

**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): April 27, 2017**

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

(Exact name of registrant as specified in its charter)

Delaware Delaware	1-8400 1-2691	75-1825172 13-1502798
(State or other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)
4333 Amon Carter Blvd., Fort Worth, Texas 4333 Amon Carter Blvd., Fort Worth, Texas		76155 76155
(Address of principal executive offices)		(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 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.**

On April 27, 2017, American Airlines Group Inc. (the “Company”) issued a press release reporting financial results for the three months ended March 31, 2017. The press release is furnished as Exhibit 99.1.

**ITEM 7.01. REGULATION FD DISCLOSURE.**

On April 27, 2017, the Company provided an update for investors presenting information relating to its financial and operational outlook for 2017. This investor update is located on the Company’s website at [www.aa.com](http://www.aa.com) under “Investor Relations.” The investor update is furnished as Exhibit 99.2.

The information in Items 2.02 and 7.01 of this Current Report on Form 8-K, including Exhibits 99.1 and 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 April 27, 2017.
99.2	Investor Update, dated April 27, 2017.

**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: April 27, 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: April 27, 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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**PRESS RELEASE**

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

FOR RELEASE: Thursday, April 27, 2017

**AMERICAN AIRLINES GROUP REPORTS  
FIRST-QUARTER PROFIT**

FORT WORTH, Texas – American Airlines Group Inc. (NASDAQ: AAL) today reported its first-quarter 2017 results, including these highlights:

- **Recorded a first-quarter 2017 pre-tax profit of \$365 million, or \$491 million excluding net special items,<sup>1</sup> and net profit of \$234 million, or \$308 million excluding net special items**
- **Reported first-quarter earnings of \$0.46 per diluted share, or \$0.61 per diluted share excluding net special items**
- **Deferred the first delivery of Airbus A350 XWBs from 2018 to 2020, delaying capital expenditures and providing additional widebody capacity flexibility**
- **Announced an unprecedented step to increase hourly base pay for the airline’s crewmembers outside of contract negotiations, bringing those workgroups’ base pay levels to the top of the industry, consistent with other American Airlines workgroups**

“We are excited about the long-term prospects for American Airlines, and our first-quarter results only serve to reinforce our enthusiasm. We successfully launched several important commercial initiatives, including Basic Economy and Premium Economy, which are designed to provide more choice for our customers. We expanded our global presence with our planned investment in China Southern Airlines. We continued to make significant investments in our product, including taking delivery of 22 new aircraft. These new deliveries widen our already significant advantage in average fleet age versus our large competitors,” said Doug Parker, Chairman and CEO.

“Investing in our product, however, is not enough to retain our customers’ loyalty if we are not investing in our team. As a service business, it is our team who will differentiate American from the competition. Recently we reiterated a commitment we made when we merged our airlines over three years ago – that team members would be paid as much as their industry peers. This commitment will be realized by adjusting the base pay levels for our flight attendants and pilots outside of contract negotiations.

“The American team did an amazing job of taking care of our customers during the quarter. This commitment was demonstrated in the improvement in our operating reliability, improved mishandled baggage rates, and improved on-time performance. All of this work is being recognized by others, too, as American was named Air Transport World’s Airline of the Year for 2017 and Full Service Airline Brand of the Year by the Harris Poll.

## American Airlines Group Reports First-Quarter Results

April 27, 2017

Page 2

“The future is very bright and we are well on our way to validating the trust placed in us by our team members, our customers and our investors. Today’s results are an affirmation that we are on the proper path to that long-term objective,” Parker said.

### Revenue and Expenses

- **Reported a 2.0 percent increase in total revenue, to \$9.6 billion. First-quarter total revenue per available seat mile rose 3.1 percent year-over-year**
- **Accrued approximately \$31 million for the company’s profit sharing plan**

	GAAP		Non-GAAP <sup>1</sup>	
	1Q17	1Q16	1Q17	1Q16
Total operating revenues (\$ mil)	\$9,624	\$9,435	\$9,624	\$9,435
Total operating expenses (\$ mil)	9,023	8,100	8,902	7,996
Operating income (\$ mil)	601	1,335	722	1,439
Pre-tax income (\$ mil)	365	1,117	491	1,221
Pre-tax margin	3.8%	11.8%	5.1%	12.9%
Net income (\$ mil)	234	700	308	765
Earnings per diluted share	\$ 0.46	\$ 1.14	\$ 0.61	\$ 1.25

Strong demand and improving yields drove a 2.0 percent increase in total revenue, to \$9.6 billion. Other revenue was up 9.3 percent primarily due to the new co-branded credit card agreements that became effective in the third quarter of 2016. Total revenue per available seat mile increased by 3.1 percent, on a 1.1 percent decline in total available seat miles.

