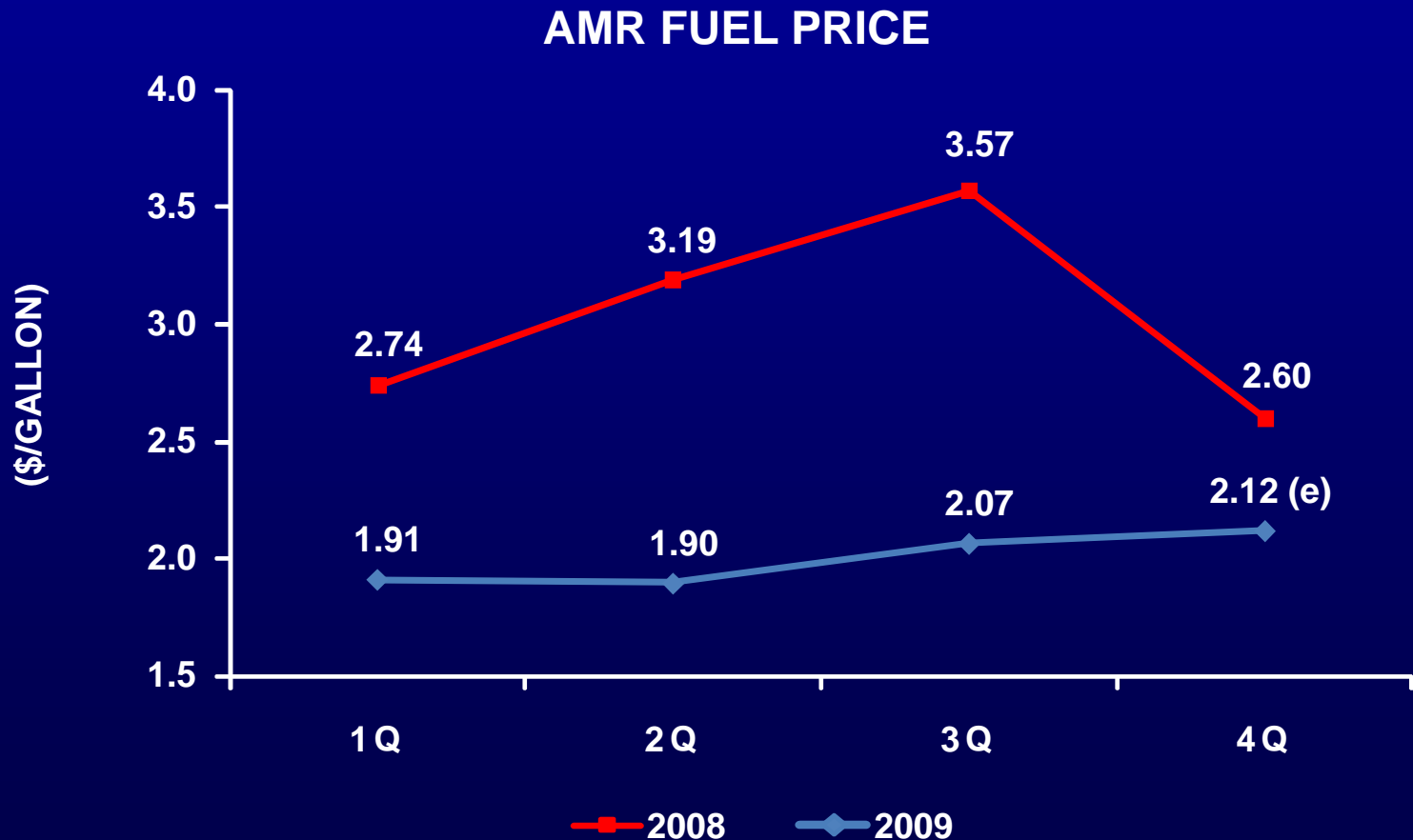
- **LOOKING FORWARD, UNIT REVENUE IS SIGNIFICANTLY LOWER YEAR-OVER-YEAR BUT HAS SHOWN MODEST IMPROVEMENT**
- **WE EXPECT THIS TREND TO CONTINUE INTO THE FOURTH QUARTER**

