

**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): July 12, 2017**

**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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

- Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**ITEM 7.01. REGULATION FD DISCLOSURE.**

On July 12, 2017, American Airlines Group Inc. (“American”) announced via press release certain traffic statistics for June 2017. A copy of American’s press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

Also, on July 12, 2017, American provided an update for investors presenting information relating to its financial and operational outlook for 2017. This investor presentation is located on American’s website at [www.aa.com](http://www.aa.com) under “Investor Relations.” The update is furnished as Exhibit 99.2 to this Current Report on Form 8-K.

The information in this Item 7.01, including Exhibit 99.1 and Exhibit 99.2, 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.**

<b>Exhibit No.</b>	<b>Description</b>
99.1	Press Release, dated July 12, 2017
99.2	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: July 12, 2017

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: July 12, 2017

By: /s/ Derek J. Kerr

Derek J. Kerr  
Executive Vice President and  
Chief Financial Officer

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**EXHIBIT INDEX**

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99.1	Press Release, dated July 12, 2017
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**PRESS RELEASE**

**Corporate Communications**  
817-967-1577  
[mediarelations@aa.com](mailto:mediarelations@aa.com)

**Investor Relations**  
817-931-3423  
[investor.relations@aa.com](mailto:investor.relations@aa.com)

FOR RELEASE: Wednesday, July 12, 2017

**AMERICAN AIRLINES GROUP REPORTS  
RECORD JUNE TRAFFIC RESULTS**

FORT WORTH, Texas – American Airlines Group (NASDAQ: AAL) today reported June and year-to-date 2017 traffic results.

American Airlines Group's total revenue passenger miles (RPMs) were a record 21.0 billion, up 0.8 percent versus June 2016. Total capacity was 24.9 billion available seat miles (ASMs), up 1.1 percent versus June 2016. Total passenger load factor was 84.7 percent, down 0.2 percentage points versus June 2016.

The company expects its second quarter 2017 total revenue per available seat mile (TRASM) to be up approximately 5 percent to 6 percent year-over-year. This compares to prior guidance which had TRASM up 3.5 percent to 5.5 percent. The improvement in TRASM from prior guidance is driven primarily by higher passenger yields, with particular strength in the Domestic, Central/South American, and Caribbean regions. The company now expects its second quarter pre-tax margin excluding special items to be between 13 percent and 14 percent versus its previous guidance of 12 percent to 14 percent. For more financial forecasting detail, including the company's anticipated second quarter net special items, please refer to the company's investor relations update also filed today.

The following summarizes American Airlines Group traffic results for the month ended June 30, 2017, and 2016, consisting of mainline-operated flights, wholly owned regional subsidiaries and operating results from capacity purchase agreements.



– more –

**AMERICAN AIRLINES GROUP REPORTS JUNE TRAFFIC**

July 12, 2017

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**American Airlines Group Traffic Results**

