

1

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

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

For the quarter ended: June 30, 1994

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

For the transition period from

\_\_\_\_\_ to \_\_\_\_\_

Commission file number: 1-8400

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

DELAWARE  
(State or other jurisdiction of  
incorporation or organization)

75-1825172  
(IRS Employer identification No.)

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

76155  
(Zip Code)

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

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

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

Yes    X                    No

APPLICABLE ONLY TO CORPORATE ISSUERS:

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

Common Stock, \$1 Par Value - 75,858,777 shares outstanding as of July 29, 1994

## AMR CORPORATION

## INDEX

	Page
Number	
Part I: FINANCIAL INFORMATION	
Consolidated Statement of Operations for the three and six months ended June 30, 1994 and 1993	1
Condensed Consolidated Balance Sheet at June 30, 1994 and December 31, 1993	2
Condensed Consolidated Statement of Cash Flows for the six months ended June 30, 1994 and 1993	3
Notes to Financial Statements	4
Management's Discussion and Analysis of Financial Condition and Results of Operations	5
Part II: OTHER INFORMATION	
Item 6. Exhibits and Reports on Form 8-K	13
Signature	14

AMR CORPORATION

CONSOLIDATED STATEMENT OF OPERATIONS

(Unaudited)

(in millions, Three Months Ended June 30, Six Months Ended June 30,  
except per share amounts) 1994 1993 1994 1993

Revenues

Air Transportation Group:

Passenger - American Airlines	\$ 3,267	\$ 3,484	\$ 6,295	\$ 6,611
- AMR Eagle	207	180	388	345
Cargo	165	164	321	316
Other	149	130	288	268
	3,788	3,958	7,292	7,540

The SABRE Group	388	347	774	677
AMR Management Services Group	127	106	258	211
Less: Intergroup revenues	(202)	(199)	(415)	(402)
Total operating revenues	4,101	4,212	7,909	8,026

Expenses

Wages, salaries and benefits	1,396	1,364	2,764	2,676
Aircraft fuel	388	495	783	970
Commissions to agents	339	376	665	711
Depreciation and amortization	320	304	640	596
Other rentals and landing fees	206	213	417	426
Aircraft rentals	172	184	351	370
Food service	171	182	333	350
Maintenance materials and repairs	149	171	292	346
Other operating expenses	559	559	1,104	1,101
Total operating expenses	3,700	3,848	7,349	7,546

Operating Income

	401	364	560	480
--	-----	-----	-----	-----

Other Income (Expense)

Interest income	7	14	13	32
Interest expense	(154)	(168)	(306)	(343)
Interest capitalized	4	13	11	30
Miscellaneous - net	(10)	(144)	(28)	(148)

	(153)	(285)	(310)	(429)
--	-------	-------	-------	-------

Earnings Before Income Taxes

	248	79	250	51
--	-----	----	-----	----

Income tax provision

	95	32	104	26
--	----	----	-----	----

Net Earnings

	153	47	146	25
--	-----	----	-----	----

Preferred stock dividends

	17	17	33	27
--	----	----	----	----

Earnings (Loss) Applicable to

Common Shares	\$ 136	\$ 30	\$ 113	\$ (2)
---------------	--------	-------	--------	--------

Earnings (Loss) Per Common

Share:

Primary	\$ 1.77	\$ 0.39	\$ 1.48	\$ (0.03)
---------	---------	---------	---------	-----------

Fully diluted	\$ 1.68	\$ 0.39	\$ 1.48	\$ (0.03)
---------------	---------	---------	---------	-----------

Number of common shares

used in computations				
----------------------	--	--	--	--

Primary	76	76	76	76
---------	----	----	----	----

Fully diluted	90	76	76	76
---------------	----	----	----	----

See accompanying notes.

