

**AMR CORPORATION
FINANCIAL UPDATE**

APRIL 21, 2009

AMR CORPORATION FINANCIAL UPDATE

- **BACKGROUND**
- **FIRST QUARTER FINANCIAL RESULTS**
- **2009 OUTLOOK**

BACKGROUND

AMR CORPORATION OVERVIEW

- **OVER THE LAST TWO QUARTERS, THE INDUSTRY HAS SEEN DRAMATIC DECREASES IN BOTH THE PRICE OF FUEL AND IN ECONOMIC GROWTH**
- **FOR AMR, THE MAGNITUDE OF ITS REVENUE LOSS FROM THE ECONOMIC RECESSION HAS UNFORTUNATELY OUTWEIGHED THE POSITIVE IMPACT OF LOWER FUEL PRICES THUS FAR**
- **FURTHERMORE, THERE IS STILL MUCH UNCERTAINTY ABOUT THE ECONOMY GOING FORWARD**

AMR CORPORATION

2009 ECONOMIC OUTLOOK

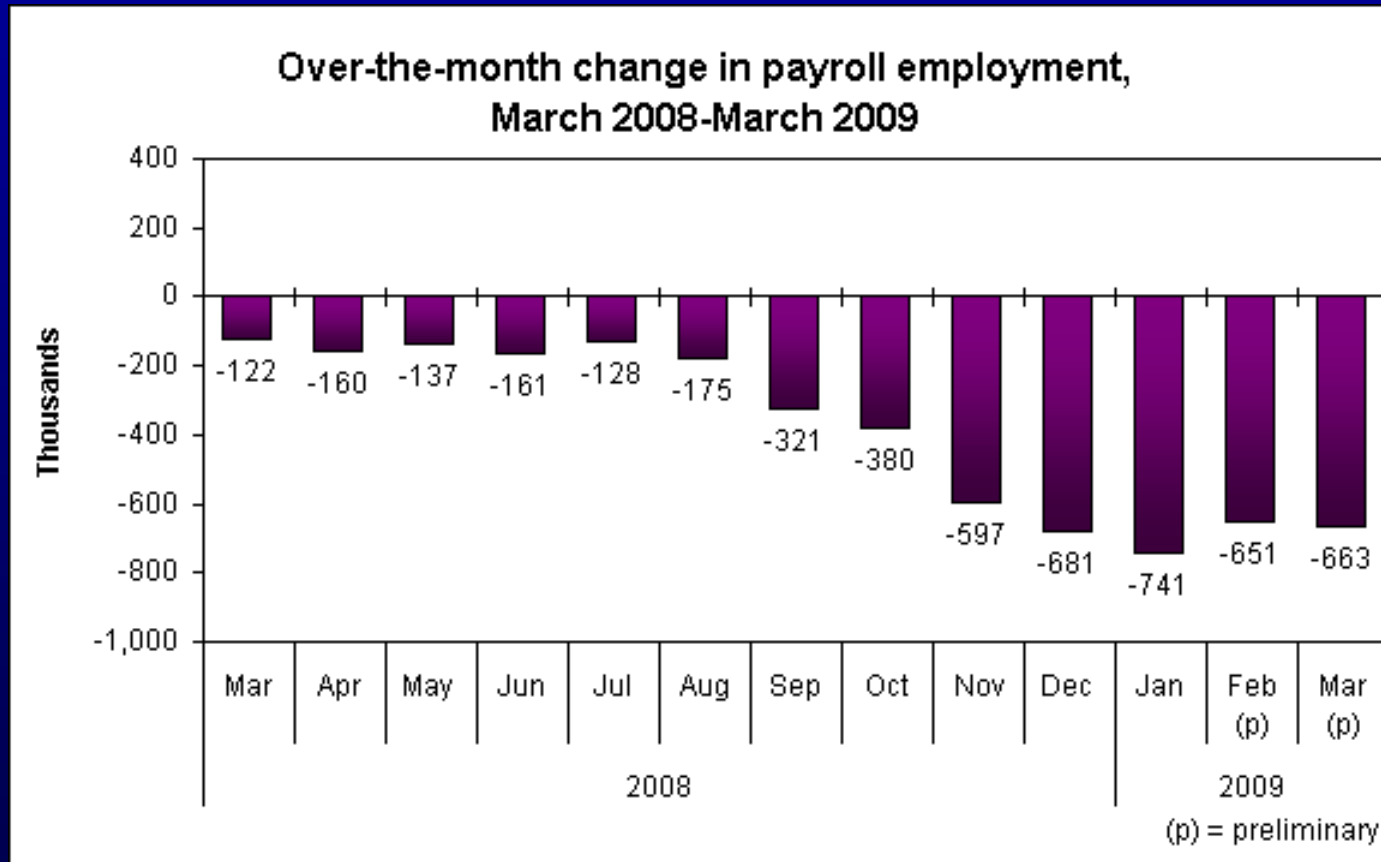
- **ECONOMIC INDICATORS CONTINUE TO PREDICT SLOWER GROWTH OR CONTRACTION AROUND THE WORLD IN 2009**

CONSENSUS ESTIMATES FOR 2009 GDP GROWTH

	<u>DOMESTIC</u>	<u>UK</u>	<u>BRAZIL</u>	<u>JAPAN</u>
MAY 2008	2.0%	1.9%	4.2%	1.6%
SEP 2008	1.5	0.9	3.8	1.1
DEC 2008	(1.1)	(1.2)	2.4	(0.6)
JAN 2009	(1.6)	(1.8)	2.1	(1.4)
FEB 2009	(1.9)	(2.3)	1.7	(2.4)
MAR 2009	(2.6)	(2.7)	1.4	(4.1)
APR 2009	(2.6)	(3.0)	(0.7)	(5.6)