	2017	June 2016	Change	2017	Year to Date 2016	Change
<b>Revenue Passenger Miles (000)</b>						
<b>Domestic</b>	11,538,113	11,931,442	(3.3)%	62,309,527	63,808,020	(2.3)%
Atlantic	3,320,261	3,002,389	10.6%	13,348,643	12,680,011	5.3%
Latin America	2,587,598	2,551,480	1.4%	15,082,274	15,475,711	(2.5)%
Pacific	1,370,185	1,146,087	19.6%	7,647,390	6,183,484	23.7%
<b>International</b>	7,278,044	6,699,956	8.6%	36,078,307	34,339,206	5.1%
<b>Mainline</b>	18,816,157	18,631,398	1.0%	98,387,834	98,147,226	0.2%
<b>Regional</b>	2,222,659	2,239,031	(0.7)%	12,159,798	11,959,171	1.7%
<b>Total Revenue Passenger Miles</b>	<u>21,038,816</u>	<u>20,870,429</u>	0.8%	<u>110,547,632</u>	<u>110,106,397</u>	0.4%
<b>Available Seat Miles (000)</b>						
<b>Domestic</b>	13,234,263	13,538,658	(2.2)%	73,896,622	75,243,939	(1.8)%
Atlantic	3,954,656	3,826,986	3.3%	17,342,037	17,570,159	(1.3)%
Latin America	3,279,526	3,202,471	2.4%	19,513,663	19,949,286	(2.2)%
Pacific	1,586,678	1,297,784	22.3%	9,331,048	7,470,835	24.9%
<b>International</b>	8,820,860	8,327,241	5.9%	46,186,748	44,990,280	2.7%
<b>Mainline</b>	22,055,123	21,865,899	0.9%	120,083,370	120,234,219	(0.1)%
<b>Regional</b>	2,796,179	2,725,404	2.6%	16,000,343	15,580,768	2.7%
<b>Total Available Seat Miles</b>	<u>24,851,302</u>	<u>24,591,303</u>	1.1%	<u>136,083,713</u>	<u>135,814,987</u>	0.2%
<b>Load Factor (%)</b>						
<b>Domestic</b>	87.2	88.1	(0.9)pts	84.3	84.8	(0.5)pts
Atlantic	84.0	78.5	5.5pts	77.0	72.2	4.8pts
Latin America	78.9	79.7	(0.8)pts	77.3	77.6	(0.3)pts
Pacific	86.4	88.3	(1.9)pts	82.0	82.8	(0.8)pts
<b>International</b>	82.5	80.5	2.0pts	78.1	76.3	1.8pts
<b>Mainline</b>	85.3	85.2	0.1pts	81.9	81.6	0.3pts
<b>Regional</b>	79.5	82.2	(2.7)pts	76.0	76.8	(0.8)pts
<b>Total Load Factor</b>	84.7	84.9	(0.2)pts	81.2	81.1	0.1pts
<b>Enplanements</b>						
Mainline	13,009,135	13,179,493	(1.3)%	71,521,920	72,245,935	(1.0)%
Regional	4,847,141	4,937,272	(1.8)%	26,654,051	26,619,787	0.1%
<b>Total Enplanements</b>	<u>17,856,276</u>	<u>18,116,765</u>	(1.4)%	<u>98,175,971</u>	<u>98,865,722</u>	(0.7)%
<b>System Cargo Ton Miles (000)</b>	235,923	202,682	16.4%	1,320,541	1,152,962	14.5%

**Notes:**

- 1) Canada, Puerto Rico and U.S. Virgin Islands are included in the domestic results.
- 2) Latin America numbers include the Caribbean.
- 3) Regional includes wholly owned subsidiaries and operating results from capacity purchase carriers.



**About American Airlines Group**

American Airlines and American Eagle offer an average of nearly 6,700 flights per day to nearly 350 destinations in more than 50 countries. American has hubs in Charlotte, Chicago, Dallas/Fort Worth, Los Angeles, Miami, New York, Philadelphia, Phoenix, and Washington, D.C. American is a founding member of the **oneworld**<sup>®</sup> alliance, whose members serve more than 1,000 destinations with about 14,250 daily flights to over 150 countries. Shares of American Airlines Group Inc. trade on Nasdaq under the ticker symbol AAL. In 2015, its stock joined the S&P 500 index. Connect with American on Twitter [@AmericanAir](#) and at [Facebook.com/AmericanAirlines](#).

**Cautionary Statement Regarding Forward-Looking Statements and Information**

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. 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, those set forth in the Company’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 (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 in the Company’s other filings with the Securities and Exchange Commission (the SEC), 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. 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. Any forward-looking statements speak only as of the date hereof or as of the dates indicated in the statements.

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**Investor Relations Update**  
**July 12, 2017**

