

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): October 20, 2016

**AMERICAN AIRLINES GROUP INC.
AMERICAN AIRLINES, INC.**

(Exact name of registrant as specified in its charter)

**Delaware
Delaware**

(State or other Jurisdiction of
Incorporation)

**1-8400
1-2691**

(Commission
File Number)

**75-1825172
13-1502798**

(IRS Employer
Identification No.)

**4333 Amon Carter Blvd., Fort Worth, Texas
4333 Amon Carter Blvd., Fort Worth, Texas**

(Address of principal executive offices)

**76155
76155**

(Zip Code)

Registrant's telephone number, including area code:

(817) 963-1234

(817) 963-1234

N/A

(Former name or former address if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 7.01. REGULATION FD DISCLOSURE.

On October 20, 2016, American Airlines Group Inc. (the “Company”) provided an update for investors presenting information relating to its financial and operational outlook for 2016. This investor presentation is located on the Company’s website at www.aa.com under “Investor Relations.” The update is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this Item 7.01, including Exhibit 99.1, is being furnished and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section and shall not be deemed incorporated by reference into any registration statement or other document filed pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits.

Exhibit No.	Description
99.1	Investor Update

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, American Airlines Group Inc. has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AMERICAN AIRLINES GROUP INC.

Date: October 20, 2016

By: /s/ Derek J. Kerr

Derek J. Kerr
Executive Vice President and
Chief Financial Officer

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

AMERICAN AIRLINES, INC.

Date: October 20, 2016

By: /s/ Derek J. Kerr

Derek J. Kerr
Executive Vice President and
Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1	Investor Update



**Investor Relations Update
October 20, 2016**

General Overview

- **Pre-tax Margin**—The Company expects its fourth quarter pre-tax margin excluding special items to be approximately 4 to 6 percent¹.
- **Profit Sharing**—On March 23, 2016, the Company announced that it would institute a profit sharing program, retrospective to January 1, 2016. As a result, the Company will now accrue 5 percent of its pre-tax profits excluding special items¹ for this program, with an anticipated distribution to employees in early 2017.
- **CASM**—Mainline CASM excluding fuel and special items¹ is expected to be up approximately 5 to 7 percent in 2016. This forecast incorporates the impact of the joint contracts with the Company's customer service and reservation agents and dispatchers, as well as the interim agreement with the Company's fleet service clerks and mechanics and the amended agreement with the Company's regional pilots. This guidance and the CASM guidance in the following pages includes the impact of profit sharing.
- **Capacity**—2016 total system capacity is expected to be up approximately 1.5 percent vs. 2015. Full year domestic capacity is expected to be up approximately 1.5 percent year-over-year, while international capacity is also expected to be up approximately 1.5 percent vs. 2015.
- **Liquidity**—As of September 30, 2016, the Company had approximately \$9.2 billion in total available liquidity, comprised of unrestricted cash and investments of \$6.8 billion and \$2.4 billion in undrawn revolver capacity. The Company also had a restricted cash position of \$635 million.
- **Fuel**—Based on the October 17, 2016, forward curve, the Company expects to pay an average of between \$1.59 and \$1.64 per gallon of mainline jet fuel (including taxes) in the fourth quarter. Forecasted volume and fuel prices are provided in the following pages.
- **Cargo / Other Revenue**—Includes cargo revenue, loyalty program revenue, ticket change fees, excess/overweight baggage fees, first and second bag fees, contract services, airport clubs and inflight service revenues.
- **Taxes**—Following the filing of its annual tax return, the Company had approximately \$10.5 billion of federal net operating losses (NOLs) and \$4.0 billion of state NOLs, substantially all of which are expected to be available in 2016 to reduce future federal and state taxable income. The increase in the federal NOLs from previous guidance is attributable to the election to take bonus depreciation on eligible assets (primarily aircraft) in the 2015 federal income tax return. The Company expects to recognize a provision for income taxes in 2016 at an effective rate of approximately 38 percent, which will be substantially non-cash.

Notes:

1. *The Company is unable to reconcile certain forward-looking projections to GAAP as the nature or amount of special items cannot be determined at this time.*

Please refer to the footnotes and the forward looking statements page of this document for additional information

Mainline Comments

- All operating expenses are for mainline operated flights only. Please refer to the following page for information pertaining to regional data.
- The year-over-year increase in mainline CASM excluding fuel and special items for the fourth quarter is primarily driven by investments in new labor agreements (approximately 6 points), maintenance timing (approximately 2 points) and increased depreciation and amortization from increased capex (approximately 1 point).

