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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): **January 24, 2019**

AMERICAN AIRLINES GROUP INC.
AMERICAN AIRLINES, INC.

(Exact name of registrant as specified in its charter)

Delaware	**1-8400**	**75-1825172**
Delaware	**1-2691**	**13-1502798**
(State or other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

4333 Amon Carter Blvd., Fort Worth, Texas	**76155**
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
(817) 963-1234

N/A
(Former name or former address if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On January 24, 2019, American Airlines Group Inc. (the “Company”) issued a press release reporting financial results for the three and twelve months ended December 31, 2018. The press release is furnished as Exhibit 99.1.

ITEM 7.01. REGULATION FD DISCLOSURE.

On January 24, 2019, the Company provided an update for investors presenting information relating to its financial and operational outlook for 2019. This investor update is located on the Company’s website at www.aa.com under “Investor Relations.” The investor update is furnished as Exhibit 99.2.

The information in Items 2.02 and 7.01 of this Current Report on Form 8-K, including Exhibits 99.1 and 99.2, is being furnished and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section and shall not be deemed incorporated by reference into any registration statement or other document filed pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits.

Exhibit No.	Description
99.1	Press Release, dated January 24, 2019.
99.2	Investor Update, dated January 24, 2019.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, American Airlines Group Inc. has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AMERICAN AIRLINES GROUP INC.

Date: January 24, 2019	By:	/s/ Derek J. Kerr
		Derek J. Kerr
		Executive Vice President and Chief Financial Officer

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

AMERICAN AIRLINES, INC.

Date: January 24, 2019	By:	/s/ Derek J. Kerr
		Derek J. Kerr
		Executive Vice President and Chief Financial Officer

Exhibit 99.1

PRESS RELEASE

Corporate Communications
817-967-1577
mediarelations@aa.com

FOR RELEASE: Thursday, January 24, 2019

**AMERICAN AIRLINES GROUP REPORTS
FOURTH-QUARTER AND FULL-YEAR 2018 PROFIT**

FORT WORTH, Texas – American Airlines Group Inc. (NASDAQ: AAL) today reported its fourth-quarter and full-year 2018 results, including these highlights:

- **Reported a fourth-quarter 2018 pre-tax profit of $387 million, or $634 million excluding net special items[1], and a fourth-quarter net profit of $319 million, or $481 million excluding net special items[1,3]**
- **Reported a full-year 2018 pre-tax profit of $1.9 billion, or $2.8 billion excluding net special items[2], and a full-year net profit of $1.4 billion, or $2.1 billion excluding net special items[2,3]**
- **Fourth-quarter earnings were $0.69 per diluted share, or $1.04 per diluted share excluding net special items. Full-year 2018 earnings were $3.03 per diluted share, or $4.55 per diluted share excluding net special items**
- **Accrued $175 million for the company's profit sharing program in 2018, including $40 million in the fourth quarter**
- **Returned $986 million to shareholders in the form of dividends and share repurchases in 2018**

"We thank our team for taking care of our customers during the busy holiday travel period. Their efforts led to significant improvements in key operational metrics and great customer service. We also completed a number of important merger integration projects that will serve us well in the future," Chairman and CEO Doug Parker said.

"We enter 2019 with great momentum. We are intent upon running the most reliable operation in our post-merger history, pursuing high margin growth opportunities at our most profitable hubs, and executing on a number of valuable revenue and cost saving initiatives. We expect our total revenue per available seat mile to grow faster than our network competitors, and to deliver strong pre-tax earnings growth in 2019. At the midpoint of our guidance, 2019 diluted earnings per share excluding special items would increase approximately 40 percent versus 2018."

Fourth-Quarter Revenue and Expenses

Pre-tax earnings excluding net special items for the fourth quarter of 2018 were $634 million, an $88 million decrease from the fourth quarter of 2017, driven by higher fuel prices.

	GAAP		Non-GAAP[1,3]		GAAP		Non-GAAP[2,3]	
	4Q18	4Q17	4Q18	4Q17	FY18	FY17	FY18	FY17
Total operating revenues ($ mil)	$ 10,938	$ 10,611	$ 10,938	$ 10,611	$ 44,541	$ 42,622	$ 44,541	$ 42,622
Total operating expenses ($ mil)	10,389	9,973	10,159	9,670	41,885	38,391	41,092	37,657
Operating income ($ mil)	549	638	779	941	2,656	4,231	3,449	4,965
Pre-tax income ($ mil)	387	408	634	722	1,884	3,395	2,790	4,151
Pre-tax margin	3.5%	3.8%	5.8%	6.8%	4.2%	8.0%	6.3%	9.7%
Net income (loss) ($ mil)	319	(583)	481	444	1,412	1,282	2,117	2,592
Earnings (loss) per diluted share	$ 0.69	$ (1.22)	$ 1.04	$ 0.93	$ 3.03	$ 2.61	$ 4.55	$ 5.27

Continued strength in passenger demand and record passenger yield drove a 3.1 percent year-over-year increase in fourth-quarter 2018 total revenue, to a record $10.9 billion. Driven by a 2.4 percent increase in passenger yield, passenger revenue per available seat mile (PRASM) grew 1.4 percent to 14.59 cents. Cargo revenue was up 3.0 percent to $264 million due to a 9.1 percent increase in yield. Other revenue was up 6.3 percent to $712 million due primarily to higher loyalty revenue. Fourth-quarter total revenue per available seat mile (TRASM) increased by 1.7 percent compared to the fourth quarter of 2017 on a 1.4 percent increase in total available seat miles.