## AMR UNIT REVENUE



# AMR CORPORATION EARNINGS OUTLOOK

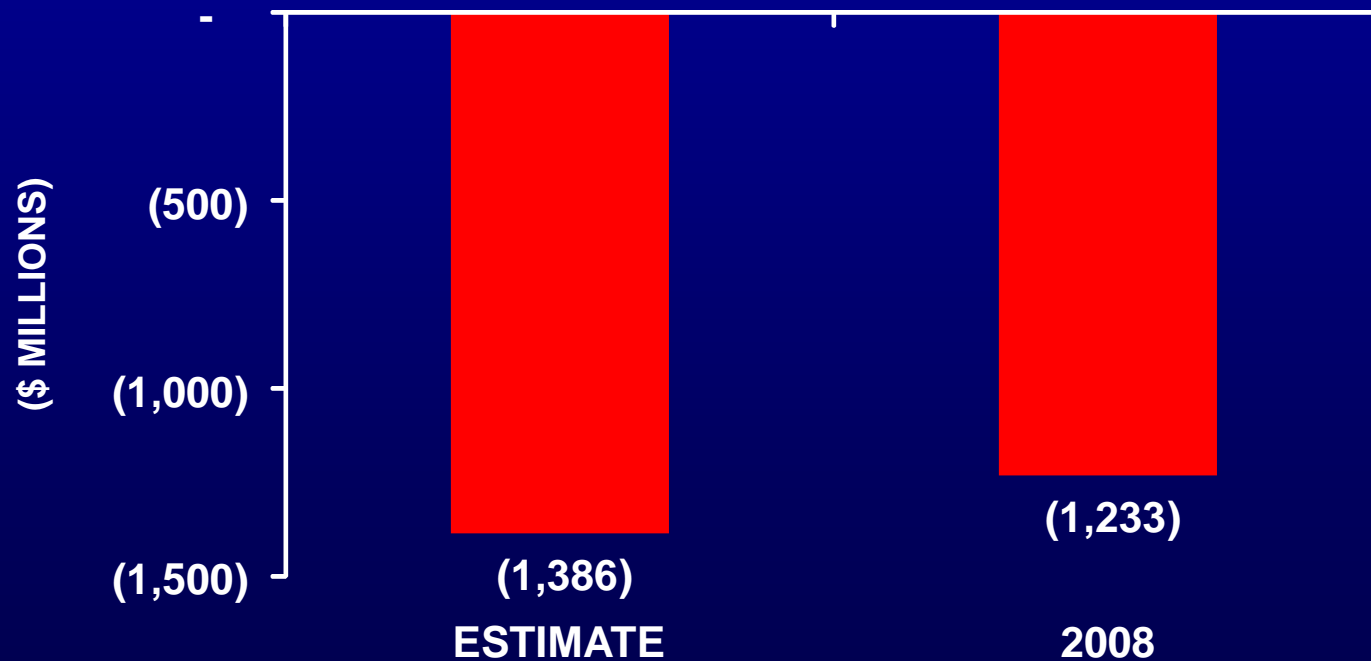
- AT THE SAME TIME, FUEL PRICES CLIMBED IN THE SUMMER AND THE FORWARD CURVE REFLECTS HIGHER PRICES THROUGH YEAR END



