

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

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

For the Quarterly Period Ended March 31, 2011.

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

(I.R.S. 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

Not Applicable

(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 No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12-b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

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 – 333,461,642 shares as of April 14, 2011.

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PART I: FINANCIAL INFORMATION

Item 1. Financial Statements**AMR CORPORATION**
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited) (In millions, except per share amounts)

	Three Months Ended March 31,	
	2011	2010
Revenues		
Passenger - American Airlines	\$ 4,134	\$ 3,831
- Regional Affiliates	577	498
Cargo	169	154
Other revenues	653	585
Total operating revenues	5,533	5,068
Expenses		
Aircraft fuel	1,842	1,476
Wages, salaries and benefits	1,722	1,703
Other rentals and landing fees	352	352
Maintenance, materials and repairs	305	351
Depreciation and amortization	276	267
Commissions, booking fees and credit card expense	256	234
Aircraft rentals	160	129
Food service	121	115
Other operating expenses	731	739
Total operating expenses	5,765	5,366
Operating Loss	(232)	(298)
Other Income (Expense)		
Interest income	7	5
Interest expense	(200)	(209)
Interest capitalized	7	10
Miscellaneous - net	(18)	(13)
	(204)	(207)
Loss Before Income Taxes	(436)	(505)
Income tax	-	-
Net Loss	\$ (436)	\$ (505)
Loss Per Share		
Basic	\$ (1.31)	\$ (1.52)
Diluted	\$ (1.31)	\$ (1.52)

The accompanying notes are an integral part of these financial statements.

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CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited) (In millions)

	March 31, 2011	December 31, 2010
Assets		
Current Assets		
Cash	\$ 286	\$ 168
Short-term investments	5,513	4,328
Restricted cash and short-term investments	455	450
Receivables, net	922	738
Inventories, net	595	594
Fuel derivative contracts	693	269
Other current assets	361	291
Total current assets	8,825	6,838
Equipment and Property		
Flight equipment, net	12,110	12,264
Other equipment and property, net	2,142	2,199
Purchase deposits for flight equipment	505	375
	14,757	14,838
Equipment and Property Under Capital Leases		
Flight equipment, net	311	194
Other equipment and property, net	48	50
	359	244
International slots and route authorities	708	708
Domestic slots and airport operating and gate lease rights, less accumulated amortization, net	217	224
Other assets	2,247	2,236
	<u>\$ 27,113</u>	<u>\$ 25,088</u>

[Table of Contents](#)**AMR CORPORATION**
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited) (In millions)

	March 31, 2011	December 31, 2010
Liabilities and Stockholders' Equity (Deficit)		
Current Liabilities		
Accounts payable	\$ 1,267	\$ 1,156
Accrued liabilities	2,334	2,085
Air traffic liability	4,290	3,656
Current maturities of long-term debt	1,862	1,776
Current obligations under capital leases	100	107
Total current liabilities	9,853	8,780
Long-term debt, less current maturities	9,568	8,756
Obligations under capital leases, less current obligations	588	497
Pension and postretirement benefits	7,926	7,877
Other liabilities, deferred gains and deferred credits	3,127	3,123
Stockholders' Equity (Deficit)		
Preferred stock	-	-
Common stock	339	339
Additional paid-in capital	4,455	4,445
Treasury stock	(367)	(367)
Accumulated other comprehensive income (loss)	(2,333)	(2,755)
Accumulated deficit	(6,043)	(5,607)
	(3,949)	(3,945)
	<u>\$ 27,113</u>	<u>\$ 25,088</u>

The accompanying notes are an integral part of these financial statements.

AMR CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited) (In millions)

	Three Months Ended March 31,	
	2011	2010
Net Cash Provided by (used for) Operating Activities	\$ 708	\$ 456
Cash Flow from Investing Activities:		
Capital expenditures	(359)	(317)
Net (increase) decrease in short-term investments	(1,190)	(111)
Proceeds from sale of equipment and property	(6)	-
Net cash used for investing activities	(1,555)	(428)
Cash Flow from Financing Activities:		
Payments on long-term debt and capital lease obligations	(323)	(291)
Proceeds from:		
Issuance of debt	1,164	137
Sale leaseback transactions	125	160
Issuance of common stock, net of issuance costs	-	1
Other	(1)	1
Net cash provided by financing activities	965	8
Net increase (decrease) in cash	118	36
Cash at beginning of period	168	153
Cash at end of period	<u>\$ 286</u>	<u>\$ 189</u>

The accompanying notes are an integral part of these financial statements.

AMR CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with United States (U.S.) generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, these financial statements contain all adjustments, consisting of normal recurring accruals, necessary to present fairly the financial position, results of operations and cash flows for the periods indicated. Results of operations for the periods presented herein are not necessarily indicative of results of operations for the entire year. The condensed consolidated financial statements include the accounts of AMR Corporation (AMR or the Company) and its wholly owned subsidiaries, including (i) its principal subsidiary American Airlines, Inc. (American) and (ii) its regional airline subsidiary, AMR Eagle Holding Corporation and its primary subsidiaries, American Eagle Airlines, Inc. and Executive Airlines, Inc. (collectively, AMR Eagle). The condensed consolidated financial statements also include the accounts of variable interest entities for which the Company is the primary beneficiary. For further information, refer to the consolidated financial statements and footnotes included in AMR's Annual Report on Form 10-K filed on February 16, 2011 (2010 Form 10-K).
2. As of March 31, 2011, American had 15 Boeing 737-800 aircraft purchase commitments for the remainder of 2011 and 28 Boeing 737-800 aircraft purchase commitments in 2012 and, in addition to those commitments, American had firm commitments for eleven Boeing 737-800 aircraft and seven Boeing 777-200ER aircraft scheduled to be delivered in 2013 through 2016. During the first quarter of 2011, the Company amended Purchase Agreement No. 1980 with Boeing and exercised rights to acquire four Boeing 777-300ER aircraft, including two scheduled for delivery in 2012 and two scheduled for delivery in 2013. In April 2011, the Company exercised rights to acquire a fifth Boeing 777-300ER aircraft, which is scheduled for delivery in 2013. In 2008, American entered into a purchase agreement with Boeing (subject to certain reconfirmation rights) to acquire 42 Boeing 787-9 aircraft, with the right to acquire an additional 58 Boeing 787-9 aircraft. The first such Boeing 787-9 aircraft is currently scheduled to be delivered (subject to certain confirmation rights) in 2014. American has selected GE Aviation as the exclusive provider of engines for its expected order of Boeing 787-9 aircraft. As of March 31, 2011, AMR Eagle had firm purchase commitments for 3 Bombardier CRJ-700 aircraft scheduled to be delivered in April 2011.

As of March 31, 2011, payments for the above purchase commitments under these arrangements will approximate \$886 million in the remainder of 2011, \$1.2 billion in 2012, \$580 million in 2013, \$290 million in 2014, \$169 million in 2015, and \$80 million for 2016. These amounts are net of purchase deposits currently held by the manufacturers. American has granted Boeing a security interest in American's purchase deposits with Boeing. The Company's purchase deposits totaled \$505 million at March 31, 2011.

3. Accumulated depreciation of owned equipment and property at March 31, 2011 and December 31, 2010 was \$11.2 billion and \$11.1 billion, respectively. Accumulated amortization of equipment and property under capital leases at March 31, 2011 and December 31, 2010 was \$520 million and \$580 million, respectively.
4. The Company provides a valuation allowance for deferred tax assets when it is more likely than not that some portion, or all, of its deferred tax assets will not be realized. The Company's deferred tax asset valuation allowance remained approximately the same during the three months ended March 31, 2011 at \$3.0 billion as of March 31, 2010, including the impact of comprehensive income for the three months ended March 31, 2011 and changes from other adjustments.

Under current accounting rules, the Company is required to consider all items (including items recorded in other comprehensive income) in determining the amount of tax benefit that results from a loss from continuing operations and that should be allocated to continuing operations. The Company generally does not record any such tax benefit allocation in interim reporting periods as the Company concluded the potential benefit is not considered realizable because the change in the pension liability, a material component of other comprehensive income, is determined annually. Thus, any such interim tax benefit allocation may subsequently be subject to reversal.

AMR CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

5. Long-term debt consisted of (in millions):

	March 31, 2011	December 31, 2010
Secured variable and fixed rate indebtedness due through 2021 (effective rates from 1.00% - 13.00% at March 31, 2011)	\$ 5,005	\$ 5,114
Enhanced equipment trust certificates due through 2021 (rates from 5.10% - 12.00% at March 31, 2011)	2,040	2,002
6.00% - 8.50% special facility revenue bonds due through 2036	1,641	1,641
7.50% senior secured notes due 2016	1,000	-
AAdvantage Miles advance purchase (net of discount of \$110 million) (effective rate 8.3%)	890	890
6.25% senior convertible notes due 2014	460	460
9.0% - 10.20% debentures due through 2021	214	214
7.88% - 10.55% notes due through 2039	180	211
	<u>11,430</u>	<u>10,532</u>
Less current maturities	<u>1,862</u>	<u>1,776</u>
Long-term debt, less current maturities	<u>\$ 9,568</u>	<u>\$ 8,756</u>

The Company's future long-term debt and operating lease payments have changed as its ordered aircraft are delivered and such deliveries have been financed. As of March 31, 2011, maturities of long-term debt (including sinking fund requirements) for the next five years are: remainder of 2011 – \$2.1 billion, 2012 – \$1.8 billion, 2013 – \$1.0 billion, 2014 – \$1.4 billion, and 2015 – \$726 million. The 2011 amount includes approximately \$600 million that was refinanced in January 2011 as described below and thus is excluded from current maturities. Future minimum lease payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of a year as of March 31, 2011, were: remainder of 2011 – \$860 million, 2012 – \$1.1 billion, 2013 – \$973 million, 2014 – \$831 million, 2015 – \$672 million, and 2016 and beyond – \$6.0 billion.

As of March 31, 2011, AMR had issued guarantees covering approximately \$1.6 billion of American's tax-exempt bond debt (and interest thereon) and \$1.5 billion of American's secured debt (and interest thereon). American had issued guarantees covering approximately \$854 million of AMR's unsecured debt (and interest thereon). In addition, as of March 31, 2011, AMR and American had issued guarantees covering approximately \$193 million of AMR Eagle's secured debt (and interest thereon) and AMR has issued additional guarantees covering \$2.1 billion of AMR Eagle's secured debt (and interest thereon). AMR also guarantees \$135 million of American's leases of certain Super ATR aircraft, which are subleased to AMR Eagle.

On January 25, 2011, American closed on a \$657 million offering of Class A and Class B Pass Through Trust Certificates (the Certificates). The equipment notes expected to be held by each pass through trust will be issued for each of (a) 15 Boeing 737-823 aircraft delivered new to American from 1999 to 2001, (b) six Boeing 757-223 aircraft delivered new to American in 1999 and 2001, (c) two Boeing 767-323ER aircraft delivered new to American in 1999 and (d) seven Boeing 777-223ER aircraft delivered new to American from 1999 to 2000. At closing, 27 of the aircraft were encumbered by either private mortgages or by liens to secure debt incurred in connection with the issuance of enhanced equipment trust certificates in 2001, all of which mature in 2011. As a result, the proceeds from the sale of the Certificates of each trust will initially be held in escrow with a depository, pending the financing of each aircraft under an indenture relating to the Certificates. Interest of 5.25% and 7.00% per annum on the issued and outstanding Series A equipment notes and Series B equipment notes, respectively, will be payable semiannually on January 31 and July 31 of each year, commencing on July 31, 2011, and principal on such equipment notes is scheduled for payment on January 31 and July 31 of certain years, commencing on July 31, 2011. The payment obligations of American under the equipment notes will be fully and unconditionally guaranteed by AMR Corporation.

AMR CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Approximately \$47 million of the proceeds from sale of the Certificates were received by American as of March 31, 2011, in exchange for equipment notes secured by three 737-823 aircraft. Approximately \$483 million, \$24 million, and \$103 million from the sale of Certificates are expected to be received in the second, third, and fourth quarter of 2011, respectively.

In March 2011, American issued \$1 billion aggregate principal amount of senior secured notes due 2016 (the Senior Secured Notes) guaranteed by the Company. The Senior Secured Notes bear interest at a rate of 7.50% per annum, payable semi-annually on March 15 and September 15 of each year, beginning September 15, 2011. As is customary for financings of this nature, the indebtedness evidenced by the Senior Secured Notes may be accelerated upon the occurrence of events of default under the related indenture. The Senior Secured Notes are senior secured obligations of American and unconditionally guaranteed on an unsecured basis by the Company. Subject to certain limitations and exceptions, the Senior Secured Notes are secured by certain of American's landing and takeoff slots on routes between the United States and London's Heathrow Airport and between the United States and certain Asia airports, and airport gate leaseholds utilized in connection with these routes.

American, at its option, may redeem some or all of the Senior Secured Notes at any time on or after March 15, 2013, at specified redemption prices, plus accrued and unpaid interest, if any. In addition, at any time prior to March 15, 2013, American, at its option, may redeem some or all of the Senior Secured Notes at a redemption price equal to 100% of their principal amount plus a "make-whole" premium and accrued and unpaid interest, if any. In addition, at any time prior to March 15, 2014, American, at its option, may redeem (1) up to 35% of the aggregate principal amount of the Senior Secured Notes with the proceeds of certain equity offerings at a redemption price of 107.5% of their principal amount, plus accrued and unpaid interest, if any, and (2) during any 12-month period, up to 10% of the original aggregate principal amount of the Senior Secured Notes at a redemption price of 103% of their principal amount, plus accrued and unpaid interest, if any. If American sells certain assets or if a "change of control" (as defined in the indenture) occurs, American must offer to repurchase the Senior Secured Notes at prices specified in the indenture.

The indenture for the Senior Secured Notes includes covenants that, among other things, limit the ability of the Company and its subsidiaries to merge, consolidate, sell assets, incur additional indebtedness, issue preferred stock, make investments and pay dividends. In addition, if American fails to maintain a collateral ratio of 1.5 to 1.0, American must pay additional interest on the notes at the rate of 2% per annum until the collateral coverage ratio equals at least 1.5 to 1.0.

In 2010, American and Japan Airlines (JAL) entered into a Joint Business Agreement (JBA) to enhance their scope of cooperation on routes between North America and Asia through adjustments to their respective networks, flight schedules, and other business activities. American and JAL began implementing the JBA on April 1, 2011.

American and JAL entered into a Revenue Sharing Agreement, effective April 1, 2011, as envisaged by the JBA. The agreement provides for shared revenues, expanded codesharing, enhanced frequent flyer program reciprocity, and cooperation in other areas. Under this agreement, American has also given JAL a guarantee of certain minimum incremental revenue resulting from the successful operation of the joint business for the first three years following implementation of the JBA, subject to certain terms and conditions. The amount required to be paid by the Company under the guarantee will not exceed \$100 million in any of such years. Due to various uncertainties, including uncertainties as a result of the earthquake and tsunami that impacted Japan in March 2011, the Company is still evaluating the fair value of the guarantee, which will be recorded upon the effective date. The amount, if any, that the Company may ultimately be required to pay under the guarantee is not estimable at this time.

Almost all of the Company's aircraft assets (including aircraft eligible for the benefits of Section 1110 of the U.S. Bankruptcy Code) are encumbered.

AMR CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

6. The Company utilizes the market approach to measure fair value for its financial assets and liabilities. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. The Company's short-term investments classified as Level 2 primarily utilize broker quotes in a non-active market for valuation of these securities. The Company's fuel derivative contracts, which consist primarily of heating oil option and collar contracts, are valued using energy and commodity market data which is derived by combining raw inputs with quantitative models and processes to generate forward curves and volatilities. No changes in valuation techniques or inputs occurred during the three months ended March 31, 2011.