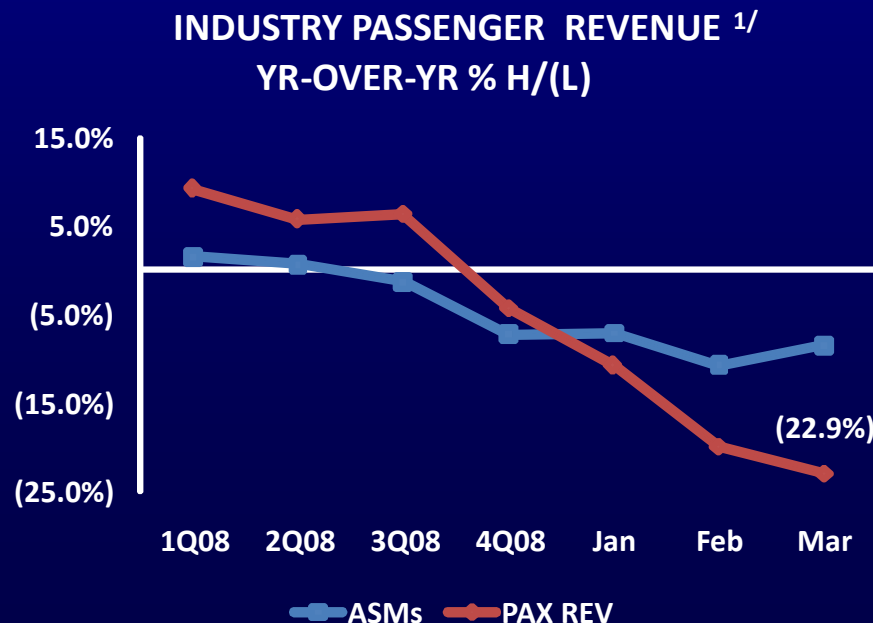
AMR CORPORATION 2009 ECONOMIC OUTLOOK

- **DRAMATIC JOB LOSSES CONTINUED IN THE FIRST QUARTER, LEADING TO FEWER PEOPLE TRAVELING**



AMR CORPORATION INDUSTRY PERFORMANCE

- THE YEAR-OVER-YEAR (YOY) IMPACT OF THE ECONOMIC DECLINE HAS BEEN SEVERE
- OTHER CARRIERS ANNOUNCED FORECASTED YOY RASM DECLINES
 - CO EXPECTS ITS MARCH RASM TO FALL APPROXIMATELY (20%)
 - DL & UA EXPECT 1Q RASMs TO FALL APPROXIMATELY (10% - 12%)
- ATA CARRIERS HAVE REPORTED PASSENGER REVENUE DECLINING MORE THAN CAPACITY



^{1/} INDUSTRY INCLUDES AA, AS, B6, CO, DL, NW, UA AND US

AMR CORPORATION

2010 ECONOMIC OUTLOOK

- WHILE ECONOMIC INDICATORS FOR 2010 ARE STILL POSITIVE, THEY HAVE DECLINED EACH MONTH AND, IN MOST REGIONS, DO NOT RECOVER 2009'S FORECASTED CONTRACTION

CONSENSUS ESTIMATES FOR 2010 GDP GROWTH

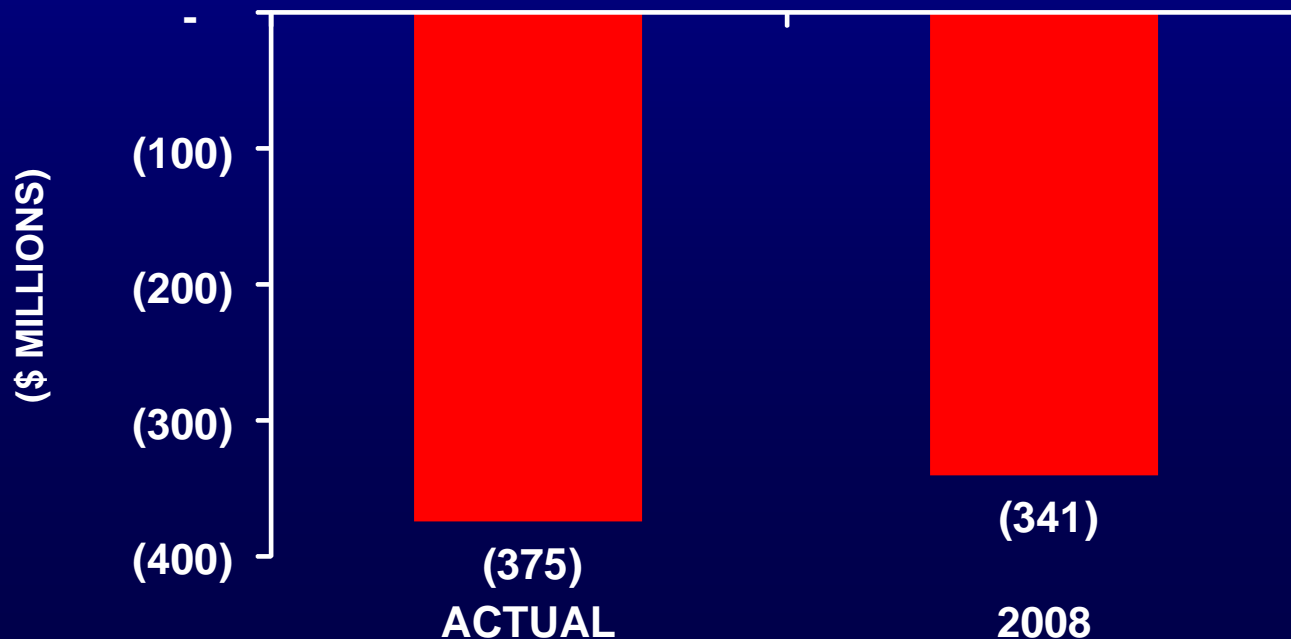
	<u>DOMESTIC</u>	<u>UK</u>	<u>BRAZIL</u>	<u>JAPAN</u>
JAN 2009	2.4%	1.1%	3.7%	1.2%
FEB 2009	2.1	0.9	3.5	1.1
MAR 2009	1.9	0.8	3.4	0.9
APR 2009	1.8	0.5	3.1	0.6

