1

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
FORM 10-Q

[X] Quarterly Report Pursuant to Section 13 or 15(d) of the

Securities Exchange Act of 1934

For the quarter ended: September 30, 1994

[ ] Transition Report Pursuant to Section 13 or 15(d) of the

Securities Exchange Act of 1934

For the transition period from

______________________________________ to______________________________________

Commission file number: 1-8400

AMR CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE	75-1825172
(State or other jurisdiction of incorporation or organization)	(IRS Employer identification No.)

4333 AMON CARTER BLVD. FORT WORTH, TEXAS	76155
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (817) 963-1234

(Former name, former address and former fiscal year, if changed since last report.)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, $1 Par Value - 75,875,048 shares outstanding as of October 31, 1994

AMR CORPORATION

INDEX

Page

Number

PART I

Item 1. Consolidated Financial Statements

AMR CORPORATION

CONSOLIDATED STATEMENT OF OPERATIONS

(Unaudited) (in millions, except per share amounts)	Three Months Ended September 30, 1994	Three Months Ended September 30, 1993	Nine Months Ended September 30, 1994	Nine Months Ended September 30, 1993
Revenues				
Air Transportation Group:				
Passenger - American Airlines	$ 3,370	$ 3,447	$ 9,665	$ 10,058
- AMR Eagle	220	191	608	536
Cargo	163	156	484	472
Other	170	134	458	402
	3,923	3,928	11,215	11,468
The SABRE Group	393	356	1,167	1,033
AMR Management Services Group	136	120	394	331
Less: Intergroup revenues	(219)	(205)	(634)	(607)
Total operating revenues	4,233	4,199	12,142	12,225
Expenses				
Wages, salaries and benefits	1,391	1,332	4,155	4,008
Aircraft fuel	421	464	1,204	1,434
Commissions to agents	346	401	1,011	1,112
Depreciation and amortization	298	293	938	889
Other rentals and landing fees	216	226	633	652
Aircraft rentals	172	186	523	556
Food service	172	187	505	537
Maintenance materials and repairs	149	160	441	506
Other operating expenses	579	578	1,683	1,679
Total operating expenses	3,744	3,827	11,093	11,373
Operating Income	489	372	1,049	852
Other Income (Expense)				
Interest income	13	13	26	45
Interest expense	(157)	(164)	(463)	(507)
Interest capitalized	6	11	17	41
Miscellaneous - net	(15)	(9)	(43)	(157)
	(153)	(149)	(463)	(578)
Earnings Before Income Taxes	336	223	586	274
Income tax provision	131	98	235	124
Earnings Before Extraordinary Loss	205	125	351	150
Extraordinary Loss Net of Tax	-	(7)	-	(7)
Net Earnings	205	118	351	143
Preferred stock dividends	17	16	50	43
Earnings Applicable to Common Shares	$ 188	$ 102	$ 301	$ 100

See accompanying notes.

AMR CORPORATION

CONSOLIDATED STATEMENT OF OPERATIONS (CONT'D)

(Unaudited)	Three Months Ended September 30, 1994	1993	Nine Months Ended September 30, 1994	1993
Earnings Per Common Share:				
Primary:				
Before Extraordinary Loss	$ 2.47	$ 1.43	$ 3.95	$ 1.40
Extraordinary Loss	-	(0.10)	-	(0.10)
Net Earnings	$ 2.47	$ 1.33	$ 3.95	$ 1.30
Fully diluted				
Before Extraordinary Loss	$ 2.27	$ 1.34	$ 3.89	$ 1.40
Extraordinary Loss	-	(0.08)	-	(0.10)
Net Earnings	$ 2.27	$ 1.26	$ 3.89	$ 1.30
Number of common shares used in computations (millions)				
Primary	76	76	76	76
Fully diluted	90	98	90	76

See accompanying notes.

AMR CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEET

(Unaudited) (in millions)	September 30, 1994	December 31, 1993
Current Assets		
Cash	$ 31	$ 63
Short-term investments	1,026	523
Receivables, net	1,114	910
Inventories, net	675	688
Other current assets	516	506
Total current assets	3,362	2,690
Equipment and Property		
Flight equipment, net	10,001	9,783
Purchase deposits for flight equipment	121	350
	10,122	10,133
Other equipment and property, net	2,037	2,128
	12,159	12,261
Equipment and Property Under Capital Leases		
Flight equipment, net	1,729	1,543
Other equipment and property, net	176	173
	1,905	1,716
Route acquisition costs, net	1,039	1,061
Other assets, net	1,823	1,598
	$ 20,288	$ 19,326
Current Liabilities		
Accounts payable	$ 961	$ 921
Accrued liabilities	1,694	1,726
Air traffic liability	1,679	1,460
Current maturities of long-term debt	261	200
Current obligations under capital leases	147	110
Total current liabilities	4,742	4,417
Long-term debt	5,192	5,431
Obligations under capital leases	2,301	2,123
Deferred income taxes	542	310
Postretirement benefits	1,168	1,090
Other liabilities, deferred gains, deferred credits	1,748	1,679
Stockholders' Equity		
Convertible preferred stock	1,081	1,081
Common stock	76	76
Additional paid-in capital	2,041	2,035
Retained earnings	1,397	1,084
	4,595	4,276
	$ 20,288	$ 19,326

See accompanying notes.