Total fourth-quarter 2018 operating expenses were $10.4 billion, up 4.2 percent year-over-year, driven by a 19.6 percent increase in consolidated fuel expense. Had fuel prices remained unchanged versus the fourth quarter of 2017, total fourth-quarter 2018 expenses would have been approximately $367 million lower. Total fourth-quarter 2018 cost per available seat mile (CASM) was 15.21 cents, up 2.7 percent from fourth quarter 2017. Excluding fuel and special items, consolidated fourth-quarter CASM was 11.32 cents, down 0.2 percent year-over-year.

Strategic Objectives

American's long-term success is guided and measured by strategic objectives that ensure a healthy, competitive company for the long term: to create a world-class customer experience, make culture a competitive advantage, and build American Airlines to thrive forever by thinking forward and ensuring a strong financial foundation.

Create a World-Class Customer Experience

American has invested more than $25 billion in its team, product and fleet over the past five years - the largest investment of any carrier in commercial aviation history in such a short time. American continues to make large strides in delivering a world-class experience for its customers. In 2018, American:

- Activated free live TV, now on 270 aircraft. American continues to be the only U.S. carrier to offer live TV on international flights
- Expanded high-speed Wi-Fi, now on 570 aircraft, allowing customers to stream movies and TV shows. The rest of American's long-term narrowbody aircraft will receive high-speed Wi-Fi in 2019

- Launched service on 86 new routes including 14 new destinations, such as Reykjavik, Iceland; Budapest, Hungary; and Prague, Czech Republic. In 2019, American will become the only U.S. carrier to travel nonstop to Bologna, Italy and Dubrovnik, Croatia
- Continued to deliver on its product segmentation strategy, expanding Basic Economy to Europe and adding Premium Economy to 103 aircraft. American offers Premium Economy on more aircraft than any other U.S. airline
- Ordered 47 new Boeing 787s to replace retiring aircraft and keep American's fleet the youngest among U.S. network airlines
- Continued to offer a great premium experience on the ground and in the air, including renovating Admirals Club lounges in Miami and Dallas-Fort Worth. In 2019, American will open newly-renovated Admirals Club lounges in Boston, Charlotte and Pittsburgh, as well as a new, world-class premium Flagship Lounge and Flagship First Dining in Dallas-Fort Worth

<u>Make Culture a Competitive Advantage</u>

Taking care of team members translates into better customer care. American's culture reflects its emphasis on providing the right tools, training and care for its frontline team members. In 2018, American:

- Started the year by awarding team members $1,000 each as a result of the 2017 Tax Cuts and Jobs Act
- Gave team members the opportunity to travel across American's global network with two free round-trip tickets for the airline being named *Air Transport World's* 2017 Airline of the Year
- Completed flight attendant operational integration, allowing flight attendants to fully intermix across the entire fleet. This integration creates improved scheduling options for flight attendants and the airline, and provides greater flexibility and service recovery during irregular operations
- Supported the victims of the deadly California wildfires, as American team members conducted one of the airline's largest disaster relief efforts by assembling 20,000 American Red Cross hygiene kits at its Phoenix cargo facility
- Donated more than $35 million in cash and travel value across the globe in support of military and veteran's initiatives, health research, disaster response and children's well-being
- Awarded $11 million in cash and recognition points through programs that recognize team members for good work supporting customers and colleagues

<u>Build American Airlines to Thrive Forever</u>

American is building a company that we expect to be consistently profitable today and in the future, making decisions to ensure it is financially strong and forward-thinking. In 2018, American:

- Returned $986 million to shareholders in the form of dividends and share repurchases in 2018
- Reported the best year ever at American Airlines Cargo, with a record $1 billion in revenue and 2 billion pounds of freight delivered
- Ended 2018 with approximately $7.6 billion in total available liquidity, comprised of unrestricted cash and investments of $4.8 billion and $2.8 billion in undrawn revolver capacity. The company also had a restricted cash position of $154 million
- Instituted the One Airline initiative, producing more than $300 million of cost savings in 2018. The One Airline initiative is designed to drive efficiencies and improve margins through simplifying the operation, improving staffing processes, centralizing internal workflows, and optimizing technology resources

- Invested $3.7 billion in new aircraft, facilities upgrades for customers and team members, continued integration, and fleet modifications including the narrowbody retrofit program, high-speed Wi-Fi and Premium Economy
- Broke ground on a $1.6 billion modernization project at Terminals 4 and 5 at Los Angeles International Airport, in partnership with Los Angeles World Airports
- Unveiled the first new section of Terminal B at LaGuardia. The new concourse includes world-class technology, innovation, and best-in-class amenities. American now occupies three of the 11 gates in the new concourse
- Was named No. 69, ahead of all other commercial airlines, on *The Wall Street Journal's* Management Top 250 list
- Launched a one-step facial recognition program at Los Angeles Terminal 4, which offers an easier airport experience for customers on select international departures

2019 Focus

In 2019, American is focused on growing revenue, implementing cost improvements and running the most reliable operation in its post-merger history.

- **Extensive revenue initiatives** - American expects to achieve $1 billion of revenue improvements in 2019 as it benefits from network optimization, merchandising and product segmentation. American leads the industry in Premium Economy, with the product on more aircraft than any other U.S. carrier. Premium Economy will be expanded to American's full long-term widebody fleet by mid-2019. American will also add a total of 19 new gates at its Dallas-Fort Worth and Charlotte hubs, creating significant new revenue opportunities
- **Significant cost improvements** - American's 2019 initiatives are expected to produce more than $300 million of cost savings compared to 2018 by eliminating post-merger cost redundancies, leveraging technology efficiencies, and implementing changes to network strategy
- **Improve operational reliability** - The airline is intensely focused on operational reliability, with efforts specifically targeting on-time departures, turn times and aircraft out of service

Quarterly Dividend

American declared a dividend of $0.10 per share to be paid on Feb. 20, 2019, to stockholders of record as of Feb. 6, 2019.