FIRST QUARTER FINANCIAL RESULTS

AMR CORPORATION FIRST QUARTER FINANCIAL RESULTS

- FOR THE FIRST QUARTER, AMR RECORDED A NET LOSS OF \$375 MILLION, \$34 MILLION WORSE THAN 2008
 - RESULTS INCLUDE A SPECIAL CHARGE OF \$13 MILLION RELATED TO THE RETIREMENT OF TWO A300s

AMR NET EARNINGS



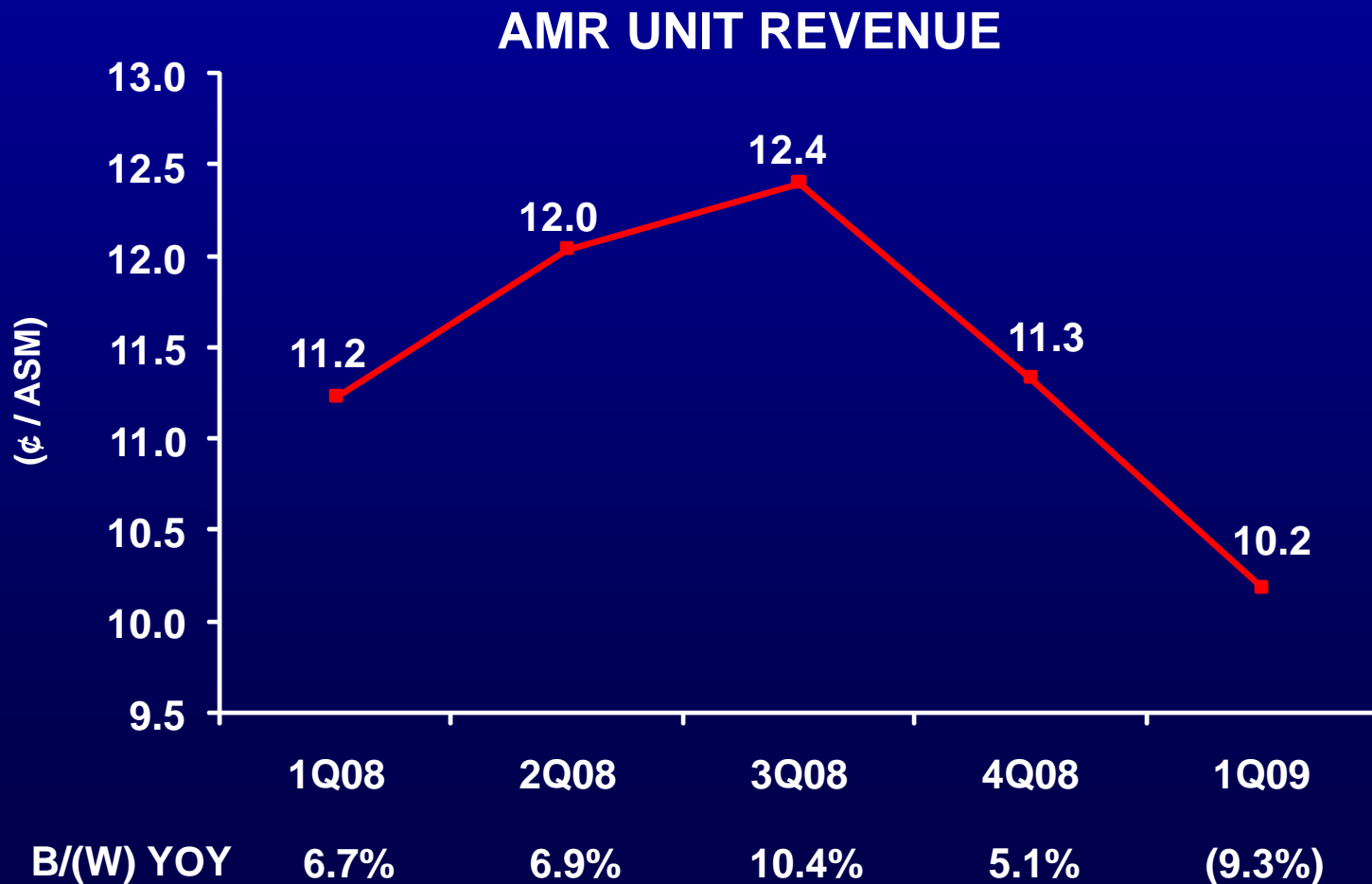
AMR CORPORATION

FIRST QUARTER FINANCIAL RESULTS^{1/}

	<u>1Q09 ACTUAL</u>	<u>VARIANCE BETTER / (WORSE) THAN</u>	
		<u>2008</u>	
		<u>\$</u>	<u>%</u>
PASSENGER REVENUE			
- AA	3,679.8	(699.1)	(16.0)
- REGIONAL AFFILIATES	456.6	(124.0)	(21.4)
CARGO & OTHER REVENUE	<u>702.6</u>	<u>(34.7)</u>	(4.7)
TOTAL OPERATING REVENUE	4,839.0	(857.7)	(15.1)