Assets and liabilities measured at fair value on a recurring basis are summarized below:

(in millions) Description	Fair Value Measurements as of March 31, 2011			
	Total	Level 1	Level 2	Level 3
Short-term investments 1, 2				
Money market funds	\$ 651	\$ 651	\$ -	\$ -
Government agency investments	577	-	577	-
Repurchase investments	1,488	-	1,488	-
Corporate obligations	884	-	884	-
Bank notes / Certificates of deposit / Time deposits	1,913	-	1,913	-
	<u>5,513</u>	<u>651</u>	<u>4,862</u>	<u>-</u>
Restricted cash and short-term investments 1	455	455	-	-
Fuel derivative contracts 1	693	-	693	-
	<u>\$ 6,661</u>	<u>\$ 1,106</u>	<u>\$ 5,555</u>	<u>\$ -</u>

1 Unrealized gains or losses on short-term investments, restricted cash and short-term investments and derivatives qualifying for hedge accounting are recorded in Accumulated other comprehensive income (loss) (OCI) at each measurement date.

2 The majority of the Company's short-term investments mature in one year or less except for \$412 million of Bank notes/Certificates of deposit/Time deposits, \$577 million of U.S. Government agency investments and \$512 million of Corporate obligations which have maturity dates exceeding one year.

No significant transfers between Level 1 and Level 2 occurred during the three months ended March 31, 2011. The Company's policy regarding the recording of transfers between levels is to reflect any such transfers at the end of the reporting period.

The fair values of the Company's long-term debt were estimated using quoted market prices where available. For long-term debt not actively traded, fair values were estimated using discounted cash flow analyses, based on the Company's current estimated incremental borrowing rates for similar types of borrowing arrangements.

AMR CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

The carrying value and estimated fair values of the Company's long-term debt, including current maturities, were (in millions):

	March 31, 2011		December 31, 2010	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Secured variable and fixed rate indebtedness	\$ 5,005	\$ 4,835	\$ 5,114	\$ 4,562
Enhanced equipment trust certificates	2,040	2,143	2,002	2,127
6.0% - 8.5% special facility revenue bonds	1,641	1,629	1,641	1,657
7.50% senior secured notes	1,000	989	-	-
AAdvantage Miles advance purchase	890	905	890	903
4.50% - 6.25% senior convertible notes	460	477	460	526
9.0% - 10.20% debentures	214	207	214	207
7.88% - 10.55% notes	180	174	211	209
	<u>\$ 11,430</u>	<u>\$ 11,359</u>	<u>\$ 10,532</u>	<u>\$ 10,191</u>

7. The following tables provide the components of net periodic benefit cost for the three months ended March 31, 2011 and 2010 (in millions):

Components of net periodic benefit cost	Pension Benefits			
	Pension Benefits		Retiree Medical and Other Benefits	
	2011	2010	2011	2010
Service cost	\$ 95	\$ 93	\$ 15	\$ 15
Interest cost	190	185	44	42
Expected return on assets	(163)	(149)	(5)	(4)
Amortization of:				
Prior service cost	4	4	(7)	(5)
Unrecognized net loss	37	37	(2)	(2)
Net periodic benefit cost	<u>\$ 163</u>	<u>\$ 170</u>	<u>\$ 45</u>	<u>\$ 46</u>

The Company is required to make minimum contributions to its defined benefit pension plans under the minimum funding requirements of the Employee Retirement Income Security Act (ERISA), the Pension Funding Equity Act of 2004, the Pension Protection Act of 2006, and the Pension Relief Act (Relief Act) of 2010. Under the Relief Act, the Company's estimates its 2011 minimum required contribution to its defined benefit pension plans to be approximately \$520 million. The Company contributed \$89 million to its defined benefit pension plans during the first quarter of 2011 and \$99 million on April 15, 2011.

AMR CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

8. As a result of the revenue environment, high fuel prices and the Company's restructuring activities, including its capacity reductions, the Company has recorded a number of charges during the last few years. In 2008 and 2009, the Company announced capacity reductions due to unprecedented high fuel costs at that time and the other challenges facing the industry. In connection with these capacity reductions, the Company incurred special charges related to aircraft and certain other charges.

The following table summarizes the components of the Company's special charges, the remaining accruals for these charges and the capacity reduction related charges (in millions) as of March 31, 2011:

	Aircraft Charges	Facility Exit Costs	Total
Remaining accrual at December 31, 2010	\$ 59	\$ 27	\$ 86
Capacity reduction charges	-	-	-
Non-cash charges	-	-	-
Adjustments	(1)	-	(1)
Payments	(15)	(1)	(16)
Remaining accrual at March 31, 2011	<u>\$ 43</u>	<u>\$ 26</u>	<u>\$ 69</u>

Cash outlays related to the accruals for aircraft charges and facility exit costs will occur through 2017 and 2018, respectively.

9. As part of the Company's risk management program, it uses a variety of financial instruments, primarily heating oil option and collar contracts, as cash flow hedges to mitigate commodity price risk. The Company does not hold or issue derivative financial instruments for trading purposes. As of March 31, 2011, the Company had fuel derivative contracts outstanding covering 29 million barrels of jet fuel that will be settled over the next 21 months. A deterioration of the Company's liquidity and financial position may negatively affect the Company's ability to hedge fuel in the future.

For the quarters ended March 31, 2011 and 2010, the Company recognized a decrease and an increase of approximately \$101 million and \$50 million, respectively, in fuel expense on the accompanying consolidated statements of operations related to its fuel hedging agreements, including the ineffective portion of the hedges. The net fair value of the Company's fuel hedging agreements at March 31, 2011 and December 31, 2010, representing the amount the Company would receive upon termination of the agreements (net of settled contract assets), totaled \$623 million and \$257 million, respectively.

AMR CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

The impact of cash flow hedges on the Company's consolidated financial statements is depicted below (in millions):

Fair Value of Aircraft Fuel Derivative Instruments (all cash flow hedges)

Asset Derivatives as of				Liability Derivatives as of			
March 31, 2011		December 31, 2010		March 31, 2011		December 31, 2010	
Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Fuel derivative contracts	\$ 693	Fuel derivative contracts	\$ 269	Fuel derivative liability	\$ -	Accrued liabilities	\$ -

Effect of Aircraft Fuel Derivative Instruments on Statements of Operations (all cash flow hedges)

Amount of Gain (Loss) Recognized in OCI on Derivative ¹ as of March 31,		Location of Gain (Loss) Reclassified from Accumulated OCI into Income ¹	Amount of Gain (Loss) Reclassified from Accumulated OCI into Income ¹ as of March 31,		Location of Gain (Loss) Recognized in Income on Derivative ²	Amount of Gain (Loss) Recognized in Income on Derivative ² as of March 31,	
2011	2010		2011	2010		2011	2010
\$ 475	\$ 4	Aircraft Fuel	\$ 98	\$ (51)	Aircraft Fuel	\$ 3	\$ 1

¹ Effective portion of gain (loss)

² Ineffective portion of gain (loss)

The Company is also exposed to credit losses in the event of non-performance by counterparties to these financial instruments, and although no assurances can be given, the Company does not expect any counterparty to fail to meet its obligations. The credit exposure related to these financial instruments is represented by the fair value of contracts with a positive fair value at the reporting date, reduced by the effects of master netting agreements. To manage credit risks, the Company selects counterparties based on credit ratings, limits its exposure to a single counterparty under defined guidelines, and monitors the market position of the program and its relative market position with each counterparty. The Company also maintains industry-standard security agreements with a number of its counterparties which may require the Company or the counterparty to post collateral if the value of selected instruments exceeds specified mark-to-market thresholds or upon certain changes in credit ratings.

As of March 31, 2011, the Company had received cash collateral of \$388 million which is included in short-term investments.

The Company includes changes in the fair value of certain derivative financial instruments that qualify for hedge accounting and unrealized gains and losses on available-for-sale securities in comprehensive income. For the three month periods ended March 31, 2011 and 2010, comprehensive income (loss) was \$(14) million and \$(416) million, respectively. The difference between net earnings (loss) and comprehensive income (loss) for the three month periods ended March 31, 2011 and 2010 is due primarily to the accounting for the Company's derivative financial instruments and the actuarial loss on the pension benefit obligation of the Company's pension plans.

AMR CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

10. The following table sets forth the computations of basic and diluted earnings (loss) per share (in millions, except per share data):

	Three Months Ended March 31,	
	2011	2010
Numerator:		
Net loss – numerator for diluted loss per share	<u>\$ (436)</u>	<u>\$ (505)</u>
Denominator:		
Denominator for basic loss per share – weighted average shares	333	333
Effect of dilutive securities:		
Senior convertible notes	-	-
Employee options and shares	-	-
Assumed treasury shares repurchased	-	-
Dilutive potential common shares	-	-
Denominator for basic and diluted loss per share – weighted average shares	<u>333</u>	<u>333</u>
Basic loss per share	<u>\$ (1.31)</u>	<u>\$ (1.52)</u>
Diluted loss per share	<u>\$ (1.31)</u>	<u>\$ (1.52)</u>
The following were excluded from the calculation:		
Senior convertible notes, employee stock options and deferred stock because inclusion would be anti-dilutive	57	58
Employee stock options because the options exercise prices were greater than the average market price of shares	10	10

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Information

Statements in this report contain various forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which represent the Company's expectations or beliefs concerning future events. When used in this document and in documents incorporated herein by reference, the words "expects," "estimates," "plans," "anticipates," "indicates," "believes," "forecast," "guidance," "outlook," "may," "will," "should," "seeks," "targets" and similar expressions are intended to identify forward-looking statements. Similarly, statements that describe the Company's objectives, plans or goals, or actions the Company may take in the future, are forward-looking statements. Forward-looking statements include, without limitation, the Company's expectations concerning operations and financial conditions, including changes in capacity, revenues, and costs; future financing plans and needs; the amounts of its unencumbered assets and other sources of liquidity; fleet plans; overall economic and industry conditions; plans and objectives for future operations; regulatory approvals and actions; and the impact on the Company of its results of operations in recent years and the sufficiency of its financial resources to absorb that impact. Other forward-looking statements include statements which do not relate solely to historical facts, such as, without limitation, statements which discuss the possible future effects of current known trends or uncertainties, or which indicate that the future effects of known trends or uncertainties cannot be predicted, guaranteed or assured. All forward-looking statements in this report are based upon information available to the Company on the date of this report. The Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Guidance given in this report regarding capacity, fuel consumption, fuel prices, fuel hedging and unit costs are forward-looking statements. Forward-looking statements are subject to a number of factors that could cause the Company's actual results to differ materially from the Company's expectations. The following factors, in addition to other possible factors not listed, could cause the Company's actual results to differ materially from those expressed in forward-looking statements: the materially weakened financial condition of the Company, resulting from its significant losses in recent years; weak demand for air travel and lower investment asset returns resulting from the severe global economic downturn; the Company's need to raise substantial additional funds and its ability to do so on acceptable terms; the potential requirement for the Company to maintain reserves under its credit card processing agreements, which could materially adversely impact the Company's liquidity; the ability of the Company to generate additional revenues and reduce its costs; continued high and volatile fuel prices and further increases in the price of fuel, and the availability of fuel; the resolution of pending litigation with certain global distribution systems and business discussions with certain on-line travel agents; the Company's substantial indebtedness and other obligations; the ability of the Company to satisfy certain covenants and conditions in certain of its financing and other agreements; changes in economic and other conditions beyond the Company's control, and the volatile results of the Company's operations; the fiercely and increasingly competitive business environment faced by the Company; potential industry consolidation and alliance changes; competition with reorganized carriers; low fare levels by historical standards and the Company's reduced pricing power; changes in the Company's corporate or business strategy; extensive government regulation of the Company's business; conflicts overseas or terrorist attacks; uncertainties with respect to the Company's international operations; outbreaks of a disease (such as SARS, avian flu or the H1N1 virus) that affects travel behavior; labor costs that are higher than those of the Company's competitors; uncertainties with respect to the Company's relationships with unionized and other employee work groups; increased insurance costs and potential reductions of available insurance coverage; the Company's ability to retain key management personnel; potential failures or disruptions of the Company's computer, communications or other technology systems; losses and adverse publicity resulting from any accident involving the Company's aircraft; interruptions or disruptions in service at one or more of the Company's primary market airports; the heavy taxation of the airline industry; and changes in the price of the Company's common stock. The Risk Factors contained in the Company's Securities and Exchange Commission filings, including the 2010 Form 10-K, could cause the Company's actual results to differ materially from historical results and from those expressed in forward-looking statements.

Recent Events

The Company continued its strategy outlined in FlightPlan 2020 by implementing its plans for the JBA with JAL. On April 1, 2011, American and JAL launched the JBA to enhance their scope of cooperation on routes between North America and Asia through adjustments to their respective networks, flight schedules, and other business activities.

American and JAL entered into a Revenue Sharing Agreement, effective April 1, 2011, as envisaged by the JBA. The agreement provides for shared revenues, expanded codesharing, enhanced frequent flyer program reciprocity, and cooperation in other areas. Under this agreement, American has also given JAL a guarantee of certain minimum incremental revenue resulting from the successful operation of the joint business for the first three years following implementation of the JBA, subject to certain terms and conditions. The Company's guarantee will not exceed \$100 million in any of such years. Due to various uncertainties, including uncertainties as a result of the earthquake and tsunami that impacted Japan in March 2011, the Company is still evaluating the fair value of the guarantee, which will be recorded upon the effective date. The amount, if any, that the Company may ultimately be required to pay under the guarantee is not estimable at this time.

The Company and its subsidiaries closed on \$1.7 billion of financing in the first quarter, thereby strengthening its liquidity position. (See "Significant Indebtedness and Future Financings" under "Liquidity and Capital Resources").

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In June 2010, AMR reiterated its intent to evaluate the possible divestiture of AMR Eagle, its wholly-owned regional carrier. AMR continues to evaluate both the desirability and the form of a divestiture, which may include a spin-off to AMR shareholders, a sale to a third party, or some other form of separation. The AMR Eagle fleet is operated to feed passenger traffic to American pursuant to a capacity purchase agreement between American and AMR Eagle under which American receives all passenger revenue from AMR Eagle flights and pays AMR Eagle a fee for each flight. The capacity purchase agreement reflects what AMR believes are current market rates received by other regional carriers for similar flying. Amounts paid to AMR Eagle under the capacity purchase agreement are available to pay for various operating expenses of AMR Eagle, such as crew expenses, maintenance, aircraft ownership (including the debt service on the loans made to finance the AMR Eagle fleet of jet aircraft), and aircraft lease payments for the AMR Eagle fleet of turboprop aircraft. Any divestiture of AMR Eagle could involve the restructuring of some or all of AMR Eagle's assets and liabilities, and the assumption of certain of AMR Eagle's liabilities by American. If AMR were to decide to pursue a divestiture of AMR Eagle, no prediction can be made as to whether any such divestiture would be completed, and the completion of any divestiture transaction and its timing would depend upon a number of factors, including general economic, industry and financial market conditions, as well as the ultimate form and structure of the divestiture. In addition, no prediction can be made as to the potential impacts on AMR or American of any divestiture of AMR Eagle due to, among others, uncertainties regarding the form and structure of any divestiture, the potential restructuring of assets and liabilities, and the nature and scope of any resulting amendments to the capacity purchase agreement between American and AMR Eagle.