Guidance and Investor Update

American expects its first-quarter 2019 TRASM to be flat to up approximately 2.0 percent year-over-year. The company also expects its first-quarter 2019 pre-tax margin excluding net special items to be between 2.5 and 4.5 percent.[4] Based on today's guidance, American expects its 2019 diluted earnings per share excluding net special items to be between $5.50 and $7.50.[4]

For additional financial forecasting detail, please refer to the company's investor update, filed with this release with the SEC on Form 8-K. This filing will be available at aa.com/investorrelations.

Early Adoption of Lease Accounting Standard

In the fourth quarter of 2018, the company elected to adopt Accounting Standards Update 2016-02: Leases (Topic 842) (the New Lease Standard) as of Jan. 1, 2018. The New Lease Standard requires leases to be recognized on the balance sheet as liabilities with corresponding right-of-use assets. The company's early adoption resulted in the recognition on the balance sheet of approximately $10 billion of lease liabilities with corresponding right-of-use assets. Adopting the New Lease Standard in the fourth quarter of 2018, pre-tax income for the quarter decreased by $16 million. Excluding a $70 million mainline operating net special charge related to accelerated rent expense for aircraft grounded or expected to be grounded earlier than planned, adoption of the New Lease Standard increased pre-tax income excluding net special items for the fourth quarter of 2018 by $54 million. A significant portion of the adjustments recorded in the fourth quarter of 2018 to adopt the New Lease Standard relate to prior 2018 quarters. The company will recast 2018 quarters for the adoption of the New Lease Standard in its 2018 Form 10-K filing.

Conference Call / Webcast Details

The company will conduct a live audio webcast of its earnings call today at 7:30 a.m. CT, which will be available to the public on a listen-only basis at aa.com/investorrelations. An archive of the webcast will be available on the website through Feb. 24.

Notes

See the accompanying notes in the Financial Tables section of this press release for further explanation, including a reconciliation of all GAAP to non-GAAP financial information.

1. In the fourth quarter, the company recognized $247 million in net special items before the effect of income taxes. Fourth-quarter operating special items of $230 million principally included $146 million of fleet restructuring expenses, $81 million of merger integration expenses and $37 million in severance costs associated with reductions in headcount of management and support staff team members. These charges were offset in part by a $37 million net credit resulting from mark-to-market adjustments on bankruptcy obligations. The company also recognized nonoperating special items of $17 million primarily related to mark-to-market net unrealized losses associated with certain equity investments.
2. For the full year 2018, the company recognized $906 million in net special items before the effect of income taxes. Total operating special items totaled a net charge of $793 million, which principally included $422 million of fleet restructuring expenses, $268 million of merger integration expenses, $58 million in severance costs as described above, a $45 million litigation settlement, and a $26 million non-cash charge to write off the company's Brazil route authority intangible asset as a result of the U.S.-Brazil open skies agreement. These charges were offset in part by a $76 million net credit resulting from mark-to-market adjustments on bankruptcy obligations. The company also recognized nonoperating special items of $113 million primarily related to mark-to-market net unrealized losses associated with certain equity investments.
3. The 2018 fourth quarter income tax special credit of $22 million is the result of the reversal of the valuation allowance previously recognized in the 2018 first quarter related to the company's estimated refund for Alternative Minimum Tax credits, which is no longer subject to sequestration. The 2018 full year income tax special charge of $18 million is related to an international income tax matter.
4. American is unable to reconcile certain forward-looking projections to GAAP, as the nature or amount of special items cannot be determined at this time.

About American Airlines Group

American Airlines and American Eagle offer an average of nearly 6,700 flights per day to nearly 350 destinations in more than 50 countries. American has hubs in Charlotte, Chicago, Dallas/Fort Worth, Los Angeles, Miami, New York, Philadelphia, Phoenix, and Washington, D.C. American is a founding member of the **one**world® alliance, whose members serve more than 1,000 destinations with about 14,250 daily flights to over 150 countries. Shares of American Airlines Group Inc. trade on Nasdaq under the ticker symbol AAL. In 2015, its stock joined the S&P 500 index. Connect with American on Twitter @AmericanAir and at Facebook.com/AmericanAirlines.

Cautionary Statement Regarding Forward-Looking Statements and Information

Certain of the statements contained in this report should be considered forward-looking statements within the meaning of the Securities Act of 1933, as amended (the Securities Act), the Securities Exchange Act of 1934, as amended (the Exchange Act), and the Private Securities Litigation Reform Act of 1995. These forward-looking statements may be identified by words such as “may,” “will,” “expect,” “intend,” “anticipate,” “believe,” “estimate,” “plan,” “project,” “could,” “should,” “would,” “continue,” “seek,” “target,” “guidance,” “outlook,” “if current trends continue,” “optimistic,” “forecast” and other similar words. Such statements include, but are not limited to, statements about our plans, objectives, expectations, intentions, estimates and strategies for the future, and other statements that are not historical facts. These forward-looking statements are based on our current objectives, beliefs and expectations, and they are subject to significant risks and uncertainties that may cause actual results and financial position and timing of certain events to differ materially from the information in the forward-looking statements. These risks and uncertainties include, but are not limited to, those set forth in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2018 (especially in Part I, Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations, and Part II, Item 1A. Risk Factors), and other risks and uncertainties listed from time to time in our other filings with the Securities and Exchange Commission. There may be other factors of which we are not currently aware that may affect matters discussed in the forward-looking statements and may also cause actual results to differ materially from those discussed. We do not assume any obligation to publicly update or supplement any forward-looking statement to reflect actual results, changes in assumptions or changes in other factors affecting these forward-looking statements other than as required by law. Any forward-looking statements speak only as of the date hereof or as of the dates indicated in the statement.