NON-FUEL EXPENSES	3,722.0	112.1	2.9
FUEL EXPENSES	<u>1,297.6</u>	<u>752.6</u>	36.7
TOTAL OPERATING EXPENSES	<u>5,019.6</u>	<u>864.7</u>	14.7
OPERATING EARNINGS	(180.6)	7.0	3.7
OTHER INCOME / (EXPENSE)	<u>(181.4)</u>	<u>(28.0)</u>	(18.3)
NET EARNINGS	(361.9)	(21.0)	(6.2)
AMR ASMs (000,000)	40,600	(3,557)	(8.1)

AMR CORPORATION FIRST QUARTER REVENUE

- FIRST QUARTER UNIT REVENUE WAS 10.2¢, A DECREASE OF 9.3% YEAR-OVER-YEAR

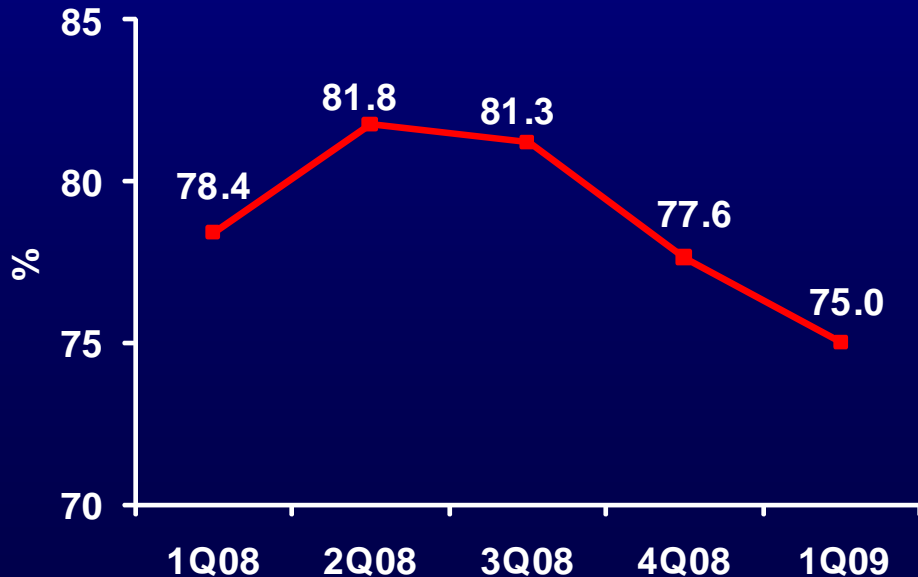


AMR CORPORATION FIRST QUARTER REVENUE

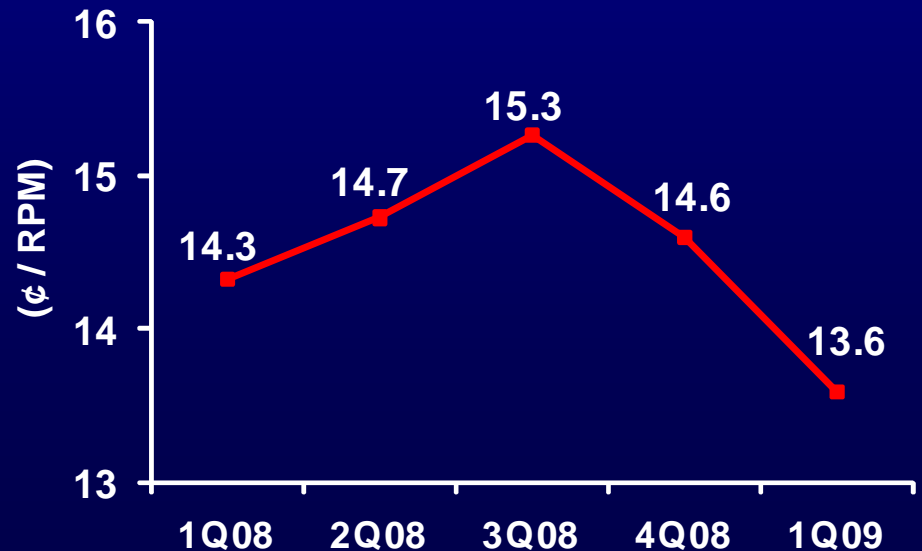
- THE DECLINE IN UNIT REVENUE REFLECTS BOTH LOWER LOAD FACTORS AND PASSENGER YIELDS