AMR CORPORATION  
CONDENSED CONSOLIDATED BALANCE SHEET

(Unaudited) (in millions)	June 30, 1994	December 31, 1993
<b>Current Assets</b>		
Cash	\$ 65	\$ 63
Short-term investments	568	523
Receivables, net	1,040	910
Inventories, net	680	688
Other current assets	526	506
Total current assets	2,879	2,690
<b>Equipment and Property</b>		
Flight equipment, net	10,107	9,783
Purchase deposits for flight equipment	142	350
	10,249	10,133
Other equipment and property, net	2,051	2,128
	12,300	12,261
<b>Equipment and Property Under Capital Leases</b>		
Flight equipment, net	1,664	1,543
Other equipment and property, net	173	173
	1,837	1,716
Route acquisition costs, net	1,046	1,061
Other assets, net	1,805	1,598
	\$ 19,867	\$ 19,326
<b>Current Liabilities</b>		
Accounts payable	\$ 917	\$ 921
Accrued liabilities	1,815	1,726
Air traffic liability	1,627	1,460
Current maturities of long-term debt	61	200
Current obligations under capital leases	128	110
Total current liabilities	4,548	4,417
Long-term debt	5,441	5,431
Obligations under capital leases	2,269	2,123
Deferred income taxes	410	310
Other liabilities, deferred gains, deferred credits and postretirement benefits	2,800	2,769
<b>Stockholders' Equity</b>		
Convertible preferred stock	1,081	1,081
Common stock	76	76
Additional paid-in capital	2,038	2,035
Retained earnings	1,204	1,084
	4,399	4,276
	\$ 19,867	\$ 19,326

See accompanying notes.

AMR CORPORATION  
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited) (in millions)	Six Months 1994	Ended June 30, 1993
Net Cash Provided by Operating Activities	\$ 992	\$ 867
Cash Flow from Investing Activities:		
Capital expenditures	(612)	(1,284)
Net increase in short-term investments	(44)	(272)
Investment in Canadian Airlines International, Ltd.	(177)	-
Other, net	7	6
Net cash used for investing activities	(826)	(1,550)
Cash Flow from Financing Activities:		
Proceeds from:		
Issuance of long-term debt	109	166
Issuance of preferred stock	-	1,081
Net repayments of short-term borrowings with maturities of 90 days or less	-	(350)
Other short-term borrowings	200	-
Payments on other short-term borrowings	(200)	(29)
Payments on long-term debt and capital lease obligations	(242)	(138)
Payments of dividends on preferred stock	(33)	(16)
Other, net	2	4
Net cash (used for) provided by financing activities	(164)	718
Net increase in cash	2	35
Cash at beginning of period	63	45
Cash at end of period	\$ 65	\$ 80
Cash Payments (Refunds) For:		
Interest (net of amounts capitalized)	\$ 294	\$ 295
Income taxes	(58)	(117)
Financing Activities Not Affecting Cash:		
Capital lease obligations incurred	\$ 190	\$ 21

See accompanying notes.

AMR CORPORATION  
Notes to Financial Statements  
(Unaudited)

1. In the opinion of management, these financial statements contain all adjustments necessary to present fairly the financial position, results of operations and cash flows for the periods indicated. Such adjustments are of a normal recurring nature except as disclosed. These financial statements and related notes should be read in conjunction with the financial statements and notes included in AMR's Annual Report on Form 10-K for the year ended December 31, 1993.
2. Passenger revenues for the three and six months ended June 30, 1994, include a positive adjustment of \$35 million produced by a change in the Company's estimate of the usage patterns of miles sold to participating companies in American's AAdvantage frequent flyer program. Included in Passenger revenues for the three and six months ended June 30, 1993, is a positive adjustment of \$115 million resulting from a change in estimate relating to certain earned passenger revenues.
3. Included in Miscellaneous - net for the three and six months ended June 30, 1993, is a \$125 million charge related to the retirement of 31 DC-10 aircraft. The charge represents the Company's best estimate of the expected loss based upon the anticipated method of disposition. However, should the ultimate method of disposition differ, the actual loss could be different than the amount estimated.
4. Accumulated depreciation of owned equipment and property at June 30, 1994 and December 31, 1993 was \$5.2 billion and \$4.9 billion, respectively. Accumulated amortization of equipment and property under capital leases at June 30, 1994 and December 31, 1993 was \$825 million and \$760 million, respectively.
5. In April 1994 AMR signed a comprehensive 20-year services agreement with Canadian Airlines International (CAI). Among the services AMR will provide CAI are accounting, data processing and communications operations, operations planning, pricing and yield management, international services, passenger services procedures training, and U. S. originating reservations activity. Revenues from the contract are expected to exceed \$100 million in the first full year and exceed \$2.0 billion over the 20-year contract. In April 1994 AMR also made a \$177 million investment in CAI, giving it approximately a one-third economic interest in the company.

