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

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

For the quarter ended: March 31, 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
(State or other jurisdiction of
incorporation or organization)

13-1502798
(IRS Employer
Identification No.)

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

76155
(Zip Code)

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

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

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

Yes X No

APPLICABLE ONLY TO CORPORATE ISSUERS:

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

Common Stock, \$1 Par Value - 1,000 shares outstanding as
of April 27, 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.

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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 1994	Months Ended March 31, 1993
Revenues		
Passenger	\$3,028	\$3,127
Cargo	154	150
Other	326	286
Total operating revenues	3,508	3,563
Expenses		
Wages, salaries and benefits	1,241	1,205
Aircraft fuel	382	461
Commissions to agents	311	322
Depreciation and amortization	289	267
Other rentals and landing fees	193	198
Food service	161	167
Aircraft rentals	157	159
Maintenance materials and repairs	114	145
Other operating expenses	556	554
Total operating expenses	3,404	3,478
Operating Income	104	85
Other Income (Expense)		
Interest income	1	1
Interest expense	(97)	(107)

Interest capitalized	6	17
Miscellaneous - net	(9)	(1)
	(99)	(90)
Earnings (Loss) Before Income Taxes	5	(5)
Provision for income taxes	8	1
Net Loss	\$ (3)	\$ (6)

See accompanying notes.

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AMERICAN AIRLINES, INC.
CONDENSED CONSOLIDATED BALANCE SHEET

(Unaudited) (in millions)	March 31, 1994	December 31, 1993
Current Assets		
Cash	\$ 68	\$ 55
Short-term investments for affiliates	660	514
Receivables, net	928	731
Receivables from affiliates	409	223
Inventories, net	616	606
Other current assets	433	399
Total current assets	3,114	2,528
Equipment and Property (Note 2)		
Flight equipment, net	9,360	9,192
Purchase deposits for flight equipment	186	313
	9,546	9,505
Other equipment and property, net	1,936	1,964
	11,482	11,469
Equipment and Property Under Capital Leases (Note 2)		
Flight equipment, net	1,235	1,188
Other equipment and property, net	171	172
	1,406	1,360
Route acquisition costs, net	1,054	1,061
Other assets, net	1,343	1,331
	\$ 18,399	\$ 17,749
Current Liabilities		
Accounts payable	\$ 977	\$ 857
Payables to affiliates	641	479
Accrued liabilities	1,304	1,281
Air traffic liability	1,588	1,461
Short-term borrowings	400	-
Current maturities of long-term debt	64	70
Current obligations under capital leases	101	92
Total current liabilities	5,075	4,240
Long-term debt	1,514	1,453
Long-term debt due to Parent	3,710	4,045
Obligations under capital leases	1,830	1,792
Deferred income taxes	346	338
Other liabilities, deferred gains, deferred credits and postretirement benefits	2,759	2,713
Stockholder's Equity		
Common stock	-	-
Additional paid-in capital	1,699	1,699
Retained earnings	1,466	1,469
	3,165	3,168
	\$ 18,399	\$ 17,749

See accompanying notes.

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AMERICAN AIRLINES, INC.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited) (in millions)	Three Months Ended March 31,	
	1994	1993
Net Cash Provided by Operating Activities	\$ 199	\$ 178
Cash Flow from Investing Activities:		
Capital expenditures	(283)	(673)
Net increase in short-term investments	(146)	(351)
Funds transferred from affiliates for investment, net	146	351
Other, net	3	3
Net cash used for investing activities	(280)	(670)
Cash Flow from Financing Activities:		
Proceeds from issuance of long-term debt	72	53
Short-term borrowings with maturities of 90 days or less, net of maturities	200	(204)
Other short-term borrowings	200	29
Payments on other short-term borrowings	-	(59)
Payments on long-term debt and capital lease obligations	(43)	(48)
Funds transferred (to) from affiliates, net	(335)	751
Net cash provided by financing activities	94	522
Net increase (decrease) in cash	13	30
Cash at beginning of period	55	45
Cash at end of period	\$ 68	\$ 75
Cash Payments (Refunds) For:		
Interest (net of amounts capitalized)	\$ 67	\$ 70
Interest on intercompany note to Parent	32	33
Income taxes	1	(96)
Financing Activities Not Affecting Cash:		
Capital lease obligations incurred	\$ 72	\$ -

See accompanying notes.