**General Overview**

- **TRASM and Pre-tax Margin** – The Company expects its second quarter total revenue per available seat mile (TRASM) to be up approximately 5 to 6 percent. In addition, the Company expects its second quarter pre-tax margin excluding special items to be approximately 13 to 14 percent.<sup>1</sup>
- **Special Items** – The Company expects the value of its net special items (before the impact of taxes) in the second quarter to be approximately \$200 million, consisting principally of merger integration expenses, fleet restructuring expenses and certain charges associated with the salary increases for our pilots and flight attendants.
- **CASM** – Consolidated CASM excluding fuel and special items<sup>1</sup> is expected to be up approximately 5 percent in 2017. Second quarter consolidated CASM excluding fuel and special items<sup>1</sup> is expected to be up approximately 7 percent year-over-year due primarily to salary and benefit increases provided to our team members (including the salary increases given to our pilots and flight attendants, as well as rate increases for our maintenance and fleet service team members), higher revenue-related expenses, higher depreciation and amortization resulting from increased capex and maintenance timing.
- **Capacity** – 2017 total system capacity is expected to be up approximately 1.5 percent vs. 2016. Full year domestic capacity is expected to be approximately flat year-over-year, while international capacity is expected to be up approximately 4 percent vs. 2016.
- **Liquidity** – As of June 30, 2017, the Company had approximately \$9.3 billion in total available liquidity, comprised of unrestricted cash and investments of \$6.9 billion and \$2.4 billion in undrawn revolver capacity. The Company also had a restricted cash position of \$554 million.
- **Fuel** – The Company expects to pay an average of between \$1.60 and \$1.65 per gallon of mainline jet fuel (including taxes) in the second 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** – As of December 31, 2016, the Company had approximately \$10.5 billion of federal net operating losses (NOLs) and \$3.7 billion of state NOLs, substantially all of which are expected to be available in 2017 to reduce future federal and state taxable income. The Company expects to recognize a provision for income taxes in 2017 at an effective rate of approximately 38 percent, which will be substantially non-cash.

**Notes:**

1. *For a reconciliation of special items (including the Company's estimates for the second quarter), please see the GAAP to non-GAAP reconciliation at the end of this document.*

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



## Mainline Update July 12, 2017

### 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 is primarily driven by investments in new labor agreements (including the recently announced flight attendant and pilot pay adjustments), investments in the operation, and higher depreciation expense from the purchase of new aircraft.

	<u>1Q17A</u>	<u>2Q17E</u>	<u>3Q17E</u>	<u>4Q17E</u>	<u>FY17E2</u>
<b><u>Mainline Guidance<sup>1</sup></u></b>					
Available Seat Miles (ASMs) (bil)	56.6	~63.5	~65.4	~59.5	~245.0
CASM ex fuel and special items (YOY % change) <sup>3</sup>	10.48	+7% to +8%	+4% to +6%	+3% to +5%	+5% to +7%
Cargo Revenues (\$ mil)	172	~195	~180	~195	~742
Other Revenues (\$ mil)	1,297	~1,325	~1,315	~1,320	~5,257
Average Fuel Price (incl. taxes) (\$/gal) (as of 7/10/2017)	1.69	1.60 to 1.65	1.50 to 1.55	1.50 to 1.55	1.56 to 1.61
Fuel Gallons Consumed (mil)	831	~934	~958	~869	~3,592
Interest Income (\$ mil)	(21)	~(24)	~(22)	~(22)	~(89)
Interest Expense (\$ mil)	257	~263	~267	~270	~1,057
Other Non-Operating (Income)/Expense (\$ mil) <sup>4</sup>	(5)	~2	~1	~2	~1
<b><u>CAPEX Guidance (\$ mil) Inflow/(Outflow)</u></b>					
Non-Aircraft CAPEX	(439)	~(397)	~(407)	~(357)	~(1,600)
Gross Aircraft CAPEX & net PDPs	(1,206)	~(1,080)	~(919)	~(879)	~(4,083)
Assumed Aircraft Financing	899	~999	~852	~724	~3,474
Net Aircraft CAPEX & PDPs <sup>2</sup>	(307)	~(81)	~(67)	~(155)	~(609)

### **Notes:**

1. Includes guidance on certain non-GAAP measures, which exclude special items. 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 see the GAAP to non-GAAP reconciliation at the end of this document.
2. Numbers may not recalculate due to rounding.
3. CASM ex fuel and special items is a non-GAAP financial measure.
4. Other Non-Operating (Income)/Expense primarily includes gains and losses from foreign currency.

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

## Regional Update July 12, 2017

### Regional Comments

- The Company receives feed from 10 regional airlines, including wholly owned subsidiaries Envoy, PSA Airlines and Piedmont Airlines.