RESULTS OF OPERATIONS

Summary AMR recorded net earnings of \$153 million (\$1.77 per common share primary, \$1.68 fully diluted) for the three months ended June 30, 1994, compared with net earnings of \$47 million (\$0.39 per common share, both primary and fully diluted) for the same period in 1993. AMR's second quarter operating income increased 10.2 percent to \$401 million.

For the six months ended June 30, 1994, AMR recorded net earnings of \$146 million (\$1.48 per common share, both primary and fully diluted) compared with net earnings of \$25 million (\$0.03 loss per common share, both primary and fully diluted) for the same period of 1993. AMR's operating income improved 16.7 percent to \$560 million.

AMR's results for the three and six months ended June 30, 1994, included a \$35 million positive adjustment (\$22 million after tax) to Passenger revenues produced by a change in the Company's estimate of the usage patterns of miles sold to participating companies in American's AAdvantage frequent flyer program.

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

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

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

8  
RESULTS OF OPERATIONS (CONTINUED)

For the Three Months Ended June 30, 1994 and 1993

AIR TRANSPORTATION GROUP  
FINANCIAL HIGHLIGHTS  
(in millions)

	Three Months Ended June 30,	
	1994	1993
Revenues		
Passenger - American Airlines	\$ 3,267	\$ 3,484
- AMR Eagle	207	180
Cargo	165	164
Other	149	130
	3,788	3,958
Expenses		
Wages, salaries and benefits	1,232	1,237
Aircraft fuel	388	495
Commission to agents	339	376
Depreciation and amortization	262	251
Other operating expenses	1,280	1,328
Total operating expenses	3,501	3,687
Operating Income	287	271
Other Income (Expense)	(138)	(277)
Earnings (Loss) Before Income Taxes	\$ 149	\$ (6)

American's passenger revenues decreased 6.2 percent, \$217 million, in the second quarter of 1994. Passenger revenue yield per passenger mile decreased 2.9 percent to 13.37 cents in the second quarter. Excluding the impact of the passenger revenue adjustments mentioned previously, yield would have decreased 0.7 percent. Revenue passenger miles decreased 3.4 percent while available seat miles (ASMs) fell 7.8 percent, resulting in an improvement of 2.9 points in the passenger load factor. As a result, American's passenger revenue per available seat mile increased by 1.7 percent.

The decrease in American's ASMs is the result of retiring 71 aircraft (31 McDonnell Douglas DC-10 and 40 Boeing 727 aircraft) and subleasing two McDonnell Douglas MD-11 aircraft, partially offset by the addition of 35 new aircraft (24 Fokker F100, seven Boeing 757, and four Boeing 767 aircraft) since June 30, 1993.

American's domestic traffic fell 5.4 percent while capacity was reduced 8.6 percent. International traffic grew 2.2 percent while capacity decreased 4.8 percent. The major growth in international traffic was in Latin America, which increased 6.3 percent on a capacity decrease of 2.0 percent.