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Notes to Financial Statements

- American Airlines, Inc. (American) is a wholly-owned subsidiary of AMR Corporation (AMR). 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. 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.
- Accumulated depreciation of equipment and property at March 31, 1994 and December 31, 1993 was \$4.7 billion. Accumulated amortization of equipment and property under capital leases at March 31, 1994 and December 31, 1993 was \$733 million and \$707 million, respectively.
- American has renewed a \$1.0 billion credit facility which expired in early April 1994 in the amount of \$750 million. The renewal extends the term of the facility to 1997 and may require collateralization under certain circumstances. No borrowings were outstanding under this facility at March 31, 1994.

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

RESULTS OF OPERATIONS

American's results were adversely affected by continued fare discounting throughout the airline industry and by the impact of 1994's unusually severe winter. American's yield decreased 1.7 percent while cost per available seat mile for American's passenger division increased 3.1 percent.

For the Three Months Ended March 31, 1994 and 1993

American's net loss for the first quarter of 1994 was \$3 million. This compares to a net loss of \$6 million in the first quarter of 1993.

American's operating income was \$104 million in the 1994 first quarter compared to \$85 million in the 1993 first quarter.

American's operating revenues decreased 1.5 percent to \$3.51 billion in the 1994 first quarter compared to \$3.56 billion in the 1993 quarter. Passenger revenues decreased by 3.2 percent to \$3.03 billion from \$3.13 billion in 1993. Yield (the average amount one passenger pays to fly one mile) of 13.53 cents decreased by 1.7 percent compared to the same period of 1993.

Traffic or revenue passenger miles (RPMs) decreased 1.5 percent to 22.4 billion miles for the quarter ended March 31, 1994. The decrease is primarily due to reductions in capacity. Year over year for the first quarter of 1994, domestic traffic decreased 2.6 percent from 16.5 billion RPMs to 16.1 billion RPMs while domestic capacity decreased 7.0 percent to 26.9 billion miles. International traffic grew a modest 1.1 percent, from 6.2 billion RPMs to 6.3 billion RPMs. The growth was in Latin America, where traffic increased 11.2 percent on a 2.9 percent capacity decrease while in Europe traffic decreased 9.1 percent and capacity decreased 14.0 percent.

Cargo revenues increased 2.7 percent to \$154 million, driven by a 8.0 percent increase in cargo ton miles partially offset by a 5.1 percent decrease in revenue yield per ton mile. The increase in cargo ton miles is attributable to volume increases in Europe, Latin America and the Pacific combined with a strong domestic cargo system.

Other revenues increased 14.0 percent to \$326 million primarily driven by increased booking fee revenues of Sabre Travel Information Network resulting from a plethora of fare initiatives by various carriers.

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RESULTS OF OPERATIONS (CONTINUED)

Capacity or available passenger seat miles (ASMs) decreased 6.3 percent to 36.7 billion miles in the first quarter of 1994 primarily as a result of the retirement of 29 DC-10 aircraft and 30 727 aircraft. Operating expenses decreased \$74 million, or 2.1 percent, from first quarter 1993 to first quarter 1994. Passenger division cost per ASM increased by 3.1 percent to 8.66 cents. Wages, salaries and benefits rose \$36 million, 3.0 percent, due primarily to salary adjustments for existing employees offset by a reduction of approximately 3,400 average equivalent employees or 3.7 percent. Aircraft fuel expense decreased \$79 million, 17.1 percent, due to a 9.6 percent decrease in the average price per gallon, combined with an 8.5 percent decrease in gallons consumed. Commissions to agents decreased 3.4 percent to \$311 million, due principally to decreases in passenger revenues. Additions to the fleet and the acquisitions of other capital equipment raised depreciation and amortization

costs by \$22 million, or 8.2 percent. Other rentals and landing fees decreased \$5 million, or 2.5 percent, due to decreased volumes of landing fees resulting from capacity reductions. Maintenance materials and repairs decreased \$31 million, 21.4 percent due principally to the retirement of older aircraft and increased operational efficiencies.