American Airlines Group Inc.
Condensed Consolidated Statements of Operations
(In millions, except share and per share amounts)
(Unaudited)

	3 Months Ended December 31, 2018 [(1)]	3 Months Ended December 31, 2017 [(2)]	Percent Change	12 Months Ended December 31, 2018	12 Months Ended December 31, 2017 [(2)]	Percent Change
Operating revenues:						
Passenger	$ 9,962	$ 9,685	2.9	$ 40,676	$ 39,131	3.9
Cargo	264	257	3.0	1,013	890	13.8
Other	712	669	6.3	2,852	2,601	9.7
Total operating revenues	10,938	10,611	3.1	44,541	42,622	4.5
Operating expenses:						
Aircraft fuel and related taxes	1,953	1,646	18.6	8,053	6,128	31.4
Salaries, wages and benefits	3,011	3,028	(0.5)	12,251	11,954	2.5
Regional expenses:						
Fuel	474	383	23.8	1,843	1,382	33.4
Other	1,336	1,315	1.6	5,290	5,164	2.5
Maintenance, materials and repairs	550	484	13.7	2,050	1,959	4.7
Other rent and landing fees	452	443	2.0	1,900	1,806	5.2
Aircraft rent	343	305	12.6	1,264	1,197	5.6
Selling expenses	383	383	—	1,520	1,477	2.9
Depreciation and amortization	458	447	2.5	1,839	1,702	8.1
Special items, net	225	280	(19.8)	787	712	10.5
Other	1,204	1,259	(4.4)	5,088	4,910	3.6
Total operating expenses	10,389	9,973	4.2	41,885	38,391	9.1
Operating income	549	638	(14.1)	2,656	4,231	(37.2)
Nonoperating income (expense):						
Interest income	34	24	41.2	118	94	25.8
Interest expense, net	(261)	(266)	(2.3)	(1,056)	(1,053)	0.3
Other income, net	65	12	nm	166	123	35.0
Total nonoperating expense, net	(162)	(230)	(29.8)	(772)	(836)	(7.7)
Income before income taxes	387	408	(5.2)	1,884	3,395	(44.5)
Income tax provision	68	991	(93.1)	472	2,113	(77.7)
Net income (loss)	$ 319	$ (583)	nm	$ 1,412	$ 1,282	10.2
Earnings (loss) per common share:						
Basic	$ 0.69	$ (1.22)		$ 3.04	$ 2.62	
Diluted	$ 0.69	$ (1.22)		$ 3.03	$ 2.61	
Weighted average shares outstanding (in thousands):						
Basic	460,589	477,165		464,236	489,164	
Diluted	461,915	477,165		465,660	491,692	

(1) As previously discussed, in the fourth quarter of 2018, the company elected to adopt the New Lease Standard as of January 1, 2018. A significant portion of the adjustments recorded in the fourth quarter of 2018 to adopt the New Lease Standard relate to prior 2018 quarters. The company will recast 2018 quarters for the adoption of the New Lease Standard in its 2018 Form 10-K filing.

(2) On January 1, 2018, the company adopted two new Accounting Standard Updates (ASUs): ASU 2014-09: Revenue from Contracts with Customers (the New Revenue Standard) and ASU 2017-07: Compensation - Retirement Benefits (the New Retirement Standard). In accordance with the transition provisions of these new standards, the company has recast its 2017 financial information included herein to reflect the effects of adoption. For additional information, see Note 1(b) to AAG's Condensed Consolidated Financial Statements in Part I, Item 1A of its third quarter 2018 Form 10-Q filed on October 25, 2018 and Note 1(r) to AAG's Consolidated Financial Statements in Part II, Item 8A of its 2017 Form 10-K filed on February 21, 2018.

Note: Percent change may not recalculate due to rounding.

American Airlines Group Inc.
Consolidated Operating Statistics
(Unaudited)