# AMR CORPORATION FULL YEAR OUTLOOK

- FOR THE FULL YEAR, ANALYSTS EXPECT AMR TO LOSE \$1.4 BILLION, \$153 MILLION WORSE THAN 2008

## AMR NET EARNINGS<sup>1/</sup>

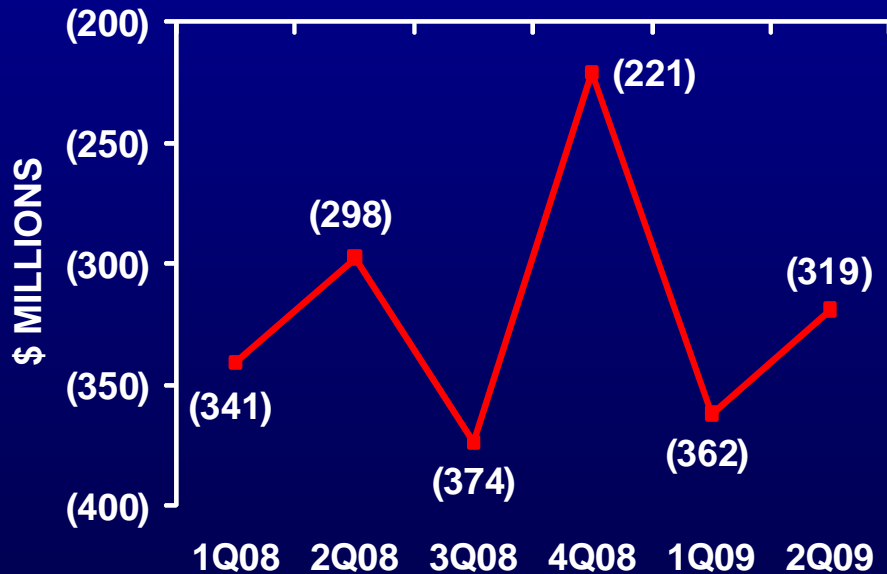


# **FINANCING UPDATE**

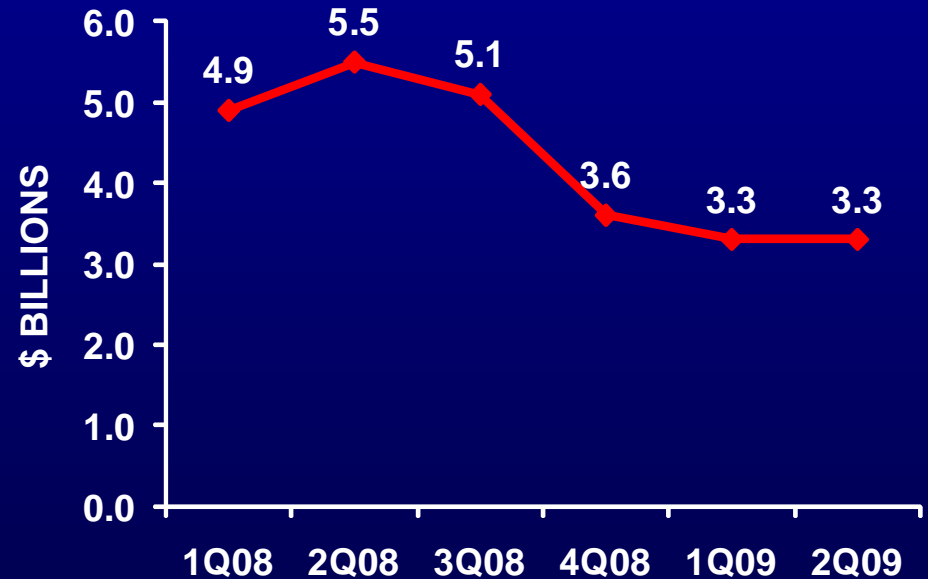
# AMR CORPORATION FINANCING UPDATE

- AS WE HAVE LOST MONEY SINCE 2007, WE HAVE DRAINED OUR CASH BALANCE TO PAY THE BILLS

### AMR NET EARNINGS<sup>1/</sup>



### AMR CASH POSITION



# AMR CORPORATION

## FINANCING UPDATE

- **CAPITAL MARKETS WERE FROZEN IN THE FIRST HALF OF 2009, LIMITING OUR ABILITY TO REPLENISH LIQUIDITY**
- **AS THEY OPENED IN 3Q09, WE SECURED A SERIES OF CURRENT AND FUTURE BORROWING COMMITMENTS TO BOLSTER CASH**