Total first-quarter operating expenses were \$9.0 billion, up 11.4 percent year-over-year due primarily to a 37.8 percent increase in consolidated fuel expense. Total first-quarter cost per available seat mile excluding fuel and special items was 11.16 cents, up 7.6 percent year-over-year, due primarily to a 6.5 percent increase in salaries and benefits expense and other investments to improve the operation.

### Commercial Initiatives

- **Launched Basic Economy for sale on 10 routes, for travel that began March 1. We also began selling Premium Economy seats on select international routes, for travel beginning May 4**

## American Airlines Group Reports First-Quarter Results

April 27, 2017

Page 3

- **Entered into an arrangement with Scandinavian Airlines to obtain two slot pairs at London’s Heathrow Airport, strengthening American’s presence at a key international gateway for American and joint business partner British Airways**
- **Simplified the boarding process, using intuitive group numbers to streamline and speed up the boarding process and improve the experience for customers**

We are continuing to expand Basic Economy and Premium Economy as we add new options to offer the right fare for each customer. Each new 787-9 delivery includes Premium Economy, a new class of service between the Main Cabin and Business Class on international flights. We expect to have 14 of these aircraft by the end of 2017. In addition, a retrofit program to add Premium Economy to most of our other widebody aircraft begins later this year and will be completed by the end of 2018.

“While it’s still early, the initial results from our new Basic and Premium Economy products are encouraging. Approximately 50 percent of customers who are presented with a choice for Basic Economy end up choosing a Main Cabin fare, showing that they understand their options and are choosing the ticket that’s the right fit for their travel,” said Robert Isom, American Airlines President.

“We also moved quickly on the opportunity to add two new slot pairs at Heathrow, which we will use to improve service to and from one of the world’s most important business markets,” Isom said.

“We expect second-quarter TRASM to rise approximately 3.0 to 5.0 percent, which reflects improving customer demand in both corporate and leisure travel. We also expect second-quarter pre-tax margin excluding special items to be between 11.0 and 13.0 percent,”<sup>2</sup> Isom said.

### People Accomplishments

- **Distributed its first annual profit-sharing payment as a combined airline for 2016**
- **Contributed \$279 million to the company’s defined benefit plan in April**
- **Began offering 10 weeks of maternity pay and reimbursements for \$4,000 in adoption expenses regardless of workgroup or representation status**

In addition, the company yesterday disclosed on form 8-K with the Securities Exchange Commission that it has offered a mid-contract hourly base pay rate adjustment for its flight attendants and pilots of an average of approximately five percent and an average of eight percent, respectively.

### Capital Investments, Fleet, and Shareholder Return

- **Returned \$563 million to stockholders through repurchases of 11.7 million shares for \$512 million and dividends of \$51 million in the first quarter**

## American Airlines Group Reports First-Quarter Results

April 27, 2017

Page 4

- **Declared a dividend of \$0.10 per share, to be paid on May 30, 2017, to stockholders of record as of May 16, 2017**

American plans to invest \$4.1 billion in new aircraft this year, as it continues to renew its fleet. During the quarter, the company invested \$1.2 billion as it took delivery of 17 mainline aircraft and five regional aircraft. These new deliveries will replace aircraft that are expected to leave the fleet. In addition, the company expects to invest \$1.6 billion in non-aircraft capital expenditures in 2017 focused on integrating the airline, product enhancements, and operational improvements.

To provide widebody capacity flexibility, the company reached an agreement with Airbus to defer delivery of the A350 XWB. Under the new delivery schedule, American expects to receive its first A350 aircraft in late 2020 instead of 2018 as previously planned. American now expects to receive 22 A350s from 2020 through 2024, with an average deferral of two years. In addition, the company reached an agreement with Boeing to defer the delivery of two 787-9 aircraft from the second quarter of 2018 to the first quarter of 2019.

These changes as well as the impact of changes to net pre-delivery payments reduce the company's planned capital expenditures by \$500 million in 2018 and \$300 million in 2019 and in 2020.

Since mid-2014, the company has returned more than \$10.2 billion to stockholders primarily through share repurchases and dividends, and reduced the share count by 34 percent to 495.7 million shares. As of March 31, the company had approximately \$1.5 billion remaining of its \$2.0 billion share repurchase authority.<sup>3</sup>

### Investor Update

For additional financial forecasting detail, please refer to the company's investor relations update, filed with the Securities and Exchange Commission on Form 8-K. This filing will be available at [aa.com/investorrelations](http://aa.com/investorrelations).

### Conference Call / Webcast Details

The company will conduct a live audio webcast of its earnings call today at 7:30 a.m. CT, which will be available to the public on a listen-only basis at [aa.com/investorrelations](http://aa.com/investorrelations). An archive of the webcast will be available on the website through May 27.

