

**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): May 18, 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 May 18, 2017, American Airlines Group Inc. (“the Company”) presented information relating to its financial and operational outlook at the Bank of America Merrill Lynch 2017 Transportation Conference. This presentation is located on the Company’s website at www.aa.com/investorrelations under “Presentations.” The presentation 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 Presentation, dated May 18, 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: May 18, 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: May 18, 2017

By: /s/ Derek J. Kerr
Derek J. Kerr
Executive Vice President and
Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1	Investor Presentation, dated May 18, 2017.

Bank of America Merrill Lynch 2017 Transportation Conference

Derek Kerr
Chief Financial Officer
American Airlines Group Inc.

May 18, 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 (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.

Highlights of the First Quarter 2017



Earnings Highlights



- 2 percent total revenue growth
- TRASM up 3.1 percent
- Pre-tax profit* of \$491 million
- Pre-tax margin* of 5.1 percent

Commercial Initiatives



- Launched basic and premium economy
- Reached agreement to invest \$200 million in China Southern Airlines
- Entered into an agreement with Scandinavian Airlines to obtain two slot pairs at Heathrow

Fleet and Operational Highlights



- Deferred 22 A350 XWB aircraft by an average of two years reducing capex in 2018 - 2020
- Deferred two 787-9 aircraft from 2Q 2018 to 1Q 2019
- Improvement in all operational metrics

Returning Value to Shareholders



- Repurchased \$512 million, or 11.7 million shares
- Since merger close, the share count has been reduced by 34 percent
- Paid \$51 million in dividends

**Pre-tax profit and margin exclude net special items. Please refer to the Company's GAAP to Non-GAAP reconciliation in the appendix.*

Overview



- We are making significant investments in our team and product
- And it's working
 - Operational improvement
 - Product enhancement
 - Revenue gap narrowing
- The cost increases are moderating
- There are additional improvements on the horizon



Investing in Our Team



- 10,000 additional team members
- 38% average pay rate increase per team member
- Unilateral implementation of profit sharing
- Elevate the Experience customer service training
- New HR team member service center
- Two positive space tickets for ATW Airline of the Year
- Best-in-class maternity and adoption assistance program