Contingencies

The Company has certain contingencies resulting from litigation and claims incident to the ordinary course of business. Management believes, after considering a number of factors, including (but not limited to) the information currently available, the views of legal counsel, the nature of contingencies to which the Company is subject and prior experience, that the ultimate disposition of the litigation (except as noted in "Legal Proceedings" in Part II, Item 1) and claims will not materially affect the Company's consolidated financial position or results of operations. When appropriate, the Company accrues for these contingencies based on its assessments of the likely outcomes of the related matters. The amounts of these contingencies could increase or decrease in the near term, based on revisions to those assessments.

GDS Discussion

Over the past several years, American has been developing a direct connection technology, designed to distribute its fare content and bookings capability directly to travel agents in order to achieve greater efficiencies, cost savings, and technological advances in the distribution of the Company's services. Historically, approximately 60% of American's bookings are booked through travel agencies, which typically use one or more global distribution systems, or GDSs, to view fare content from American and other industry participants. American is currently in litigation with two of the GDSs, Sabre and Travelport, and has held discussions with two large online travel agencies, Orbitz and Expedia, related to American's efforts to implement its direct connection technology.

On November 5, 2010, Travelport, the GDS used by Orbitz, filed a lawsuit against American seeking a ruling that a notice of termination delivered by American to Orbitz breached American's content distribution agreement with Travelport. Subsequently, on December 3, 2010, Travelport doubled the booking fees it charges American for some international point-of-sale bookings through Travelport. In response to Travelport's price increases, the Company sought to recoup some of its costs through a surcharge imposed on agencies using Travelport's high cost GDS. Travelport improperly incorporated this surcharge into the American fares displayed by its system. American believes that these actions violated the terms of our agreement and filed counterclaims against Travelport. There can be no assurance as to the outcome of the lawsuit filed by Travelport or on our counterclaims. We are vigorously pursuing our counterclaims and rights in the litigation.

On December 21, 2010, American terminated its agreement with Orbitz. Prior to termination of such agreement, approximately 3% of American's passenger revenue, on an annualized basis, was generated from bookings made via Orbitz.

On January 5, 2011, Sabre made it more difficult for travel agents to find American's fares on the Sabre system display and doubled the fees it charges American for bookings through its GDS. Sabre also terminated portions of its GDS agreements with American, effective July 2011. This termination, if valid, would entitle Sabre to make it more difficult for travel agents to find American's fares through its GDS and materially increase the fees it charges American for bookings through its GDS, as well as allowing Sabre to terminate its GDS agreements with American entirely in August 2011. Sabre alleges that our contract allowed it to take these actions in response to statements that American made in the press concerning our direct connection technology. Sabre is the largest non-direct source of American's bookings. In 2010, over \$7 billion of American's passenger revenues were generated from bookings made through the Sabre GDS. In response to Sabre's actions, on January 10, 2011, American filed a lawsuit against Sabre in Texas state court on several grounds. The court temporarily enjoined Sabre from "biasing" or making it more difficult to find American's fares on the Sabre GDS, and set a preliminary injunction hearing for February 14, 2011.

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On January 23, 2011, American and Sabre entered into a Stand Down Agreement that suspended the litigation until June 1, 2011 and vacated the February 14 hearing date. During this period, Sabre agreed (1) not to take any actions to bias the display of American's services; (2) to return to the pricing in effect on January 4, 2011; and (3) withdraw its notice of termination of certain parts of the agreement. We can give no assurances that we will resolve our disputes with Sabre or prevail in a temporary injunction hearing should such a hearing become necessary after the Stand Down Agreement with Sabre expires on June 1, 2011. The failure to resolve these issues or prevail in a subsequent hearing could have a material adverse impact on our level of bookings, business and results of operations.

On December 31, 2010, American's agreement with Expedia expired, and Expedia discontinued selling American tickets on its website. Prior to expiration of that agreement, approximately 5.4% of American's passenger revenue, on an annualized basis, was booked through Expedia. On April 4, 2011, American and Expedia entered into a memorandum of understanding (MOU) allowing the companies to resume doing business together. Access to fares and schedule information of American was restored on Expedia. Pursuant to the MOU, Expedia said it plans to access American's fares, schedules, and customized travel products and services via American's direct connect link by using aggregation technology provided by a GDS. The parties agreed to negotiate in good faith towards a definitive agreement, but there can be no assurance as to a final agreement being reached.

On April 12, 2011, the Company filed an antitrust lawsuit against Travelport and Orbitz in Federal District Court for the Northern District of Texas. The lawsuit alleges that Travelport has engaged in anticompetitive practices to preserve its monopoly power over American's ability to distribute its products through Travelport subscribers. The lawsuit further alleges that these actions have prevented American from employing new competing technologies and has allowed Travelport to continue to charge American supracompetitive fees. The lawsuit seeks both injunctive relief and money damages. American intends to vigorously pursue these claims, but there can be no assurance of the outcome.

While the Company believes that some of the bookings through Orbitz, Travelport, Expedia and Sabre have transitioned or will transition to other distribution channels, such as other travel agencies, metasearch sites and American's AA.com web site, it is not possible at this time to estimate what the ultimate impact would be to the Company's business if the Company is unsuccessful in resolving one or more of these matters. If as a result of these matters it becomes more difficult for the Company's customers to find and book flights on American, the Company could be put at a competitive disadvantage and this may result in fewer bookings. If the Company is unable to sell American inventory through any or all of these channels, the Company's level of bookings, business and results of operations could be materially adversely affected. The Company also believes the actions taken by Travelport and Sabre described above are not permitted by the applicable contracts. The Company intends to vigorously pursue the Company's claims and defenses in the lawsuits described above, but there can be no assurance of the outcome of any such lawsuit.

Financial Highlights

The Company recorded a consolidated net loss of \$436 million in the first quarter of 2011 compared to a net loss of \$505 million in the same period last year. The Company's consolidated net loss reflects an improvement in a global economy; which led to higher operating revenues, largely offset by significant year-over-year increases in fuel prices as well as extreme weather events in the first 45 days of 2011. Consolidated passenger revenue increased by \$382 million to \$4.7 billion for the first quarter of 2011 compared to the same period last year. Cargo and other revenues increased by \$83 million to \$822 million for the first quarter of 2011 compared to the same period last year. Mainline passenger unit revenues increased 5.0 percent in the first quarter of 2011 due to a 6.2 percent increase in passenger yield compared to the first quarter of 2010. This also reflects a decrease in load factor of approximately 0.8 points compared to the first quarter of 2010. Since deregulation in 1978, the Company's passenger yield has increased 89 percent, while the Consumer Price Index (CPI), as measured by the U.S. Department of Labor Bureau of Labor Statistics, has grown by over 225 percent. The Company believes this is the result of a fragmented industry with numerous competitors and excess capacity, increased low cost carrier competition, increased price competition due to the internet, and other factors. The Company believes increases in passenger yield will continue to significantly lag CPI indefinitely.

The increase in total operating revenue was largely offset by significantly higher year-over-year fuel prices. Fuel prices increased dramatically during the first quarter of 2011 and remain high and extremely volatile. The Company paid an average of \$2.76 per gallon in the first quarter of 2011 compared to an average of \$2.23 per gallon in the first quarter of 2010, including the effects of hedging. As a result, fuel expense, taking into account the impact of fuel hedging, increased \$366 million to \$1.8 billion for the first quarter of 2011 compared to the same period last year. Hedging gains reduced fuel expense by approximately \$101 million.

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In addition, during the first quarter of 2011, several events transpired which adversely impacted system operations, including extreme weather events in January and February, a catastrophic earthquake and tsunami in Japan, and a fire at Miami International Airport impacting American's aircraft fueling capabilities at the airport. These events, combined with the effect of the Company's efforts to improve distribution of our products, (as described under the GDS discussion above), resulted in reduced revenue in the first quarter.

As a part of the first quarter 2011 net loss, the Company also incurred approximately \$31 million in non-recurring non-cash charges related to certain sale/leaseback transactions. The first quarter of 2010 net loss reflects a \$53 million charge related to devaluation of the Venezuelan currency.

The Company's ability to become profitable and its ability to continue to fund its obligations on an ongoing basis will depend on a number of factors, many of which are largely beyond the Company's control. Certain risk factors that affect the Company's business and financial results are discussed in the Risk Factors listed in Item 1A of the 2010 Form 10-K.

In order to remain competitive and to improve its financial condition, the Company must continue to take steps to generate additional revenues and to reduce its costs. Although the Company has a number of initiatives underway to address its cost and revenue challenges, some of these initiatives involve changes to the Company's business which it may be unable to implement. It has become increasingly difficult to identify and implement significant revenue enhancement and cost savings initiatives. The adequacy and ultimate success of the Company's initiatives to generate additional revenues and reduce costs cannot be assured. Moreover, whether the Company's initiatives will be adequate or successful depends in large measure on factors beyond its control, notably the overall industry environment, including passenger demand, yield and industry capacity growth, and fuel prices. It will be very difficult for the Company to continue to fund its obligations on an ongoing basis, and to return to profitability, if the overall industry revenue environment does not continue to improve or if fuel prices were to increase and persist for an extended period at high levels.

LIQUIDITY AND CAPITAL RESOURCES

Cash, Short-Term Investments and Restricted Assets

At March 31, 2011, the Company had \$5.8 billion in unrestricted cash and short-term investments and \$455 million in restricted cash and short-term investments, both at fair value, versus \$4.5 billion in unrestricted cash and short-term investments and \$450 million in restricted cash and short-term investments at December 31, 2010.

The Company's unrestricted short-term investment portfolio consists of a variety of what the Company believes are highly liquid, lower risk instruments including money market funds, government agency investments, repurchase investments, short-term obligations, corporate obligations, bank notes, certificates of deposit and time deposits. AMR's objectives for its investment portfolio are (1) the safety of principal, (2) liquidity maintenance, (3) yield maximization, and (4) the full investment of all available funds. The Company's risk management policy further emphasizes superior credit quality (primarily based on short-term ratings by nationally recognized statistical rating organizations) in selecting and maintaining investments in its portfolio and enforces limits on the proportion of funds invested with one issuer, one industry, or one type of instrument. The Company regularly assesses the market risks of its portfolio, and believes that its established policies and business practices adequately limit those risks. As a result, the Company does not anticipate any material adverse impact from these risks.

Significant Indebtedness and Future Financing

Indebtedness is a significant risk to the Company as discussed more fully in the Risk Factors included under Item 1A of the 2010 Form 10-K. During the last five years and through March 31, 2011, the Company raised substantial financing to fund operating losses, capital commitments (mainly for aircraft and ground properties), debt maturities, employee pension obligations and to bolster its liquidity. As of the date of this Form 10-Q, the Company believes that it should have sufficient liquidity to fund its operations, including repayment of debt and capital leases, capital expenditures and other contractual obligations; however, there can be no assurances to that effect.

In addition, the Company has financing commitments covering all aircraft scheduled to be delivered to the Company in 2011 and 2012 except for the two Boeing 777-300ER aircraft recently ordered. Such financing commitments are subject to certain terms and conditions, including in some instances a condition that the Company have at least a certain minimum amount of liquidity.

On January 25, 2011, American closed on a \$657 million offering of Class A and Class B Pass Through Trust Certificates (the Certificates). The equipment notes expected to be held by each pass through trust will be issued for each of (a) 15 Boeing 737-823 aircraft delivered new to American from 1999 to 2001, (b) six Boeing 757-223 aircraft delivered new to American in 1999 and 2001, (c) two Boeing 767-323ER aircraft delivered new to American in 1999 and (d) seven Boeing 777-223ER aircraft delivered new to American from 1999 to 2000. At closing, 27 of the aircraft were encumbered by either private mortgages or by liens to secure debt incurred in connection with the issuance of enhanced equipment trust certificates in 2001, all of which mature in 2011. As a result, the proceeds from the sale of the Certificates of each trust will initially be held in escrow with a depository, pending the financing of each aircraft under an indenture relating to the Certificates. Interest of 5.25% and 7.00% per annum on the issued and outstanding Series A equipment notes and Series B equipment notes, respectively, will be payable semiannually on January 31 and July 31 of each year, commencing on July 31, 2011, and principal on such equipment notes is scheduled for payment on January 31 and July 31 of certain years, commencing on July 31, 2011. The payment obligations of American under the equipment notes will be fully and unconditionally guaranteed by AMR Corporation. Approximately \$47 million of the proceeds from sale of the Certificates were received by American as of March 31, 2011, in exchange for equipment notes secured by three 737-823 aircraft. Approximately \$483 million, \$24 million, and \$103 million from the sale of Certificates are expected to be received in the second, third, and fourth quarter of 2011, respectively.

In March 2011, American issued \$1 billion aggregate principal amount of senior secured notes due 2016 (the Senior Secured Notes) guaranteed by the Company. The Senior Secured Notes bear interest at a rate of 7.50% per annum, payable semi-annually on March 15 and September 15 of each year, beginning September 15, 2011. The indebtedness evidenced by the Senior Secured Notes may be accelerated upon the occurrence of events of default under the related indenture which are customary for financings of this nature. The Senior Secured Notes are senior secured obligations of American and unconditionally guaranteed on an unsecured basis by the Company. Subject to certain limitations and exceptions, the Senior Secured Notes are secured by certain of American's landing and takeoff slots on routes between the United States and London's Heathrow Airport and between the United States and certain Asia airports, and airport gate leaseholds utilized in connection with these routes.

American, at its option, may redeem some or all of the Senior Secured Notes at any time on or after March 15, 2013, at specified redemption prices, plus accrued and unpaid interest, if any. In addition, at any time prior to March 15, 2013, American, at its option, may redeem some or all of the Senior Secured Notes at a redemption price equal to 100% of their principal amount plus a "make-whole" premium and accrued and unpaid interest, if any. In addition, at any time prior to March 15, 2014, American, at its option, may redeem (1) up to 35% of the aggregate principal amount of the Senior Secured Notes with the proceeds of certain equity offerings at a redemption price of 107.5% of their principal amount, plus accrued and unpaid interest, if any, and (2) during any 12-month period, up to 10% of the original aggregate principal amount of the Senior Secured Notes at a redemption price of 103% of their principal amount, plus accrued and unpaid interest, if any. If American sells certain assets or if a "change of control" (as defined in the indenture) occurs, American must offer to repurchase the Senior Secured Notes at prices specified in the indenture.

The indenture for the Senior Secured Notes includes covenants that, among other things, restrict the ability of the Company and its subsidiaries to merge, consolidate, sell assets, incur additional indebtedness, issue preferred stock, make investments and pay dividends. In addition, if American fails to maintain a collateral ratio of 1.5 to 1.0, American must pay additional interest on the notes at the rate of 2% per annum until the collateral coverage ratio equals at least 1.5 to 1.0.

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In the remainder of 2011, the Company is contractually required to make approximately \$2.1 billion of principal payments on long-term debt and approximately \$63 million in principal payments on capital leases, and the Company expects to spend approximately \$1.3 billion on capital expenditures, including aircraft commitments. In addition, the fragile economy, rising fuel prices, the possibility of being required to post reserves under credit card processing agreements, and the obligation to post cash collateral on fuel hedging contracts and fund pension plan contributions, among other things, may in the future negatively impact the Company's liquidity. To maintain sufficient liquidity, and because the Company has significant debt, lease and other obligations in the next several years, including commitments to purchase aircraft, as well as significant pension funding obligations, the Company will need access to substantial additional funding. An inability to obtain necessary additional funding on acceptable terms would have a material adverse impact on the Company and on its ability to sustain its operations.