### Notes

1. In the first quarter, the company recognized \$126 million in net special items before the effect of income taxes, principally consisting of merger integration expenses relating to information technology, professional fees, rebranding of aircraft and airport facilities and training, as well as fleet restructuring expenses driven by the merger. See the accompanying notes in the Financial Tables section of this press release for further explanation, including a reconciliation of all GAAP to non-GAAP financial information.



## American Airlines Group Reports First-Quarter Results

April 27, 2017

Page 5

2. American is unable to reconcile certain forward-looking projections to GAAP as the nature or amount of special items cannot be determined at this time.
3. Share repurchases under the buyback program may be made through a variety of methods, which may include open market purchases, privately negotiated transactions, block trades or accelerated share repurchase transactions. Any such repurchases will be made from time to time subject to market and economic conditions, applicable legal requirements and other relevant factors. The program does not obligate the company to repurchase any specific number of shares or continue a dividend for any fixed period, and may be suspended at any time at the company's discretion.

### 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](https://twitter.com/AmericanAir) and at [Facebook.com/AmericanAirlines](https://www.facebook.com/AmericanAirlines).

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

Certain of the statements contained in this report should be considered forward-looking statements within the meaning of the Securities Act of 1933, as amended (the Securities Act), the Securities Exchange Act of 1934, as amended (the Exchange Act), and 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 our plans, objectives, expectations, intentions, estimates and strategies for the future, and other statements that are not historical facts. These forward-looking statements are based on our 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 our 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 our other filings with the Securities and Exchange Commission (the SEC), and other risks and uncertainties listed from time to time in our other filings with the SEC. There may be other factors of which we are 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. We do 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.

**American Airlines Group Inc.**  
**Condensed Consolidated Statements of Operations**  
(In millions, except share and per share amounts)  
(Unaudited)

	3 Months Ended March 31,		Percent Change
	2017	2016	
<b>Operating revenues:</b>			
Mainline passenger	\$ 6,607	\$ 6,564	0.6
Regional passenger	1,548	1,523	1.7
Cargo	172	162	6.3
Other	1,297	1,186	9.3
Total operating revenues	<u>9,624</u>	<u>9,435</u>	2.0
<b>Operating expenses:</b>			
Aircraft fuel and related taxes	1,402	1,029	36.2
Salaries, wages and benefits	2,825	2,652	6.5
<b>Regional expenses:</b>			
Fuel	318	219	45.2
Other	1,255	1,213	3.4
Maintenance, materials and repairs	492	419	17.5
Other rent and landing fees	440	422	4.4
Aircraft rent	295	306	(3.8)
Selling expenses	318	308	3.2
Depreciation and amortization	405	355	14.1
Special items, net	119	99	19.8
Other	1,154	1,078	7.1
Total operating expenses	<u>9,023</u>	<u>8,100</u>	11.4
Operating income	601	1,335	(55.0)
<b>Nonoperating income (expense):</b>			
Interest income	21	13	63.6
Interest expense, net	(257)	(239)	7.6
Other, net	—	8	nm
Total nonoperating expense, net	<u>(236)</u>	<u>(218)</u>	8.3
Income before income taxes	365	1,117	(67.4)
Income tax provision	131	417	(68.7)
Net income	<u>\$ 234</u>	<u>\$ 700</u>	(66.6)
<b>Earnings per common share:</b>			
Basic	<u>\$ 0.46</u>	<u>\$ 1.15</u>	
Diluted	<u>\$ 0.46</u>	<u>\$ 1.14</u>	
<b>Weighted average shares outstanding (in thousands):</b>			
Basic	<u>503,902</u>	<u>606,245</u>	
Diluted	<u>507,797</u>	<u>611,488</u>	