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PART II

Item 2. Legal Proceedings

In December 1992, the U.S. Department of Justice filed an antitrust lawsuit in the U.S. District Court for the District of Columbia under Section 1 of the Sherman Act against several airlines, including the Company, alleging price fixing based upon the industry's exchange of fare information through the Airline Tariff Publishing Company. In March 1994, the Company and the remaining defendants in the case agreed to settle the lawsuit without admitting liability by entering into a stipulated final judgment that prohibits or restricts certain pricing practices including the announcement of fare increases before their effective date. The proposed final judgment is subject to approval by the Court following a public notice and comment period prescribed by statute. The Company does not anticipate a material financial impact from the settlement or compliance with the stipulated judgment. Private class action claims with similar allegations were settled by the Company and other airlines which became final in March 1993. Prior to the private class action settlement becoming final, the Company and several other airlines voluntarily altered certain pricing practices at issue in the lawsuits to avoid exposure to additional claims.

American has been sued in two class action cases that have been consolidated in the Circuit Court of Cook County, Illinois, in connection with certain changes made to American's AAdvantage frequent flyer program in May, 1988. (Wolens, et al v. American Airlines, Inc., No. 88 CH 7554, and Tucker v. American Airlines, Inc., No. 89 CH 199.) In both cases, the plaintiffs seek to represent all persons who joined the AAdvantage program before May 1988. The complaints allege that, on that date, American implemented changes that limited the number of seats available to participants traveling on certain awards and established holiday blackout dates during which no AAdvantage seats would be available for certain awards. The plaintiffs allege that these changes breached American's contracts with AAdvantage members and were in violation of the Illinois Consumer Fraud and Deceptive Business Practices Act (Consumer Fraud Act). Plaintiffs seek money damages of an unspecified sum, punitive damages, costs, attorneys fees and an injunction preventing the Company from making any future changes that would reduce the value of AAdvantage benefits. American moved to dismiss both complaints, asserting that the claims are preempted by the Federal Aviation Act and barred by the Commerce Clause of the U.S. Constitution.

The trial court denied American's preemption motions, but certified its decision for interlocutory appeal. In December 1990, the Illinois Appellate Court held that plaintiffs' claims for an injunction are preempted by the Federal Aviation Act, but that plaintiffs' claims for money damages could proceed. On March 12, 1992, the Illinois Supreme Court affirmed the decision of the Appellate Court. American sought a writ of certiorari from the U.S. Supreme Court; and on October 5, 1992, that Court vacated the decision of the Illinois Supreme Court and remanded the cases for reconsideration in light of the U.S. Supreme Court's decision in *Morales v. TWA, et al*, which interpreted the preemption provisions of the Federal Aviation Act very broadly. On December 16, 1993, the Illinois Supreme Court rendered its decision on remand, holding that plaintiffs' claims seeking an injunction were preempted, but that identical claims for compensatory and punitive damages were not preempted. On February 8, 1994, American filed petition for a writ

of certiorari in the U.S. Supreme Court. The Illinois Supreme Court granted American's motion to stay the state court proceeding pending disposition of American's petition in the U.S. Supreme Court. On April 4, 1994 the U.S. Supreme Court granted American's writ of certiorari.

AMR and American are vigorously defending all of the above claims.

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PART II

Item 6. Exhibits and Reports on Form 8-K
(a) Exhibits filed with this report:

Part I - Exhibit 12: Computation of ratio of earnings to fixed charges for the three months ended March 31, 1994 and 1993.

(b) Reports on Form 8-K:

None

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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: April 28, 1994

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EXHIBIT 12

AMERICAN AIRLINES, INC.

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

	Three Months Ended March 31,	
	1994	1993
	(in millions of dollars)	
Earnings:		
Earnings (loss) before income taxes	\$ 5	\$ (5)
Add: Total fixed charges (per below)	244	255
Less: Interest capitalized	6	17
Total earnings	\$ 243	\$ 233
Fixed charges:		
Interest	\$ 97	\$ 107
Portion of rental expense representative of the interest factor	146	147
Amortization of debt expense	1	1
Total fixed charges	\$ 244	\$ 255
Ratio of earnings to fixed charges	-	-
Coverage deficiency	\$ 1	\$ 22