The Company's substantial indebtedness and other obligations have important consequences. For example, they: (i) limit the Company's ability to obtain additional funding for working capital, capital expenditures, acquisitions, investments and general corporate purposes, as well as adversely affect the terms on which such funding could be obtained; (ii) require the Company to dedicate a substantial portion of its cash flow from operations to payments on its indebtedness and other obligations, thereby reducing the funds available for other purposes; (iii) make the Company more vulnerable to economic downturns and catastrophic external events; and (iv) limit the Company's ability to withstand competitive pressures and reduce its flexibility in responding to changing business and economic conditions.

The Company's possible financing sources include refinancing of currently encumbered aircraft as the debt against them is retired, the issuance of additional secured aircraft debt or sale leaseback transactions involving newly acquired aircraft, the issuance of debt secured by other assets, the sale or monetization of certain assets, the issuance of unsecured debt, and the issuance of equity or equity-like securities. Currently, almost all of the Company's aircraft assets (including aircraft eligible for the benefits of Section 1110 of the U.S. Bankruptcy Code) are encumbered, however borrowing capacity will become available as aircraft become un-encumbered. Also, the market value of the Company's aircraft assets has declined in recent years, and may continue to decline. Some of these assets may be difficult to finance, and the availability and level of the financing sources described above cannot be assured.

As of March 31, 2011, American had 15 Boeing 737-800 aircraft purchase commitments for the remainder of 2011 and 28 Boeing 737-800 aircraft purchase commitments in 2012 and, in addition to those commitments, American had firm commitments for eleven Boeing 737-800 aircraft and seven Boeing 777-200ER aircraft scheduled to be delivered in 2013 through 2016. To provide flexibility for the future, during the first quarter of 2011, the Company amended Purchase Agreement No. 1980 with Boeing and exercised rights to acquire four Boeing 777-300ER aircraft, including two scheduled for delivery in 2012 and two scheduled for delivery in 2013. In April 2011, the Company exercised rights to acquire a fifth Boeing 777-300ER aircraft, which is scheduled for delivery in 2013. As of March 31, 2011, AMR Eagle had firm purchase commitments for 3 Bombardier CRJ-700 aircraft scheduled to be delivered in April 2011.

As of March 31, 2011, payments for the purchase commitments will approximate \$886 million in the remainder of 2011, \$1.2 billion in 2012, \$580 million in 2013, \$290 million in 2014, \$169 million in 2015, and \$80 million for 2016. These amounts are net of purchase deposits currently held by the manufacturers.

In 2008, the Company entered into a new purchase agreement with Boeing for the acquisition of 42 firm Boeing 787-9 aircraft and purchase rights to acquire up to 58 additional B787-9 aircraft. Per the purchase agreement, the first such aircraft was scheduled to be delivered in 2012, and the last firm aircraft was scheduled to be delivered in 2018 with deliveries of additional aircraft, if any, scheduled between 2015 and 2020. In July 2010, the Company and Boeing agreed upon a revised delivery schedule due to the impact of the overall Boeing 787 program delay on American's delivery positions. The first aircraft is currently scheduled to be delivered in 2014, and the last firm aircraft is scheduled to be delivered in 2018 with deliveries of additional aircraft, if any, scheduled between 2016 and 2021. Additionally, the revised delivery schedule includes terms and conditions consistent with the original agreement and allows the Company the confirmation rights described below.

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Under the current 787-9 purchase agreement and supplemental agreement, except as described below, American will not be obligated to purchase a 787-9 aircraft unless it gives Boeing notice confirming its election to do so at least 18 months prior to the scheduled delivery date for that aircraft. If American does not give that notice with respect to an aircraft, the aircraft will no longer be subject to the 787-9 purchase agreement. These confirmation rights may be exercised until a specified date (May 1, 2014 under the current agreement) provided that those rights will terminate earlier if American reaches a collective bargaining agreement with its pilot union that includes provisions enabling American to utilize the 787-9 to American's satisfaction in the operations desired by American, or if American confirms its election to purchase any of the initial 42 787-9 aircraft. While there can be no assurances, American expects that it will have reached an agreement as described above with its pilots union prior to the first notification date. In either of those events, American would become obligated to purchase all of the initial 42 aircraft then subject to the purchase agreement. If neither of those events occurs prior to the specified date (May 1, 2014 under the current agreement) then on that date American may elect to purchase all of the initial 42 aircraft then subject to the purchase agreement, and if it does not elect to do so, the purchase agreement will terminate in its entirety.

Credit Ratings

AMR's and American's credit ratings are significantly below investment grade. Additional reductions in AMR's or American's credit ratings could further increase the Company's borrowing or other costs and further restrict the availability of future financing.

Credit Card Processing and Other Reserves

American has agreements with a number of credit card companies and processors to accept credit cards for the sale of air travel and other services. Under certain of these agreements, the related credit card processor may hold back a reserve from American's credit card receivables following the occurrence of certain events, including the failure of American to maintain certain levels of liquidity (as specified in each agreement).

Under such agreements, the amount of the reserve that may be required generally is based on the processor's exposure to the Company under the applicable agreement and, in the case a reserve is required because of American's failure to maintain a certain level of liquidity, the amount of such liquidity. As of March 31, 2011, the Company was not required to maintain any reserve under such agreements. If circumstances were to occur that would allow the credit card processor to require the Company to maintain a reserve, the Company's liquidity would be negatively impacted.

Pension Funding Obligation

The Company is required to make minimum contributions to its defined benefit pension plans under the minimum funding requirements of the Employee Retirement Income Security Act (ERISA), the Pension Funding Equity Act of 2004, the Pension Protection Act of 2006, and the Pension Relief Act of 2010 (Relief Act). Under the Relief Act, the Company estimates its 2011 minimum required contribution to its defined benefit pension plans to be approximately \$520 million. The Company contributed \$89 million to its defined benefit pension plans during the first quarter of 2011 and \$99 million on April 15, 2011.

Cash Flow Activity

At March 31, 2011, the Company had \$5.8 billion in unrestricted cash and short-term investments, which is an increase of \$1.3 billion from the balance as of December 31, 2010. Net cash provided by operating activities in the three-month period ended March 31, 2011 was \$708 million, which was comparable to \$456 million over the same period in 2010, and which reflects an increase in hedge collateral held by the Company and increases in current liabilities.

The Company made scheduled debt and capital lease payments of \$323 million and invested \$359 million in capital expenditures in the first quarter of 2011. Capital expenditures primarily consisted of new aircraft and certain aircraft modifications.

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Under certain of the Company's derivative contracts, the related counterparties are currently required to deposit collateral with the Company due to the value of the contracts. As of March 31, 2011, the cash collateral held by the Company from such counterparties was \$388 million as compared to \$73 million held by such counterparties as of December 31, 2010. Cash held from counterparties as of March 31, 2011 is included in short-term investments. As a result of movements in fuel prices, the cash collateral amounts held by the Company or the counterparties to such contracts, as the case may be, can vary significantly.

In the past, the Company has from time to time refinanced, redeemed or repurchased its debt and taken other steps to reduce its debt or lease obligations or otherwise improve its balance sheet. Going forward, depending on market conditions, its cash positions and other considerations, the Company may continue to take such actions.

Certain of the Company's debt financing agreements contain loan to value ratio covenants and require the Company to periodically appraise the collateral. Pursuant to such agreements, if the loan to value ratio exceeds a specified threshold, the Company may be required to subject additional qualifying collateral (which in some cases may include cash collateral) or, in the alternative, to pay down such financing, in whole or in part, with premium (if any).

War-Risk Insurance

The U.S. government has agreed to provide commercial war-risk insurance for U.S. based airlines through September 30, 2011, covering losses to employees, passengers, third parties and aircraft. If the U.S. government were to cease providing such insurance in whole or in part, it is likely that the Company could obtain comparable coverage in the commercial market, but the Company would incur substantially higher premiums and more restrictive terms, if such coverage is available at all. If the Company is unable to obtain adequate war-risk coverage at commercially reasonable rates, the Company would be adversely affected.

RESULTS OF OPERATIONS**For the Three Months Ended March 31, 2011 and 2010**

REVENUES

The Company's revenues increased approximately \$465 million, or 9.2 percent, to \$5.5 billion in the first quarter of 2011 from the same period last year. American's passenger revenues increased by 7.9 percent, or \$303 million, on a 2.7 percent increase in capacity (available seat mile) (ASM). American's passenger load factor decreased 0.8 points while passenger yield increased by 6.2 percent to 14.18 cents. This resulted in an increase in passenger revenue per available seat mile (RASM) of 5.0 percent to 10.92 cents. American derived approximately 60 percent of its passenger revenues from domestic operations and approximately 40 percent from international operations (flights serving international destinations). Following is additional information regarding American's domestic and international RASM and capacity:

	Three Months Ended March 31, 2011			
	RASM (cents)	Y-O-Y Change	ASMs (billions)	Y-O-Y Change
DOT Domestic	10.89	6.3%	22.8	(0.2)%
International	10.97	3.0	15.1	7.6
DOT Latin America	12.65	6.3	8.1	9.7
DOT Atlantic	9.07	(2.4)	5.0	(0.8)
DOT Pacific	8.93	(2.9)	2.0	23.2

The Company's Regional Affiliates include two wholly owned subsidiaries, American Eagle Airlines, Inc. and Executive Airlines, Inc. (collectively, AMR Eagle), and an independent carrier with which American has a capacity purchase agreement, Chautauqua Airlines, Inc. (Chautauqua).

Regional Affiliates' passenger revenues, which are based on industry standard proration agreements for flights connecting to American flights, increased \$79 million, or 15.9 percent, to \$577 million as a result of higher yield and increased traffic. Regional Affiliates' traffic increased 14.6 percent to 2.1 billion revenue passenger miles (RPMs), on a capacity increase of 13.8 percent to 3.2 billion ASMs, resulting in a one-half percent increase in passenger load factor to 67.7 percent.

Cargo revenues increased 10.0 percent, or \$15 million, primarily as a result of increased freight yields and freight traffic. Freight traffic from Latin America was particularly strong.

Other revenues increased 11.6 percent, or \$68 million, to \$653 million primarily due to increased revenue associated with the sale of mileage credits in the AAdvantage frequent flyer program and increases in certain passenger service charge volumes and fees.

[Table of Contents](#)**OPERATING EXPENSES**

The Company's total operating expenses increased 7.4 percent, or \$398 million, to \$5.8 billion in the first quarter of 2011 compared to the same period in 2010. American's mainline operating expenses per ASM increased 3.8 percent to 13.40 cents. The increase in operating expense was largely due to a year-over-year increase in fuel prices from \$2.23 per gallon in the first quarter of 2010 to \$2.76 per gallon in the first quarter of 2011, including the impact of fuel hedging. Fuel expense was the Company's largest single expense category in the first quarter of 2011 and the price increase resulted in \$351 million in incremental year-over-year fuel expense in the first quarter of 2011 (based on the year-over-year increase in the average price per gallon multiplied by gallons consumed, inclusive of the impact of fuel hedging). Further increases in fuel prices and/or disruptions in the supply of fuel would further materially adversely affect the Company's financial condition and results of operations. The remaining increase in operating expense was primarily due to revenue related expenses, such as credit card fees and booking fees and commissions, and increased aircraft rent related to the Company's fleet renewal plan.

(in millions)	Three Months Ended March 31, 2011	Change from 2010	Percentage Change	
Operating Expenses				
Aircraft fuel	\$ 1,842	\$ 366	24.8%	(a)
Wages, salaries and benefits	1,722	19	1.1	
Other rentals and landing fees	352	-	-	
Depreciation and amortization	276	9	3.4	
Maintenance, materials and repairs	305	(46)	(13.1)	(b)
Commissions, booking fees and credit card expense	256	22	9.4	(c)
Aircraft rentals	160	31	24.0	(d)
Food service	121	6	5.2	
Other operating expenses	731	(8)	(1.1)	
Total operating expenses	<u>\$ 5,765</u>	<u>\$ 399</u>	<u>7.4%</u>	

(a) Aircraft fuel expense increased primarily due to a 23.6 percent increase in the Company's price per gallon of fuel (net of the impact of hedging gains of \$101 million).

(b) Maintenance, materials and repairs decreased primarily due to timing of repairs in 2010.

(c) Commissions, booking fees and credit card expenses increased due to a 9.2 percent increase in operating revenues.

(d) Aircraft rental expense increased primarily due to new aircraft deliveries in 2011 and 2010.

OTHER INCOME (EXPENSE)

Other income (expense) consists of interest income and expense, interest capitalized and miscellaneous - net.

An increase in short-term investment balances caused an increase in interest income of \$2.0 million, or 40 percent, to \$7 million for the first quarter 2011 compared to the same period last year. Interest expense decreased \$9 million, or 4.3 percent, to \$200 million primarily as a result of decreases in interest rates on the Company's long-term debt balance.

INCOME TAX

The Company did not record a net tax provision (benefit) associated with its first quarter 2011 or 2010 net loss due to the Company providing a valuation allowance, as discussed in Note 4 to the condensed consolidated financial statements.

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OPERATING STATISTICS

The following table provides statistical information for American and Regional Affiliates for the three months ended March 31, 2011 and 2010.

	Three Months Ended March 31,	
	2011	2010
American Airlines, Inc. Mainline Jet Operations		
Revenue passenger miles (millions)	29,165	28,700
Available seat miles (millions)	37,850	36,846
Cargo ton miles (millions)	439	447
Passenger load factor	77.1%	77.9%
Passenger revenue yield per passenger mile (cents)	14.18	13.35
Passenger revenue per available seat mile (cents)	10.92	10.40
Cargo revenue yield per ton mile (cents)	38.50	34.37
Operating expenses per available seat mile, excluding Regional Affiliates (cents) (*)	13.40	12.91
Fuel consumption (gallons, in millions)	597	598
Fuel price per gallon (dollars)	2.75	2.22
Operating aircraft at period-end	615	616

Regional Affiliates

Revenue passenger miles (millions)	2,136	1,863
Available seat miles (millions)	3,155	2,773
Passenger load factor	67.7%	67.2%

(*) Excludes \$721 million and \$629 million of expense incurred related to Regional Affiliates in 2011 and 2010, respectively.

Operating aircraft at March 31, 2011, included:

American Airlines Aircraft		AMR Eagle Aircraft	
Boeing 737-800	152	Bombardier CRJ-700	44
Boeing 757-200	124	Embraer 135	39
Boeing 767-200 Extended Range	15	Embraer 140	59
Boeing 767-300 Extended Range	58	Embraer 145	118
Boeing 777-200 Extended Range	47	Super ATR	39
McDonnell Douglas MD-80	219	Total	299
Total	615		

The average aircraft age for American's and AMR Eagle's aircraft is 14.8 years and 9.5 years, respectively.

Almost all of the Company's owned aircraft are encumbered by liens granted in connection with financing transactions entered into by the Company.

Of the operating aircraft listed above, 3 owned McDonnell Douglas MD-80 aircraft and 18 owned Embraer RJ-135 aircraft were in temporary storage as of March 31, 2011.

Owned and leased aircraft not operated by the Company at March 31, 2011, included:

American Airlines Aircraft		AMR Eagle Aircraft	
Boeing 737-800	1	Saab 340B	41
Airbus A300-600R	10	Total	41
Fokker 100	4		
McDonnell Douglas MD-80	55		
Total	70		

Outlook

The Company currently expects capacity for American's mainline jet operations to increase by approximately 2.9% in the second quarter of 2011 versus second quarter 2010. American's mainline capacity for the full year 2011 is expected to increase approximately 2.2% from 2010, with domestic capacity down 0.5% and a 6.2% increase in international capacity.

The Company expects second quarter 2011 mainline unit costs to increase approximately 9.4 percent to 9.8 percent year over year. The second quarter 2011 unit cost expectations reflect projected fuel prices.

