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

[X] Quarterly Report Pursuant to Section 13 or 15(d) of the

Securities Exchange Act of 1934

For the quarter ended: June 30, 1994

[ ] Transition Report Pursuant to Section 13 or 15(d) of the

Securities Exchange Act of 1934

For the transition period from ____________________________________

to ____________________________________

Commission file number: 1-2691

AMERICAN AIRLINES, INC.
(Exact name of registrant as specified in its charter)

DELAWARE	13-1502798
(State or other jurisdiction of incorporation or organization)	(IRS Employer identification No.)

4333 AMON CARTER BLVD. FORT WORTH, TEXAS	76155
(Address of principal executive offices)	(Zip Code)

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

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

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

Yes X No

APPLICABLE ONLY TO CORPORATE ISSUERS:

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

Common Stock, $1 Par Value - 1,000 shares outstanding as of July 22, 1994

The registrant meets the conditions set forth in, and is filing this form with the reduced disclosure format prescribed by, General Instructions H(1)(a) and H(1)(b) of Form 10-Q.

AMERICAN AIRLINES, INC.

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PART I

Item 1. Consolidated Financial Statements

AMERICAN AIRLINES, INC.
CONSOLIDATED STATEMENT OF OPERATIONS

(Unaudited) (in millions)	Three Months Ended June 30, 1994	1993	Six Months Ended June 30, 1994	1993
Revenues				
Passenger	$ 3,267	$ 3,484	$ 6,295	$ 6,611
Cargo	163	163	317	313
Other	333	305	659	591
Total operating revenues	3,763	3,952	7,271	7,515
Expenses				
Wages, salaries and benefits	1,262	1,256	2,503	2,461
Aircraft fuel	373	481	755	942
Commissions to agents	324	362	635	684
Depreciation and amortization	292	278	581	545
Other rentals and landing fees	192	196	385	394
Food service	169	181	330	348
Aircraft rentals	155	159	312	318
Maintenance materials and repairs	113	142	227	287
Other operating expenses	510	569	1,066	1,123
Total operating expenses	3,390	3,624	6,794	7,102
Operating Income	373	328	477	413
Other Income (Expense)				
Interest income	-	1	1	2
Interest expense	(92)	(109)	(189)	(216)
Interest capitalized	5	13	11	30
Miscellaneous - net	(15)	(125)	(24)	(126)
	(102)	(220)	(201)	(310)
Earnings Before Income Taxes	271	108	276	103
Provision for income taxes	99	41	107	42
Net Earnings	$ 172	$ 67	$ 169	$ 61

See accompanying notes.

AMERICAN AIRLINES, INC.
CONDENSED CONSOLIDATED BALANCE SHEET

(Unaudited) (in millions)	June 30, 1994	December 31, 1993
Current Assets		
Cash	$ 59	$ 55
Short-term investments for affiliates	546	514
Receivables, net	908	731
Receivables from affiliates	403	223
Inventories, net	593	606
Other current assets	424	399
Total current assets	2,933	2,528
Equipment and Property		
Flight equipment, net	9,400	9,192
Purchase deposits for flight equipment	120	313
	9,520	9,505
Other equipment and property, net	1,895	1,964
	11,415	11,469
Equipment and Property under Capital Leases		
Flight equipment, net	1,320	1,188
Other equipment and property, net	172	172
	1,492	1,360
Route acquisition costs, net	1,046	1,061
Other assets, net	1,373	1,331
	$18,259	$17,749
Current Liabilities		
Accounts payable	$ 843	$ 857
Payable to affiliates	636	479
Accrued liabilities	1,508	1,281
Air traffic liability	1,627	1,461
Current maturities of long-term debt	45	70
Current obligations under capital leases	110	92
Total current liabilities	4,769	4,240
Long-term debt	1,521	1,453
Long-term debt due to Parent	3,498	4,045
Obligations under capital leases	1,948	1,792
Deferred income taxes	443	338
Other liabilities, deferred gains, deferred credits and postretirement benefits	2,743	2,713
Stockholder's Equity		
Common stock	-	-
Additional paid-in capital	1,699	1,699
Retained earnings	1,638	1,469
	3,337	3,168
	$18,259	$17,749

See accompanying notes.