— LOAD FACTOR DECREASED BY 3.4 POINTS WHILE YIELD DECLINED BY 5.2% YEAR-OVER-YEAR

AMR LOAD FACTOR

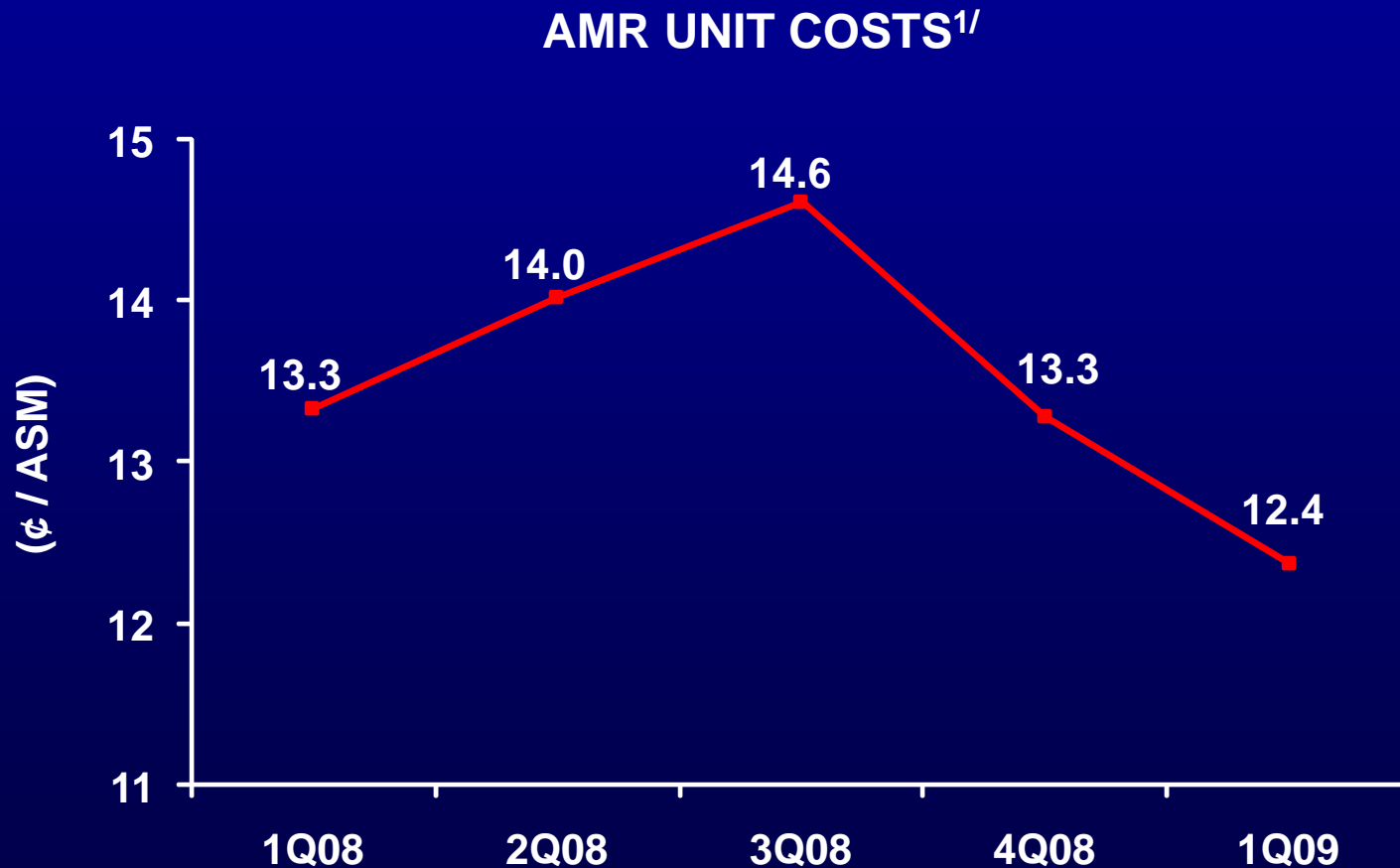


AMR YIELD



AMR CORPORATION FIRST QUARTER COSTS

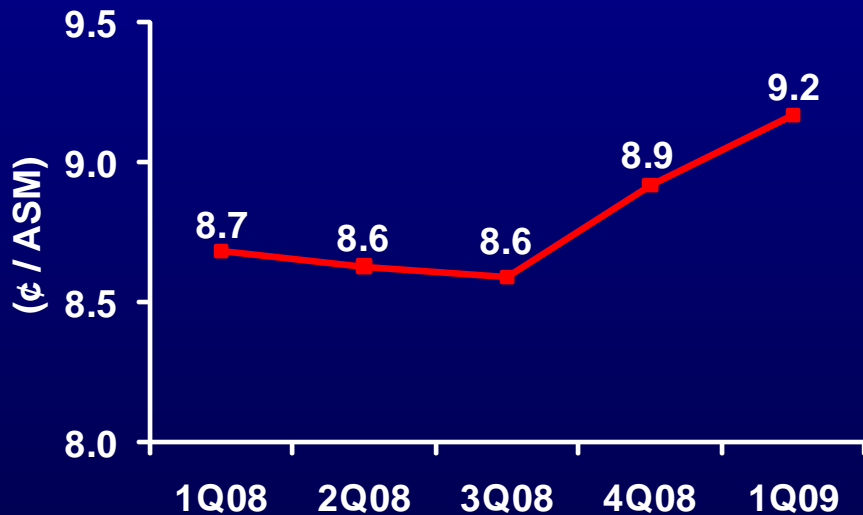
- FIRST QUARTER UNIT COSTS WERE 7.2% LOWER THAN LAST YEAR DRIVEN BY THE LARGE DROP IN FUEL PRICES