AMR CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited) (in millions)	Nine Months Ended September 30, 1994	1993
Net Cash Provided by Operating Activities	$ 1,672	$ 1,391
Cash Flow from Investing Activities:		
Capital expenditures	(745)	(1,702)
Net increase in short-term investments	(503)	(322)
Investment in Canadian Airlines International, Ltd.	(177)	-
Other, net	18	(2)
Net cash used for investing activities	(1,407)	(2,026)
Cash Flow from Financing Activities:		
Proceeds from:		
Issuance of long-term debt	146	294
Issuance of preferred stock	-	1,081
Net repayments of short-term borrowings with maturities of 90 days or less	-	(350)
Other short-term borrowings	200	-
Payments on other short-term borrowings	(200)	(29)
Payments on long-term debt and capital lease obligations	(396)	(247)
Payments of dividends on preferred stock	(49)	(32)
Other, net	2	4
Net cash (used for) provided by financing activities	(297)	721
Net (decrease) increase in cash	(32)	86
Cash at beginning of period	63	45
Cash at end of period	$ 31	$ 131
Cash Payments (Refunds) For:		
Interest (net of amounts capitalized)	$ 428	$ 427
Income taxes	(32)	(35)
Financing Activities Not Affecting Cash:		
Capital lease obligations incurred	$ 280	$ 21

See accompanying notes.

AMR CORPORATION
Notes to Financial Statements
(Unaudited)

1. In the opinion of management, these financial statements contain all adjustments necessary to present fairly the financial position, results of operations and cash flows for the periods indicated. Such adjustments are of a normal recurring nature except as disclosed. These financial statements and related notes should be read in conjunction with the financial statements and notes included in AMR's Annual Report on Form 10-K for the year ended December 31, 1993.

2. Passenger revenues for the nine months ended September 30, 1994, includes a positive adjustment of $49 million produced by a change in the estimate of the usage patterns of miles sold to participating companies in American's AAdvantage frequent flyer program. Included in passenger revenues for the nine months ended September 30, 1993 is a positive adjustment of $115 million resulting from a change in estimate relating to certain earned passenger revenues.

3. Included in Miscellaneous - net for the nine months ended September 30, 1993, is a $125 million charge related to the retirement of 31 DC-10 aircraft. The charge represents the Company's best estimate of the expected loss based upon the anticipated method of disposition. However, should the ultimate method of disposition differ, the actual loss could be different than the amount estimated.

4. In the third quarter of 1993, AMR repurchased approximately $59 million in face value of long-term debt. The repurchase resulted in an extraordinary loss of $12 million ($7 million after tax)

5. Accumulated depreciation of owned equipment and property at September 30, 1994 and December 31, 1993 was $5.4 billion and $4.9 billion, respectively. Accumulated amortization of equipment and property under capital leases at September 30, 1994 and December 31, 1993 was $862 million and $760 million, respectively.

6. In April 1994 AMR signed a comprehensive 20-year services ag reement with Canadian Airlines International, Ltd. (CAI). Among the services AMR will provide CAI are accounting, data processing and communications operations, operations planning, pricing and yield management, international services, passenger services procedures training, and U. S. originating reservations activity. In April 1994 AMR also made a $177 million investment in CAI, giving it approximately a one-third economic interest in the company.

7. In October 1994 AMR offered to exchange up to $1.1 billion in principal amount of 6.125% subordinated convertible debentures maturing in 2024 for up to all of its outstanding convertible preferred stock. Each $1,000 debenture will be convertible into common stock of AMR at a conversion price of $79 per share, equivalent to 12.658 shares per $1,000 debenture.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION

RESULTS OF OPERATIONS

Summary AMR recorded net earnings of $205 million ($2.47 per common share primary, $2.27 fully diluted) for the three months ended September 30, 1994, compared with net earnings of $118 million ($1.33 per common share primary, $1.26 per common share fully diluted) for the same period in 1993. AMR's third quarter operating income increased 31.5 percent to $489 million.

For the nine months ended September 30, 1994, AMR recorded net earnings of $351 million ($3.95 per common share primary, $3.89 per common share fully diluted) compared with net earnings of $143 million ($1.30 per common share, both primary and fully diluted) for the same period of 1993. AMR's operating income improved 23.1 percent to $1.0 billion.

AMR's results for the nine months ended September 30, 1994, included a $49 million positive adjustment ($29 million after tax) to passenger revenues produced by a change in the Company's estimate of the usage patterns of miles sold to participating companies in American's AAdvantage frequent flyer program.

The results for the nine months ended September 30, 1993, included a positive $115 million adjustment ($67 million net of related commission expense and taxes) to passenger revenues for a change in estimate related to certain earned passenger revenues and a $125 million charge ($79 million after tax) for the retirement of 31 McDonnell Douglas DC-10 aircraft.

The improvement in AMR's results reflected better performance by each of the Company's three business units - the Air Transportation Group, which includes American Airlines, Inc.'s Passenger and Cargo divisions and AMR Eagle, Inc.; The SABRE Group, which includes AMR's information technology businesses; and the Management Services Group, which includes AMR's airline management, aviation services, training, consulting, and investment service activities.

The following sections provide a discussion of AMR's results by reporting segment. A description of the businesses in each reporting segment is included in AMR's Annual Report on Form 10-K for the year ended December 31, 1993.