Mainline Guidance¹	1Q16A	2Q16A	3Q16A	4Q16E	FY16E²
Available Seat Miles (ASMs) (bil)	57.6	62.7	63.8	~57.5	~241.5
CASM ex fuel and special items (YOY % change) ³	9.62	9.12	9.32	+8% to +10%	+5% to +7%
Cargo Revenues (\$ mil)	162	174	171	~185	~690
Other Revenues (\$ mil)	1,186	1,194	1,273	~1,255	~4,910
Average Fuel Price (incl. taxes) (\$/gal) (as of 10/17/2016)	1.20	1.41	1.46	1.59 to 1.64	1.40 to 1.45
Fuel Gallons Consumed (mil)	855	931	953	~852	~3,591
Interest Income (\$ mil)	(13)	(16)	(16)	~(11)	~(56)
Interest Expense (\$ mil)	239	249	250	~255	~993
Other Non-Operating (Income)/Expense (\$ mil) ^{4,5}	(8)	(11)	8	~4	~(8)
CAPEX Guidance (\$ mil) Inflow/(Outflow)					
Non-Aircraft CAPEX	(258)	(304)	(338)	~(300)	~(1,200)
Gross Aircraft CAPEX & net PDPs	(1,295)	(1,161)	(834)	~(1,095)	~(4,384)
Assumed Aircraft Financing ⁶	<u>1,501</u>	<u>1,178</u>	<u>870</u>	<u>~1,058</u>	<u>~4,607</u>
Net Aircraft CAPEX & PDPs ²	206	17	37	~(38)	~223

Notes:

1. Includes guidance on certain non-GAAP measures. The Company is unable to reconcile certain forward-looking projections to GAAP as the nature or amount of special items cannot be determined at this time.
2. Numbers may not recalculate due to rounding.
3. CASM ex fuel and special items is a non-GAAP financial measure. Please see the GAAP to non-GAAP reconciliation at the end of this document. All CASM guidance includes the impact of profit sharing.
4. Excludes special items; please see the GAAP to non-GAAP reconciliation at the end of this document.
5. Other Non-Operating (Income)/Expense primarily includes gains and losses from foreign currency.
6. Includes financing for 2016 aircraft deliveries, as well as the \$1.1 billion of EETC financing completed in Q1 for aircraft delivered in prior years.

Please refer to the footnotes and the forward looking statements page of this document for additional information

Regional Update October 20, 2016

Regional Comments

- The Company receives feed from 10 regional airlines, including wholly owned subsidiaries Envoy, PSA Airlines and Piedmont Airlines.
- Republic Airways Holdings Inc. filed for Chapter 11 bankruptcy on February 25, 2016 and the court-supervised restructuring of that company is underway. As part of the restructuring process, Republic capacity provided to the Company has been significantly reduced commencing in the second quarter.

<u>Regional Guidance¹</u>	<u>1Q16A</u>	<u>2Q16A</u>	<u>3Q16A</u>	<u>4Q16E</u>	<u>FY16E²</u>
Available Seat Miles (ASMs) (bil)	7.50	8.08	8.16	~7.84	~31.58
CASM ex fuel and special items (YOY % change) ³	16.11	15.29	15.08	-3% to -5%	-3% to -5%
Average Fuel Price (incl. taxes) (\$/gal) (as of 10/17/2016)	1.24	1.46	1.55	1.65 to 1.70	1.46 to 1.51
Fuel Gallons Consumed (mil)	178	191	196	~191	~756

Regional Airlines

Envoy ⁴	Mesa Airlines, Inc.
SkyWest Airlines, Inc. ⁵	Piedmont Airlines, Inc. ⁴
ExpressJet Airlines, Inc. ⁵	PSA Airlines, Inc. ⁴
Republic Airline Inc.	Trans States Airlines, Inc.
Air Wisconsin Airlines Corporation	Compass Airlines, LLC

Notes:

1. Includes guidance on certain non-GAAP measures. The Company is unable to reconcile certain forward-looking projections to GAAP as the nature or amount of special items cannot be determined at this time.
2. Numbers may not recalculate due to rounding.
3. CASM ex fuel and special items is a non-GAAP financial measure. Please see the GAAP to non-GAAP reconciliation at the end of this document. All CASM guidance includes the impact of profit sharing.
4. Wholly owned subsidiary of American Airlines Group Inc.
5. Pro-rate agreement and capacity purchase agreement.