<u>Regional Guidance<sup>1</sup></u>	1Q17A	2Q17E	3Q17E	4Q17E	FY17E <sup>2</sup>
Available Seat Miles (ASMs) (bil)	7.78	~8.22	~8.48	~8.13	~32.62
CASM ex fuel and special items (YOY % change) <sup>3</sup>	16.10	+2% to +3%	+1% to +3%	-1% to +1%	+0% to +2%
Average Fuel Price (incl. taxes) (\$/gal) (as of 7/10/2017)	1.75	1.67 to 1.72	1.59 to 1.64	1.58 to 1.63	1.64 to 1.69
Fuel Gallons Consumed (mil)	182	~195	~203	~196	~776

### Regional Airlines

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

### **Notes:**

- 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.
- Numbers may not recalculate due to rounding.
- 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.
- Wholly owned subsidiary of American Airlines Group Inc.
- 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 July 12, 2017

### Fleet Comments

- In 2017, the Company expects to take delivery of 57 mainline aircraft comprised of 20 A321 aircraft, 20 B738 aircraft, 4 B738 Max aircraft, 3 B788 aircraft, and 10 B789 aircraft. The Company also expects to retire 42 mainline aircraft, including 3 A320 aircraft, 17 B757 aircraft, 7 B763 aircraft and 15 MD80 aircraft.
- In 2017, the Company expects to reduce the regional fleet count by 6 aircraft, including the addition of 31 CRJ700 aircraft, 24 E175 aircraft and 10 ERJ140 aircraft, as well as the reduction of 52 CRJ200 aircraft and 19 Dash 8-100 aircraft.

	Active Mainline Ending Fleet Count						Active Regional Ending Fleet Count <sup>1</sup>				
	2016A	1Q17A	2Q17A	3Q17E	4Q17E		2016A	1Q17A	2Q17A	3Q17E	4Q17E
A319	125	125	125	125	125	CRJ200	120	123	122	95	68
A320	51	49	48	48	48	CRJ700	79	93	105	110	110
A321	199	207	214	219	219	CRJ900	118	118	118	118	118
A332	15	15	15	15	15	DASH 8-100	23	17	12	8	4
A333	9	9	9	9	9	DASH 8-300	11	11	11	11	11
B738	284	289	294	299	304	E175	124	137	141	144	148
B738 Max	—	—	—	1	4	ERJ140	13	6	—	9	23
B757	51	51	51	40	34	ERJ145	118	118	118	118	118
B763	31	31	31	27	24		<b>606</b>	<b>623</b>	<b>627</b>	<b>613</b>	<b>600</b>
B772	47	47	47	47	47						
B773	20	20	20	20	20						
B788	17	19	20	20	20						
B789	4	6	9	11	14						
E190	20	20	20	20	20						
MD80	57	56	53	43	42						
	<b>930</b>	<b>944</b>	<b>956</b>	<b>944</b>	<b>945</b>						

### Notes:

- At the end of the second quarter, the Company had 59 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**  
**July 12, 2017**

**Shares Outstanding Comments**

- The estimated weighted average shares outstanding for 2017 are listed below.
- On January 25, 2017, the Company's Board authorized a new \$2.0 billion share repurchase program to expire by the end of 2018. This brings the total amount authorized for share repurchase programs to \$11.0 billion since the merger. All prior repurchase programs had been fully expended as of December 31, 2016.
- In the second quarter of 2017, the Company repurchased 10.0 million shares at a cost of \$450 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 35 percent from 756.1 million shares at merger close to 487.7 million shares outstanding on June 30, 2017.

**2017 Shares Outstanding (shares mil)<sup>1</sup>**

	Shares	
	Basic	Diluted
<b><u>For Q2</u></b>		
Earnings	491	493
Net loss	491	491
<b><u>For Q3-Q4 Average</u></b>		
Earnings	488	490
Net loss	488	488
<b><u>For FY 2017 Average</u></b>		
Earnings	493	495
Net loss	493	493

**Notes:**

1. *Shares outstanding are based upon several estimates and assumptions, including average per share stock price and stock award activity and does not assume any future share repurchases. 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**  
July 12, 2017