The Company's results are significantly affected by the price of jet fuel. Fuel prices increased dramatically during the first quarter of 2011 and remain high and extremely volatile. Based on the Company's current forecast of full year 2011 jet fuel prices, the Company estimates that its full year 2011 jet fuel cost per gallon, taking hedging into account, will increase by approximately 33% over 2010. The Company's hedging approach has been and continues to be systematic and as of April 2011, the Company had cash flow hedges, primarily consisting of heating oil option and collar contracts, covering approximately 38 percent of its estimated remaining 2011 fuel requirements.

The Company has also implemented a number of initiatives in an effort to offset this anticipated increase in fuel prices, including fare hikes and reductions in the Company's previously announced capacity growth. However, intense competition and other factors may limit the Company's ability to increase fares. Further, the catastrophic events in Japan in the first quarter and the ongoing GDS related dispute could have an adverse affect on the Company in future periods. In addition, continued increases in fuel prices may depress overall economic activity, which in turn could impact demand for air travel. Accordingly, while the Company expects that its operating results, cash flow and liquidity for the remainder of 2011 will continue to be materially and adversely impacted by high fuel prices, the magnitude of that adverse impact is subject to considerable uncertainty, as well as to numerous factors beyond the Company's control.

Critical Accounting Policies and Estimates

The preparation of the Company's financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The Company believes its estimates and assumptions are reasonable; however, actual results and the timing of the recognition of such amounts could differ from those estimates. The Company has identified the following critical accounting policies and estimates used by management in the preparation of the Company's financial statements: long-lived assets, international slot and route authorities, passenger revenue, frequent flyer program, stock compensation, pensions and retiree medical and other benefits, income taxes and derivatives. These policies and estimates are described in the 2010 Form 10-K.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

There have been no material changes in market risk from the information provided in [Item 7A. Quantitative and Qualitative Disclosures About Market Risk](#) of the Company's 2010 Form 10-K. The change in market risk for aircraft fuel is discussed below for informational purposes.

The risk inherent in the Company's market risk sensitive instruments and positions is the potential loss arising from adverse changes in the price of fuel, foreign currency exchange rates and interest rates as discussed below. The sensitivity analyses presented do not consider the effects that such adverse changes may have on overall economic activity, nor do they consider additional actions management may take to mitigate the Company's exposure to such changes. Therefore, actual results may differ. The Company does not hold or issue derivative financial instruments for trading purposes.

Aircraft Fuel The Company's earnings are substantially affected by changes in the price and availability of aircraft fuel. In order to provide a measure of control over price and supply, the Company trades and ships fuel and maintains fuel storage facilities to support its flight operations. The Company also manages the price risk of fuel costs primarily by using jet fuel and heating oil hedging contracts. Market risk is estimated as a hypothetical 10 percent increase in the March 31, 2011 cost per gallon of fuel. Based on projected fuel usage for the next twelve months, such an increase would result in an increase to Aircraft fuel expense of approximately \$640 million, inclusive of the impact of effective fuel hedge instruments outstanding at March 31, 2011, and assumes the Company's fuel hedging program remains effective. Such an increase would have resulted in an increase to projected Aircraft fuel expense of approximately \$499 million in the twelve months ended December 31, 2010, inclusive of the impact of fuel hedge instruments outstanding at December 31, 2009. As of April 2011, the Company had cash flow hedges, with collars and options, covering approximately 38 percent of its estimated remaining 2011 fuel requirements. Comparatively, as of March 31, 2010, the Company had hedged, with collars and options, approximately 34 percent of its estimated remaining 2010 fuel requirements. The consumption hedged for the remainder of 2011 by cash flow hedges is capped at an average price of approximately \$2.70 per gallon of jet fuel, and the Company's collars have an average floor price of approximately \$2.08 per gallon of jet fuel (both the capped and floor price exclude taxes and transportation costs). The Company's collars represent approximately 34 percent of its estimated remaining 2011 fuel requirements. A deterioration of the Company's liquidity and financial position could negatively affect the Company's ability to hedge fuel in the future.

Ineffectiveness is inherent in hedging jet fuel with derivative positions based in crude oil or other crude oil related commodities. The Company assesses, both at the inception of each hedge and on an ongoing basis, whether the derivatives that are used in its hedging transactions are highly effective in offsetting changes in cash flows of the hedged items. In doing so, the Company uses a regression model to determine the correlation of the change in prices of the commodities used to hedge jet fuel (e.g., NYMEX Heating oil) to the change in the price of jet fuel. The Company also monitors the actual dollar offset of the hedges' market values as compared to hypothetical jet fuel hedges. The fuel hedge contracts are generally deemed to be "highly effective" if the R-squared is greater than 80 percent and the dollar offset correlation is within 80 percent to 125 percent. The Company discontinues hedge accounting prospectively if it determines that a derivative is no longer expected to be highly effective as a hedge or if it decides to discontinue the hedging relationship.

Item 4. Controls and Procedures

The term "disclosure controls and procedures" is defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, or the Exchange Act. This term refers to the controls and procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the Securities and Exchange Commission. An evaluation was performed under the supervision and with the participation of the Company's management, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), of the effectiveness of the Company's disclosure controls and procedures as of December 31, 2010. Based on that evaluation, the Company's management, including the CEO and CFO, concluded that the Company's disclosure controls and procedures were effective as of March 31, 2011. During the quarter ending on March 31, 2011, there was no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II: OTHER INFORMATION

Item 1. Legal Proceedings

On February 14, 2006, the Antitrust Division of the United States Department of Justice (DOJ) served the Company with a grand jury subpoena as part of an ongoing investigation into possible criminal violations of the antitrust laws by certain domestic and foreign air cargo carriers. At this time, the Company does not believe it is a target of the DOJ investigation. The New Zealand Commerce Commission notified the Company on February 17, 2006 that it is investigating whether the Company and certain other cargo carriers entered into agreements relating to fuel surcharges, security surcharges, war-risk surcharges, and customs clearance surcharges. On February 22, 2006, the Company received a letter from the Swiss Competition Commission informing the Company that it is investigating whether the Company and certain other cargo carriers entered into agreements relating to fuel surcharges, security surcharges, war-risk surcharges, and customs clearance surcharges. On March 11, 2008, the Company received a request for information from the Swiss Competition Commission concerning, among other things, the scope and organization of the Company's activities in Switzerland. On June 27, 2007 and October 31, 2007, the Company received requests for information from the Australian Competition and Consumer Commission seeking information regarding fuel surcharges imposed by the Company on cargo shipments to and from Australia and regarding the structure of the Company's cargo operations. On September 1, 2008, the Company received a request from the Korea Fair Trade Commission seeking information regarding cargo rates and surcharges and the structure of the Company's activities in Korea. On January 23, 2007, the Brazilian competition authorities, as part of an ongoing investigation, conducted an unannounced search of the Company's cargo facilities in Sao Paulo, Brazil. On April 24, 2008, the Brazilian competition authorities charged the Company with violating Brazilian competition laws. On December 31, 2009, the Brazilian competition authorities made a non-binding recommendation to the Brazilian competition tribunal that it find the Company in violation of competition laws. The authorities are investigating whether the Company and certain other foreign and domestic air carriers violated Brazilian competition laws by illegally conspiring to set fuel surcharges on cargo shipments. The Company is vigorously contesting the allegations and the preliminary findings of the Brazilian competition authorities. On December 19, 2006 and June 12, 2007, the Company received requests for information from the European Commission seeking information regarding the Company's corporate structure, and revenue and pricing announcements for air cargo shipments to and from the European Union. On December 18, 2007, the European Commission issued a Statement of Objection (SO) against 26 airlines, including the Company. The SO alleges that these carriers participated in a conspiracy to set surcharges on cargo shipments in violation of EU law. On November 12, 2010, the EU Commission notified the Company that it was closing its proceedings against the Company without imposing any fine or finding any wrongdoing. The Company intends to cooperate fully with all pending investigations. In the event that any investigations uncover violations of the U.S. antitrust laws or the competition laws of some other jurisdiction, or if the Company were named and found liable in any litigation based on these allegations, such findings and related legal proceedings could have a material adverse impact on the Company. Forty-five purported class action lawsuits have been filed in the U.S. against the Company and certain foreign and domestic air carriers alleging that the defendants violated U.S. antitrust laws by illegally conspiring to set prices and surcharges on cargo shipments. These cases, along with other purported class action lawsuits in which the Company was not named, were consolidated in the United States District Court for the Eastern District of New York as In re Air Cargo Shipping Services Antitrust Litigation, 06-MD-1775 on June 20, 2006. Plaintiffs are seeking trebled money damages and injunctive relief. To facilitate a settlement on a class basis, the company agreed to be named in a separate class action complaint, which was filed on July 26, 2010. The settlement of that complaint, in which the company does not admit and denies liability, was approved by the court and final judgment was entered on April 6, 2011. Approximately 40 members of the class have elected to opt out, thereby preserving their rights to sue the Company separately. Any adverse judgment could have a material adverse impact on the Company. Also, on January 23, 2007, the Company was served with a purported class action complaint filed against the Company, American, and certain foreign and domestic air carriers in the Supreme Court of British Columbia in Canada (McKay v. Ace Aviation Holdings, et al.). The plaintiff alleges that the defendants violated Canadian competition laws by illegally conspiring to set prices and surcharges on cargo shipments. The complaint seeks compensatory and punitive damages under Canadian law. On June 22, 2007, the plaintiffs agreed to dismiss their claims against the Company. The dismissal is without prejudice and the Company could be brought back into the litigation at a future date. If litigation is recommenced against the Company in the Canadian courts, the Company will vigorously defend itself; however, any adverse judgment could have a material adverse impact on the Company.

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On June 20, 2006, DOJ served the Company with a grand jury subpoena as part of an ongoing investigation into possible criminal violations of the antitrust laws by certain domestic and foreign passenger carriers. At this time, the Company does not believe it is a target of the DOJ investigation. The Company intends to cooperate fully with this investigation. On September 4, 2007, the Attorney General of the State of Florida served the Company with a Civil Investigative Demand as part of its investigation of possible violations of federal and Florida antitrust laws regarding the pricing of air passenger transportation. In the event that this or other investigations uncover violations of the U.S. antitrust laws or the competition laws of some other jurisdiction, such findings and related legal proceedings could have a material adverse impact on the Company. Approximately 52 purported class action lawsuits have been filed in the U.S. against the Company and certain foreign and domestic air carriers alleging that the defendants violated U.S. antitrust laws by illegally conspiring to set prices and surcharges for passenger transportation. On October 25, 2006, these cases, along with other purported class action lawsuits in which the Company was not named, were consolidated in the United States District Court for the Northern District of California as In re International Air Transportation Surcharge Antitrust Litigation, Civ. No. 06-1793 (the Passenger MDL). On July 9, 2007, the Company was named as a defendant in the Passenger MDL. On August 25, 2008, the plaintiffs dismissed their claims against the Company in this action. On March 13, 2008, and March 14, 2008, an additional purported class action complaint, Turner v. American Airlines, et al., Civ. No. 08-1444 (N.D. Cal.), was filed against the Company, alleging that the Company violated U.S. antitrust laws by illegally conspiring to set prices and surcharges for passenger transportation in Japan and certain European countries, respectively. The Turner plaintiffs have failed to perfect service against the Company, and it is unclear whether they intend to pursue their claims. In the event that the Turner plaintiffs pursue their claims, the Company will vigorously defend these lawsuits, but any adverse judgment in these actions could have a material adverse impact on the Company.

On August 21, 2006, a patent infringement lawsuit was filed against American and American Beacon Advisors, Inc. (then a wholly-owned subsidiary of the Company) in the United States District Court for the Eastern District of Texas (Ronald A. Katz Technology Licensing, L.P. v. American Airlines, Inc., et al.). This case has been consolidated in the Central District of California for pre-trial purposes with numerous other cases brought by the plaintiff against other defendants. The plaintiff alleges that American infringes a number of the plaintiff's patents, each of which relates to automated telephone call processing systems. The plaintiff is seeking past and future royalties, injunctive relief, costs and attorneys' fees. On December 1, 2008, the court dismissed with prejudice all claims against American Beacon. On May 22, 2009, following its granting of summary judgment to American based on invalidity and non-infringement, the court dismissed all claims against American. Plaintiff appealed, and on February 18, 2011, the Federal Circuit Court of Appeals issued a decision affirming in part and reversing in part and remanding the case back to the District Court for further proceedings. However, the plaintiff has filed a petition for a rehearing of the appeal en banc before the Federal Circuit and the parties are currently awaiting a decision on that petition. Although the Company believes that the plaintiff's claims are without merit and is vigorously defending the lawsuit, a final adverse court decision awarding substantial money damages or placing material restrictions on existing automated telephone call system operations would have a material adverse impact on the Company.

On January 5, 2011, Sabre notified the Company that it was immediately introducing bias against the display of American's services in its global distribution system (GDS), as well as substantially increasing the rates that it would charge the Company for bookings made through the Sabre GDS. Sabre contended that its agreement with the Company permitted it to take these actions. On January 10, 2011, the Company filed a lawsuit in Tarrant County, Texas State Court against Sabre alleging, among other claims, that Sabre's actions breached its agreement with the Company. That same day, the Company successfully obtained a temporary restraining order that prohibited Sabre from continuing to bias the display of American's services. On January 23, 2011, the Company and Sabre entered into a Stand-Down Agreement, pursuant to which American agreed to suspend the litigation against Sabre, and Sabre agreed not to reintroduce biasing against American's services in its GDS and to return to the pricing in effect on January 4, 2011. The parties further agreed to enter into good faith negotiations. The Stand-Down Agreement will remain in effect until June 1, 2011. In the event that the Stand Down Agreement expires without a new agreement with Sabre, and the Court does not further enjoin Sabre from introducing bias against American's services, actions taken by Sabre could have a material adverse effect on the Company.

On April 12, 2011, the Company filed an antitrust lawsuit against Travelport and Orbitz in Federal District Court for the Northern District of Texas. The lawsuit alleges that Travelport has engaged in anticompetitive practices to preserve its monopoly power over American's ability to distribute its products through Travelport subscribers. The lawsuit further alleges that these actions have prevented American from employing new competing technologies and has allowed Travelport to continue to charge American supracompetitive fees. The lawsuit seeks both injunctive relief and money damages. American intends to vigorously pursue these claims, but there can be no assurance of the outcome of its claims.

Item 6. Exhibits

Exhibits required to be filed by Item 601 of Regulation S-K. Where the amount of securities authorized to be issued under any of AMR's long-term debt agreements does not exceed 10 percent of AMR's assets, pursuant to paragraph (b) (4) of Item 601 of Regulation S-K, in lieu of filing such as an exhibit, AMR hereby agrees to furnish to the Commission upon request a copy of any agreement with respect to such long-term debt.