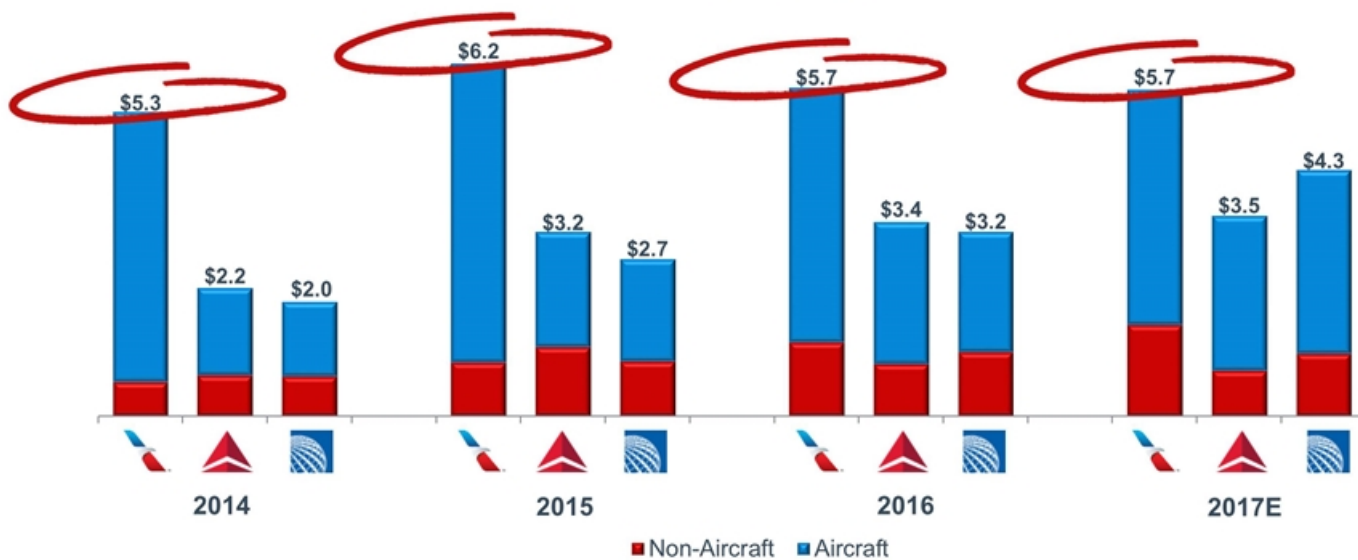


Unprecedented Product Investment



Total Capital Expenditures 2014 - 2017

\$22.9 Billion



Source: SEC filings and other company guidance

Product Investment: New Aircraft



- Widebody deferrals will reduce 2018 capex by \$500 million and \$300 million in 2019 and 2020

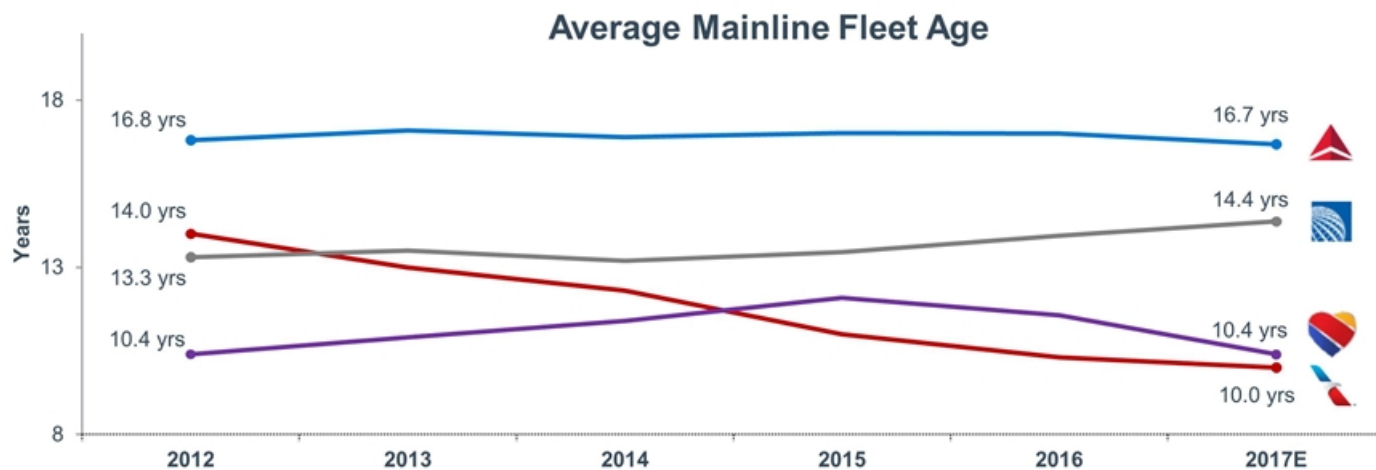


	2017	2018	2019	Beyond 2019
A320 Family / Neo	20	-	25	75
A350-900	-	-	-	22
B737-800 / Max	24	16	20	60
B787 Family	13	6	2	-
Mainline Total	57	22	47	157
E175	16	-	-	-
Regional Total	16	-	-	-
Airline Total	73	22	47	157

Product Investment: New Aircraft



- By the end of 2017, we will have inducted 399 new aircraft into the fleet since the merger, while retiring 391 older aircraft – giving us the youngest mainline fleet among our peers



Investing In Our Operation



- Many large operational initiatives are now complete or nearing completion
 - PSS Cut-Over
 - GSE Refresh Programs
 - Operational Staffing Increases
 - New IOC
 - FOS Integration
 - Hub Re-Banking
 - MBR Improvement Initiatives
 - New Simulators