**Note: Percent change may not recalculate due to rounding.**

**American Airlines Group Inc.**  
**Consolidated Operating Statistics**  
**(Unaudited)**

	3 Months Ended March 31,		Change
	2017	2016	
<b>Mainline</b>			
Revenue passenger miles (millions)	45,211	46,220	(2.2)%
Available seat miles (ASM) (millions)	56,564	57,564	(1.7)%
Passenger load factor (percent)	79.9	80.3	(0.4)pts
Yield (cents)	14.61	14.20	2.9%
Passenger revenue per ASM (cents)	11.68	11.40	2.4%
Passenger enplanements (thousands)	33,755	34,547	(2.3)%
Departures (thousands)	262	272	(3.4)%
Aircraft at end of period	944	942	0.2%
Block hours (thousands)	819	845	(3.1)%
Average stage length (miles)	1,201	1,205	(0.3)%
Fuel consumption (gallons in millions)	831	855	(2.8)%
Average aircraft fuel price including related taxes (dollars per gallon)	1.69	1.20	40.1%
Full-time equivalent employees at end of period	102,900	100,200	2.7%
Operating cost per ASM (cents)	13.17	11.58	13.7%
Operating cost per ASM excluding special items (cents)	12.96	11.41	13.6%
Operating cost per ASM excluding special items and fuel (cents)	10.48	9.62	8.9%
<b>Regional (A)</b>			
Revenue passenger miles (millions)	5,773	5,551	4.0%
Available seat miles (millions)	7,777	7,500	3.7%
Passenger load factor (percent)	74.2	74.0	0.2 pts
Yield (cents)	26.82	27.44	(2.2)%
Passenger revenue per ASM (cents)	19.91	20.31	(2.0)%
Passenger enplanements (thousands)	12,605	12,368	1.9%
Aircraft at end of period	623	597	4.4%
Fuel consumption (gallons in millions)	182	178	2.6%
Average aircraft fuel price including related taxes (dollars per gallon)	1.75	1.24	41.5%
Full-time equivalent employees at end of period <b>(B)</b>	21,400	20,000	7.0%
Operating cost per ASM (cents)	20.23	19.10	5.9%
Operating cost per ASM excluding special items (cents)	20.19	19.03	6.1%
Operating cost per ASM excluding special items and fuel (cents)	16.10	16.11	(0.1)%
<b>Total Mainline &amp; Regional</b>			
Revenue passenger miles (millions)	50,984	51,771	(1.5)%
Available seat miles (millions)	64,341	65,064	(1.1)%
Cargo ton miles (millions)	619	543	13.9%
Passenger load factor (percent)	79.2	79.6	(0.4)pts
Yield (cents)	16.00	15.62	2.4%
Passenger revenue per ASM (cents)	12.67	12.43	2.0%
Total revenue per ASM (cents)	14.96	14.50	3.1%
Cargo yield per ton mile (cents)	27.77	29.77	(6.7)%
Passenger enplanements (thousands)	46,360	46,915	(1.2)%
Aircraft at end of period	1,567	1,539	1.8%
Fuel consumption (gallons in millions)	1,013	1,033	(1.8)%
Average aircraft fuel price including related taxes (dollars per gallon)	1.70	1.21	40.4%
Full-time equivalent employees at end of period <b>(B)</b>	124,300	120,200	3.4%
Operating cost per ASM (cents)	14.02	12.45	12.6%
Operating cost per ASM excluding special items (cents)	13.84	12.29	12.6%
Operating cost per ASM excluding special items and fuel (cents)	11.16	10.37	7.6%

**(A)** Regional includes wholly owned regional airline subsidiaries and operating results from capacity purchase carriers.

**(B)** Regional full-time equivalent employees only include our wholly owned regional airline subsidiaries.

**Note: Amounts may not recalculate due to rounding.**

**American Airlines Group Inc.**  
**Consolidated Revenue Statistics by Region**  
**(Unaudited)**

	3 Months Ended March 31,		Change
	2017	2016	
<b><u>Domestic - Mainline</u></b>			
Revenue passenger miles (millions)	29,530	30,391	(2.8)%
Available seat miles (ASM) (millions)	35,805	36,543	(2.0)%
Passenger load factor (percent)	82.5	83.2	(0.7)pts
Yield (cents)	15.31	14.72	4.1%
Passenger revenue per ASM (cents)	12.63	12.24	3.2%
<b><u>Domestic Consolidated - Mainline and Total Regional (A)</u></b>			
Revenue passenger miles (millions)	35,303	35,942	(1.8)%
Available seat miles (ASM) (millions)	43,582	44,043	(1.0)%
Passenger load factor (percent)	81.0	81.6	(0.6)pts
Yield (cents)	17.20	16.68	3.1%
Passenger revenue per ASM (cents)	13.93	13.61	2.3%
<b><u>Latin America</u></b>			
Revenue passenger miles (millions)	7,490	8,054	(7.0)%
Available seat miles (ASM) (millions)	9,775	10,480	(6.7)%
Passenger load factor (percent)	76.6	76.9	(0.3)pts
Yield (cents)	14.88	13.78	8.0%
Passenger revenue per ASM (cents)	11.41	10.59	7.7%
<b><u>Atlantic</u></b>			
Revenue passenger miles (millions)	4,500	4,801	(6.3)%
Available seat miles (ASM) (millions)	6,415	6,893	(6.9)%
Passenger load factor (percent)	70.1	69.7	0.4 pts
Yield (cents)	13.51	14.46	(6.6)%
Passenger revenue per ASM (cents)	9.47	10.07	(5.9)%
<b><u>Pacific</u></b>			
Revenue passenger miles (millions)	3,691	2,974	24.1%
Available seat miles (ASM) (millions)	4,569	3,648	25.3%
Passenger load factor (percent)	80.8	81.5	(0.7)pts
Yield (cents)	9.80	9.68	1.3%
Passenger revenue per ASM (cents)	7.92	7.89	0.4%
<b><u>Total International</u></b>			
Revenue passenger miles (millions)	15,681	15,829	(0.9)%
Available seat miles (ASM) (millions)	20,759	21,021	(1.2)%
Passenger load factor (percent)	75.5	75.3	0.2 pts
Yield (cents)	13.29	13.22	0.6%
Passenger revenue per ASM (cents)	10.04	9.95	0.9%

(A) Revenue statistics for all Regional flying are included herein.