The following exhibits are included herein:

- 10.1 Supplemental Agreement No. 21 to Purchase Agreement No. 1980 by and between American Airlines, Inc. and The Boeing Company dated as of March 14, 2011. Portions of this Exhibit have been omitted and filed separately with the Securities and Exchange Commission pursuant to a confidential treatment request under Rule 24b-2 of the Securities and Exchange Act of 1934, as amended.
- 10.2 Supplemental Agreement No. 22 to Purchase Agreement No. 1980 by and between American Airlines, Inc. and The Boeing Company dated as of March 31, 2011. Portions of this Exhibit have been omitted and filed separately with the Securities and Exchange Commission pursuant to a confidential treatment request under Rule 24b-2 of the Securities and Exchange Act of 1934, as amended.
- 12 Computation of ratio of earnings to fixed charges for the three months ended March 31, 2011 and 2010.
- 31.1 Certification of Chief Executive Officer pursuant to Rule 13a-14(a).
- 31.2 Certification of Chief Financial Officer pursuant to Rule 13a-14(a).
- 32 Certification pursuant to Rule 13a-14(b) and section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code).
- 101 The following materials from AMR Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2011, formatted in XBRL (Extensible Business Reporting Language): (i) the Condensed Consolidated Statements of Operations, (ii) the Condensed Consolidated Balance Sheets, (iii) the Condensed Consolidated Statements of Cash Flows, and (iv) Notes to Condensed Consolidated Financial Statements, tagged as blocks of text.*

* Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

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

Date: April 20, 2011

BY: /s/ Isabella D. Goren
Isabella D. Goren
Senior Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

Supplemental Agreement No. 21

to

Purchase Agreement No. 1980

between

The Boeing Company

and

AMERICAN AIRLINES, INC

Relating to Boeing Model 777 Aircraft

THIS SUPPLEMENTAL AGREEMENT, entered into as of _____, 2011, (**SA-21**) by and between THE BOEING COMPANY, a Delaware corporation with offices in Seattle, Washington, (**Boeing**) and American Airlines, Inc. (**Customer**);

RECITALS:

WHEREAS, Boeing and Customer entered into Purchase Agreement No. 1980 dated as of October 31, 1997, as amended and supplemented (capitalized terms used herein without definition shall have the meanings specified therefor in such Purchase Agreement) relating to Boeing Model 777 aircraft (the **Purchase Agreement**); and

WHEREAS, Customer has requested, and Boeing has agreed to [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT].

NOW THEREFORE, In consideration of the mutual covenants herein contained, the parties agree to amend the Purchase Agreement as follows:

1. Table of Contents:

The "Table of Contents" to the Purchase Agreement is deleted in its entirety and a revised "Table of Contents", attached hereto, and identified with an "SA-21" legend, is substituted in lieu thereof to reflect the changes made by this SA-21.

2. Letter Agreement No. 6-1162-AKP-110R3:

Attachment C entitled QADP Rights Aircraft Delivery Quarters and Exercise Dates to Letter Agreement No. 6-1162-AKP-110R3 entitled Aircraft Purchase Rights and Substitution Rights is deleted in its entirety and revised Attachment C, attached hereto, is substituted in lieu thereof to set forth the [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT], respectively. For avoidance of doubt, the

P.A. No. 1980

SA-21

BOEING PROPRIETARY

[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT].

CONTINGENCY. Boeing's performance of the agreements set forth in this SA-21 is contingent upon [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT].

EXPIRATION. This SA-21 is valid through March 14, 2011, at which time it will expire if not executed by both parties hereto.

The Purchase Agreement will be deemed to be amended to the extent provided herein and as so amended will continue in full force and effect. In the event of any inconsistency between the above provisions and the provisions contained in the referenced exhibits to this Supplemental Agreement, the terms of the exhibits will control.

EXECUTED IN DUPLICATE as of the day and year first above written.

THE BOEING COMPANY

By: _____

Name: _____

Its: Attorney-In-Fact

AMERICAN AIRLINES, INC.

By: _____

Name: _____

Its: _____

BOEING PROPRIETARY

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1-6.	777-200IGW Aircraft Information Table: [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] Jul. [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] Airframe Base Year Jul. [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] Engine Base Year	SA-13
1-7.	SA-20 777-323ER [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] Aircraft Jul. [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] Base Year	SA-20
<u>TABLE</u>		<u>SA NUMBER</u>
2.	777-223IGW Aircraft Information Table: [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] Jul. [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] Airframe Base Year Jul. [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] Engine Base Year	SA-15 & SA-16
3.	777-223IGW Aircraft Information Table: [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] Jul. [CONFIDENTIAL PORTION OMITTED AND FILED	SA-15 & SA-16

<u>TABLE</u>	SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] Airframe Base Year (Pacific Aircraft) Jul. [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] Engine Base Year	<u>SA NUMBER</u>
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<u>EXHIBIT</u>		<u>SA NUMBER</u>
A.	Aircraft Configuration	
A1.	Aircraft Configuration — 777-323ER	SA-20
B.	Aircraft Delivery Requirements and Responsibilities	SA-20
C.	Defined Terms	SA-20

<u>SUPPLEMENTAL EXHIBITS</u>		<u>SA NUMBER</u>
AE1.	Escalation Adjustment Airframe and Optional Features - 777-323ER	SA-20
BFE1.	BFE Variables	
BFE1-2.	BFE Variables - 777-323ER	SA-20
CS1.	Customer Support Variables	
CS1-2	Customer Support Variables - 777-323ER	SA-20
SLP1	Service Life Policy Components	
EE1-BR1.	Engine Escalation and Engine Warranty	SA-15
EE1-2.	Engine Escalation, Engine Warranty and Patent Indemnity — 777-323ER	SA-20

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6-1162-AKP-070	Miscellaneous Commitments for Model 737, 757, 767 and 777 Aircraft	
6-1162-AKP-071R1	Purchase Obligations	PA3219
6-1162-AKP-072R3	[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]	SA-20
6-1162-AKP-073R1	Accident Claims and Litigation	PA3219
6-1162-AKP-109R3	Business Considerations	SA-20
6-1162-AKP-110R3	Aircraft Purchase Rights and Substitution Rights	SA-20
Attachment A	Description and Price for Eligible Models	SA-20
Attachment B	Information Regarding MADP Rights	SA-20
Attachment C	QADP Rights Aircraft Delivery Quarters and Exercise Dates	SA-21
Attachment D	Forms of Purchase Agreement Supplement	SA-20
Attachment E	Letter Agreements	SA-20
Attachment F	Information regarding MADP and QADP Rights if no 787s are reconfirmed	SA-20
6-1162-AKP-111	Aircraft Performance Guarantees	
AAL-PA-1980-LA-1003346	Aircraft Performance Guarantees — 777-323ER	SA-20
6-1162-AKP-112	Spares Matters	
6-1162-AKP-113	Model 777 Miscellaneous Commitments	
6-1162-AKP-114	Installation of Cabin Systems Equipment	
AAL-PA-1980-LA-1003493	Installation of Cabin Systems Equipment — 777-323ER	SA-20
6-1162-AKP-115	Component and System Reliability Commitments	
6-1162-AKP-116	Price Adjustment on Rolls-Royce Engines	
6-1162-AKP-117	Delivery Schedule	
6-1162-AKP-118R2	Confidentiality	SA-20
6-1162-AKP-204	Multiple Operating Weight Program Model 777-200IGW Aircraft	SA-6
AAL-PA-1980-LA-1003536	[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]	SA-20
AAL-PA-1980-LA-1003344	Open Configuration Matters -777-323ER	SA-20
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BOEING PROPRIETARY

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**Attachment C to Letter Agreement 6-1162-AKP-110R3 (Model 777)
QADP Rights Aircraft Delivery Quarters and Exercise Dates**

[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

Supplemental Agreement No. 22
to
Purchase Agreement No. 1980
between
The Boeing Company
and
AMERICAN AIRLINES, INC
Relating to Boeing Model 777 Aircraft

THIS SUPPLEMENTAL AGREEMENT, entered into as of _____, 2011, (SA-22) by and between THE BOEING COMPANY, a Delaware corporation with offices in Seattle, Washington, (**Boeing**) and American Airlines, Inc. (**Customer**);

RECITALS:

WHEREAS, Boeing and Customer entered into Purchase Agreement No. 1980 dated as of October 31, 1997, as amended and supplemented (capitalized terms used herein without definition shall have the meanings specified therefor in such Purchase Agreement) relating to Boeing Model 777 aircraft (the **Purchase Agreement**); and

WHEREAS, Customer has provided a [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] and has done so [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]; and

NOW THEREFORE, In consideration of the mutual covenants herein contained, the parties agree to amend the Purchase Agreement as follows:

1. Table of Contents:

The "Table of Contents" to the Purchase Agreement is deleted in its entirety and a revised "Table of Contents" attached hereto and identified with an "SA-22" legend, is substituted in lieu thereof to reflect the changes made by this SA-22.

2. Table 1-7:

Table 1-7 entitled 777-323ER [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] Aircraft Delivery, Description, Price and

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Advance Payments is deleted in its entirety and a revised Table 1-7, attached hereto, is substituted in lieu thereof to [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT].

3. Supplemental Exhibit BFE1-2:

Supplemental Exhibit BFE1-2 entitled Buyer Furnished Equipment Variables relating to Boeing Model 777-323ER Aircraft is deleted in its entirety and a revised BFE1-2, attached hereto, is substituted in lieu thereof to set forth the preliminary BFE [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT].

4. Letter Agreement No. 6-1162-AKP-110R2:

Attachment B entitled Information Regarding MADP Rights to Letter Agreement No. 6-1162-AKP-110R2 entitled Aircraft Purchase Rights and Substitution Rights is deleted in its entirety and revised Attachment B, attached hereto, is substituted in lieu thereof [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] via this SA-22.

5. Letter Agreement No. AAL-PA-1980-LA-04205:

Letter Agreement No. AAL-PA-1980-LA-04205 entitled Aircraft Performance Guarantees — 777-323ER is added to [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT], which is being exercised via this SA-22.

6. Letter Agreement No. 6-1162-AKP-114:

Letter Agreement No. 6-1162-AKP-114 entitled Installation of Cabin Systems Equipment is deleted in its entirety and a revised letter, attached hereto, is substituted in lieu thereof to redefine Aircraft for this letter to be the 777-223IGW as this letter applies only to this minor model.

EXPIRATION. This SA-22 is valid through March 31, 2011, at which time it will expire if not executed by both parties hereto.

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The Purchase Agreement will be deemed to be amended to the extent provided herein and as so amended will continue in full force and effect. In the event of any inconsistency between the above provisions and the provisions contained in the referenced exhibits to this Supplemental Agreement, the terms of the exhibits will control.

EXECUTED IN DUPLICATE as of the day and year first above written.

THE BOEING COMPANY

AMERICAN AIRLINES, INC.

By: _____

By: _____

Name: _____

Name: _____

Its: Attorney-In-Fact

Its: _____

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2.	Delivery Schedule	1, SA-20
3.	Price	1, SA-20
4.	Payment	2, SA-20
5.	Miscellaneous	2, SA-20
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1-1.	777-200IGW Aircraft Information Table: [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] Jul. [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] Airframe & Engine Base Year	SA-1
1-2.	777-200IGW Aircraft Information Table: [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] Jul. [CONFIDENTIAL PORTION OMITTED AND FILED	SA-2 & SA-6
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1-4.	777-200IGW Aircraft Information Table: [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] Jul. [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] Airframe Base Year Jul. [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] Engine Base Year	SA-5, SA-6 & SA-9
1-5.	777-223IGW Aircraft Information Table: [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] Jul. [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] Airframe Base Year Jul. [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A	SA-10, SA-11, SA-12 & SA-15

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1-7.	777-323ER [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] Aircraft Jul. [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] Base Year	SA-22

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3.	777-223IGW Aircraft Information Table: [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]	SA-15 & SA-16

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Jul. [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] Engine Base Year	
<u>EXHIBIT</u>	<u>SA NUMBER</u>
A. Aircraft Configuration	
A1. Aircraft Configuration — 777-323ER	SA-20
B. Aircraft Delivery Requirements and Responsibilities	SA-20
C. Defined Terms	SA-20
<u>SUPPLEMENTAL EXHIBITS</u>	<u>SA NUMBER</u>
AE1. Escalation Adjustment Airframe and Optional Features — 777-323ER	SA-20
BFE1. BFE Variables	
BFE1-2. BFE Variables — 777-323ER	SA-22
CS1. Customer Support Variables	
CS1-2 Customer Support Variables — 777-323ER	SA-20
SLP1 Service Life Policy Components	
EE1-BR1. Engine Escalation and Engine Warranty	SA-15
EE1-2. Engine Escalation, Engine Warranty and Patent Indemnity — 777-323ER	SA-20
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6-1162-AKP-071R1	Purchase Obligations	PA3219
6-1162-AKP-072R3	[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]	SA-20
6-1162-AKP-073R1	Accident Claims and Litigation	PA3219
6-1162-AKP-109R3	Business Considerations	SA-20
6-1162-AKP-110R3	Aircraft Purchase Rights and Substitution Rights	SA-20
Attachment A	Description and Price for Eligible Models	SA-20
Attachment B	Information Regarding MADP Rights	SA-22
Attachment C	Information Regarding QADP Rights	SA-20
Attachment D	Forms of Purchase Agreement Supplement	SA-20
Attachment E	Letter Agreements	SA-20
Attachment F	Information regarding MADP and QADP Rights if no 787s are reconfirmed	SA-20
6-1162-AKP-111	Aircraft Performance Guarantees	
AAL-PA-1980-LA-1003346	Aircraft Performance Guarantees — 777-323ER	SA-20
AAL-PA-1980-LA-04205	Aircraft Performance Guarantees — 777-323ER	SA-22
6-1162-AKP-112	Spares Matters	
6-1162-AKP-113	Model 777 Miscellaneous Commitments	
6-1162-AKP-114R1	Installation of Cabin Systems Equipment	SA-22
AAL-PA-1980-LA-1003493	Installation of Cabin Systems Equipment — 777-323ER	SA-20
6-1162-AKP-115	Component and System Reliability Commitments	
6-1162-AKP-116	Price Adjustment on Rolls-Royce Engines	
6-1162-AKP-117	Delivery Schedule	
6-1162-AKP-118R2	Confidentiality	SA-20
6-1162-AKP-204	Multiple Operating Weight Program Model 777-200IGW Aircraft	SA-6
AAL-PA-1980-LA-1003536R1	[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]	SA-21

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Table 1-7

777-323ER [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] **Aircraft Aircraft Delivery, Description, Price and Advance Payments**

[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

AAL-PA-01980
SA-20 APR 55725
SA-22 APR 56305

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Boeing Proprietary

BUYER FURNISHED EQUIPMENT VARIABLES

between

THE BOEING COMPANY

and

American Airlines, Inc.

**Supplemental Exhibit BFE1-2
to Purchase Agreement Number 1980**

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BOEING PROPRIETARY

BUYER FURNISHED EQUIPMENT VARIABLES

relating to

BOEING MODEL 777-323ER AIRCRAFT

This Supplemental Exhibit BFE1-2 contains supplier selection dates, on-dock dates and other requirements applicable to the Model 777-323ER aircraft (**Aircraft**).

1. Supplier Selection.

Customer will:

Select and notify Boeing of the suppliers and part numbers of the following BFE items by the following dates:

[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] _____

[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] _____

[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] _____

N/A

[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] _____

[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] _____

[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] _____

[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

** [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT].

*** [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT].

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2. On-dock Dates and Other Information.

[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]:

Preliminary On-Dock Dates
 [CONFIDENTIAL PORTION
 OMITTED AND FILED SEPARATELY
 WITH THE COMMISSION PURSUANT
 TO A REQUEST FOR CONFIDENTIAL
 TREATMENT]2012
 [CONFIDENTIAL PORTION OMITTED
 AND FILED SEPARATELY WITH THE
 COMMISSION PURSUANT TO A
 REQUEST FOR CONFIDENTIAL
 TREATMENT]2012

Item
Seats
Galleys/Furnishings
Antennas & Mounting Equipment
Avionics
Cabin Systems Equipment
Miscellaneous Emergency Equipment
Textiles/Raw Material

Aircraft	Aircraft
[CONFIDENTIAL OMITTED SEPARATELY THE PURSUANT REQUEST CONFIDENTIAL	PORTION AND FILED WITH COMMISSION TO A FOR TREATMENT]

Preliminary On-Dock Dates
 [CONFIDENTIAL PORTION
 OMITTED AND FILED SEPARATELY
 WITH THE COMMISSION PURSUANT
 TO A REQUEST FOR CONFIDENTIAL
 TREATMENT]2013

Item
Seats
Galleys/Furnishings
Antennas & Mounting Equipment
Avionics
Cabin Systems Equipment
Miscellaneous Emergency Equipment
Textiles/Raw Material

Aircraft	Aircraft
[CONFIDENTIAL OMITTED SEPARATELY THE PURSUANT REQUEST CONFIDENTIAL	PORTION AND FILED WITH COMMISSION TO A FOR TREATMENT]

3. Additional Delivery Requirements — Import.

[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT].