Passenger revenues of the AMR Eagle carriers increased 15.0 percent, \$27 million, primarily due to the expansion of regional operations into new and larger markets. Traffic on the AMR Eagle carriers increased 20.9 percent on a capacity increase of 17.5 percent. The increase in the AMR Eagle carriers' ASMs is the result of the addition of 26 aircraft: (nine 64-seat Super ATR and 17 34-seat Saab 340 aircraft) partially offset by the retirement of 29 19-seat Jetstream 31 aircraft.

Cargo revenues were unchanged, as a 6.5 percent increase in American's cargo volumes offset a 5.0 percent decline in yields.



## RESULTS OF OPERATIONS (CONTINUED)

The Air Transportation Group's operating expenses decreased 5.0 percent, \$186 million. Since capacity decreased more rapidly than expenses, American's Passenger Division operating expenses per ASM increased 1.0 percent to 8.36 cents. Wages, salaries and benefits fell 0.4 percent, \$5 million, due to a 4.3 percent reduction in the average number of equivalent employees partially offset by salary adjustments for existing employees. Aircraft fuel expense fell 21.6 percent, \$107 million, due primarily to a 14.0 percent decrease in American's average price per gallon combined with a 9.8 percent decline in gallons consumed by American. Commissions to agents decreased 9.8 percent, \$37 million, due principally to the decrease in passenger revenues. New aircraft acquisitions and other capital expenditures raised depreciation and amortization 4.4 percent, \$11 million. Other operating expenses, consisting of aircraft rentals, other rentals and landing fees, food service costs, maintenance costs and other miscellaneous operating expenses decreased 3.6 percent, \$48 million. Maintenance expenses were lower as a result of retiring older jet aircraft from the fleet and increased operating efficiencies. Food service costs and landing fees fell as a result of declines in traffic and capacity, respectively.

## AIR TRANSPORTATION GROUP OPERATING STATISTICS

(Unaudited)	Three Months Ended June 30,		Percent
	1994	1993	Change
American Airlines Passenger Division:			
Revenue passenger miles (millions)	24,443	25,307	(3.4)
Available seat miles (millions)	37,953	41,145	(7.8)
Passenger load factor	64.4%	61.5%	2.9 pts.
Passenger revenue yield per passenger mile (cents)	13.37	13.77	(2.9)
Passenger revenue per available seat mile (cents)	8.61	8.47	1.7
Operating expenses per available seat mile (cents)	8.36	8.28	1.0
Fuel consumption (gallons, in millions)	681	755	(9.8)
Fuel price per gallon (cents)	54.8	63.7	(14.0)
American Airlines Cargo Division:			
Cargo ton miles (millions)	494	464	6.5
Revenue yield per ton mile (cents)	33.44	35.21	(5.0)
AMR Eagle, Inc.:			
Revenue passenger miles (millions)	642	531	20.9
Available seat mile (millions)	1,123	956	17.5
Passenger load factor	57.2%	55.5%	1.7 pts.

THE SABRE GROUP  
FINANCIAL HIGHLIGHTS  
(in millions)

	Three Months Ended June 30,	
	1994	1993
Revenues	\$ 388	\$ 347
Expenses		
Wages, salaries and benefits	123	103
Depreciation and amortization	46	43
Other operating expenses	118	120
Total operating expenses	287	266
Operating Income	101	81
Other Income (Expense)	(6)	(1)
Earnings Before Income Taxes	\$ 95	\$ 80

Revenues  
Revenues for The SABRE Group increased 11.8 percent, \$41 million, primarily due to increased booking fee revenues resulting from growth in booking volumes, increases in average fees per booking collected from participating vendors and the introduction of a premium product.

Expenses  
Wages, salaries and benefits increased 19.4 percent, \$20 million, due to a 5.2 percent increase in the average number of equivalent employees and wage and salary increases.