**Note: Amounts may not recalculate due to rounding.**

## American Airlines Group Reports First-Quarter Results

April 27, 2017

Page 9

### Reconciliation of GAAP Financial Information to Non-GAAP Financial Information

American Airlines Group Inc. (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 tables below present the reconciliations of the following GAAP measures to their non-GAAP measure:

- Pre-Tax Income (GAAP Measure) to Pre-Tax Income Excluding Special Items (non-GAAP Measure)
- Pre-Tax Margin (GAAP Measure) to Pre-Tax Margin Excluding Special Items (non-GAAP Measure)
- Net Income (GAAP Measure) to Net Income Excluding Special Items (non-GAAP Measure)
- Basic and Diluted Earnings Per Share (GAAP Measure) to Basic and Diluted Earnings Per Share Excluding Special Items (non-GAAP Measure)
- Operating Income (GAAP Measure) to Operating Income Excluding Special Items (non-GAAP Measure)

Management uses these non-GAAP financial measures to evaluate the Company’s current operating 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 operating performance.

Additionally, the tables below present the reconciliations of mainline, regional and total operating costs (GAAP measure) to mainline, regional and total operating costs excluding special items and fuel (non-GAAP measure). Management uses mainline, regional and total 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. The adjustment to exclude aircraft fuel and special items allows management an additional tool to better understand and analyze the Company’s non-fuel costs and core operating performance.

	3 Months Ended March 31,		Percent Change
	2017	2016	
	(in millions)		
<b>Reconciliation of Pre-Tax Income Excluding Special Items</b>			
Pre-tax income as reported	\$ 365	\$ 1,117	
Pre-tax special items:			
Special items, net (1)	119	99	
Regional operating special items, net	2	5	
Nonoperating special items, net (2)	5	—	
Total pre-tax special items	126	104	
Pre-tax income excluding special items	\$ 491	\$ 1,221	-60%
<b>Calculation of Pre-Tax Margin</b>			
Pre-tax income as reported	\$ 365	\$ 1,117	
Total operating revenues as reported	\$9,624	\$9,435	
Pre-tax margin	3.8%	11.8%	
<b>Calculation of Pre-Tax Margin Excluding Special Items</b>			
Pre-tax income excluding special items	\$ 491	\$ 1,221	
Total operating revenues as reported	\$9,624	\$9,435	
Pre-tax margin excluding special items	5.1%	12.9%	
<b>Reconciliation of Net Income Excluding Special Items</b>			
Net income as reported	\$ 234	\$ 700	
Special items:			
Total pre-tax special items (1) (2)	126	104	
Net tax effect of special items	(52)	(39)	
Net income excluding special items	\$ 308	\$ 765	-60%

**American Airlines Group Reports First-Quarter Results**

April 27, 2017

Page 10

	3 Months Ended March 31,	
	2017	2016
<b>Reconciliation of Basic and Diluted Earnings Per Share Excluding Special Items</b>		
Net income excluding special items	\$ 308	\$ 765
Shares used for computation (in thousands):		
Basic	503,902	606,245
Diluted	507,797	611,488
Earnings per share excluding special items:		
Basic	\$ 0.61	\$ 1.26
Diluted	\$ 0.61	\$ 1.25
<b>Reconciliation of Operating Income Excluding Special Items</b>		
Operating income as reported	\$ 601	\$ 1,335
Special items:		
Special items, net (1)	119	99
Regional operating special items, net	2	5
Operating income excluding special items	\$ 722	\$ 1,439
<b>Reconciliation of Operating Cost per ASM Excluding Special Items and Fuel - Mainline only</b>		
	(in millions)	
Total operating expenses as reported	\$ 9,023	\$ 8,100
Less regional expenses as reported:		
Fuel	(318)	(219)
Other	(1,255)	(1,213)
Total mainline operating expenses as reported	7,450	6,668
Special items, net (1)	(119)	(99)
Mainline operating expenses, excluding special items	7,331	6,569
Aircraft fuel and related taxes	(1,402)	(1,029)
Mainline operating expenses, excluding special items and fuel	\$ 5,929	\$ 5,540
	(in cents)	
Mainline operating expenses per ASM as reported	13.17	11.58
Special items, net per ASM (1)	(0.21)	(0.17)
Mainline operating expenses per ASM, excluding special items	12.96	11.41
Aircraft fuel and related taxes per ASM	(2.48)	(1.79)
Mainline operating expenses per ASM, excluding special items and fuel	10.48	9.62