[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

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Attachment B to Letter Agreement 6-1162-AKP-110R3 (Model 777)
MADP Rights Aircraft Delivery Months and Exercise Dates

[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]



The Boeing Company
P.O. Box 3707
Seattle, WA 98124-2207

AAI-PA-1980-LA-04205

American Airlines, Inc.
P.O. Box 619616
Dallas-Fort Worth Airport, Texas 75261-9616

Subject: Aircraft Performance Guarantees — 777-323ER

Reference: Purchase Agreement No. PA-1980 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and American Airlines, Inc. (**Customer**) relating to Model 777-323ER aircraft (**Aircraft**)

This letter agreement (**Letter Agreement**) amends and supplements the Purchase Agreement. All terms used but not defined in this Letter Agreement shall have the same meaning as in the Purchase Agreement.

For the Aircraft set forth in Table 1-7, which are exercised via this Supplemental Agreement No. 22, Boeing agrees to provide Customer with the guarantees set forth in Attachment A hereto. These guarantees are exclusive and will expire upon delivery of the Aircraft to Customer.

1. [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT].

[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT].

2. Confidential Treatment.

The information contained herein represents confidential business information and has value precisely because it is not available generally or to other parties. Customer will limit the disclosure of its contents to employees of Customer with a need to know the contents for purposes of helping Customer perform its obligations under the Purchase Agreement and who understand they are not to disclose its contents to any other person or entity without the prior written consent of Boeing.

AAI-PA-1980-LA-04205
Performance Guarantees — 777-323ER

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BOEING PROPRIETARY



Very truly yours,

THE BOEING COMPANY

By _____

Its Attorney-In-Fact

ACCEPTED AND AGREED TO this

Date: _____

American Airlines, Inc.

By _____

Its _____

AAI-PA-1980-LA-04205
Performance Guarantees — 777-323ER

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**MODEL 777-300ER PERFORMANCE GUARANTEES
FOR AMERICAN AIRLINES, INC.**

SECTION	CONTENTS
1	AIRCRAFT MODEL APPLICABILITY
2	FLIGHT PERFORMANCE
3	MANUFACTURER'S EMPTY WEIGHT
4	SOUND LEVELS
5	AIRCRAFT CONFIGURATION
6	GUARANTEE CONDITIONS
7	GUARANTEE COMPLIANCE
8	EXCLUSIVE GUARANTEES

1 AIRCRAFT MODEL APPLICABILITY

The guarantees contained in this Attachment (the "Performance Guarantees") are applicable to [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT].

2 FLIGHT PERFORMANCE

2.1 Takeoff

The FAA approved takeoff field length at a gross weight at the start of the ground roll of 775,000 pounds, at a temperature of 30°C, at a sea level altitude, with an alternate forward center of gravity limit of 20 percent of the mean aerodynamic chord, and using maximum takeoff thrust, shall not be more than the following guarantee value:

[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

2.2 Landing

The FAA approved landing field length at a gross weight of 554,000 pounds and at a sea level altitude, shall not be more than the following guarantee value:

[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

2.3 Mission

2.3.1 Mission Payload

The payload for a stage length of 7,458 nautical miles in still air (representative of a Chicago to Hong Kong route) using the conditions and operating rules defined below, shall not be less than the following guarantee value:

[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

Conditions and operating rules:

Stage Length: The stage length is defined as the sum of the distances for the climbout maneuver, climb, cruise, and descent.

Takeoff: [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT].

The takeoff gross weight is not limited by the airport conditions.

Maximum takeoff thrust is used for the takeoff.

The takeoff gross weight shall conform to FAA Regulations.

Climbout Maneuver: Following the takeoff to 35 feet, the Aircraft accelerates to 262 KCAS while climbing to 1,500 feet above the departure airport altitude and retracting flaps and landing gear.

Climb: The Aircraft climbs from 1,500 feet above the departure airport altitude to 10,000 feet altitude at 262 KCAS.

The Aircraft then accelerates at a rate of climb of 500 feet per minute to the recommended climb speed for minimum block fuel.

The climb continues at the recommended climb speed for minimum block fuel to the initial cruise altitude.

The temperature is standard day during climb.

Maximum climb thrust is used during climb.

- Cruise: The Aircraft cruises at 0.84 Mach number.
- The initial cruise altitude is 28,000 feet.
- A step climb or multiple step climbs of 2,000 feet altitude may be used when beneficial to minimize fuel burn.
- The temperature is standard day during cruise.
- The cruise thrust is not to exceed maximum cruise thrust except during a step climb when maximum climb thrust may be used.
- Descent: The Aircraft descends from the final cruise altitude at 250 KCAS to an altitude of 1,500 feet above the destination airport altitude.
- Throughout the descent, the cabin pressure will be controlled to a maximum rate of descent equivalent to 300 feet per minute at sea level.
- The temperature is standard day during descent.
- Approach and Landing Maneuver: The Aircraft decelerates to the final approach speed while extending landing gear and flaps, then descends and lands.
- The destination airport altitude is 28 feet.
- Fixed Allowances: For the purpose of this guarantee and for the purpose of establishing compliance with this guarantee, the following shall be used as fixed quantities and allowances:
- Taxi-Out:
[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

Takeoff and Climbout Maneuver:

[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

Approach and Landing Maneuver:

[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

Taxi-In (shall be consumed from the reserve)

[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

Usable reserve fuel remaining upon completion of the approach and landing maneuver: [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

2.3.2 Mission Block Fuel

The block fuel for a stage length of 7,458 nautical miles in still air (representative of a Chicago to Hong Kong route) with a 69,360 pound payload using the conditions and operating rules defined below, shall not be more than the following guarantee value:

NOMINAL: [CONFIDENTIAL PORTION

TOLERANCE: OMITTED AND FILED

GUARANTEE: SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

Conditions and operating rules are the same as Paragraph 2.3.1 except as follows:

Block Fuel: The block fuel is defined as the sum of the fuel used for taxi-out, takeoff and climbout maneuver, climb, cruise, descent, approach and landing maneuver, and taxi-in.

Takeoff: [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT].

The takeoff gross weight is not limited by the airport conditions.

Climb: The Aircraft climbs from 1,500 feet above the departure airport altitude to 10,000 feet altitude at 262 KCAS.

The Aircraft then accelerates at a rate of climb of 500 feet per minute to the recommended climb speed for minimum block fuel.

The climb continues at the recommended climb speed for minimum block fuel to the initial cruise altitude.

Cruise: The initial cruise altitude is 30,000 feet.
A step climb or multiple step climbs of 2,000 feet altitude may be used when beneficial to minimize fuel burn.

Fixed Allowances: For the purpose of this guarantee and for the purpose of establishing compliance with this guarantee, the following shall be used as fixed quantities and allowances:

Operational Empty Weight, OEW (Paragraph 2.3.4): [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

Taxi-Out:

Fuel 1,050 Pounds

Takeoff and Climbout Maneuver:

[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

Approach and Landing Maneuver:

[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

Taxi-In (shall be consumed from the reserve fuel):

Fuel 350 Pounds

Usable reserve fuel remaining upon completion of the approach and landing maneuver: [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

2.3.3 Operational Empty Weight Basis

The Manufacturer's Empty Weight (MEW) derived in Paragraph 2.3.4 is the basis for the mission guarantees of Paragraphs 2.3.1 and 2.3.2.

2.3.4 777-300ER Weight Summary — American Airlines

Standard Model Specification MEW

[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] American Airlines:

[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

American Airlines Manufacturer's Empty Weight (MEW)

Standard and Operational Items Allowance

(Paragraph 2.3.5)

American Airlines Operational Empty Weight (OEW)

[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

Quantity Pounds Pounds

P.A. No. 1980
AERO-B-BBA4-M11-0157

SS10-0587

BOEING PROPRIETARY

2.3.5 Standard and Operational Items Allowance

	Qty	Pounds	Pounds	Pounds
Standard Items Allowance				
Unusable Fuel				
Oil				
Oxygen Equipment				
Passenger Portable				
Miscellaneous Equipment				
First Aid Kits				
Crash Axe				
Megaphones				
Flashlights				
Smoke Goggles				
Smoke Hoods				
Fire Gloves				
Galley Structure & Fixed Inserts				
[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]				
Operational Items Allowance				
Crew and Crew Baggage				
Flight Crew (Inc. Baggage)				
Cabin Crew (Inc. Baggage)				
Flight Crew Briefcase				
Catering Allowance: Pacific Meal Service				
First Class				
Business Class				
Economy Class				
Passenger Service Equipment				
Potable Water .				
Waste Tank Disinfectant				
Emergency Equipment (Incl. Overwater Equip.)				
Slide Rafts				
Life Vests				
Locator Transmitter				
Cargo System				
Containers				
Total Standard and Operational Items Allowance				

3 MANUFACTURER'S EMPTY WEIGHT

The Manufacturer's Empty Weight (MEW) is guaranteed not to exceed the value in Section 03-60-00 of Detail Specification TBD plus one percent.

4 SOUND LEVELS

4.1 Community Sound Levels

4.1.1 Certification

The Aircraft shall be certified in accordance with the requirements of 14CFR Part 36, Stage 4 and ICAO Annex 16, Volume 1, Chapter 4.

4.2 Interior Sound Levels in Flight

[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

4.3 Ramp Sound Levels

[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT];

5 AIRCRAFT CONFIGURATION

- 5.1** The guarantees contained in this Attachment are based on the Aircraft configuration as defined in the original release of Detail Specification TBD (hereinafter referred to as the Detail Specification). Appropriate adjustment shall be made for changes in such Detail Specification approved by the Customer and Boeing or otherwise allowed by the Purchase Agreement which cause changes to the flight performance, sound levels, and/or weight and balance of the Aircraft. Such adjustment shall be accounted for by Boeing in its evidence of compliance with the guarantees.
- 5.2** The guarantee payload of Paragraph 2.3.1 will be adjusted by Boeing for the effect of the following on OEW and the Manufacturer's Empty Weight guarantee of Section 3 will be adjusted by Boeing for the following in its evidence of compliance with the guarantees:
- (1) Changes to the Detail Specification or any other changes mutually agreed upon between the Customer and Boeing or otherwise allowed by the Purchase Agreement.
- (2) The difference between the component weight allowances given in Appendix IV of the Detail Specification and the actual weights.

6 GUARANTEE CONDITIONS

- 6.1** All guaranteed performance data are based on the International Standard Atmosphere (ISA) and specified variations therefrom; altitudes are pressure altitudes.
- 6.2** The Federal Aviation Administration (FAA) regulations referred to in this Attachment are, unless otherwise specified, the 777-300ER Certification Basis regulations specified in the Type Certificate Data Sheet T00001SE, dated March 16, 2004.
- 6.3** In the event a change is made to any law, governmental regulation or requirement, or in the interpretation of any such law,

governmental regulation or requirement that affects the certification basis for the Aircraft as described in Paragraphs 4.1 or 6.2, and as a result thereof, a change is made to the configuration and/or the performance of the Aircraft in order to obtain certification, the guarantees set forth in this Attachment shall be appropriately modified to reflect any such change.

- 6.4** The takeoff and landing guarantees, and the takeoff portion of the mission guarantee are based on hard surface, level and dry runways with no wind or obstacles, no clearway or stopway, 235 mph tires, with anti-skid operative, and with the Aircraft center of gravity at the most forward limit unless otherwise specified. The takeoff performance is based on no engine bleed for air conditioning or thermal anti-icing and the Auxiliary Power Unit (APU) turned off unless otherwise specified. Unbalanced field length calculations and the improved climb performance procedure will be used for takeoff as required. The landing performance is based on the use of automatic spoilers.
- 6.5** The climb, cruise and descent portions of the mission guarantee include allowances for normal power extraction and engine bleed for normal operation of the air conditioning system. Normal electrical power extraction shall be defined as not less than a 212 kilowatts total electrical load. Normal operation of the air conditioning system shall be defined as pack switches in the "Auto" position, the temperature control switches in the "Auto" position that results in a nominal cabin temperature of 75°F, and all air conditioning systems operating normally. This operation allows a maximum cabin pressure differential of 8.6 pounds per square inch at higher altitudes, with a nominal Aircraft cabin ventilation rate of 10,300 cubic feet per minute including passenger cabin recirculation (nominal recirculation is 50 percent). The APU is turned off unless otherwise specified.
- 6.6** The climb, cruise and descent portions of the mission guarantee are based on an Aircraft center of gravity location of 30 percent of the mean aerodynamic chord.
- 6.7** Performance, where applicable, is based on a fuel Lower Heating Value (LHV) of 18,580 BTU per pound and a fuel density of 6.7 pounds per U.S. gallon.
- 6.8** Sound pressure levels are measured in decibels (dB) referred to the standard reference pressure of 20 micro Pascals per ISO 1683-

1983 (E). Noise data shall be acquired and reduced at preferred one-third octave band frequencies given in ISO 266-1997(E), for the 24 bands with center frequencies of 50 Hz to 10,000 Hz, inclusively. Octave band sound pressure levels (OBSPL) at the eight center band frequencies defined in ISO 266-1997(E) from 63 Hz to 8,000 Hz, inclusively, are determined from the appropriate one-third octave band sound pressure levels per section 6 of ISO 5129-20001(E). A-weighted (dBA) sound levels are defined in Section 6 of ISO 5129-2001(E). The one-third octave band sound pressure levels are weighted per Section 5.4 of IEC 61672-1 to represent typical human ear response.

- 6.9** The guarantee for interior sound levels in flight pertains to normal operation of an Aircraft in cruise during straight and level flight at an altitude of 35,000 feet and 0.84 Mach number. The Aircraft shall have a complete interior installation including standard thermal/acoustic insulation, all lining and partition panels, a full ship set of fabric upholstered seats and floor covering in the passenger cabin and flight deck consisting of a carpet. All BFE operable equipment, including in-flight entertainment systems, shall be turned off. All operable galley equipment shall be turned off. The interior configuration is defined in LOPA B7712788. The pilot's inboard ear is defined as the captain's (flight deck left seat) inboard ear. The procedures used for the measurement of sound levels shall be equivalent to those in ISO 5129.

6.10 The guarantee for ramp sound levels pertains to a parked Aircraft during in-service turn around with the APU (with optional APU exhaust muffler installed), all environmental control system packs, environmental control system recirculation fans, electronic equipment cooling fans and vent fans operating, and with the main propulsion engines and BFE equipment not operating. The guarantee for ramp sound levels on the 20-meter perimeter pertains to sound levels measured on a rectangular perimeter 20 meters on either side of the Aircraft centerline, 20 meters forward of the nose of the fuselage and 20 meters aft of the tail of the fuselage. The guarantees pertain to APU and environmental control system pack operation at an outside ambient temperature of 25°C(77°F). The procedures used for the measurement of ramp sound levels shall be equivalent to those in ICAO Annex 16.