Please refer to the footnotes and the forward looking statements page of this document for additional information

Fleet Update October 20, 2016

Fleet Comments

- In 2016, the Company expects to take delivery of 55 mainline aircraft including 25 A321 aircraft, 20 B738 aircraft, 2 B773 aircraft, 4 B788 aircraft, and 4 B789 aircraft. The Company expects to retire 71 mainline aircraft, including 4 A320 aircraft, 13 B757 aircraft, 14 B763 aircraft and 40 MD80 aircraft.
- In 2016, the Company expects to add 60 regional aircraft, including 18 CRJ700 aircraft, 18 CRJ900 aircraft and 24 E175 aircraft. The Company expects to retire 8 CRJ200 aircraft and 5 Dash 8-100 aircraft and place in temporary storage 1 ERJ140 aircraft.
- As part of its restructuring process and with Bankruptcy Court approval, Republic has entered into an amendment to its Capacity Purchase Agreement with the Company, that, among other things, provides for the reduction in the number of aircraft available to the Company for flying to 76 E175 aircraft (a reduction of 20 E170 and 9 E175 aircraft). The Company has taken various actions to mitigate the effects of this reduction in flying, including by adjusting its mainline schedule and seeking additional capacity from its wholly owned regional subsidiaries and other regional providers.

	Active Mainline Ending Fleet Count					Active Regional Ending Fleet Count ¹					
	2015A	1Q16A	2Q16A	3Q16A	4Q16E	2015A	1Q16A	2Q16A	3Q16A	4Q16E	
A319	125	125	125	125	125	CRJ200	128	125	124	123	120
A320	55	51	51	51	51	CRJ700	61	61	67	69	79
A321	174	180	187	193	199	CRJ900	100	107	115	118	118
A332	15	15	15	15	15	DASH 8-100	26	26	26	26	21
A333	9	9	9	9	9	DASH 8-300	11	11	11	11	11
B738	264	269	274	279	284	E170	20	20	2	—	—
B757	64	57	55	52	51	E175	109	115	118	118	124
B763	45	40	40	35	31	ERJ140	14	14	19	16	13
B772	47	47	47	47	47	ERJ145	118	118	118	118	118
B773	18	20	20	20	20						
B788	13	15	17	17	17						
B789	—	—	—	1	4						
E190	20	20	20	20	20						
MD80	97	94	87	58	57						
	946	942	947	922	930		587	597	600	599	604

Notes:

1. At the end of the third quarter, the Company had 43 ERJ140 regional aircraft in temporary storage not included in the active regional ending fleet count.

Please refer to the footnotes and the forward looking statements page of this document for additional information



**Shares Outstanding
October 20, 2016**

Shares Outstanding Comments

- The estimated weighted average shares outstanding for 2016 are listed below.
- On April 21, 2016, the Company's Board authorized a new \$2.0 billion share repurchase program to expire by the end of 2017. This brings the total amount authorized for share repurchase programs to \$9.0 billion since the merger.
- In the third quarter, the Company repurchased 18.2 million shares at a cost of \$616 million. Including share repurchases, shares withheld to cover taxes associated with employee equity awards and share distributions, and the cash extinguishment of convertible debt, the Company's share count has dropped 31 percent from 756.1 million at merger close to 519.2 million shares on September 30, 2016.

2016 Shares Outstanding (shares mil)¹

<u>For Q4</u>	Shares	
	<u>Basic</u>	<u>Diluted</u>
Earnings	519	523
Net loss	519	519

<u>For FY 2016 Average</u>	Shares	
	<u>Basic</u>	<u>Diluted</u>
Earnings	553	557
Net loss	553	553

Notes:

1. *Shares outstanding are based upon several estimates and assumptions, including average per share stock price and stock award activity and do not take into consideration any share repurchase activity after the end of the third quarter 2016. The number of shares in actual calculations of earnings per share will likely be different from those set forth above.*

Please refer to the footnotes and the forward looking statements page of this document for additional information



GAAP to Non-GAAP Reconciliation
October 20, 2016

The Company is providing disclosure of the reconciliation of reported non-GAAP financial measures to their comparable financial measures on a GAAP basis. The Company believes that the non-GAAP financial measures provide investors the ability to measure financial performance excluding special items, which is more indicative of the Company's ongoing performance and is more comparable to measures reported by other major airlines. The Company believes that the presentation of mainline CASM excluding fuel and special items and regional CASM excluding fuel and special items is useful to investors because both the cost and availability of fuel are subject to many economic and political factors beyond the Company's control.