**Note: Amounts may not recalculate due to rounding.**

# American Airlines Group Reports First-Quarter Results

April 27, 2017

Page 11

<u>Reconciliation of Operating Cost per ASM Excluding Special Items and Fuel - Regional only</u>	3 Months Ended March 31,	
	2017	2016
	(in millions)	
Total regional operating expenses as reported	\$ 1,573	\$ 1,432
Regional operating special items, net	(2)	(5)
Regional operating expenses, excluding special items	1,571	1,427
Aircraft fuel and related taxes	(318)	(219)
Regional operating expenses, excluding special items and fuel	\$ 1,253	\$ 1,208
	(in cents)	
Regional operating expenses per ASM as reported	20.23	19.10
Regional operating special items, net per ASM	(0.04)	(0.07)
Regional operating expenses per ASM, excluding special items	20.19	19.03
Aircraft fuel and related taxes per ASM	(4.09)	(2.92)
Regional operating expenses per ASM, excluding special items and fuel	16.10	16.11

**Note: Amounts may not recalculate due to rounding.**

<u>Reconciliation of Operating Cost per ASM Excluding Special Items and Fuel - Total Mainline and Regional</u>	3 Months Ended March 31,	
	2017	2016
	(in millions)	
Total operating expenses as reported	\$ 9,023	\$ 8,100
Special items:		
Special items, net (1)	(119)	(99)
Regional operating special items, net	(2)	(5)
Total operating expenses, excluding special items	8,902	7,996
Fuel:		
Aircraft fuel and related taxes - mainline	(1,402)	(1,029)
Aircraft fuel and related taxes - regional	(318)	(219)
Total operating expenses, excluding special items and fuel	\$ 7,182	\$ 6,748
	(in cents)	
Total operating expenses per ASM as reported	14.02	12.45
Special items per ASM:		
Special items, net (1)	(0.18)	(0.15)
Regional operating special items, net	—	(0.01)
Total operating expenses per ASM, excluding special items	13.84	12.29
Fuel per ASM:		
Aircraft fuel and related taxes - mainline	(2.18)	(1.58)
Aircraft fuel and related taxes - regional	(0.49)	(0.34)
Total operating expenses per ASM, excluding special items and fuel	11.16	10.37

**Note: Amounts may not recalculate due to rounding.**

## FOOTNOTES:

(1) The 2017 first quarter mainline operating special items totaled a net charge of \$119 million, which principally included \$63 million of merger integration expenses and \$63 million of fleet restructuring expenses.

The 2016 first quarter mainline operating special items totaled a net charge of \$99 million, which principally included \$104 million of merger integration expenses and \$26 million of fleet restructuring expenses.

Merger integration expenses included costs related to information technology, professional fees, re-branding of aircraft and airport facilities and training. Additionally, the 2016 period also included merger integration expenses related to alignment of labor union contracts, re-branded uniforms, severance and relocation. Fleet restructuring expenses driven by the merger included the acceleration of aircraft depreciation, impairments, remaining lease payments and lease return costs for aircraft currently grounded or expected to be grounded earlier than planned.

(2) The 2017 first quarter nonoperating special charges primarily consisted of debt issuance and extinguishment costs associated with a term loan refinancing.

**American Airlines Group Inc.**  
**Condensed Consolidated Balance Sheets**  
(In millions)  
(Unaudited)

	March 31, 2017	December 31, 2016
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 374	\$ 322
Short-term investments	6,302	6,037
Restricted cash and short-term investments	543	638
Accounts receivable, net	1,397	1,594
Aircraft fuel, spare parts and supplies, net	1,154	1,094
Prepaid expenses and other	856	639
Total current assets	<u>10,626</u>	<u>10,324</u>
<b>Operating property and equipment</b>		
Flight equipment	38,352	37,028
Ground property and equipment	7,332	7,116
Equipment purchase deposits	1,247	1,209
Total property and equipment, at cost	46,931	45,353
Less accumulated depreciation and amortization	(14,640)	(14,194)
Total property and equipment, net	<u>32,291</u>	<u>31,159</u>
<b>Other assets</b>		
Goodwill	4,091	4,091
Intangibles, net	2,236	2,173
Deferred tax asset	1,379	1,498
Other assets	2,004	2,029
Total other assets	<u>9,710</u>	<u>9,791</u>
Total assets	<u>\$ 52,627</u>	<u>\$ 51,274</u>
<b>Liabilities and Stockholders' Equity</b>		
<b>Current liabilities</b>		
Current maturities of long-term debt and capital leases	\$ 1,714	\$ 1,855
Accounts payable	1,882	1,592
Accrued salaries and wages	1,064	1,516
Air traffic liability	5,298	3,912
Loyalty program liability	3,056	2,789
Other accrued liabilities	2,272	2,208
Total current liabilities	<u>15,286</u>	<u>13,872</u>
<b>Noncurrent liabilities</b>		
Long-term debt and capital leases, net of current maturities	22,829	22,489
Pension and postretirement benefits	7,808	7,842
Deferred gains and credits, net	494	526
Other liabilities	2,753	2,760
Total noncurrent liabilities	<u>33,884</u>	<u>33,617</u>
<b>Stockholders' equity</b>		
Common stock	5	5
Additional paid-in capital	6,726	7,223
Accumulated other comprehensive loss	(5,097)	(5,083)
Retained earnings	1,823	1,640
Total stockholders' equity	<u>3,457</u>	<u>3,785</u>
Total liabilities and stockholders' equity	<u>\$ 52,627</u>	<u>\$ 51,274</u>