RESULTS OF OPERATIONS (CONTINUED)

For the Three Months Ended September 30, 1994 and 1993

AIR TRANSPORTATION GROUP
FINANCIAL HIGHLIGHTS

(in millions)	Three Months Ended September 30, 1994	993
Revenues		
Passenger - American Airlines	$ 3,370	$ 3,447
- AMR Eagle	220	191
Cargo	163	156
Other	170	134
	3,923	3,928
Expenses		
Wages, salaries and benefits	1,226	1,200
Aircraft fuel	421	464
Commission to agents	346	401
Depreciation and amortization	242	238
Other operating expenses	1,323	1,352
Total operating expenses	3,558	3,655
Operating Income	365	273
Other Income (Expense)	(139)	(139)
Earnings Before Income Taxes	$ 226	$ 134

Revenues

The Company's plan to maximize Passenger division revenue per available seat mile (ASM) by reducing capacity and optimizing the deployment of flight assets resulted in a 1.5 percent increase in passenger traffic on a 5.0 percent decline in ASMs. As a result, passenger load factor increased 4.3 points and revenue per ASM improved by 2.9 percent. Average stage length increased approximately 5.8 percent, contributing to a decline in Passenger division yield since fares on longer trips tend to be lower on a per ASM basis. In addition, yields continued to be hampered by competitive fare actions and the impact of low fare carriers in certain domestic markets.

American's passenger revenues decreased 2.2 percent, $77 million, in the third quarter of 1994. Passenger revenue yield per passenger mile decreased 3.6 percent to 12.48 cents in the third quarter. Domestic yields dropped 4.7 percent while international yields increased 1.1 percent.

The decrease in American's ASMs is the result of retiring 56 aircraft (23 McDonnell Douglas DC-10 and 33 Boeing 727 aircraft) and leasing two McDonnell Douglas MD-11 aircraft, partially offset by the addition of 27 new aircraft (17 Fokker F100, seven Boeing 757 and three Boeing 767 aircraft) since September 30, 1993.

American's domestic traffic increased 0.2 percent while capacity was reduced 5.7 percent. International traffic grew 4.3 percent while capacity decreased 3.1 percent. The growth in international traffic was in Latin America, which increased 4.9 percent on a capacity decrease of 1.0 percent and in Europe where traffic increased 4.5 percent with a capacity decrease of 5.6 percent.

Passenger revenues of the AMR Eagle carriers increased 15.2 percent, $29 million, primarily due to the expansion of regional operations into new and larger markets. Traffic on the AMR Eagle carriers increased 16.3 percent on a capacity increase of 19.4 percent. The increase in the AMR Eagle carriers' ASMs is the result of the addition of 25 aircraft since September 30, 1993 (11 64-seat Super ATR and 14 34-seat Saab 340 aircraft), partially offset by the retirement of 25 aircraft (23 19-seat Jetstream 31 and two 36-seat Shorts 360 aircraft.)

RESULTS OF OPERATIONS (CONTINUED)

Cargo revenues increased 4.5%, $7 million, as a result of an 11.0 percent increase in American's cargo volumes partially offset by a 6.4 percent decline in yields.

Other revenues increased 26.9%, $36 million, primarily as a result of an increase in aircraft rental and servicing revenues.

Expenses

American's capacity or ASMs decreased 5.0 percent in the third quarter of 1994 primarily as a result of the fleet changes mentioned previously. The Air Transportation Group's operating expenses decreased 2.7 percent, $97 million. Since capacity decreased more rapidly than expenses, American's Passenger Division operating expenses per ASM increased 0.2 percent to 8.08 cents. Wages, salaries and benefits increased 2.2 percent, $26 million, due to salary adjustments for existing employees partially offset by a 3.7 percent reduction in the average number of equivalent employees. Aircraft fuel expense fell 9.3 percent, $43 million, due primarily to a 7.1 percent decline in gallons consumed by American combined with a 3.2 percent decrease in American's average price per gallon. Commissions to agents decreased 13.7 percent, $55 million, due principally to the decrease in passenger revenues and to a change in classification of certain international commissions. New aircraft acquisitions and other capital expenditures raised depreciation and amortization 1.7 percent, $4 million. Other operating expenses, consisting of aircraft rentals, other rentals and landing fees, food service costs, maintenance costs and other miscellaneous operating expenses decreased 2.1 percent, $29 million. Maintenance expenses were lower as a result of retiring older jet aircraft from the fleet and increased operating efficiencies as well as a more vigorous maintenance warranty recovery effort. Booking fee expense increased 18.4%, $12 million, due to significant fare activity in the third quarter of 1994.

AIR TRANSPORTATION GROUP OPERATING STATISTICS

(Unaudited)	Three Months Ended September 30, 1994	1993	Percent Change
American Airlines Passenger Division:			
Revenue passenger miles (millions)	27,011	26,622	1.5
Available seat miles (millions)	39,736	41,812	(5.0)
Passenger load factor	68.0%	63.7%	4.3 pts.
Passenger revenue yield per passenger mile (cents)	12.48	12.95	(3.6)
Passenger revenue per available seat mile (cents)	8.48	8.24	2.9
Operating expenses per available seat mile (cents)	8.08	8.06	0.2
Fuel consumption (gallons, in millions)	711	765	(7.1)
Fuel price per gallon (cents)	56.9	58.8	(3.2)
American Airlines Cargo Division:			
Cargo ton miles (millions)	504	454	11.0
Revenue yield per ton mile (cents)	31.96	34.14	(6.4)
AMR Eagle, Inc.:			
Revenue passenger miles (millions)	692	595	16.3
Available seat mile (millions)	1,192	998	19.4
Passenger load factor	58.1%	59.6%	(1.5) pts.