	3 Months Ended December 31,			12 Months Ended December 31,		
	2018	2017	Change	2018	2017	Change
Mainline						
Revenue passenger miles (millions)	49,143	48,951	0.4%	205,451	201,351	2.0%
Available seat miles (ASM) (millions)	59,852	59,140	1.2%	248,562	243,806	2.0%
Passenger load factor (percent)	82.1	82.8	(0.7)pts	82.7	82.6	0.1pts
Passenger enplanements (thousands)	36,581	36,035	1.5%	148,228	144,922	2.3%
Departures (thousands)	273	265	2.9%	1,098	1,081	1.6%
Aircraft at end of period	956	948	0.8%	956	948	0.8%
Block hours (thousands)	846	833	1.6%	3,493	3,441	1.5%
Average stage length (miles)	1,198	1,226	(2.2)%	1,236	1,240	(0.3)%
Fuel consumption (gallons in millions)	877	866	1.2%	3,644	3,579	1.8%
Average aircraft fuel price including related taxes (dollars per gallon)	2.23	1.90	17.2%	2.21	1.71	29.1%
Full-time equivalent employees at end of period	102,900	103,100	(0.2)%	102,900	103,100	(0.2)%
Regional (1)						
Revenue passenger miles (millions)	6,427	6,376	0.8%	25,709	24,995	2.9%
Available seat miles (millions)	8,446	8,215	2.8%	33,492	32,687	2.5%
Passenger load factor (percent)	76.1	77.6	(1.5)pts	76.8	76.5	0.3pts
Passenger enplanements (thousands)	13,902	13,990	(0.6)%	55,517	54,718	1.5%
Aircraft at end of period	595	597	(0.3)%	595	597	(0.3)%
Fuel consumption (gallons in millions)	203	194	4.4%	803	773	4.0%
Average aircraft fuel price including related taxes (dollars per gallon)	2.34	1.97	18.6%	2.30	1.79	28.3%
Full-time equivalent employees at end of period (2)	26,000	23,500	10.6%	26,000	23,500	10.6%
Total Mainline & Regional						
Revenue passenger miles (millions)	55,570	55,327	0.4%	231,160	226,346	2.1%
Available seat miles (millions)	68,298	67,355	1.4%	282,054	276,493	2.0%
Passenger load factor (percent)	81.4	82.1	(0.7)pts	82.0	81.9	0.1pts
Yield (cents)	17.93	17.51	2.4%	17.60	17.29	1.8%
Passenger revenue per ASM (cents)	14.59	14.38	1.4%	14.42	14.15	1.9%
Total revenue per ASM (cents)	16.02	15.75	1.7%	15.79	15.42	2.4%
Cargo ton miles (millions)	710	752	(5.6)%	2,908	2,788	4.3%
Cargo yield per ton mile (cents)	37.25	34.13	9.1%	34.81	31.91	9.1%
Passenger enplanements (thousands)	50,483	50,025	0.9%	203,745	199,640	2.1%
Aircraft at end of period	1,551	1,545	0.4%	1,551	1,545	0.4%
Fuel consumption (gallons in millions)	1,080	1,060	1.8%	4,447	4,352	2.2%
Average aircraft fuel price including related taxes (dollars per gallon)	2.25	1.91	17.5%	2.23	1.73	29.0%
Full-time equivalent employees at end of period	128,900	126,600	1.8%	128,900	126,600	1.8%
Operating cost per ASM (cents)	15.21	14.81	2.7%	14.85	13.88	6.9%
Operating cost per ASM excluding special items (cents)	14.88	14.35	3.6%	14.57	13.62	7.0%
Operating cost per ASM excluding special items and fuel (cents)	11.32	11.34	(0.2)%	11.06	10.90	1.4%

(1) Regional includes wholly owned regional airline subsidiaries and operating results from capacity purchase carriers.

(2) Regional full-time equivalent employees only include our wholly owned regional airline subsidiaries.

Note: Amounts may not recalculate due to rounding.

American Airlines Group Inc.
Consolidated Revenue Statistics by Region
(Unaudited)

	3 Months Ended December 31,			12 Months Ended December 31,		
	2018	2017	Change	2018	2017	Change
Domestic [(1)]						
Revenue passenger miles (millions)	38,096	37,901	0.5%	154,746	151,862	1.9%
Available seat miles (ASM) (millions)	45,932	44,744	2.7%	184,901	181,862	1.7%
Passenger load factor (percent)	82.9	84.7	(1.8)pts	83.7	83.5	0.2pts
Passenger revenue (dollars in millions)	7,502	7,228	3.8%	29,573	28,749	2.9%
Yield (cents)	19.69	19.07	3.3%	19.11	18.93	0.9%
Passenger revenue per ASM (cents)	16.33	16.15	1.1%	15.99	15.81	1.2%
Latin America [(2)]						
Revenue passenger miles (millions)	7,229	7,281	(0.7)%	30,628	29,725	3.0%
Available seat miles (millions)	9,085	9,269	(2.0)%	38,493	37,702	2.1%
Passenger load factor (percent)	79.6	78.5	1.1pts	79.6	78.8	0.8pts
Passenger revenue (dollars in millions)	1,186	1,218	(2.6)%	5,125	4,840	5.9%
Yield (cents)	16.41	16.73	(1.9)%	16.73	16.28	2.8%
Passenger revenue per ASM (cents)	13.06	13.14	(0.6)%	13.31	12.84	3.7%
Atlantic						
Revenue passenger miles (millions)	6,652	6,262	6.2%	30,282	29,338	3.2%
Available seat miles (millions)	8,624	8,558	0.8%	39,178	38,112	2.8%
Passenger load factor (percent)	77.1	73.2	3.9pts	77.3	77.0	0.3pts
Passenger revenue (dollars in millions)	905	858	5.5%	4,376	4,028	8.7%
Yield (cents)	13.61	13.71	(0.7)%	14.45	13.73	5.3%
Passenger revenue per ASM (cents)	10.50	10.03	4.7%	11.17	10.57	5.7%
Pacific						
Revenue passenger miles (millions)	3,593	3,883	(7.5)%	15,504	15,421	0.5%
Available seat miles (millions)	4,657	4,784	(2.7)%	19,482	18,817	3.5%
Passenger load factor (percent)	77.1	81.2	(4.1)pts	79.6	82.0	(2.4)pts
Passenger revenue (dollars in millions)	369	381	(3.2)%	1,602	1,514	5.8%
Yield (cents)	10.26	9.81	4.7%	10.33	9.82	5.2%
Passenger revenue per ASM (cents)	7.92	7.96	(0.5)%	8.22	8.05	2.2%
Total International						
Revenue passenger miles (millions)	17,474	17,426	0.3%	76,414	74,484	2.6%
Available seat miles (millions)	22,366	22,611	(1.1)%	97,153	94,631	2.7%
Passenger load factor (percent)	78.1	77.1	1.0pts	78.7	78.7	—pts
Passenger revenue (dollars in millions)	2,460	2,457	0.1%	11,103	10,382	6.9%
Yield (cents)	14.08	14.10	(0.2)%	14.53	13.94	4.2%
Passenger revenue per ASM (cents)	11.00	10.87	1.2%	11.43	10.97	4.2%

(1) Domestic results include Canada, Puerto Rico, and U.S. Virgin Islands.

(2) Latin America results include the Caribbean.

Note: Amounts may not recalculate due to rounding.