**Investor Relations Update**  
**April 27, 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 3 to 5 percent. In addition, the company expects its second quarter pre-tax margin excluding special items to be approximately 11 to 13 percent.<sup>1</sup>
- **CASM**—The company disclosed yesterday on form 8-K with the Securities Exchange Commission that it has offered a mid-contract hourly base pay rate adjustment for its flight attendants and pilots of an average of approximately five percent and an average of eight percent, respectively. The company estimates that the impact on its salary and benefits expense would be approximately \$230 million for 2017 and \$350 million for 2018 and 2019. The amendable dates for these workgroups are December 2019 (flight attendants) and January 2020 (pilots). The guidance provided in this Investor Update includes the effect of these proposed adjustments commencing in the second quarter of 2017.  
  
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 referenced above, as well as rate increases for our maintenance and fleet service team members), 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 March 31, 2017, the company had approximately \$9.1 billion in total available liquidity, comprised of unrestricted cash and investments of \$6.7 billion and \$2.4 billion in undrawn revolver capacity. The company also had a restricted cash position of \$543 million.
- **Fuel**—Based on the April 24, 2017 forward curve, the company expects to pay an average of between \$1.62 and \$1.67 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. *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 Update April 27, 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:</u></b>					
Available Seat Miles (ASMs) (bil)	56.6	~63.6	~65.5	~59.2	~244.9
CASM ex fuel and special items (YOY % change) <sup>3</sup>	10.48	+6% to +8%	+3% to +5%	+2% to +4%	+5% to +7%
Cargo Revenues (\$ mil)	172	~175	~175	~195	~717
Other Revenues (\$ mil)	1,297	~1,310	~1,315	~1,315	~5,237
Average Fuel Price (incl. taxes) (\$/gal) (as of 4/24/2017)	1.69	1.62 to 1.67	1.62 to 1.67	1.62 to 1.67	1.63 to 1.68
Fuel Gallons Consumed (mil)	831	~927	~957	~859	~3,574
Interest Income (\$ mil)	(21)	~(22)	~(21)	~(21)	~(85)
Interest Expense (\$ mil)	257	~262	~268	~271	~1,058
Other Non-Operating (Income)/Expense (\$ mil) <sup>4</sup>	(5)	~1	~1	~2	~0
<b><u>CAPEX Guidance (\$ mil) Inflow/(Outflow)</u></b>					
Non-Aircraft CAPEX	(439)	~(380)	~(415)	~(365)	~(1,600)
Gross Aircraft CAPEX & net PDPs	(1,206)	~(1,047)	~(961)	~(883)	~(4,097)
Assumed Aircraft Financing	899	~944	~869	~749	~3,461
Net Aircraft CAPEX & PDPs <sup>2</sup>	(307)	~(103)	~(91)	~(134)	~(636)

### **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**  
**April 27, 2017**

**Regional Comments**

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

<b><u>Regional Guidance</u></b> <sup>1</sup>	<b><u>1Q17A</u></b>	<b><u>2Q17E</u></b>	<b><u>3Q17E</u></b>	<b><u>4Q17E</u></b>	<b><u>FY17E2</u></b>
Available Seat Miles (ASMs) (bil)	7.78	~8.18	~8.39	~8.11	~32.45
CASM ex fuel and special items (YOY % change) <sup>3</sup>	16.10	+3% to +5%	+1% to +3%	-2% to +0%	+0% to +2%
Average Fuel Price (incl. taxes) (\$/gal) (as of 4/24/2017)	1.75	1.71 to 1.76	1.71 to 1.76	1.71 to 1.76	1.71 to 1.76
Fuel Gallons Consumed (mil)	182	~191	~200	~196	~769

**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 April 27, 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 46 mainline aircraft, including 5 A320 aircraft, 17 B757 aircraft, 9 B763 aircraft and 15 MD80 aircraft.
- In 2017, the company expects to reduce the regional fleet count by 9 aircraft, including the addition of 31 CRJ700 aircraft, 24 E175 aircraft and 7 ERJ140 aircraft, as well as the reduction of 52 CRJ200 aircraft and 19 Dash 8-100 aircraft.
- To provide widebody capacity flexibility, the company reached an agreement with Airbus to defer delivery of the A350 XWB. Under the new delivery schedule, American expects to receive its first A350 aircraft in late 2020 instead of 2018 as previously planned. American now expects to receive 22 A350s from 2020 through 2024, with an average deferral of two years. In addition, the company reached an agreement with Boeing to defer the delivery of two 787-9 aircraft from the second quarter of 2018 to the first quarter of 2019.