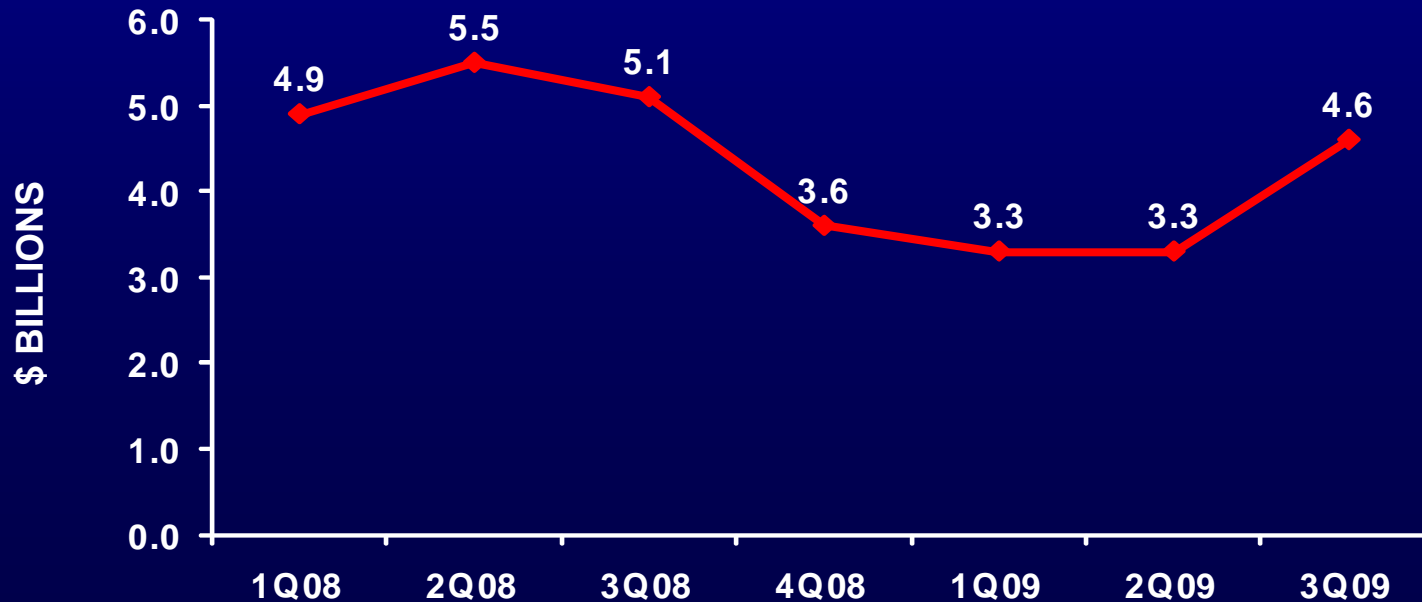
### \$ MILLIONS <sup>1/</sup>

\$ 520	- EETC SECURED BY 4 777S AND 16 NEW 737S
276	- 13% NOTES REFINANCING 1999-1 EETC DUE OCT (12 UNITS)
1,000	- CITIBANK ADVANCE PURCHASE OF AADVANTAGE MILES
282	- GECAS FACILITY SECURED BY 13 AIRCRAFT
1,600	- GECAS NEW SALE-LEASEBACK COMMITMENTS (40 737S)
450	- 10.5% NOTES SECURED BY 141 AIRCRAFT (OCT CLOSE)
842	- CONVERTIBLE DEBT AND EQUITY
<hr/>	
4,970	TOTAL

# AMR CORPORATION FINANCING UPDATE

- **WITH THIS, OUR THIRD QUARTER CASH BALANCE INCREASED TO \$4.6 BILLION**
  - **HOWEVER, AT THIS POINT WE HAVE LARGELY EXHAUSTED REMAINING LIQUIDITY SOURCES**
  - **WE CONTINUE TO INCUR SUBSTANTIAL LOSSES**