RESULTS OF OPERATIONS (CONTINUED)

THE SABRE GROUP
FINANCIAL HIGHLIGHTS
(in millions)

	Three Months Ended September 30,	
	1994	1993
Revenues	$ 393	$ 356
Expenses		
Wages, salaries and benefits	124	105
Depreciation and amortization	44	44
Other operating expenses	115	122
Total operating expenses	283	271
Operating Income	110	85
Other Income (Expense)	(12)	(1)
Earnings Before Income Taxes	$ 98	$ 84

Revenues
Revenues for The SABRE Group increased 10.4 percent, $37 million, primarily due to increased booking fee revenues resulting from growth in booking volumes due to continued air fare initiatives, increases in average fees per booking collected from participating vendors, and the introduction of a premium product.

Expenses
Wages, salaries and benefits increased 18.1 percent, $19 million, due to a 4.4 percent increase in the average number of equivalent employees and wage and salary increases. Other operating expenses decreased 5.7 percent, $7 million, due to a decrease in maintenance costs on computer equipment partially offset by higher incentive payments to travel agents.

AMR MANAGEMENT SERVICES GROUP
FINANCIAL HIGHLIGHTS
(in millions)

	Three Months Ended September 30,	
	1994	1993
Revenues	$ 136	$ 120
Expenses		
Wages, salaries and benefits	41	27
Other operating expenses	81	79
Total operating expenses	122	106
Operating Income	14	14
Other Income (Expense)	(2)	(9)
Earnings Before Income Taxes	$ 12	$ 5

Revenues
Revenues for the AMR Management Services Group increased 13.3 percent, $16 million. AMR Services' revenues increased 13.0 percent, $10 million, primarily as a result of strong domestic fuel sales, expansion of European operations, and the acquisition of an additional domestic fixed-base operator in November 1993. Revenues of AMR Training and Consulting Group, increased by approximately $3 million in the third quarter of 1994.

RESULTS OF OPERATIONS (CONTINUED)

Expenses
Wages, salaries and benefits increased 51.9 percent, $14 million, due primarily to a 16.6 percent increase in the average number of equivalent employees driven by the acquisition and startup of the new operations mentioned above.

Other Income (Expense)
Other Income (Expense) decreased 77.8%, $7 million, due primarily to income accrued for dividends on the company's investment in CAI.

For the Nine Months Ended September 30, 1994 and 1993

AIR TRANSPORTATION GROUP
FINANCIAL HIGHLIGHTS
(in millions)

	Nine Months Ended September 30, 1994	1993
Revenues		
Passenger - American Airlines	$ 9,665	$ 10,058
- AMR Eagle	608	536
Cargo	484	472
Other	458	402
	11,215	11,468
Expenses		
Wages, salaries and benefits	3,669	3,622
Aircraft fuel	1,204	1,434
Commission to agents	1,011	1,112
Depreciation and amortization	768	728
Other operating expenses	3,865	3,996
Total operating expenses	10,517	10,892
Operating Income	698	576
Other Income (Expense)	(424)	(552)
Earnings Before Income Taxes	$ 274	$ 24

Revenues
The Company's plan to maximize Passenger division revenue per available seat mile (ASM) by reducing capacity and optimizing the deployment of flight assets resulted in a 1.1 percent decrease in passenger traffic on a 6.3 percent decline in ASMs. As a result, passenger load factor increased 3.4 points and revenue per ASM improved by 2.7 percent. Average stage length increased approximately 6.3 percent, contributing to a decline in Passenger division yield since fares on longer trips tend to be lower on a per ASM basis. In addition, yields continued to be hampered by competitive fare actions and the impact of low fare carriers in certain domestic markets.

American's passenger revenues decreased 3.9 percent, $393 million, in the first nine months of 1994. Passenger revenue yield per passenger mile decreased 2.8 percent to 13.09 cents in 1994. Domestic yields dropped 4.2 percent while international yields increased 1.1 percent.

The decrease in American's ASMs is the result of retiring 56 aircraft (23 McDonnell Douglas DC-10 and 33 Boeing 727 aircraft) and leasing two McDonnell Douglas MD-11 aircraft, partially offset by the addition of 27 new aircraft (17 Fokker F100, seven Boeing 757 and three Boeing 767 aircraft) since September 30, 1993.

RESULTS OF OPERATIONS (CONTINUED)

For the first nine months of 1994 compared to the same period in 1993, American's domestic traffic decreased 2.6 percent on capacity reductions of 7.1 percent and international traffic grew 2.7 percent on a capacity reduction of 4.3 percent. The change in international traffic was driven by 7.4 percent growth in Latin America with a capacity decrease of 0.1 percent, offset by a 1.1 percent decrease in traffic to Europe primarily driven by a capacity reduction of 9.0 percent.

Passenger revenues of the AMR Eagle carriers increased 13.4 percent, $72 million, primarily due to the expansion of regional operations into larger markets. Traffic on the AMR Eagle carriers increased 19.2 percent, while capacity grew 16.1 percent.