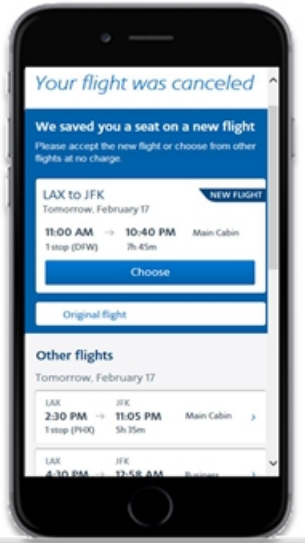


Investing in Our Operation: New Technology

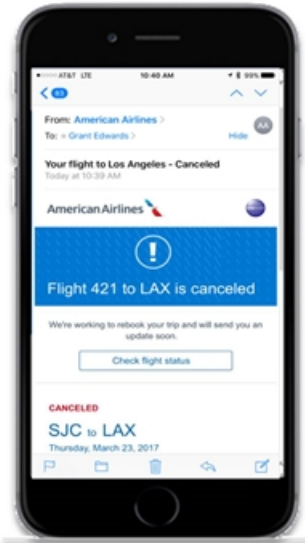


Coming summer 2017...

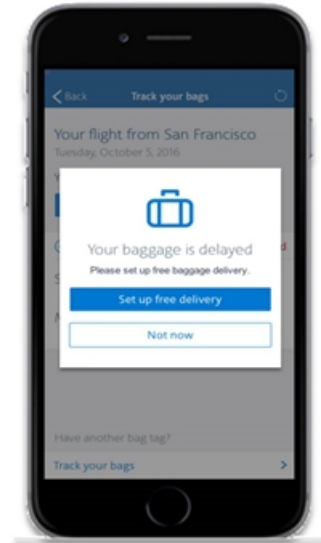
Dynamic Reaccom



Notify All



Proactive Bag Notification



Investing in Our Facilities and Infrastructure



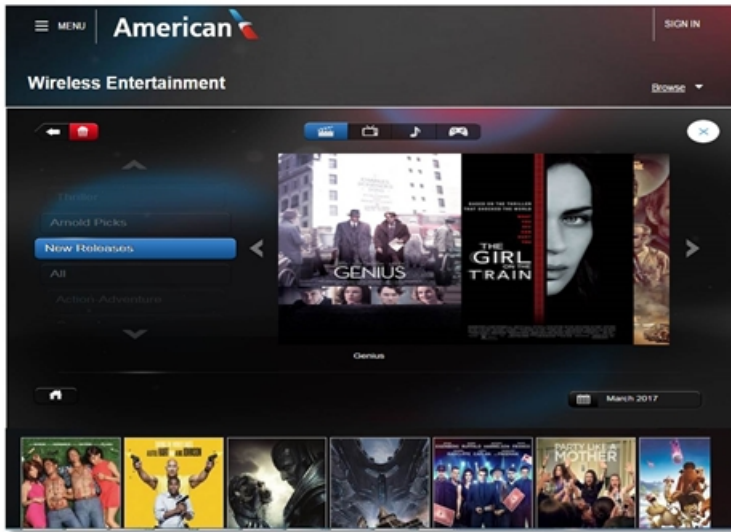
- We have invested in a large number of projects to improve much of our real estate
 - Employee Support Space
 - HDQ 1 & 2 Refurbishment
 - Data Network Refresh
 - Disaster Recovery Initiatives
 - PHX Restack & Refurbishment
 - Lounges and holdroom refurbishments