Reconciliation of GAAP Financial Information to Non-GAAP Financial Information

American Airlines Group Inc. (the company) sometimes uses financial measures that are derived from the condensed consolidated financial statements but that are not presented in accordance with GAAP to understand and evaluate its current operating performance and to allow for period-to-period comparisons. The company believes these non-GAAP financial measures may also provide useful information to investors and others. These non-GAAP measures may not be comparable to similarly titled non-GAAP measures of other companies, and should be considered in addition to, and not as a substitute for or superior to, any measure of performance, cash flow or liquidity prepared in accordance with GAAP. The company is providing a reconciliation of reported non-GAAP financial measures to their comparable financial measures on a GAAP basis.

The tables below present the reconciliations of the following GAAP measures to their non-GAAP measures:

- Pre-Tax Income (GAAP measure) to Pre-Tax Income Excluding Special Items (non-GAAP measure)
- Pre-Tax Margin (GAAP measure) to Pre-Tax Margin Excluding Special Items (non-GAAP measure)
- Net Income (GAAP measure) to Net Income Excluding Special Items (non-GAAP measure)
- Basic and Diluted Earnings Per Share (GAAP measure) to Basic and Diluted Earnings Per Share Excluding Special Items (non-GAAP measure)
- Operating Income (GAAP measure) to Operating Income Excluding Special Items (non-GAAP measure)

Management uses these non-GAAP financial measures to evaluate the company's current operating performance and to allow for period-to-period comparisons. As special items may vary from period-to-period in nature and amount, the adjustment to exclude special items allows management an additional tool to better understand the company’s core operating performance.

Additionally, the tables below present the reconciliations of total operating costs (GAAP measure) to total operating costs excluding special items and fuel (non-GAAP measure). Management uses total operating costs excluding special items and fuel to evaluate the company's current operating performance and for period-to-period comparisons. The price of fuel, over which the company has no control, impacts the comparability of period-to-period financial performance. The adjustment to exclude aircraft fuel and special items allows management an additional tool to better understand and analyze the company’s non-fuel costs and core operating performance.

	3 Months Ended December 31,			12 Months Ended December 31,		
Reconciliation of Pre-Tax Income Excluding Special Items	2018	2017	Percent Change	2018	2017	Percent Change
	(in millions, except per share amounts)			(in millions, except per share amounts)		
Pre-tax income as reported	$ 387	$ 408		$ 1,884	$ 3,395	
Pre-tax special items:						
Special items, net [1]	225	280		787	712	
Regional operating special items, net	5	23		6	22	
Nonoperating special items, net [2]	17	11		113	22	
Total pre-tax special items	247	314		906	756	
Pre-tax income excluding special items	$ 634	$ 722	-12%	$ 2,790	$ 4,151	-33%
Calculation of Pre-Tax Margin						
Pre-tax income as reported	$ 387	$ 408		$ 1,884	$ 3,395	
Total operating revenues as reported	$ 10,938	$ 10,611		$ 44,541	$ 42,622	
Pre-tax margin	3.5%	3.8%		4.2%	8.0%	
Calculation of Pre-Tax Margin Excluding Special Items						
Pre-tax income excluding special items	$ 634	$ 722		$ 2,790	$ 4,151	
Total operating revenues as reported	$ 10,938	$ 10,611		$ 44,541	$ 42,622	
Pre-tax margin excluding special items	5.8%	6.8%		6.3%	9.7%	
Reconciliation of Net Income Excluding Special Items						
Net income (loss) as reported	$ 319	$ (583)		$ 1,412	$ 1,282	
Special items:						
Total pre-tax special items [1], [2]	247	314		906	756	
Income tax special items, net [3]	(22)	823		18	823	
Net tax effect of special items	(63)	(110)		(219)	(269)	
Net income excluding special items	$ 481	$ 444	8%	$ 2,117	$ 2,592	-18%
Reconciliation of Basic and Diluted Earnings Per Share Excluding Special Items						
Net income excluding special items	$ 481	$ 444		$ 2,117	$ 2,592	
Shares used for computation (in thousands):						
Basic	460,589	477,165		464,236	489,164	
Diluted	461,915	479,382		465,660	491,692	
Earnings per share excluding special items:						
Basic	$ 1.04	$ 0.93		$ 4.56	$ 5.30	
Diluted	$ 1.04	$ 0.93		$ 4.55	$ 5.27	

Reconciliation of Operating Income Excluding Special Items	3 Months Ended December 31, 2018	3 Months Ended December 31, 2017	12 Months Ended December 31, 2018	12 Months Ended December 31, 2017
	(in millions)		(in millions)	
Operating income as reported	$ 549	$ 638	$ 2,656	$ 4,231
Special items:				
Special items, net [1]	225	280	787	712
Regional operating special items, net	5	23	6	22
Operating income excluding special items	$ 779	$ 941	$ 3,449	$ 4,965