	American Airlines Group Inc GAAP to Non-GAAP Reconciliation (\$ mil except ASM and CASM data)						
	1Q16 Actual	2Q16 Actual	3Q16 Actual	4Q16 Range		FY16 Range	
				Low	High	Low	High
Mainline							
Mainline operating expenses ¹	\$6,668	\$7,094	\$7,625	\$7,080	\$7,229	\$28,337	\$28,814
Less mainline fuel	1,029	1,314	1,393	1,355	1,397	5,091	5,133
Less special items	99	62	289	—	—	450	450
Mainline operating expense excluding fuel and special items	5,540	5,718	5,943	5,726	5,832	22,796	23,231
Mainline CASM (cts) ¹	11.58	11.32	11.96	12.31	12.57	11.73	11.93
Mainline CASM excluding fuel and special items (Non-GAAP) (cts)	9.62	9.12	9.32	9.96	10.14	9.44	9.62
Mainline ASMs (bil)	57.6	62.7	63.8	57.5	57.5	241.5	241.5
Regional							
Regional operating expenses ¹	\$1,432	\$1,518	\$1,538	\$1,514	\$1,549	\$ 5,956	\$ 6,067
Less regional fuel expense	219	279	303	315	325	1,116	1,126
Less special items	5	3	5	—	—	13	13
Regional operating expenses excluding fuel and special items	1,208	1,236	1,230	1,199	1,224	4,827	4,929
Regional CASM (cts) ¹	19.10	18.78	18.85	19.31	19.76	18.86	19.21
Regional CASM excluding fuel and special items (Non-GAAP) (cts)	16.11	15.29	15.08	15.30	15.62	15.29	15.61
Regional ASMs (bil)	7.50	8.08	8.16	7.84	7.84	31.58	31.58
Other Non-Operating (Income)/Expense							
Other non-operating (income)/expense ¹	\$ (8)	\$ 25	\$ 8	\$ 4	\$ 4	\$ 29	\$ 29
Less special items	—	36	—	—	—	36	36
Other non-operating (income)/expense excluding special items	(8)	(11)	8	4	4	(8)	(8)

Notes: Amounts may not recalculate due to rounding.

(1) Certain of the guidance provided excludes special items. The Company is unable to fully reconcile such forward-looking guidance to the corresponding GAAP measure because the full nature and amount of the special items cannot be determined at this time. Special items for this period may include items related to merger/transition costs (including aircraft fleet restructuring costs and labor-related costs), bankruptcy-related costs and certain other costs.

Please refer to the footnotes and the forward looking statements page of this document for additional information