Product Investment: Better Customer Experience

- We are making a number of changes to improve the customer experience

Free Entertainment



Facility Improvements



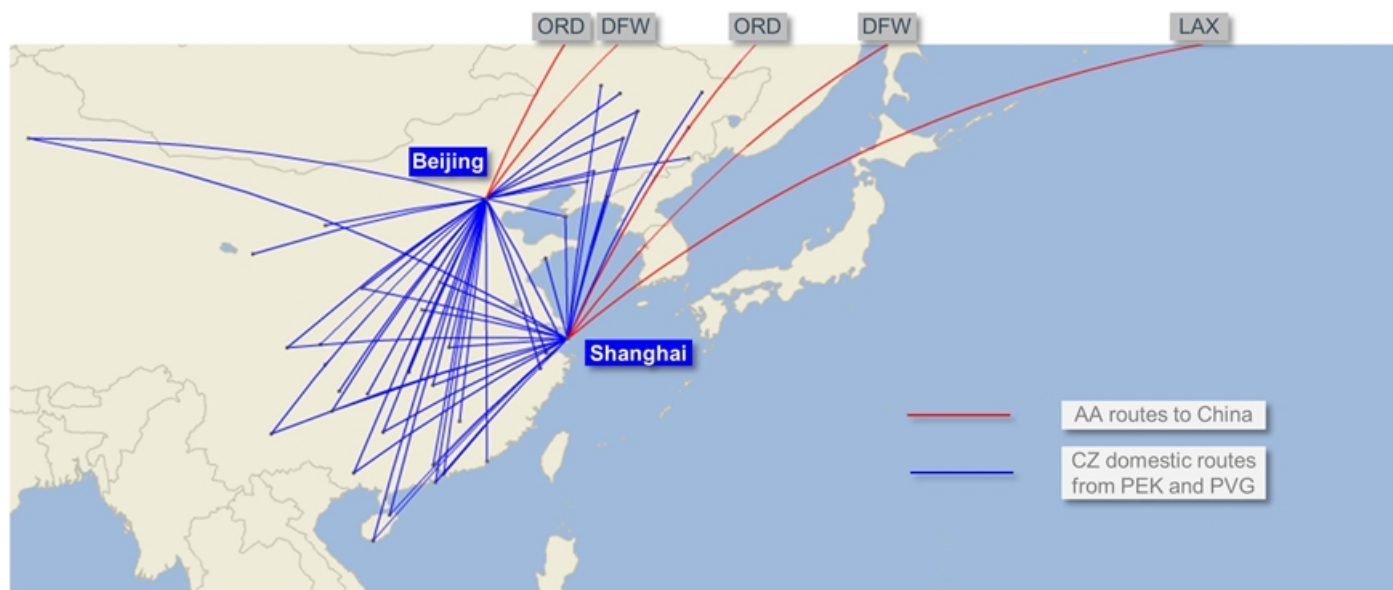
Improved Clubs and Upgraded Seats



Product Investment: China Southern



- The investment in China Southern is expected to give American customers access to 70 destinations in China



Investing in Revenue Initiatives



- Basic economy was launched in February
 - Initial rollout of 10 markets for travel in March
 - Second rollout to an additional eight markets in May
 - Performing in line with expectations – 50 percent of customers given a choice opt for a main cabin ticket
 - Expect to have it system wide by the end of the year
- Aircraft reconfigurations
 - All international widebody aircraft will have lie flat seats by the end of the second quarter
 - Plans to reconfigure narrowbody aircraft



Investing in Revenue Initiatives

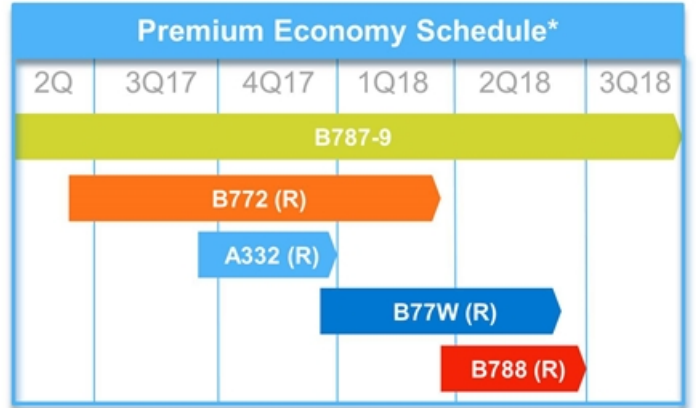


- Premium Economy

- Customers started flying the product on May 4th
- Over 5,000 tickets sold so far with an average upsell of over \$350