Reconciliation of Total Operating Cost per ASM Excluding Special Items and Fuel	3 Months Ended December 31, 2018	3 Months Ended December 31, 2017	12 Months Ended December 31, 2018	12 Months Ended December 31, 2017
	(in millions)		(in millions)	
Total operating expenses as reported	$ 10,389	$ 9,973	$ 41,885	$ 38,391
Special items:				
Special items, net [1]	(225)	(280)	(787)	(712)
Regional operating special items, net	(5)	(23)	(6)	(22)
Total operating expenses, excluding special items	10,159	9,670	41,092	37,657
Fuel:				
Aircraft fuel and related taxes - mainline	(1,953)	(1,646)	(8,053)	(6,128)
Aircraft fuel and related taxes - regional	(474)	(383)	(1,843)	(1,382)
Total operating expenses, excluding special items and fuel	$ 7,732	$ 7,641	$ 31,196	$ 30,147
	(in cents)		(in cents)	
Total operating expenses per ASM as reported	15.21	14.81	14.85	13.88
Special items per ASM:				
Special items, net [1]	(0.33)	(0.42)	(0.28)	(0.26)
Regional operating special items, net	(0.01)	(0.03)	—	(0.01)
Total operating expenses per ASM, excluding special items	14.88	14.35	14.57	13.62
Fuel per ASM:				
Aircraft fuel and related taxes - mainline	(2.86)	(2.44)	(2.86)	(2.22)
Aircraft fuel and related taxes - regional	(0.69)	(0.57)	(0.65)	(0.50)
Total operating expenses per ASM, excluding special items and fuel	11.32	11.34	11.06	10.90

Note: Amounts may not recalculate due to rounding.

FOOTNOTES:

(1) The 2018 fourth quarter mainline operating special items totaled a net charge of $225 million, which principally included $146 million of fleet restructuring expenses, $81 million of merger integration expenses, $37 million in severance costs associated with reductions of management and support staff team members, offset in part by a $37 million net credit resulting from mark-to-market adjustments on bankruptcy obligations. The 2018 twelve month period mainline operating special items totaled a net charge of $787 million, which principally included $422 million of fleet restructuring expenses, $268 million of merger integration expenses, $58 million in severance costs as described above, a $45 million litigation settlement, a $26 million non-cash charge to write off the company's Brazil route authority intangible asset as a result of the U.S.-Brazil open skies agreement, offset in part by a $76 million net credit resulting from mark-to-market adjustments on bankruptcy obligations.

The 2017 fourth quarter mainline operating special items totaled a net charge of $280 million, which principally included a $123 million charge for a $1,000 cash bonus and associated payroll taxes granted to mainline employees in recognition of the 2017 Tax Cuts and Jobs Act (the 2017 Tax Act), $81 million of merger integration expenses, $58 million of fleet restructuring expenses and a $20 million net charge resulting from mark-to-market adjustments on bankruptcy obligations. The 2017 twelve month period mainline operating special items totaled a net charge of $712 million, which principally included $273 million of merger integration expenses, $232 million of fleet restructuring expenses, a $123 million charge for the $1,000 2017 Tax Act employee bonus described above, $46 million for labor contract expenses and a $27 million net charge resulting from mark-to-market adjustments on bankruptcy obligations.

Fleet restructuring expenses principally included accelerated depreciation and rent expense for aircraft and related equipment grounded or expected to be grounded earlier than planned. Merger integration expenses included costs associated with integration projects, principally the company's flight attendant, human resources and payroll, and technical operations systems.

(2) The 2018 fourth quarter and twelve month period nonoperating special items primarily included $22 million and $104 million, respectively, of mark-to-market net unrealized losses associated with certain equity investments. The 2018 twelve month period nonoperating special items also included $13 million of costs associated with debt refinancings and extinguishments.

Nonoperating special charges in the 2017 periods primarily consisted of costs associated with debt refinancings and extinguishments.

(3) The 2018 fourth quarter income tax special credit of $22 million is the result of the reversal of the valuation allowance previously recognized in the 2018 first quarter related to the company's estimated refund for Alternative Minimum Tax (AMT) credits, which is no longer subject to sequestration. The 2018 twelve month period income tax special charge of $18 million is related to an international income tax matter.

The 2017 fourth quarter and twelve month period income tax special charge of $823 million is the result of a non-cash charge to income tax expense to reflect the impact of lower corporate income tax rates on the company’s deferred tax asset and liabilities due to the 2017 Tax Act, which reduced the federal corporate income tax rate from 35% to 21%.

American Airlines Group Inc.
Condensed Consolidated Balance Sheets
(In millions)

	December 31, 2018	December 31, 2017
	(unaudited)	
Assets		
Current assets		
Cash	$ 275	$ 295
Short-term investments	4,485	4,771
Restricted cash and short-term investments	154	318
Accounts receivable, net	1,706	1,752
Aircraft fuel, spare parts and supplies, net	1,522	1,359
Prepaid expenses and other	495	651
Total current assets	8,637	9,146
Operating property and equipment		
Flight equipment	41,456	40,318
Ground property and equipment	8,764	8,267
Equipment purchase deposits	1,278	1,217
Total property and equipment, at cost	51,498	49,802
Less accumulated depreciation and amortization	(17,443)	(15,646)
Total property and equipment, net	34,055	34,156
Operating lease right-of-use assets	9,406	—
Other assets		
Goodwill	4,091	4,091
Intangibles, net	2,137	2,203
Deferred tax asset	1,145	1,816
Other assets	1,321	1,373
Total other assets	8,694	9,483
Total assets	$ 60,792	$ 52,785
Liabilities and Stockholders’ Equity (Deficit)		
Current liabilities		
Current maturities of long-term debt and finance leases	$ 3,293	$ 2,554
Accounts payable	1,774	1,688
Accrued salaries and wages	1,427	1,672
Air traffic liability	4,339	4,042
Loyalty program liability	3,267	3,121
Operating lease liabilities	1,711	—
Other accrued liabilities	2,299	2,281
Total current liabilities	18,110	15,358
Noncurrent liabilities		
Long-term debt and finance leases, net of current maturities	21,179	22,511
Pension and postretirement benefits	6,907	7,497
Loyalty program liability	5,272	5,701
Operating lease liabilities	8,104	—
Other liabilities	1,389	2,498
Total noncurrent liabilities	42,851	38,207
Stockholders' equity (deficit)		
Common stock	5	5
Additional paid-in capital	4,964	5,714
Accumulated other comprehensive loss	(5,274)	(5,154)
Retained earnings (deficit)	136	(1,345)
Total stockholders' deficit	(169)	(780)
Total liabilities and stockholders’ equity (deficit)	$ 60,792	$ 52,785

American Airlines

Exhibit 99.2

Investor Relations Update
January 24, 2019

General Overview

- **Capacity -** The company expects its 2019 full year capacity to be up approximately 3.0 percent (gauge up approximately 1.0 percent, departures up approximately 3.5 percent and stage length down approximately 1.5 percent) year-over-year. For the first quarter, the company expects system capacity to be up approximately 1.0 percent year-over-year.