	Active Mainline Ending Fleet Count						Active Regional Ending Fleet Count 1				
	2016A	1Q17A	2Q17E	3Q17E	4Q17E		2016A	1Q17A	2Q17E	3Q17E	4Q17E
A319	125	125	125	125	125	CRJ200	120	123	121	95	68
A320	51	49	48	47	46	CRJ700	79	93	105	110	110
A321	199	207	215	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	—	8	20
B757	51	51	51	39	34	ERJ145	118	118	118	118	118
B763	31	31	31	26	22		<b>606</b>	<b>623</b>	<b>626</b>	<b>612</b>	<b>597</b>
B772	47	47	47	47	47						
B773	20	20	20	20	20						
B788	17	19	20	20	20						
B789	4	6	8	11	14						
E190	20	20	20	20	20						
MD80	57	56	53	42	42						
	<b>930</b>	<b>944</b>	<b>956</b>	<b>940</b>	<b>941</b>						

### Notes:

1. At the end of the first quarter, the company had 53 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**  
**April 27, 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 first quarter of 2017, the company repurchased 11.7 million shares at a cost of \$512 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 34 percent from 756.1 million at merger close to 495.7 million shares outstanding on March 31, 2017.

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

	Shares	
	Basic	Diluted
<b><u>For Q2</u></b>		
Earnings	497	499
Net loss	497	497

	Shares	
	Basic	Diluted
<b><u>For Q3-Q4 Average</u></b>		
Earnings	497	500
Net loss	497	497

	Shares	
	Basic	Diluted
<b><u>For FY 2017 Average</u></b>		
Earnings	499	502
Net loss	499	499

**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**  
**April 27, 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 Range	2Q17 Range		3Q17 Range		4Q17 Range		FY17 Range	
	Actual	Low	High	Low	High	Low	High	Low	High
<b>Mainline<sup>1</sup></b>									
Mainline operating expenses	\$ 7,450	\$7,650	\$7,812	\$7,838	\$8,008	\$7,533	\$7,696	\$30,496	\$31,101
Less mainline fuel expense	1,402	1,502	1,548	1,550	1,598	1,392	1,435	5,846	5,983
Less special items	119	—	—	—	—	—	—	119	119
Mainline operating expense excluding fuel and special items	5,929	6,148	6,264	6,288	6,410	6,141	6,261	24,532	24,999
Mainline CASM (cts)	13.17	12.03	12.28	11.97	12.23	12.72	13.00	12.45	12.70
Mainline CASM excluding fuel and special items (Non-GAAP) (cts)	10.48	9.67	9.85	9.60	9.79	10.37	10.58	10.02	10.21
<b>Mainline ASMs (bil)</b>	56.6	63.6	63.6	65.5	65.5	59.2	59.2	244.9	244.9
<b>Regional<sup>1</sup></b>									
Regional operating expenses	\$ 1,573	\$1,615	\$1,649	\$1,620	\$1,655	\$1,583	\$1,618	\$ 6,363	\$ 6,493
Less regional fuel expense	318	327	336	342	352	335	345	1,322	1,351
Less special items	2	—	—	—	—	—	—	2	2
Regional operating expenses excluding fuel and special items	1,253	1,288	1,313	1,278	1,303	1,248	1,273	5,039	5,140
Regional CASM (cts)	20.23	19.74	20.16	19.31	19.73	19.52	19.95	19.61	20.01
Regional CASM excluding fuel and special items (Non-GAAP) (cts)	16.10	15.75	16.05	15.23	15.53	15.39	15.70	15.53	15.84
<b>Regional ASMs (bil)</b>	7.78	8.18	8.18	8.39	8.39	8.11	8.11	32.45	32.45
<b>Other non-operating (income)/expense<sup>1</sup></b>									
Other non-operating (income)/expense	\$ 0	\$ 1	\$ 1	\$ 1	\$ 1	\$ 2	\$ 2	\$ 5	\$ 5
Less special items	5	—	—	—	—	—	—	5	5
Other non-operating (income)/expense excluding special items	(5)	1	1	1	1	2	2	—	—

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 relating to merger integration expenses relating to information technology, professional fees, re-branding of aircraft and airport facilities and training, as well as fleet restructuring expenses.

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



**Forward Looking Statements**  
**April 27, 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 1A. Risk Factors, and Part II, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations, 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**