Cargo revenues increased 2.5 percent, $12 million, driven by a 8.5 percent increase in American's domestic and international cargo volumes, partially offset by a decrease in yields of 6.0 percent brought about by strong price competition resulting from excess industry capacity.

Other revenues increased 13.9%, $56 million, primarily as a result of an increase in aircraft rental and servicing revenues.

Expenses
American's capacity or ASMs decreased 6.3 percent in the first nine months of 1994 primarily as a result of the fleet changes mentioned previously. Air Transportation Group's operating expenses decreased 3.4 percent, $375 million. Because capacity decreased more rapidly than expenses, American's passenger division cost per ASM increased by 1.5 percent to 8.36 cents. Wages, salaries and benefits rose 1.3 percent, $47 million, due primarily to salary adjustments for existing employees, partially offset by a 3.7 percent reduction in the average number of equivalent employees. Aircraft fuel expense decreased 16.0 percent, $230 million, due to an 8.9 percent decrease in American's average price per gallon, combined with a 8.4 percent decrease in gallons consumed by American. Commissions to agents decreased 9.1 percent, $101 million, due principally to decreased passenger revenues and a reduction in the percentage of American's revenue subject to commissions. New aircraft acquisitions and other capital improvements raised depreciation and amortization costs 5.5 percent, $40 million. Other operating expenses, consisting of aircraft rentals, other rentals and landing fees, food service costs, maintenance costs and other miscellaneous operating expenses decreased 3.3 percent, $131 million, primarily due to lower maintenance costs as a result of retiring older jet aircraft from the fleet, increased operating efficiencies as well as a more vigorous maintenance warranty recovery effort. Food costs and landing fees fell as a result of declines in traffic and capacity, respectively.

RESULTS OF OPERATIONS (CONTINUED)

AIR TRANSPORTATION GROUP OPERATING STATISTICS

(Unaudited)	Nine Months Ended September 30, 1994	1993	Percent Change
American Airlines Passenger Division:			
Revenue passenger miles (millions)	73,833	74,656	(1.1)
Available seat miles (millions)	114,404	122,149	(6.3)
Passenger load factor	64.5%	61.1%	3.4 pts.
Passenger revenue yield per passenger mile (cents)	13.09	13.47	(2.8)
Passenger revenue per available seat mile (cents)	8.45	8.23	2.7
Operating expenses per available seat mile (cents)	8.36	8.24	1.5
Fuel consumption (gallons, in millions)	2,055	2,244	(8.4)
Fuel price per gallon (cents)	56.5	62.0	(8.9)
Operating aircraft at period end period	650	681	(4.6)
American Airlines Cargo Division:			
Cargo ton miles (millions)	1,441	1,328	8.5
Revenue yield per ton mile (cents)	33.17	35.27	(6.0)
AMR Eagle, Inc.:			
Revenue passenger miles (millions)	1,874	1,572	19.2
Available seat miles (millions)	3,308	2,850	16.1
Passenger load factor	56.7%	55.2%	1.5 pts.
Operating aircraft at period end period	275	275	-

RESULTS OF OPERATIONS (CONTINUED)

THE SABRE GROUP
FINANCIAL HIGHLIGHTS
(in millions)

	Nine Months Ended September 30,	
	1994	1993
Revenues	$ 1,167	$ 1,033
Expenses		
Wages, salaries and benefits	367	309
Depreciation and amortization	135	131
Other operating expenses	351	352
Total operating expenses	853	792
Operating Income	314	241
Other Income (Expense)	(22)	(4)
Earnings Before Income Taxes	$ 292	$ 237

Revenues
Revenues for The SABRE Group increased 13.0 percent, $134 million, primarily due to increased booking fee revenues resulting from growth in booking volumes due to continued air fare initiatives, increases in average fees per booking collected from participating vendors, and the introduction of a premium product.

Expenses
Wages, salaries and benefits increased 18.8 percent, $58 million, due to wage and salary increases and a 5.4 percent increase in the average number of equivalent employees.

AMR MANAGEMENT SERVICES GROUP
FINANCIAL HIGHLIGHTS
(in millions)

	Nine Months Ended September 30,	
	1994	1993
Revenues	$ 394	$ 331
Expenses		
Wages, salaries and benefits	119	77
Other operating expenses	238	219
Total operating expenses	357	296
Operating Income	37	35
Other Income (Expense)	(17)	(22)
Earnings Before Income Taxes	$ 20	$ 13

Revenues

Revenues for the AMR Management Service Group increased 19.0 percent, $63 million. AMR Services' revenues increased 17.9 percent, $38 million, primarily as a result of strong domestic fuel and deicing service sales, expansion of European operations, and the acquisition of an additional domestic fixed-base operator in November 1993. Americas Ground Services, which began operations in the second quarter of 1993, contributed $21 million in revenues. Revenues of AMR Training and Consulting Group, which began operations in the first quarter of 1993, increased by approximately $9 million in the first nine months of 1994.

Expenses

Wages, salaries and benefits increased 54.5 percent, $42 million, due primarily to a 32.7 percent increase in the average number of equivalent employees. Other operating expenses increased 8.7 percent, $19 million, due primarily to the startup of operations for Americas Ground Services and AMR Training and Consulting Group and the expansion of AMR Services.