7 GUARANTEE COMPLIANCE

- 7.1** Compliance with the guarantees of Sections 2, 3 and 4 shall be based on the conditions specified in those sections, the Aircraft configuration of Section 5 and the guarantee conditions of Section 6.
- 7.2** Compliance with the takeoff and landing guarantees, the takeoff portion of the mission guarantee, and the community sound level guarantees shall be based on the FAA approved Airplane Flight Manual for the Model 777-300ER.
- 7.3** Compliance with the takeoff guarantee and the takeoff portion of the mission guarantee shall be shown using an alternate forward center of gravity limit of 20 percent of the mean aerodynamic chord.
- 7.4** Compliance with the climb, cruise and descent portions of the mission guarantee shall be established by calculations based on flight test data obtained from an aircraft in a configuration similar to that defined by the Detail Specification.
- 7.5** The OEW used for compliance with the mission guarantee shall be the actual MEW plus the Standard and Operational Items Allowance in Paragraph 03-60-00 of the Detail Specification.
- 7.6** Compliance with the Manufacturer's Empty Weight guarantee shall be based on information in the "Weight and Balance Control and Loading Manual — Aircraft Report."

- 7.7 The data derived from tests shall be adjusted as required by conventional methods of correction, interpolation or extrapolation in accordance with established engineering practices to show compliance with these guarantees.
- 7.8 Compliance with the guarantee for interior sound levels in flight shall be demonstrated by Boeing Document D047W263-01. This compliance documentation is based on sound level surveys on production 777-300ER aircraft acoustically similar to the Buyer's Aircraft. Compliance with the guarantee for ramp sound levels shall be demonstrated by Boeing Document D047W227. This compliance documentation is based on a sound level survey on production 777 aircraft acoustically similar to the Buyer's Aircraft. The measured data may be adjusted for sound level increases resulting from Buyer Furnished Equipment, Boeing Purchased Equipment, and from changes to the Detail Specification approved by the Customer and Boeing or otherwise allowed by the Purchase Agreement.
- 7.9 Compliance shall be based on the performance of the airframe and engines in combination, and shall not be contingent on the engine meeting its manufacturer's performance specification.

8 EXCLUSIVE GUARANTEES

The only performance guarantees applicable to the Aircraft are those set forth in this Attachment.

6-1162-AKP-114R1

American Airlines, Inc.
P.O. Box 619616
Dallas-Fort Worth Airport, Texas 75261-9616

Subject: Installation of Cabin Systems Equipment

Reference: Purchase Agreement No. 1980 between The Boeing
Company and American Airlines, Inc. relating to Model
777-223IGW aircraft (Aircraft)

This letter agreement (Letter Agreement) is entered into on the date below and amends and supplements the Purchase Agreement referenced above. All capitalized terms used herein but not otherwise defined in this Letter Agreement shall have the same meanings assigned thereto in Exhibit C to the Purchase Agreement or elsewhere in such Purchase Agreement.

Customer desires Boeing to install in the Aircraft the inflight entertainment and cabin communications systems (IFE/CCS) described in Attachment A to this Letter Agreement.

Because of the complexity of the IFE/CCS, special attention and additional resources will be required during the development, integration, certification, and manufacture of the Aircraft to achieve proper operation of the IFE/CCS at the time of delivery of the Aircraft. To assist Customer, Boeing will perform the functions of project manager (the Project Manager) as set forth in Attachment B.

1. Responsibilities.

1.1 Customer's responsibilities:

1.1.1 Provide Customer's IFE/CCS system requirements to Boeing;

1.1.2 Select the IFE/CCS suppliers (Vendors) from among those suppliers identified in the Change Requests listed in Attachment A to this Letter Agreement (Customer has selected such Vendors as of the date of this Letter Agreement);

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1.1.3 Promptly after selecting Vendors, participate with Boeing in meetings with Vendors to ensure that Vendor's functional system specifications meet Customer's and Boeing's respective requirements;

1.1.4 Select Vendor part numbers and provide such part numbers to Boeing by as soon as reasonably possible following Vendor selection (Customer has selected such part numbers as of the date of this Letter Agreement);

1.1.5 Negotiate and obtain agreements on product assurance, product support following Aircraft delivery (including spares support), and any other terms desirable to Customer in its own discretion directly with Vendors;

1.1.6 Provide pricing information for part numbers selected above to Boeing by a mutually selected date;

1.1.7 Negotiate and obtain agreements with any required service providers; and

1.1.8 [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] to include in Customer's contract with any seat supplier a condition obligating such seat supplier to enter into and comply with a Boeing approved bonded stores agreement. This bonded stores agreement (in form and substance reasonably satisfactory to Boeing) will set forth the procedures concerning the use, handling and storage for the Boeing owned IFE/CCS equipment during the time such equipment is under the seat supplier's control.

1.2 Boeing will in a timely manner:

1.2.1 Responsibly perform the functions of Project Manager in accordance with the terms of this Letter Agreement and Attachment B;

1.2.2 Provide Aircraft interface requirements to Vendors as specified in Boeing Document D6-36440, "Standard Cabin Systems Requirements Document" (SCSRD) and as specified in Section 3.A of Attachment B;

1.2.3 Assist Vendors in the development of their IFE/CCS system specifications and approve such specifications;

1.2.4 Negotiate terms and conditions (except for price, product assurance, product support following Aircraft delivery and any other terms desirable to Customer in its own discretion) and enter into contracts with Vendors and manage such contracts for the IFE/CCS;

1.2.5 Coordinate the resolution of technical issues with Vendors;

1.2.6 Ensure that at time of Aircraft delivery the IFE/CCS configuration and functionality meets the requirements of the Detail Specification including all Change Requests contained in Attachment A to this Letter Agreement as such Attachment A may be amended from time to time;

1.2.7 Prior to or at delivery of the applicable Aircraft, obtain FAA certification of the Aircraft with the IFE/CCS installed therein, including the Systems Software identified in Section 2.1 of this Letter Agreement; and

1.2.8 [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT].

2. Software.

IFE/CCS systems may contain software of the following two types:

2.1 The software required to operate and certify the IFE/CCS systems on the Aircraft is the Systems Software and it is considered a part of the IFE/CCS for purposes of this Letter Agreement.

2.2 The software accessible to the Aircraft passengers and cabin crews which controls Customer's specified optional features is Customer's Software and it is not a part of the IFE/CCS for purposes of this Letter Agreement.

2.2.1 Customer is solely responsible for specifying Customer's Software functional and performance requirements and ensuring that Customer's Software meets such requirements. Customer and Customer's Software supplier will have total responsibility for the writing, certification, modification, revision, or correction of any of Customer's Software. Boeing will not perform the functions and obligations described in Section 1.2 above, nor the Project Manager's functions described in Attachment B, for Customer's Software.

2.2.2 The omission of any Customer's Software or the lack of any functionality of Customer's Software will not be a valid condition for Customer's rejection of the Aircraft at the time of Aircraft delivery.

2.2.3 Boeing has no obligation to approve any documentation to support Customer's Software certification. Notwithstanding the preceding sentence, Boeing will, however, only review and operate Customer's Software if in Boeing's reasonable opinion such review and operation is necessary to certify the IFE/CCS system on the Aircraft.

2.2.4 Boeing will not be responsible for obtaining FAA certification for Customer's Software.

3. Changes.

3.1 After Boeing and Vendor have entered into a contract for the purchase of the IFE/CCS, changes to such contract may only be made by Boeing; provided, however, that such changes will be made with the prior consent of Customer. Notwithstanding the foregoing, Customer may request changes at any time. Any such Customer request for changes to the IFE/CCS specification after the Boeing/Vendor contract has been signed must be made in writing directly to Boeing. Boeing shall respond to such request by Customer in a timely manner. If such change is technically feasible and Boeing has the resources and time to incorporate such change, then Boeing shall negotiate with the Vendor to incorporate such change into the contract for the IFE/CCS. Any Vendor price increase resulting from such a change will be negotiated between Customer and Vendor.

3.2 Boeing and Customer recognize that the developmental nature of the IFE/CCS may require changes to the IFE/CCS or the Aircraft in order to ensure (i) compatibility of the IFE/CCS with the Aircraft and all other Aircraft systems, and (ii) FAA certification of the Aircraft with the IFE/CCS installed therein. In such event Boeing will notify Customer and recommend to Customer the most practical means for incorporating any such change. If within 15 days (or such longer period of time as may be mutually agreed in writing) after such notification Customer and Boeing through negotiations cannot mutually agree on the incorporation of any such change or alternate course of action, then the remedies available to Boeing in Section 5 shall apply.

3.3 The incorporation into the Aircraft of any mutually agreed change to the IFE/CCS may result in Boeing adjusting the price of the Change Request contained in Attachment A to this Letter Agreement.

3.4 [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT].

3.5 Boeing's obligation to obtain FAA certification of the Aircraft with the IFE/CCS installed is limited to the IFE/CCS as described in Attachment A, as Attachment A may be amended from time to time.

3.6 [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]:

3.6.1 [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT].

3.6.2 [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT].

4. Exhibits B and C to the AGTA.

IFE/CCS is deemed to be BFE for the purposes of the Product Assurance Document and the Customer Support Document.

5. Remedies.

5.1 If Customer does not comply with any of its material obligations set forth herein, Boeing will provide to Customer written notice of such non-compliance and in the event Customer has not cured such non-compliance by the date of compliance (which shall be a reasonable period of time in Boeing's reasonable judgment) provided in such notice, then Boeing may:

5.1.1 to the extent that such delay is attributable to such non-compliance, take the following steps:

5.1.1.1 delay delivery of the Aircraft pursuant to the provisions of Article 7, "Excusable Delay", of the AGTA; or

5.1.1.2 deliver the Aircraft without part or all of the IFE/CCS installed, or with part or all of the IFE/CCS inoperative (notwithstanding the provisions of Section 3.1 of the AGTA and even though such IFE/CCS is required in order to obtain certification of such Aircraft in accordance with such provisions), in either event Boeing shall be relieved of all obligations to install or certify such IFE/CCS; and

5.1.2 also increase the Aircraft Price by the amount of Boeing's additional costs to the extent attributable to such noncompliance (except such cost increase shall not include any such costs Boeing has recovered from any Vendors involved), provided, however, Boeing will use best reasonable efforts to mitigate such costs. Notwithstanding the preceding sentence, Boeing has no obligation to recover costs from Vendors.

5.2 [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT].

6. Advance Payments.

6.1 An estimated price for the IFE/CCS purchased by Boeing will be included in the Aircraft Advance Payment Base Price to establish the Advance Payments for each Aircraft.

6.2 The Aircraft Price will include the actual IFE/CCS prices and any associated transportation costs charged Boeing by Vendors.

7. [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT].

7.1 [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT].

7.2 [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT].

7.3 [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT].

7.4 [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT].

8. Customer's Indemnification of Boeing.

8.1 [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]:

“[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT].”

8.2 [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

8.3 [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT].

9. Confidential Treatment.

Customer and Boeing understand that certain commercial and financial information contained in this Letter Agreement are considered by Boeing and Customer as confidential. Customer and Boeing agree that each will treat this Letter Agreement and the information contained herein as confidential and will not, without the prior written consent of the other, disclose this Letter Agreement or any information contained herein to any other person or entity, except as provided in this Letter Agreement or in the Purchase Agreement.

Very truly yours,

THE BOEING COMPANY

By _____

Its Attorney-In-Fact

ACCEPTED AND AGREED TO this

Date: _____, 2011

AMERICAN AIRLINES, INC.

By _____

Its _____

Attachments

P.A. No. 1980

SA-22

[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT].

[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

Attachment B
Project Manager

This Attachment B describes the functions that Boeing will perform as Project Manager to support (i) the development and integration of the IFE/CCS and (ii) the FAA certification of the IFE/CCS when installed on the Aircraft.

1. Project Management.

Boeing will perform the following functions for the IFE/CCS. Boeing will have authority to make day-to-day management decisions, and decisions on technical details which in Boeing's reasonable opinion do not significantly affect form, fit, function, cost or aesthetics. Boeing will be responsible for:

- A. Managing the development of all program schedules;
- B. Evaluating and approving Vendor's program management and developmental plans;
- C. Defining program metrics and status requirements;
- D. Scheduling and conducting (including notifying Customer of) (i) program status reviews and (ii) meetings to discuss any changes, at intervals mutually agreed to by Boeing and Customer. Customer will have the right to attend such status meetings between Boeing and Vendor regarding the Aircraft;
- E. Scheduling and conducting design and schedule reviews with Customer and Vendors;
- F. Monitoring compliance with schedules;
- G. Evaluating and approving any recovery plans or plan revisions which may be required of either Vendors or Customer;
- H. Leading the development of a joint IFE/CCS project management plan (the Program Plan) and;
- I. Managing the joint development of the System Specification.

2. System Integration.

Boeing's performance as Project Manager will include the functions of systems integrator (Systems Integrator). As Systems Integrator Boeing will perform the following functions:

- A. As required, assist Vendors in defining their system specifications for the IFE/CCS, approve such specifications and develop an overall system functional specification;
- B. Coordinate Boeing, Customer and Vendor teams to ensure sufficient Vendor and Vendor sub system testing and an overall cabin system acceptance test are included in the Program Plan; and
- C. Organize and conduct technical coordination meetings with Customer and Vendors to review responsibilities, functionality, Aircraft installation requirements and overall program schedule, direction and progress.

3. Seat Integration.

- A. Boeing will coordinate the interface requirements between seat suppliers and Vendors. Interface requirements are defined in Boeing Document Nos. D6-36230, "Passenger Seat Design and Installation"; D6-36238, "Passenger Seat Structural Design and Interface Criteria"; D222W232, "Seat Wiring and Control Requirements"; and D222W013-4, "Seat Assembly Functional Test Plan".
- B. The Vendors will be required to coordinate integration testing and provide seat assembly functional test procedures for seat electronic parts to seat suppliers and Boeing, as determined by Boeing.
- C. The Vendors will assist the seat suppliers in the preparation of seat assembly functional test plans.

AMR CORPORATION
Computation of Ratio of Earnings to Fixed Charges
(in millions)

	Three Months Ended March 31,	
	2011	2010
Loss:		
Loss before income taxes	\$ (436)	\$ (505)
Add: Total fixed charges (per below)	464	444
Less: Interest capitalized	7	10
Total earnings (loss) before income taxes	<u>\$ 21</u>	<u>\$ (71)</u>
Fixed charges:		
Interest	\$ 188	\$ 196
Portion of rental expense representative of the interest factor	258	227
Amortization of debt expense	18	21
Total fixed charges	<u>\$ 464</u>	<u>\$ 444</u>
Ratio of earnings to fixed charges		
Coverage deficiency	<u>\$ 443</u>	<u>\$ 515</u>

I, Gerard J. Arpey, certify that:

1. I have reviewed this quarterly report on Form 10-Q of AMR Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 20, 2011

/s/ Gerard J. Arpey
Gerard J. Arpey
Chairman and Chief Executive Officer

I, Isabella D. Goren, certify that:

1. I have reviewed this quarterly report on Form 10-Q of AMR Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 20, 2011

/s/ Isabella D. Goren
Isabella D. Goren
Senior Vice President and Chief Financial Officer

AMR CORPORATION
Certification
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of AMR Corporation, a Delaware corporation (the Company), does hereby certify, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the quarter ended March 31, 2011 (the Form 10-Q) of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 20, 2011

/s/ Gerard J. Arpey

Gerard J. Arpey
Chairman and Chief Executive Officer

Date: April 20, 2011

/s/ Isabella D. Goren

Isabella D. Goren
Senior Vice President and Chief Financial Officer

The foregoing certification is being furnished solely pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code) and is not being filed as part of the Form 10-Q or as a separate disclosure document.