The Company sometimes uses financial measures that are derived from the consolidated financial statements but that are not presented in accordance with GAAP to understand and evaluate its current operating performance and to allow for period-to-period comparisons. The Company believes these non-GAAP financial measures may also provide useful information to investors and others. These non-GAAP measures may not be comparable to similarly titled non-GAAP measures of other companies, and should be considered in addition to and not as a substitute for or superior to, any measure of performance, cash flow or liquidity prepared in accordance with GAAP. The Company is providing a reconciliation of reported non-GAAP financial measures to their comparable financial measures on a GAAP basis. The table below presents the reconciliations of mainline and regional operating costs (GAAP measure) to mainline and regional operating costs excluding special items and fuel (non-GAAP measure). Management uses mainline and regional operating costs excluding special items and fuel to evaluate the Company's current operating performance and for period-to-period comparisons. The price of fuel, over which the Company has no control, impacts the comparability of period-to-period financial performance. Additionally, special items may vary from period-to-period in nature and amount. These adjustments to exclude aircraft fuel and special items allow management an additional tool to better understand and analyze the Company's non-fuel costs and core operating performance. Additionally, the table below presents the reconciliation of other non-operating expense (GAAP measure) to other non-operating expense excluding special items (non-GAAP measure). Management uses this non-GAAP financial measure to evaluate the Company's current performance and to allow for period-to-period comparisons. As special items may vary from period-to-period in nature and amount, the adjustment to exclude special items allows management an additional tool to better understand the Company's core performance.

	American Airlines Group Inc GAAP to Non-GAAP Reconciliation								
	(\$ mil except ASM and CASM data)								
	1Q17 Actual	2Q17 Range		3Q17 Range		4Q17 Range		FY17 Range	
	Low	High	Low	High	Low	High	Low	High	
<b>Mainline<sup>1</sup></b>									
Mainline operating expenses	\$7,450	\$7,891	\$7,996	\$7,776	\$7,946	\$7,536	\$7,701	\$30,498	\$31,103
Less mainline fuel expense	1,402	1,494	1,541	1,437	1,485	1,304	1,347	5,637	5,775
Less special items	119	200	200	—	—	—	—	319	319
Mainline operating expense excluding fuel and special items	5,929	6,197	6,254	6,339	6,461	6,233	6,354	24,542	25,009
Mainline CASM (cts)	13.17	12.43	12.59	11.89	12.15	12.67	12.94	12.45	12.70
Mainline CASM excluding fuel and special items (Non-GAAP) (cts)	10.48	9.76	9.85	9.69	9.88	10.48	10.68	10.02	10.21
Mainline ASMs (bil)	56.6	63.5	63.5	65.4	65.4	59.5	59.5	245.0	245.0
<b>Regional<sup>1</sup></b>									
Regional operating expenses	\$1,573	\$1,608	\$1,630	\$1,614	\$1,650	\$1,573	\$1,609	\$ 6,344	\$ 6,475
Less regional fuel expense	318	326	335	323	333	310	319	1,276	1,306
Less special items	2	—	—	—	—	—	—	2	2
Regional operating expenses excluding fuel and special items	1,253	1,282	1,295	1,292	1,317	1,264	1,289	5,066	5,167
Regional CASM (cts)	20.23	19.56	19.83	19.04	19.46	19.35	19.79	19.45	19.85
Regional CASM excluding fuel and special items (Non-GAAP) (cts)	16.10	15.60	15.75	15.23	15.53	15.54	15.86	15.53	15.84
Regional ASMs (bil)	7.78	8.22	8.22	8.48	8.48	8.13	8.13	32.62	32.62
<b>Other non-operating (income)/expense<sup>1</sup></b>									
Other non-operating (income)/expense	\$ 0	\$ 2	\$ 2	\$ 1	\$ 1	\$ 2	\$ 2	\$ 5	\$ 5
Less special items	5	—	—	—	—	—	—	5	5
Other non-operating (income)/expense excluding special items	(5)	2	2	1	1	2	2	1	1

Notes: Amounts may not recalculate due to rounding.

(1) Includes the Company's estimate for special items for the second quarter. Special items for this period are expected to principally consist of merger integration expenses, fleet restructuring expenses and certain charges associated with the salary increases for our pilots and flight attendants.

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



**Forward Looking Statements**  
**July 12, 2017**

**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. 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, those set forth in the Company’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 (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 in the Company’s other filings with the Securities and Exchange Commission (the SEC), 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. 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. Any forward-looking statements speak only as of the date hereof or as of the dates indicated in the statements.

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