LIQUIDITY AND CAPITAL RESOURCES

Net cash provided by operating activities in the nine month period ended September 30, 1994, was $1.7 billion compared to $1.4 billion in 1993. Capital expenditures for the first nine months of 1994 were $745 million and included the acquisition of 17 jet aircraft by American: three Boeing 757-200, one Boeing 767-300ER and 13 Fokker 100. AMR Eagle acquired 13 turboprop aircraft: ten Super ATRs and three Saab 340Bs. In 1994 AMR expended $177 million to acquire an approximate one-third economic interest in Canadian Airlines International, Ltd. These expenditures, plus an expansion of certain airport facilities, were financed by internally generated cash and the issuance of long-term debt.

Financial Instruments

As part of the Company's risk management program, AMR uses a variety of financial instruments, including interest rate swaps, fuel swap contracts, and currency exchange agreements.

American enters into interest rate swap contracts as part of its effort to effectively convert a portion of American's fixed-rate obligations to floating-rate obligations. Under the contracts, American agrees to exchange , at specific intervals, the difference between fixed- and floating-rate amounts calculated on an agreed upon notional principal amount. Because American's operating results tend to be better in economic cycles with relatively high interest rates and its capital investments tend to be financed with long-term fixed-rate instruments, interest rate swaps in which American pays the floating and receives the fixed rate are used to reduce the impact of market fluctuations on American's net income. At September 30, 1994, such interest rate swap agreements with a notional principal amount of $2.0 billion were in effect. The net impact of the interest rate swap program on interest expense and the Company's weighted average borrowing rate for the periods presented is immaterial.

American enters into fuel swap contracts to protect against increases in jet fuel prices. Under the agreement American receives or makes payments based on the difference between a fixed and variable price for certain fuel commodities. At September 30, 1994, American had agreements with broker-dealers to exchange payments on approximately 20 percent of its remaining 1994 expected fuel needs and approximately 10 percent of expected 1995 fuel needs. The Company does not expect a material effect of the fuel swap program on liquidity.

To hedge against the risk of future currency exchange rate fluctuations on certain debt and lease obligations and related interest payable in foreign currencies, the Company enters into various foreign currency exchange agreements. Changes in the value of the agreements due to exchange rate fluctuations are offset by changes in the value of the foreign-currency-denominated debt and lease obligations translated at the current rate.

At the present time the Company has no significant unhedged exposure to foreign-currency-denominated assets and liabilities.

The Company is exposed to credit loss in the event of nonperformance by counterparties on the interest rate swap, fuel swap, and foreign currency exchange contracts, but the Company does not anticipate nonperformance by any of these counterparties. The Company's current credit exposure is limited to the value of contracts that have become favorable to the Company. To manage market and credit risks, the Company selects counterparties based upon credit ratings, limits its exposure to a single counterparty under defined guidelines, monitors the market position of the program and its relative market position with each counterparty, and maintains industry-standard security agreements with the majority of its counterparties which may require the Company or the counterparty to post collateral in certain situations. As of September 30, 1994, no collateral was required under these agreements.

Environmental Matters The Company is subject to various laws and government regulations concerning environmental matters and employee safety and health in the U.S. and other countries. U.S. federal laws that have a particular impact on the Company include the Airport Noise and Capacity Act of 1990 (ANCA), the Clean Air Act, the Resource Conservation and Recovery Act, the Clean Water Act, the Safe Drinking Water Act, and the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA or the Superfund). The Company is also subject to the oversight of the Occupational Safety and Health Administration (OSHA) concerning employee safety and health matters. The U.S. Environmental Protection Agency (EPA), OSHA, and other federal agencies have been authorized to promulgate regulations that have an impact on the Company's operations. In addition to these federal activities, various states have been delegated certain authorities under the aforementioned federal statutes. Many state and local governments have adopted environmental and employee safety and health laws and regulations, some of which are similar to federal requirements. As a part of its continuing safety, health and environmental program, the Company has maintained compliance with such requirements without any material adverse effect on its business.

The ANCA requires the phase-out by December 31, 1999, of Stage II aircraft operations, subject to certain exceptions. Under final regulations issued by the Federal Aviation Administration (FAA) in 1991, air carriers are required to reduce, by modification or retirement, the number of Stage II aircraft in their fleets 25 percent by December 31, 1994; 50 percent by December 31, 1996; 75 percent by December 31, 1998, and 100 percent by December 31, 1999. Alternatively, a carrier may satisfy the regulations by operating a fleet that is at least 55 percent, 65 percent, 75 percent, and 100 percent Stage III by the dates set forth in the preceding sentence, respectively.

The ANCA recognizes the rights of airport operators with noise problems to implement local noise abatement programs so long as they do not interfere unreasonably with interstate or foreign commerce or the national air transportation system. Authorities in several cities have promulgated aircraft noise reduction programs, including the imposition of night-time curfews. The ANCA generally requires FAA approval of local noise restrictions on Stage III aircraft first effective after October 1990, and establishes a regulatory notice and review process for local restrictions on Stage II aircraft first proposed after October 1990. At September 30, 1994, approximately 86 percent of American's active fleet was Stage III. While American has had sufficient scheduling flexibility to accommodate local noise restrictions imposed to date, American's operations could be adversely affected if locally-imposed regulations become more restrictive or widespread.

The Clean Air Act provides that state and local governments may not adopt or enforce aircraft emission standards unless those standards are identical to the federal standards. The engines on American's aircraft meet the EPA's turbine engine emissions standards.