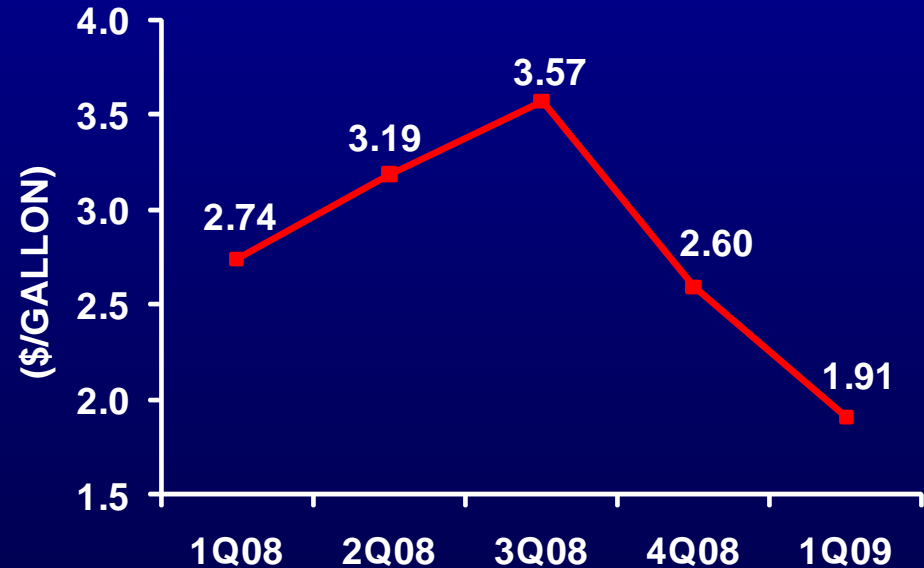
AMR CORPORATION FIRST QUARTER COSTS

- **NON-FUEL UNIT COSTS WERE UP 5.6% YEAR-OVER-YEAR, WHILE FUEL PRICE WAS \$1.91 PER GALLON OR 30.2% LOWER THAN LAST YEAR**

AMR NON-FUEL UNIT COSTS^{1/}



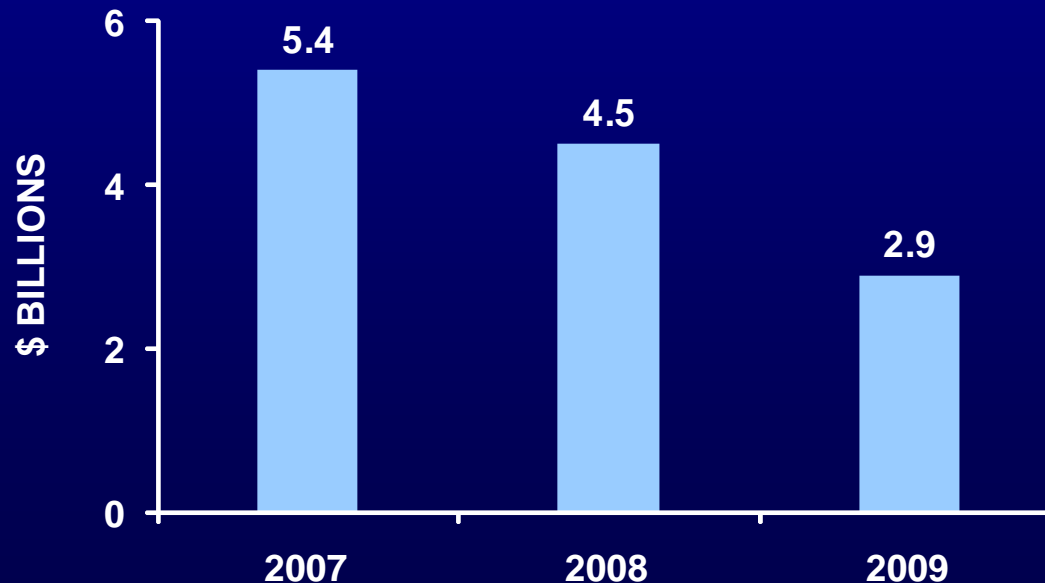
AMR FUEL PRICE



AMR CORPORATION FIRST QUARTER CASH

- **THE PERIOD ENDED WITH \$2.9 BILLION IN UNRESTRICTED CASH**
 - **THIS IS \$240 MILLION LOWER THAN OUR BALANCE ON DECEMBER 31, 2008 AND A SIGNIFICANT DECLINE VERSUS PRIOR FIRST QUARTERS**