AMR MANAGEMENT SERVICES GROUP  
FINANCIAL HIGHLIGHTS  
(in millions)

	Three Months Ended June 30,	
	1994	1993
Revenues	\$ 127	\$ 106
Expenses		
Wages, salaries and benefits	41	24
Other operating expenses	73	70
Total operating expenses	114	94
Operating Income	13	12
Other Income (Expense)	(9)	(7)
Earnings Before Income Taxes	\$ 4	\$ 5

Revenues  
Revenues for the AMR Management Services Group increased 19.8 percent, \$21 million. AMR Services' revenues increased 19.9 percent to \$80 million, primarily as a result of strong domestic fuel sales, expansion of European operations, and the acquisition of an additional domestic fixed-base operator in November 1993. Americas Ground Services, which began operations in the second quarter of 1993, contributed \$7 million in revenues. Revenues of AMR Training and Consulting Group, which began operations in the first quarter of 1993, increased by approximately \$8 million in the second quarter of 1994.

11  
RESULTS OF OPERATIONS (CONTINUED)

Expenses

Wages, salaries and benefits increased 70.8 percent, \$17 million, due primarily to a 42.2 percent increase in the average number of equivalent employees driven by the acquisition and startup of the new operations mentioned above.

For the Six Months Ended June 30, 1994 and 1993

AIR TRANSPORTATION GROUP  
FINANCIAL HIGHLIGHTS

(in millions)	Six Months Ended June 30,	
	1994	1993
Revenues		
Passenger - American Airlines	\$ 6,295	\$ 6,611
- AMR Eagle	388	345
Cargo	321	316
Other	288	268
	7,292	7,540
Expenses		
Wages, salaries and benefits	2,443	2,422
Aircraft fuel	783	970
Commission to agents	665	711
Depreciation and amortization	526	490
Other operating expenses	2,542	2,644
Total operating expenses	6,959	7,237
Operating Income	333	303
Other Income (Expense)	(285)	(413)
Earnings (Loss) Before Income Taxes	\$ 48	\$ (110)

American's passenger revenues decreased 4.8 percent, \$316 million, in the first six months of 1994. Passenger revenue yield per passenger mile decreased 2.3 percent to 13.44 cents in 1994. Excluding the impact of the passenger revenue adjustments mentioned previously, yield would have decreased 1.1 percent. Revenue passenger miles decreased 2.5 percent while available seat miles (ASMs) fell 7.1 percent, resulting in an improvement of 2.9 points in the passenger load factor. As a result, American's passenger revenue per available seat mile increased by 2.4 percent.

The decrease in American's ASMs is the result of retiring 71 aircraft (31 McDonnell Douglas DC-10 and 40 Boeing 727 aircraft) and subleasing two McDonnell Douglas MD-11 aircraft, partially offset by the addition of 35 new aircraft (24 Fokker F100, seven Boeing 757, and four Boeing 767 aircraft) since June 30, 1993.

For the first six months of 1994 compared to the same period in 1993, American's domestic traffic decreased 4.1 percent on capacity reductions of 7.8 percent and international traffic grew 1.7 percent on a capacity reduction of 5.0 percent. The change in international traffic was driven by an 8.8 percent growth in Latin America with capacity growth of 0.4 percent, offset by a 4.5 percent decrease in traffic to Europe primarily driven by a capacity reduction of 10.9 percent.

Passenger revenues of the AMR Eagle carriers increased 12.5 percent, \$43 million, primarily due to the expansion of regional operations into larger markets. Traffic on the AMR Eagle carriers increased 21.0 percent, while capacity grew 14.3 percent.

## RESULTS OF OPERATIONS (CONTINUED)

Cargo revenues increased 1.6 percent, \$5 million, driven by a 7.2 percent increase in American's domestic and international cargo volumes, partially offset by a decrease in yields of 4.4 percent brought about by strong price competition resulting from excess industry capacity.