American has been identified by the EPA as a potentially responsible party (PRP) with respect to the following Superfund Sites: Operating Industries, Inc., California; Cannons, New Hampshire; Byron Barrel and Drum, New York; Palmer PSC, Massachusetts; Frontier Chemical, New York and Duffy Brothers, Massachusetts. American has settled the Cannons and Byron Barrel and Drum matters, and all that remains to complete these matters are administrative tasks. American has signed a partial consent decree with respect to Operating Industries, Inc. With respect to the Operating Industries, Inc., Palmer PSC, Frontier Chemical and Duffy Brothers sites, American is one of several PRPs named at each site. Although they are Superfund Sites, American's alleged waste disposal is minor compared to the other PRPs.

American, along with most other tenants at Logan Airport in Boston, have been notified under the Massachusetts State Superfund Statute of a claim for contribution by the Massachusetts Port Authority (Massport). Massport has claimed that American is responsible for past and future remediation costs at the airport. American is vigorously defending against Massport's claim.

AMR Combs Memphis, an AMR Services subsidiary, has been named a PRP at an EPA Superfund Site in West Memphis, Tennessee. AMR Combs Memphis' alleged involvement in the site is minor relative to the other PRPs.

Flagship Airlines, Inc. an AMR Eagle subsidiary, has been notified of its potential liability under New York law at an Inactive Hazardous Waste site in Poughkeepsie, New York.

AMR does not expect these matters, individually or collectively, to have a material impact on its financial condition, operating results or cash flows.

Other
In October 1994 AMR offered to exchange up to $1.1 billion in principal amount of 6.125 percent subordinated convertible debentures maturing in 2024 for up to all of its outstanding convertible preferred stock. Each $1,000 debenture will be convertible into common stock of AMR at a conversion price of $79 per share, equivalent to 12.658 shares per $1,000 debenture.

The Company has continued the course of change initiated in 1993 under the Transition Plan. The majority of the Company's efforts to date have focused on reducing airline costs and restoring airline operations to adequate and sustainable profitability. Since early 1993 the Air Transportation Group has removed approximately 90 jet aircraft from the fleet; withdrawn jet service from over 90 markets; eliminated service to almost 30 cities; and reduced its workforce by over 5,000 employees. In the fourth quarter of 1994 AMR expects to record a significant charge related to early retirement programs and staff reductions in the Air Transportation Group. In addition, AMR is evaluating further restructuring to its workforce and route network in 1995, which may result in additional charges for the 1994 fourth quarter. At the present time the amount of the fourth quarter charges cannot be reasonably estimated. While it is expected that these charges will have a material impact on fourth quarter results of operations, they are not expected to have a significant impact on the financial position or liquidity of AMR.

PART II

Item 2- Legal Proceedings

In December 1992, the U S. Department of Justice filed an antitrust lawsuit in the U S. District Court for the District of Columbia under Section 1 of the Sherman Act against several airlines, including the Company, alleging price fixing based upon the industry's exchange of fare information through the Airline Tariff Publishing Company. In March 1994, the Company and the remaining defendants in the case agreed to settle the lawsuit without admitting liability by entering into a stipulated final judgment that prohibits or restricts certain pricing practices including the announcement of fare increases before their effective date. This settlement has been approved by the Court and is now final.

American has been sued in two lass action cases that have been consolidated in the Circuit Court of Cook County, Illinois, in connection with certain changes made to American's AAdvantage frequent flyer program in May, 1988. (Wolens, et el v. American Airlines, Inc., No. 88 CH 7554, and Tucker v. American Airlines, Inc., No. 89 CH 199.) In both cases, the plaintiffs seek to represent all persons who joined the AAdvantage program before May 1988. The complaints allege that, on that date, American implemented changes that limited the number of seats available to participants traveling on certain awards and established holiday blackout dates during which no AAdvantage seats would be available for certain awards. The plaintiffs allege that these changes breached American's contracts with AAdvantage members and were in violation of the Illinois Consumer Fraud and Deceptive Business Practice Act (Consumer Fraud Act). Plaintiffs seek money damages of an unspecified sum, punitive damages, costs, attorneys fees and an injunction preventing the Company from making any future changes that would reduce the value of AAdvantage benefits. American moved to dismiss both complaints, asserting that the claims are preempted by the Federal Aviation Act and barred by the Commerce Clause of the U. S. Constitution.

The trial court denied American's preemption motions, but certified its decision for interlocutory appeal. In December 1990, the Illinois Appellate Court held that plaintiffs' claims for an injunction are preempted by the Federal Aviation Act, but that plaintiffs' claims for money damages could proceed. On March 12, 1992, the Illinois Supreme Court affirmed the decision of the Appellate Court. American sought a writ of certiorari from the U. S. Supreme Court; and on October 5, 1992, that Court vacated the decision of the Illinois Supreme Court and remanded the cases for reconsideration in light of the U. S. Supreme Court's decision in Morales v. TWA, et al, which interpreted the preemption provisions of the Federal Aviation Act very broadly. On December 16, 1993, the Illinois Supreme Court rendered its decision on remand, holding that plaintiffs' claims seeking an injunction were preempted, but that identical claims for compensatory and punitive damages were not preempted. On February 8, 1994, American filed petition for a writ of certiorari in the U. S. Supreme Court. The Illinois Supreme Court granted American's motion to stay the state court proceeding pending disposition of American's petition in the U.S. Supreme Court. The matter was argued before the U. S. Supreme Court on November 1, 1994.