**Forward Looking Statements
October 20, 2016**

Cautionary Statement Regarding Forward-Looking Statements

This document includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements may be identified by words such as “may,” “will,” “expect,” “intend,” “anticipate,” “believe,” “estimate,” “plan,” “project,” “could,” “should,” “would,” “continue,” “seek,” “target,” “guidance,” “outlook,” “if current trends continue,” “optimistic,” “forecast” and other similar words. Such statements include, but are not limited to, statements about future financial and operating results, the Company’s plans, objectives, estimates, expectations and intentions, and other statements that are not historical facts such as, without limitation, statements that discuss the possible future effects of known trends or uncertainties, or which indicate that the future effects of known trends or uncertainties cannot be predicted, guaranteed or assumed. These forward-looking statements are based on the Company’s current objectives, beliefs and expectations, and they are subject to significant risks and uncertainties that may cause actual results and financial position and timing of certain events to differ materially from the information in the forward-looking statements. These risks and uncertainties include, but are not limited to the following: significant operating losses in the future; downturns in economic conditions that adversely affect the Company’s business; the impact of continued periods of high volatility in fuel costs, increased fuel prices and significant disruptions in the supply of aircraft fuel; competitive practices in the industry, including the impact of low cost carriers, airline alliances and industry consolidation; the challenges and costs of integrating operations and realizing anticipated synergies and other benefits of the merger transaction with US Airways Group, Inc.; costs of ongoing data security compliance requirements and the impact of any significant data security breach; the Company’s substantial indebtedness and other obligations and the effect they could have on the Company’s business and liquidity; an inability to obtain sufficient financing or other capital to operate successfully and in accordance with the Company’s current business plan; increased costs of financing, a reduction in the availability of financing and fluctuations in interest rates; the effect the Company’s high level of fixed obligations may have on its ability to fund general corporate requirements, obtain additional financing and respond to competitive developments and adverse economic and industry conditions; the Company’s significant pension and other postretirement benefit funding obligations; the impact of any failure to comply with the covenants contained in financing arrangements; provisions in credit card processing and other commercial agreements that may materially reduce the Company’s liquidity; the impact of union disputes, employee strikes and other labor-related disruptions; any inability to maintain labor costs at competitive levels; interruptions or disruptions in service at one or more of the Company’s hub airports; any inability to obtain and maintain adequate facilities, infrastructure and slots to operate the Company’s flight schedule and expand or change its route network; the Company’s reliance on third-party regional operators or third-party service providers that have the ability to affect the Company’s revenue and the public’s perception about its services; any inability to effectively manage the costs, rights and functionality of third-party distribution channels on which the Company relies; extensive government regulation, which may result in increases in the Company’s costs, disruptions to the Company’s operations, limits on the Company’s operating flexibility, reductions in the demand for air travel, and competitive disadvantages; the impact of the heavy taxation on the airline industry; changes to the Company’s business model that may not successfully increase revenues and may cause operational difficulties or decreased demand; the loss of key personnel or inability to attract and retain additional qualified personnel; the impact of conflicts overseas, terrorist attacks and ongoing security concerns; the global scope of the Company’s business and any associated economic and political instability or adverse effects of events, circumstances or government actions beyond its control, including the impact of foreign currency exchange rate fluctuations and limitations on the repatriation of cash held in foreign countries; the impact of environmental and noise regulation; the impact associated with climate change, including increased regulation to reduce emissions of greenhouse gases; the Company’s reliance on technology and automated systems and the impact of any failure of these technologies or systems; challenges in integrating the Company’s computer, communications and other technology systems; losses and adverse publicity stemming from any accident involving any of the Company’s aircraft or the aircraft of its regional or codeshare operators; delays in scheduled aircraft deliveries, or other loss of anticipated fleet capacity, and failure of new aircraft to perform as expected; the Company’s dependence on a limited number of suppliers for aircraft, aircraft engines and parts; the impact of changing economic and other conditions beyond the Company’s control, including global events that affect travel behavior such as an outbreak of a contagious disease, and volatility and fluctuations in the Company’s results of operations due to seasonality; the effect of a higher than normal number of pilot retirements, more stringent duty-time regulations, increased flight hour requirements for commercial airline pilots and other factors that have caused a shortage of pilots; the impact of possible future increases in insurance costs or reductions in available insurance coverage; the effect on the Company’s financial position and liquidity of being party to or involved in litigation; an inability to use net operating losses carried forward from prior taxable years (NOL Carryforwards); any impairment in the amount of the Company’s goodwill and an inability to realize the full value of the Company’s intangible or long-lived assets and any material impairment charges that would be recorded as a result; price volatility of the Company’s common stock; the effects of the Company’s capital deployment program and the limitation, suspension or discontinuation of the Company’s share repurchase programs or dividend payments thereunder; delay or prevention of stockholders’ ability to change the composition of the Company’s board of directors and the effect this may have on takeover attempts that some of the Company’s stockholders might consider beneficial; the effect of provisions of the Company’s Restated Certificate of Incorporation and Amended and Restated Bylaws that limit ownership and voting of its equity interests, including its common stock; the effect of limitations in the Company’s Restated Certificate of Incorporation on acquisitions and dispositions of its common stock designed to protect its NOL Carryforwards and certain other tax attributes, which may limit the liquidity of its common stock; and other economic, business, competitive, and/or regulatory factors affecting the Company’s business, including those set forth in the Company’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2016 (especially in Part I, Item 2, Management’s Discussion and Analysis of Financial Condition and Results of Operations and Part II, Item 1A, Risk Factors) and other risks and uncertainties listed from time to time in the Company’s other filings with the SEC. There may be other factors of which the Company is not currently aware that may affect matters discussed in the forward-looking statements and may also cause actual results to differ materially from those discussed. Any forward-looking statements speak only as of the date hereof or as of the dates indicated in the statements. The Company does not assume any obligation to publicly update or supplement any forward-looking statement to reflect actual results, changes in assumptions or changes in other factors affecting these forward-looking statements other than as required by law.

Please refer to the footnotes and the forward looking statements page of this document for additional information