American's capacity or ASMs decreased 7.1 percent in the first six months of 1994 primarily as a result of the fleet changes mentioned previously. Air Transportation Group's operating expenses decreased 3.8 percent, \$278 million. Because capacity decreased more rapidly than expenses, American's passenger division cost per ASM increased by 2.0 percent to 8.51 cents. Wages, salaries and benefits rose 0.9 percent, \$21 million, due primarily to salary adjustments for existing employees, partially offset by a 3.8 percent reduction in the average number of equivalent employees. Aircraft fuel expense decreased 19.3 percent, \$187 million, due to an 11.8 percent decrease in American's average price per gallon, combined with a 9.1 percent decrease in gallons consumed by American. Commissions to agents decreased 6.5 percent, \$46 million, due principally to decreased passenger revenues. New aircraft acquisitions and other capital improvements raised depreciation and amortization costs 7.3 percent, \$36 million. Other operating expenses, consisting of aircraft rentals, other rentals and landing fees, food service costs, maintenance costs and other miscellaneous operating expenses decreased 3.9 percent, \$102 million, primarily due to lower maintenance costs as a result of retiring older jet aircraft from the fleet and increased operating efficiencies. In addition, food costs and landing fees fell as a result of declines in traffic and capacity, respectively.

## AIR TRANSPORTATION GROUP OPERATING STATISTICS

(Unaudited)	Six Months Ended June 30,		Percent
	1994	1993	Change
American Airlines Passenger Division:			
Revenue passenger miles (millions)	46,822	48,034	(2.5)
Available seat miles (millions)	74,668	80,337	(7.1)
Passenger load factor	62.7%	59.8%	2.9 pts.
Passenger revenue yield per passenger mile (cents)	13.44	13.76	(2.3)
Passenger revenue per available seat mile (cents)	8.43	8.23	2.4
Operating expenses per available seat mile (cents)	8.51	8.34	2.0
Fuel consumption (gallons, in millions)	1,344	1,479	(9.1)
Fuel price per gallon (cents)	56.2	63.7	(11.8)
Operating aircraft at period end	650	687	(5.4)
American Airlines Cargo Division:			
Cargo ton miles (millions)	937	874	7.2
Revenue yield per ton mile (cents)	34.26	35.85	(4.4)
AMR Eagle, Inc.:			
Revenue passenger miles (millions)	1,182	977	21.0
Available seat miles (millions)	2,116	1,852	14.3
Passenger load factor	55.9%	52.8%	3.1 pts.
Operating aircraft at period end	278	281	(1.1)

## RESULTS OF OPERATIONS (CONTINUED)

THE SABRE GROUP  
FINANCIAL HIGHLIGHTS  
(in millions)

	Six Months Ended June 30,	
	1994	1993
Revenues	\$ 774	\$ 677
Expenses		
Wages, salaries and benefits	243	204
Depreciation and amortization	91	87
Other operating expenses	236	230
Total operating expenses	570	521
Operating Income	204	156
Other Income (Expense)	(10)	(3)
Earnings Before Income Taxes	\$ 194	\$ 153

## Revenues

Revenues for The SABRE Group increased 14.3 percent, \$97 million, primarily due to increased booking fee revenues resulting from growth in booking volumes, increases in average fees per booking collected from participating vendors and the introduction of a premium product.

## Expenses

Wages, salaries and benefits increased 19.1 percent, \$39 million, due to wage and salary increases and a 7.3 percent increase in the average number of equivalent employees. Other operating expenses increased 2.6 percent, \$6 million, due to higher incentive payments to travel agents partially offset by a decrease in maintenance costs on computer equipment.

AMR MANAGEMENT SERVICES GROUP  
FINANCIAL HIGHLIGHTS  
(in millions)

	Six Months Ended June 30,	
	1994	1993
Revenues	\$ 258	\$ 211
Expenses		
Wages, salaries and benefits	78	50
Other operating expenses	157	140
Total operating expenses	235	190
Operating Income	23	21
Other Income (Expense)	(15)	(13)
Earnings Before Income Taxes	\$ 8	\$ 8

## RESULTS OF OPERATIONS (CONTINUED)

## Revenues

Revenues for the AMR Management Service Group increased 22.3 percent, \$47 million. AMR Services' revenues increased 20.5 percent to \$165 million, primarily as a result of strong domestic fuel and deicing service sales, expansion of European operations, and the acquisition of an additional domestic fixed-base operator in November 1993. Americas Ground Services, which began operations in the second quarter of 1993, contributed \$13 million in revenues. Revenues of AMR Training and Consulting Group, which began operations in the first quarter of 1993, increased by approximately \$14 million in the first six months of 1994.