PART II

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits filed with this report:

Part I - Exhibit 11(a): Computation of primary earnings per share for the three and nine months ended September 30, 1994 and 1993.

Part I - Exhibit 11(b): Computation of earnings per share assuming full dilution for the three and nine months ended September 30, 1994 and 1993.

Part I - Exhibit 12(a): Computation of ratio of earnings to fixed charges for the nine months ended September 30, 1994 and 1993.

Part I - Exhibit 12(b): Computation of ratio of earnings to combined fixed charges and preferred stock dividends for the nine months ended September 30, 1994 and 1993.

(b) Reports on Form 8-K or amendments:

On October 19, 1994 AMR filed a report on Form 8-K relative to its third quarter 1994 earnings release.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AMR CORPORATION

BY: /s/ Donald J. Carty
Donald J. Carty
Executive Vice President and
Chief Financial Officer

DATE: November 3, 1994

AMR CORPORATION
Computation of Primary Earnings per Share
(in millions, except per share amounts)

	Three Months Ended September 30, 1994	Three Months Ended September 30, 1993	Nine Months Ended September 30, 1994	Nine Months Ended September 30, 1993
Earnings as adjusted:				
Net earnings	$ 205	$ 118	$ 351	$ 143
Less:Preferred dividend requirements	17	16	50	43
Earnings applicable to common shares	$ 188	$ 102	$ 301	$ 100
Shares, as adjusted				
Average number of shares outstanding	76	75	76	75
Add shares issued upon assumed exercise of dilutive options, stock appreciation rights and warrants and shares assumed issued for deferred stock granted	3	3	2	2
Less assumed treasury shares repurchased	(3)	(2)	(2)	(1)
Shares, as adjusted	76	76	76	76
Primary earnings per share	$ 2.47	$ 1.33	$ 3.95	$ 1.30

AMR CORPORATION
Computation of Earnings per Share
Assuming Full Dilution
(in millions, except per share amounts)

	Three Months Ended September 30, 1994	Three Months Ended September 30, 1993	Nine Months Ended September 30, 1994	Nine Months Ended September 30, 1993
Earnings as adjusted:				
Net earnings	$ 205	$ 118	$ 351	$ 143
Less: Preferred Dividend Requirements	17	16	50	43
Earnings applicable to common shares	188	102	301	100
Adjustments:				
Add:				
Interest upon assumed conversion of convertible debt (net of tax)	-	6	-	(a)
Dividends upon assumed conversion of convertible of convertible preferred stock	17	16	50	(a)
Earnings, as adjusted	$ 205	$ 124	$ 351	$ 100
Shares, as adjusted:				
Average number of shares outstanding	76	75	76	75
Add shares issued upon:				
Assumed conversion of convertible debt	-	7	-	(a)
Assumed conversion of preferred stock	14	14	14	(a)
Assumed exercise of dilutive options, stock appreciation rights and warrants and shares assumedissued for deferred stock granted	3	3	2	2
Less assumed treasury shares repurchased	(3)	(1)	(2)	(1)
Shares, as adjusted	90	98	90	76
Earnings per share assuming full dilution	$ 2.27	$ 1.26	$ 3.89	$ 1.30

(a) Conversion not assumed as results would be anti-dilutive.

AMR CORPORATION.

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

	Nine Months Ended September 30, 1994	1993
	(in millions of dollars)	
Earnings:		
Earnings before income taxes	$ 586	$ 274
Add: Total fixed charges (per below)	949	1,014
Less: Interest capitalized	17	41
Total earnings	$ 1,518	$ 1,247
Fixed charges:		
Interest	$ 463	$ 507
Portion of rental expense representative of the interest factor	481	501
Amortization of debt expense	5	6
Total fixed charges	$ 949	$ 1,014
Ratio of earnings to fixed charges	1.60	1.23

AMR CORPORATION.

COMPUTATION OF RATIO OF EARNINGS
TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

	Nine Months Ended September 30, 1994	1993
	(in millions of dollars)	
Earnings:		
Earnings before income taxes	$ 586	$ 274
Add: Total fixed charges (per below)	1,032	1,093
Less: Interest capitalized	17	41
Total earnings	$ 1,601	$ 1,326
Fixed charges:		
Interest	$ 463	$ 507
Portion of rental expense representative of the interest factor	481	501
Preferred dividend requirement	83	79
Amortization of debt expense	5	6
Total fixed charges	$ 1,032	$ 1,093
Ratio of earnings to fixed charges	1.55	1.21

5
1,000,000

QTR-3	9-MOS	OTHER
DEC-31-1994	DEC-31-1994	DEC-31-1994
SEP-30-1994	SEP-30-1994	SEP-30-1994
0	0	31
0	0	1026
0	0	1131
0	0	17
0	0	675
0	0	3362
0	0	20315
0	0	6252
0	0	20288
0	0	4742
0	0	0
0	0	2117
0	0	0
0	0	1081
0	0	1397
0	0	20288
0	0	0
4233	12142	0
0	0	0
3744	11093	0
0	0	0
0	0	0
157	463	0
336	586	0
131	235	0
205	351	0
0	0	0
0	0	0
0	0	0
205	351	0
2.47	3.95	0
2.27	3.89	0