The screenshot shows the American Airlines website interface. At the top, there are navigation links for 'Plan Travel', 'Travel Information', and 'AAdvantage'. The main heading is 'Choose flights'. Below this, there's a search bar with 'Depart Dallas/ Fort Worth, TX to Thursday, May 11, 2017'. A dropdown menu for 'Premium Economy' is open, listing benefits: 'Wider seat with more legroom', '1 free checked bag', 'Priority security & boarding', and 'Premium beverages'. Below the search bar, there are flight options for 'Tue, May 09' (\$812), 'Wed, May 10' (\$812), and 'Thu, May 11' (\$916). The 'Premium Economy' tab is selected, showing a round trip price of \$1,345. Other tabs include 'Main Cabin' (\$1,145), 'Business' (\$5,359), and 'First' (Not available).



* (R) requires aircraft retrofit

Investing in Revenue Initiatives



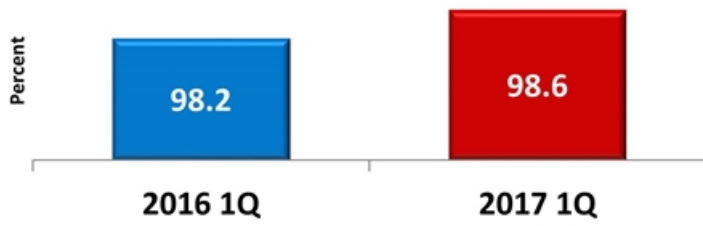
- New revenue management system
 - New inventory system and optimizer in 4Q 2016
 - Significant benefits particularly in the premium cabin in the first quarter
- Adjusting the schedule to optimize connecting flows
- Revamped sales operation
 - SVP of Global Sales appointed in 3Q 2016
 - Over 100 new sales people to be appointed in 2017
 - Overhaul of core programs and infrastructure
- New credit card agreement
 - Signed in July 2016
 - Significant impact to earnings in 2017 and beyond