## Expenses

Wages, salaries and benefits increased 56.0 percent, \$28 million, due primarily to a 38.5 percent increase in the average number of equivalent employees. Other operating expenses increased 12.1 percent, \$17 million, due primarily to the startup of operations for Americas Ground Services and AMR Training and Consulting Group and the expansion of AMR Services.

## LIQUIDITY AND CAPITAL RESOURCES

Net cash provided by operating activities in the six month period ended June 30, 1994, was \$992 million compared to \$867 million in 1993. Capital expenditures for the first six months of 1994 were \$612 million and included the acquisition of 16 jet aircraft by American: two Boeing 757-200, one Boeing 767-300ER and thirteen Fokker 100. AMR Eagle acquired eleven turboprop aircraft: eight Super ATRs and three Saab 340Bs. In the second quarter of 1994 AMR expended \$177 million to acquire an approximate one-third economic interest in Canadian Airlines International, Ltd. These expenditures, plus an expansion of certain airport facilities, were financed by internally generated cash and the issuance of long-term debt.

## PART II

## Item 6. Exhibits and Reports on Form 8-K

## (a) Exhibits filed with this report:

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

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

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

None.

SIGNATURE

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

AMR CORPORATION

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

DATE: August 2, 1994



(a)

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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	1994	1993	1994	1993
Earnings (loss) as adjusted:				
Net earnings (loss)	\$ 153	\$ 47	\$ 146	\$ 25
Less: Preferred dividend requirements	17	17	33	27
Earnings (loss) applicable to common shares	\$ 136	\$ 30	\$ 113	\$ (2)
Shares, as adjusted				
Average number of shares outstanding	76	75	76	75
Add shares issued upon assumed exercise of dilutive options, stock appreciation rights and warrants and shares assumed issued for deferred stock granted	3	3	2	2
Less assumed treasury shares repurchased	(3)	(2)	(2)	(1)
Shares, as adjusted	76	76	76	76
Primary earnings (loss) per share	\$ 1.77	\$ 0.39	\$ 1.48	\$ (0.03)

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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	1994	1993	1994	1993
Earnings (loss) as adjusted:				
Net earnings (loss)	\$ 153	\$ 47	\$ 146	\$ 25
Less: Preferred Dividend Requirements	17	17	33	27
Earnings (loss) applicable to common shares	136	30	113	(2)
Adjustments:				
Add dividends upon assumed conversion of convertible preferred stock	17	-	(a)	-
Earnings (loss), as adjusted	\$ 153	\$ 30	\$ 113	\$ (2)
Shares, as adjusted:				
Average number of shares outstanding	76	75	76	75
Add shares issued upon:				
Assumed conversion of preferred stock	14	-	(a)	-
Assumed exercise of dilutive options, stock appreciation rights and warrants and shares assumed issued for deferred stock granted	3	3	2	2
Less assumed treasury shares repurchased	(3)	(2)	(2)	(1)
Shares, as adjusted	90	76	76	76
Earnings (loss) per share assuming full dilution	\$ 1.68	\$ 0.39	\$ 1.48	\$ (0.03)

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

5  
1,000,000

6-MOS

DEC-31-1994

JUN-30-1994

		65
	568	
	1,078	
	38	
	680	
	2,879	
		20,120
	5,983	
	19,867	
4,548		0
		2,114
0		
	1,081	
	1,204	
19,867		0
	7,909	
		0
	7,349	
	0	
	0	
	306	
	250	
	104	
146		
	0	
	0	
		0
	146	
	1.48	
	1.48	