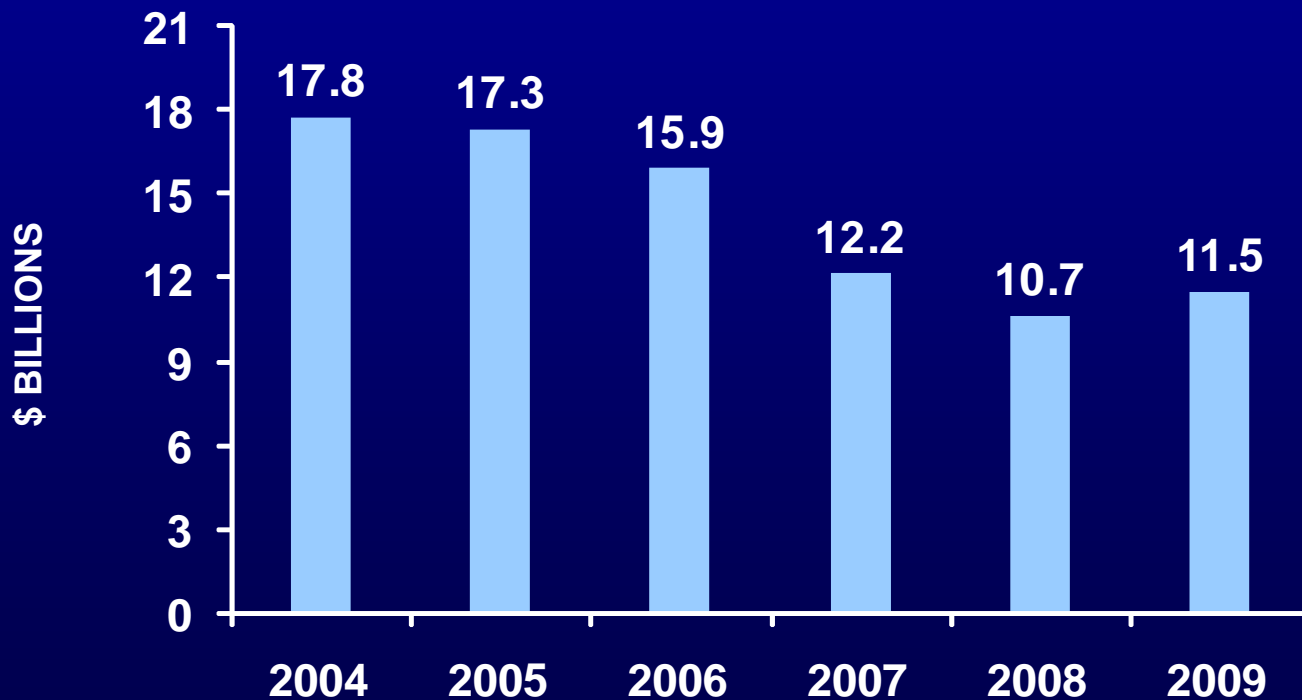
AMR 1Q-ENDING CASH BALANCE



AMR CORPORATION FIRST QUARTER NET DEBT

- **DESPITE GAINS MADE OVER THE PAST FEW YEARS, NET DEBT INCREASED VERSUS PRIOR YEAR**

AMR 1Q-ENDING NET DEBT



2009 OUTLOOK

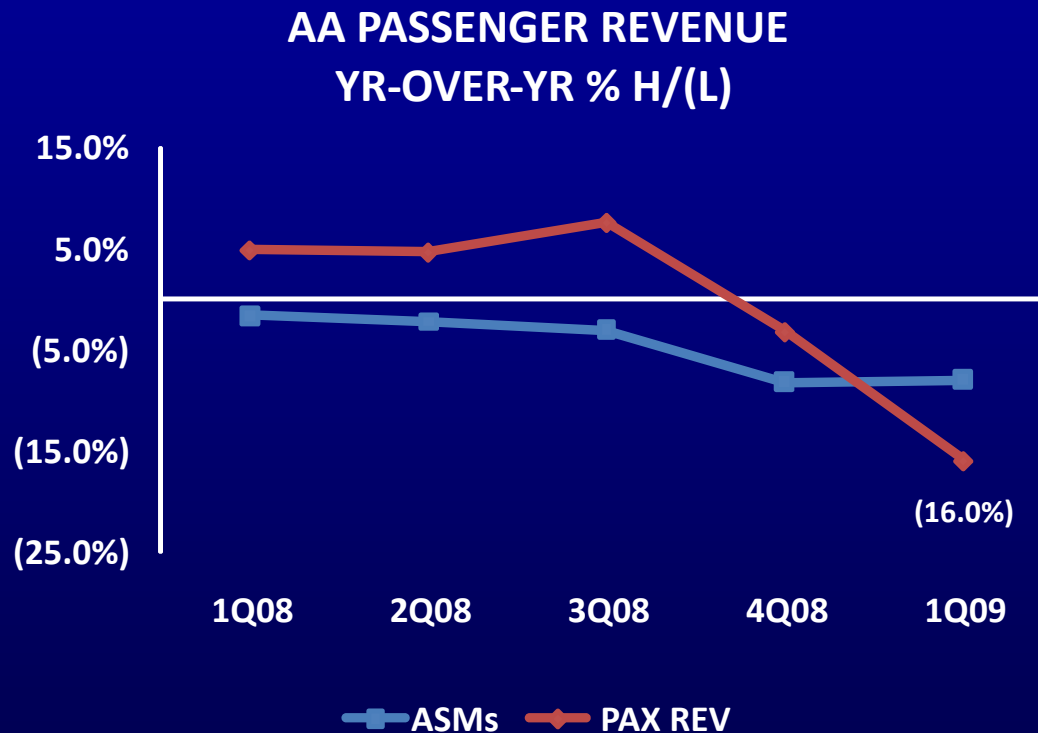
AMR CORPORATION

2009 OUTLOOK

- **GIVEN THE DETERIORATION IN THE INDUSTRY ENVIRONMENT, WE HAVE REVIEWED OUR 2009 PLAN TO UPDATE ASSUMPTIONS AND LOOK FOR SAVINGS OPPORTUNITIES**
 - **REVENUE**
 - **FUEL EXPENSE**
 - **NON-FUEL EXPENSE**
 - * **VOLUME-RELATED**
 - * **OTHER**
- **THE IMPACT OF THIS OUTLOOK WAS DISCUSSED IN SOME DETAIL IN OUR FINANCIAL DISCLOSURES LAST WEEK**