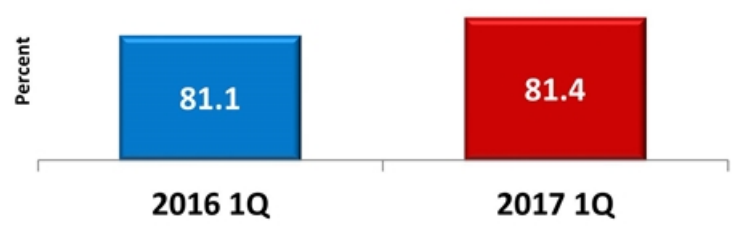
Operational Performance Improving



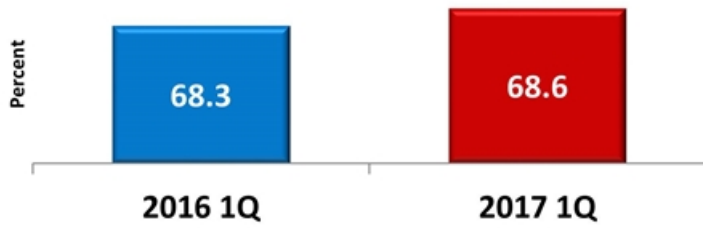
Completion Factor



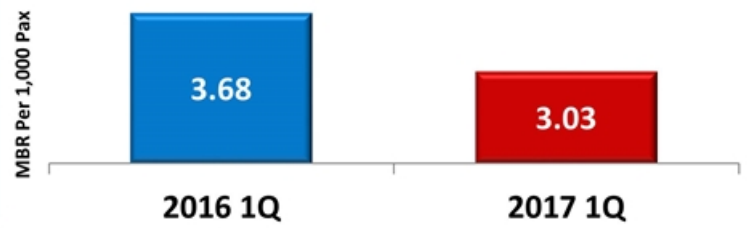
On-Time Arrivals



On-Time Departures



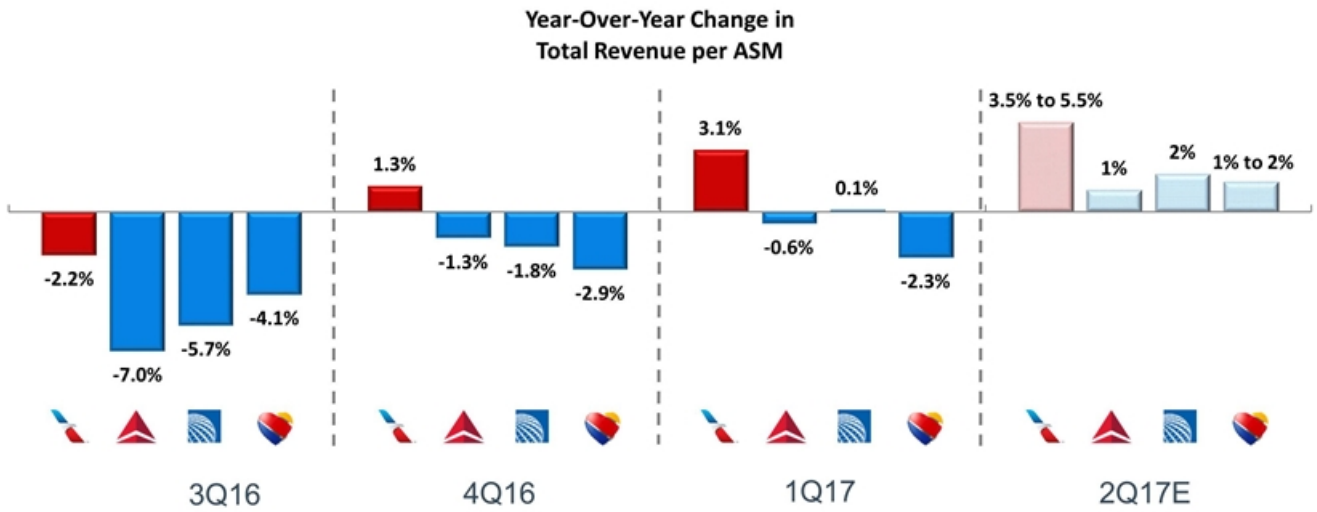
Mishandled Baggage



Revenue Trends Are Encouraging



- American was the first network airline to return to positive TRASM and is expected to outperform in 2Q and the rest of 2017

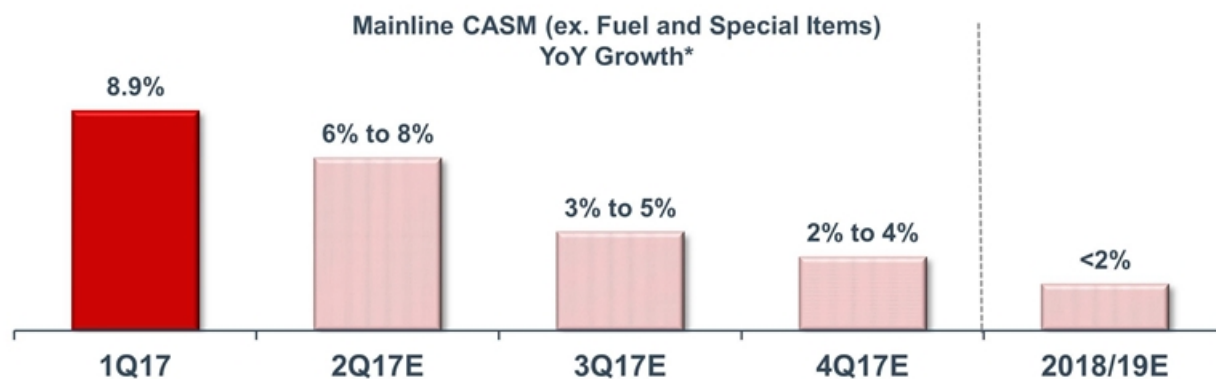


Source: Company reports. 2Q17 data is based on company guidance for AAL and LUV and analyst estimates for UAL and DAL.