AMERICAN AIRLINES, INC.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited) (in millions)	Six Months Ended June 30, 1994	1993
Net Cash Provided by Operating Activities	$ 977	$ 796
Cash Flow from Investing Activities:		
Capital expenditures	(486)	(1,207)
Net increase in short-term investments for affiliates	(32)	(275)
Funds transferred from affiliates for investment, net	32	275
Other, net	9	12
Net cash used for investing activities	(477)	(1,195)
Cash Flow from Financing Activities:		
Proceeds from issuance of long-term debt	93	166
Net short-term borrowings (repayments) on instruments with maturities of 90 days or less	-	(350)
Other short-term borrowings	200	-
Payments on other short-term borrowings	(200)	(29)
Payments on long-term debt and capital lease obligations	(45)	(118)
Funds transferred (to) from affiliates, net	(547)	757
Other, net	3	4
Net cash (used) provided by financing activities	(496)	430
Net increase in cash	4	31
Cash at beginning of period	55	45
Cash at end of period	$ 59	$ 76
Cash Payments (Refunds) For:		
Interest (net of amounts capitalized)	$ 110	$ 110
Interest on intercompany note to Parent	62	72
Income taxes	2	(90)
Financing Activities Not Affecting Cash:		
Capital lease obligations incurred	$ 190	$ -

See accompanying notes.

AMERICAN AIRLINES, INC.
Notes to Financial Statements

1. American Airlines, Inc. (American) is a wholly-owned subsidiary of AMR Corporation (AMR). In the opinion of management, these financial statements contain all adjustments necessary to present fairly the financial position, results of operations and cash flows for the periods indicated. Such adjustments are of a normal recurring nature except as disclosed. These financial statements and related notes should be read in conjunction with the financial statements and notes contained in American's Annual Report on Form 10-K for the year ended December 31, 1993.

2. Passenger revenues for the three and six months ended June 30, 1994, include a $35 million favorable adjustment ($22 million after tax) produced by a change in the Company's estimate of the usage patterns of miles sold to participating companies in American's AAdvantage frequent flyer program. Passenger Revenues for the three and six months ended June 30, 1993, reflect a $115 million favorable adjustment ($67 million net of related commission expense and taxes) resulting from a change in estimate relating to certain earned passenger revenues.

3. Included in Miscellaneous - net for the three and six months ended June 30, 1993, is a $125 million charge ($79 million after tax) related to the retirement of 31 DC-10 aircraft. The charge represents the Company's best estimate of the expected loss based upon the anticipated method of disposition. However, should the ultimate method of disposition differ, the actual loss could be different than the amount estimated.

4. Accumulated depreciation of owned equipment and property at June 30, 1994 and December 31, 1993, was $4.9 billion and $4.7 billion, respectively. Accumulated amortization of equipment and property under capital leases at June 30, 1994 and December 31, 1993, was $761 million and $707 million, respectively.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION

RESULTS OF OPERATIONS

American's results for the six months ended June 30, 1994, reflected the improved performance of the Company's Passenger and SABRE Travel Information Network (STIN) divisions. The Company's plan to maximize Passenger division revenue per available seat mile (ASM) by reducing capacity and optimizing the deployment of flight assets resulted in a 2.5 percent reduction in passenger traffic on a 7.1 percent decline in ASMs. As a result, passenger load factor increased 2.9 points and revenue per ASM improved by 2.4 percent. Average stage length increased approximately 6.0 percent, contributing to a decline in Passenger division yield since fares on longer trips tend to be lower on a per ASM basis. In addition, yields continued to be hampered by competitive fare actions and the impact of low fare carriers in certain domestic markets. STIN's improved performance resulted from increased booking volumes and an increase in the average fee per booking.

Operating costs decreased 4.3 percent, driven primarily by the impact of reduced capacity and a decline in fuel prices.