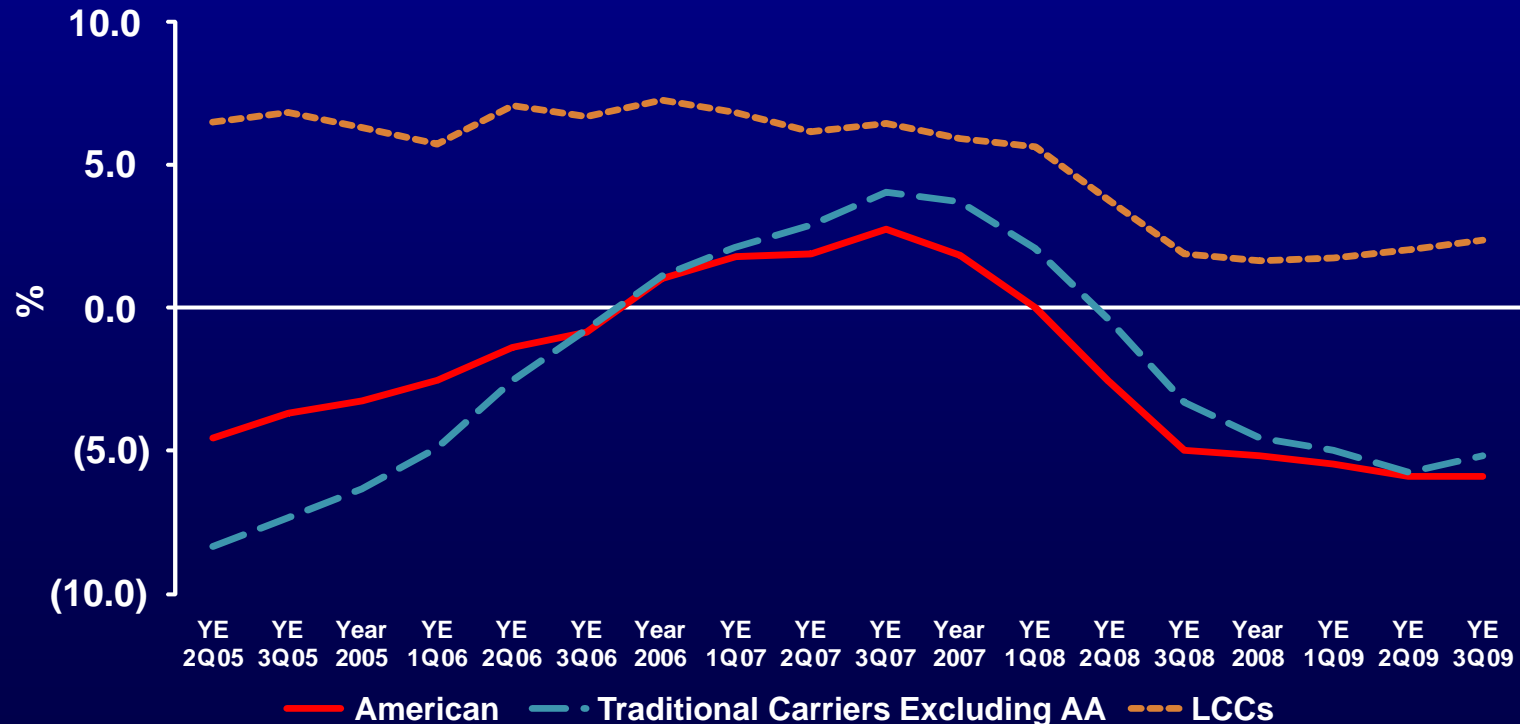
## AMR CASH BALANCE



# AMR CORPORATION FINANCING UPDATE

- **OUR HIGHER CASH BALANCE IS DESIGNED TO PROVIDE TIME TO RETURN THE OPERATION TO PROFITABILITY**
- **HOWEVER, OUR CURRENT RESULTS LAG THE INDUSTRY AND OUR CASH BALANCE AT CURRENT LOSSES WILL DROP QUICKLY**

## CORPORATE PRE-TAX MARGINS <sup>1/</sup>



<sup>1/</sup> ROLLING 12-MONTH AVERAGE, EXCLUDING SPECIAL ITEMS

# AMR CORPORATION FINANCING UPDATE

- AS OUR PROFITS LAG THE INDUSTRY, WE EITHER HAVE LOWER REVENUE OR HIGHER COSTS THAN OALs
  - OUR UNIT REVENUE IS GENERALLY IN THE TOP HALF OF THE INDUSTRY WHILE OUR UNIT COST IS IN THE BOTTOM HALF

## 3Q09 UNIT REVENUE <sup>1/</sup>

DL	13.1 ¢
CO	12.5
UA	12.4
AA	11.9
US	11.3
AS	10.5
B6	9.1
WN	7.6
FL	7.6

## 3Q09 UNIT COST <sup>1/</sup>

WN	7.2 ¢
FL	7.3
B6	8.2
AS	8.8
US	11.4
DL	11.8
CO	11.9
AA	12.1
UA	12.3

# AMR CORPORATION FINANCING UPDATE

- **BREAKING DOWN THE UNIT COST EXCLUDING FUEL, OUR LABOR COST IS THE HIGHEST IN THE INDUSTRY WHILE NON-LABOR COST IS THE LOWEST OF TRADITIONAL CARRIERS**

## 3Q09 LABOR UNIT COST <sup>1/</sup>

FL	1.6 ¢
B6	2.0
WN	2.4
AS	3.0
US	3.0
DL	3.2
CO	3.2
UA	3.2
AA	4.1

## 3Q09 EX-FUEL AND EX-LABOR UNIT COST <sup>1/</sup>

WN	2.6 ¢
FL	3.2
B6	3.5
AS	3.5
AA	4.6
DL	4.8
US	5.2
UA	5.2
CO	5.4

# **AMR CORPORATION**

## **2010 OUTLOOK**

- **WHILE THE ECONOMIC ENVIRONMENT IS IMPROVING, WE MUST DO EVERYTHING POSSIBLE TO IMPROVE REVENUE AND REDUCE COST**
  - **THE RATE OF REVENUE IMPROVEMENT HAS BEEN VERY MODEST AND FUEL PRICES ARE CLIMBING**
  - **OUR RECENT CASH FINANCING ACTIVITIES PROVIDE LIMITED TIME TO RETURN TO PROFITABILITY**