CASM Growth is Slowing



- Costs have been elevated in recent quarters, primarily due to rate increases given to our team members
- This impact will lessen throughout the year and we anticipate that consolidated CASM will be less than 2 percent* in both 2018 and 2019

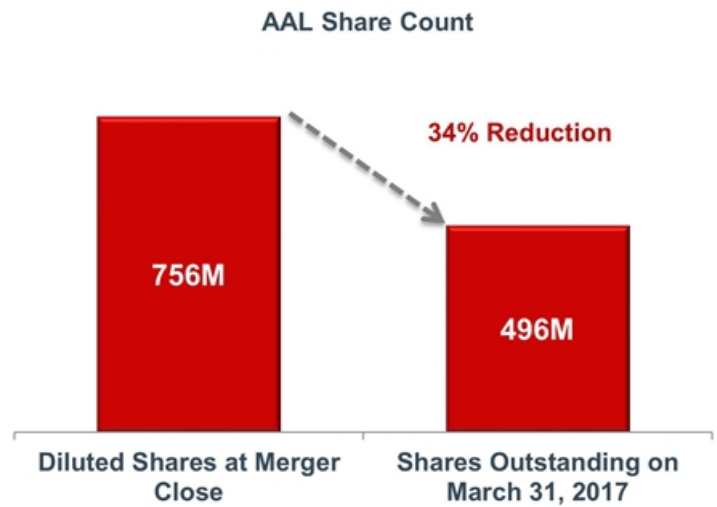


*Excludes net special items. Please refer to the Company's GAAP to Non-GAAP reconciliation in the appendix. 2018/19 forecast excludes the impact of any potential increases from new joint bargaining agreements.

Returning Value To Shareholders



- After:
 - Unprecedented investment in product, team, operation, automation, etc.
 - Elimination of high-cost debt
 - Ensuring industry-leading cash balances
- American returns capital to shareholders
 - Over \$9.5 billion of share repurchases since 3Q 2014
 - Paid over \$600 million in dividends since 3Q 2014



Conclusion



- American has continued to make great progress during the first quarter of 2017
 - Pre-tax profit of \$491 million
 - Launch of basic and premium economy
 - \$200 million pending investment in China Southern Airlines
- But we still have significant improvements ahead
 - Complete outstanding integration items and drive efficiencies
 - Complete the rollout of basic and premium economy
 - Aggressively pursue opportunities offered by our revenue initiatives
 - Continue to improve the operation
 - Training and investments in our team members

Appendix



GAAP to non-GAAP Reconciliation



Reconciliation of Pre-Tax Income Excluding Special Items	3 Months Ended March 31,	
	2017	2016
	(in millions)	
Pre-tax income as reported	\$ 365	\$ 1,117
Pre-tax special items:		
Special items, net	119	99
Regional operating special items, net	2	5
Nonoperating special items, net	5	-
Total pre-tax special items	126	104
Pre-tax income excluding special items	\$ 491	\$ 1,221
Calculation of Pre-Tax Margin Excluding Special Items		
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%

For additional detail regarding special items, see the Company's SEC Form 8-K issued April 27, 2017

GAAP to non-GAAP Reconciliation



Reconciliation of Operating Cost per ASM Excluding Special Items and Fuel - Mainline only	3 Months Ended March 31,	
	2017	2016
	(in cents)	
Mainline operating expenses per ASM as reported	13.17	11.58
Special items, net per ASM	<u>(0.21)</u>	<u>(0.17)</u>
Mainline operating expenses per ASM, excluding special items	12.96	11.41
Aircraft fuel and related taxes per ASM	<u>(2.48)</u>	<u>(1.79)</u>
Mainline operating expenses per ASM, excluding special items and fuel	10.48	9.62

Note: Amounts may not recalculate due to rounding.

Questions?