AMR CORPORATION 2009 OUTLOOK: REVENUE

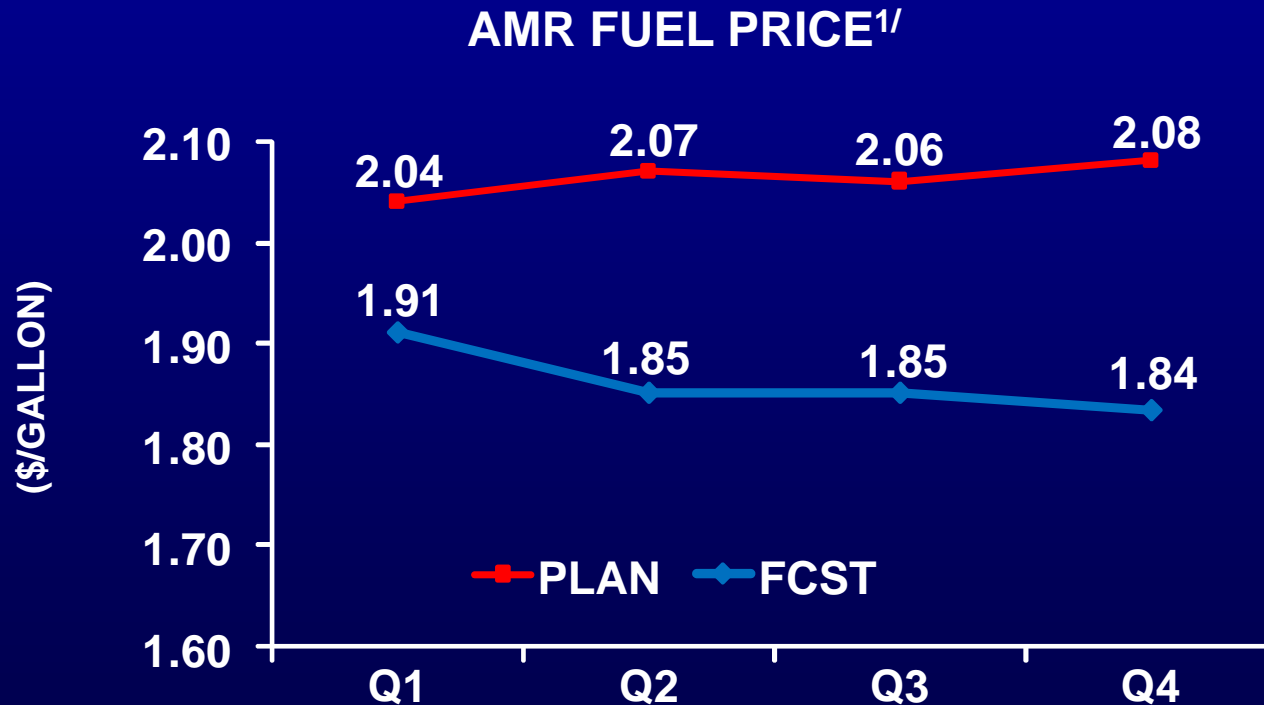
- AA PASSENGER REVENUE CONTINUED TO FALL THROUGH THE FIRST QUARTER



AMR CORPORATION

2009 OUTLOOK: FUEL EXPENSE

- OUR FULL YEAR FUEL PRICE IS NOW FORECAST AT \$1.86 PER GALLON COMPARED TO A PLAN OF \$2.06 PER GALLON RESULTING IN \$557 MILLION IN FUEL SAVINGS



AMR CORPORATION

2009 OUTLOOK: NON-FUEL EXPENSE AND CAPEX

- **AS PART OF OUR EFFORT TO REDUCE NON-FUEL EXPENSES, WE HAVE IMPLEMENTED A NUMBER OF SAVINGS INITIATIVES SUCH AS:**
 - **REDUCING INFORMATION TECHNOLOGY SPENDING**
 - **A PAY AND HIRING FREEZE FOR MANAGEMENT, SUPPORT STAFF AND AGENTS**
 - **REDUCING CONSULTANT SPENDING**
- **LASTLY, WE HAVE REDUCED OUR PLANNED 2009 NON-AIRCRAFT CAPITAL SPENDING BY APPROXIMATELY \$100 MILLION**

AMR CORPORATION

FIRST QUARTER 10-Q: MD&A

- **IN THE MANAGEMENT DISCUSSION AND ANALYSIS (MD&A), WE DISCUSS THE FOLLOWING LIQUIDITY ISSUES:**
 - **FOR THE REST OF 2009, THE COMPANY WILL BE REQUIRED TO MAKE \$2.5 BILLION IN CAPITAL EXPENDITURES, PRINCIPAL PAYMENTS ON LONG-TERM DEBT, AND CAPITAL LEASES**
 - **WE ARE NOT REQUIRED TO MAKE ANY 2009 CONTRIBUTIONS TO DEFINED BENEFIT PENSION PLANS**
 - * **HOWEVER, WE EXPECT TO HAVE TO CONTRIBUTE SEVERAL HUNDRED MILLION DOLLARS IN 2010**
 - **CURRENT CREDIT CARD HOLDBACK EXPOSURE IS \$200 MILLION**
 - * **IF CURRENT CONDITIONS PERSIST, ABSENT A WAIVER OR MODIFICATION OF THE AGREEMENT, THE HOLDBACK COULD BE SIGNIFICANTLY GREATER**

AMR CORPORATION

FIRST QUARTER 10-Q: MD&A (CONT.)

- **FINALLY, THE MD&A DISCUSSED POSSIBLE FINANCING SOURCES, SUCH AS:**
 - **VARIOUS TYPES OF TRANSACTIONS INVOLVING UNENCUMBERED ASSETS**
 - * **WORTH ESTIMATED \$3.6 BILLION**
 - **UNSECURED DEBT**
 - **ISSUANCE OF EQUITY**
- **TOM HORTON (CFO) SAID ON THE EARNINGS CALL, “THIS IS THE MOST CHALLENGING CREDIT MARKET ENVIRONMENT IN DECADES”**