The results for the six months ended June 30, 1994, include a $35 million favorable adjustment ($22 million after tax) to passenger revenues produced by a change in the Company's estimate of the usage patterns of miles sold to participating companies in American's AAdvantage frequent flyer program.

The results for the six months ended June 30, 1993, included a $125 million charge ($79 million after tax) for the retirement of 31 McDonnell Douglas DC10 aircraft and a positive $115 million adjustment ($67 million net of related commission expense and taxes) to passenger revenues for a change in estimate related to certain earned passenger revenues.

For the Six Months Ended June 30, 1994 and 1993

American recorded net earnings of $169 million for the six months ended June 30, 1994. For the same period in 1993, American recorded net earnings of $61 million. Operating income was $477 million in the 1994 six months compared to $413 million in the 1993 six months.

American's operating revenues decreased 3.2 percent to $7.3 billion and passenger revenues decreased 4.8 percent to $6.3 billion. Yield decreased 2.3 percent to 13.44 cents compared to the same period of 1993. Domestic yields were moderately lower while international yields improved in every region except the Pacific.

Traffic or revenue passenger miles (RPMs) decreased 2.5 percent to 46.8 billion miles for the six months ended June 30, 1994. The decrease is primarily due to reductions in capacity as the jet aircraft fleet decreased from 687 at June 30, 1993, to 650 at June 30, 1994. From the first six months of 1993 to the same period in 1994, domestic traffic decreased 4.1 percent from 34.9 billion RPMs to 33.5 billion RPMs. International traffic grew 1.7 percent from 13.1 billion RPMs to 13.4 billion RPMs. The major growth was in Latin America, where traffic increased 8.8 percent on capacity growth of 0.4 percent. In Europe, traffic fell 4.5 percent on a capacity decrease of 10.9 percent.

Cargo revenues increased 1.3 percent to $317 million, reflecting a 7.2 percent increase in cargo ton miles offset by a 4.4 percent decrease in revenue yield per ton mile. Growth in cargo ton miles is primarily attributable to our Europe and Latin America markets, combined with steady increases in postal volumes.

Other revenues increased 11.5 percent to $659 million primarily as a result of the improved performance of STIN and increased revenues from aircraft maintenance contracts.

RESULTS OF OPERATIONS (CONTINUED)

Capacity or available passenger seat miles (ASMs) decreased 7.1 percent to 74.7 billion miles in the first half of 1994. Operating expenses decreased 4.3 percent to $6.8 billion from the six months ended June 30, 1993, to the same period in 1994. Passenger division cost per ASM increased 2.0 percent to 8.51 cents. Wages, salaries and benefits rose 1.7 percent to $2.5 billion, resulting from salary adjustments for existing employees and rising health-care and pension costs, offset by headcount reductions. Aircraft fuel expense decreased 19.9 percent to $755 million due to a 9.1 percent decrease in gallons consumed and an 11.8 percent decrease in American's average price per gallon. Commissions to agents decreased 7.2 percent to $635 million, due principally to the decrease in passenger revenues subject to commissions. Additions of new aircraft and the acquisitions of other capital equipment raised depreciation and amortization 6.6 percent to $581 million. Food service costs decreased 5.2 percent to $330 million due to the decrease in passenger traffic. Maintenance materials and repairs costs decreased 20.9 percent to $227 million reflecting the retirement of older jet aircraft and increased operational efficiencies. Other operating expenses decreased 5.1 percent to $1.1 billion primarily due to the decrease in capacity.

Interest expense decreased 12.5 percent to $189 million due primarily to a decrease in rates on external debt and a decrease in the outstanding balance of intercompany debt due to parent. Included in Miscellaneous - net for the six months ended June 30, 1993, is a charge of $125 million related to the retirement of 31 McDonnell Douglas DC10 aircraft.

PART II

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits filed with this report:

None

(b) Reports on Form 8-K:

On May 26, 1994 American filed a report on Form 8-K relating to its issuance of 1994A Pass Through Certificates.

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.

AMERICAN AIRLINES, INC.

BY: /s/ Michael J. Durham
Michael J. Durham
Senior Vice President and
Chief Financial Officer

DATE: July 22, 1994

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