- **Revenue -** The company expects its first quarter total revenue per available seat mile (TRASM) to be approximately flat to up 2.0 percent year-over-year.

- **CASM -** The company expects 2019 full year consolidated CASM excluding fuel, special items and new labor agreements to be at the upper end of its previous guidance of between 1.0 and 2.0 percent year-over-year. This increase from previous guidance is due to an increase in sale-leaseback transactions and higher than expected profit sharing on better earnings. Overall CASM growth in 2019 is driven primarily by increased maintenance expense from required engine overhauls (0.6 points), increased airport rent expense at our hubs (0.4 points), and higher earnings related salaries and benefits expense, primarily from increased profit sharing (0.4 points).

  Consolidated CASM in the first quarter[1] is expected to be up approximately 4.0 percent year-over-year. CASM growth is highest in the first quarter due to a limited increase in capacity, as well as the timing of aircraft maintenance, salaries and benefits, and selling expenses through the year. CASM growth is expected to decelerate to approximately 2.5 percent in the second quarter and further decline to approximately 1.0 percent in the third and 0.5 percent in the fourth quarters of 2019.

  The company continues to expect its 2020 CASM excluding fuel, special items and new labor agreements to be up between 1.0 and 2.0 percent year-over-year.

- **Fuel -** Based on the January 22, 2019 forward curve, the company expects to pay an average of between $1.97 and $2.02 per gallon of consolidated jet fuel (including taxes) in the first quarter. Forecasted volume and fuel prices for the remainder of the year are provided on the following page.

- **Liquidity -** As of December 31, 2018, the company had approximately $7.6 billion in total available liquidity, comprised of unrestricted cash and investments of $4.8 billion and $2.8 billion in undrawn revolver capacity. The company also had a restricted cash position of $154 million.

- **Capital Expenditures -** In line with previous guidance, the company expects $4.7 billion in capex in 2019, including $3.0 billion in aircraft and $1.7 billion in non-aircraft capex. In 2020, the company expects total capex to decline by $1.4 billion year-over-year with aircraft capex spend of $1.6 billion and non-aircraft capex spend of $1.7 billion. For 2021, total capex is expected to fall by a further $1.1 billion year-over-year. Aircraft capex spend is expected to be $1.0 billion and non-aircraft capex is expected to be $1.2 billion.

- **Taxes -** As of December 31, 2018, the company had approximately $10.2 billion of federal net operating losses (NOLs) and $3.1 billion of state NOLs, substantially all of which are expected to be available in 2019 to reduce future federal and state taxable income. The company expects to recognize a provision for income taxes in 2019 at an effective rate of approximately 24 percent, which will be substantially non-cash.

- **Pre-tax Margin and EPS -** Based on the assumptions outlined above, the company presently expects its first quarter pre-tax margin excluding special items to be approximately 2.5 to 4.5 percent[1]. The company expects to report full year 2019 earnings per diluted share excluding special items of between $5.50 and $7.50[1].

Notes:

1. *The company is unable to reconcile certain forward-looking projections to GAAP as the nature or amount of special items cannot be determined at this time.*

Please refer to the footnotes and the forward looking statements page of this document for additional information

American Airlines

Financial Update
January 24, 2019

Financial Comments

	1Q19E	2Q19E	3Q19E	4Q19E	FY19E[2]
Consolidated Guidance[1]					
Available Seat Miles (ASMs) (bil)	~66.6	~74.9	~77.8	~71.6	~290.8
Cargo Revenues ($ mil)[3]	~235	~270	~280	~290	~1,075
Other Revenues ($ mil)[3]	~705	~730	~720	~705	~2,860
Average Fuel Price (incl. taxes) ($/gal) (as of 1/22/2019)	1.97 to 2.02	1.99 to 2.04	2.02 to 2.07	1.99 to 2.04	1.99 to 2.04
Fuel Gallons Consumed (mil)	~1,033	~1,164	~1,208	~1,097	~4,500
CASM ex fuel and special items (YOY % change)[4]	+3% to +5%	+1.5% to +3.5%	+0% to +2%	-0.5% to +1.5%	+1% to +3%
Interest Income ($ mil)	~(39)	~(39)	~(37)	~(40)	~(155)
Interest Expense ($ mil)	~272	~279	~283	~276	~1,110
Other Non-Operating (Income)/Expense ($ mil)[5]	~(43)	~(46)	~(44)	~(43)	~(176)
CAPEX Guidance ($ mil) Inflow/(Outflow)					
Non-Aircraft CAPEX	~(425)	~(425)	~(425)	~(425)	~(1,700)
Gross Aircraft CAPEX & net PDPs	~(778)	~(876)	~(761)	~(617)	~(3,032)
Assumed Aircraft Financing	~860	~818	~568	~483	~2,728
Net Aircraft CAPEX & PDPs[2]	~82	~(58)	~(193)	~(135)	~(304)

Notes:

1. *Includes guidance on certain non-GAAP measures, which exclude special items. The company is unable to reconcile certain forward-looking projections to GAAP as the nature or amount of special items cannot be determined at this time. Please see the GAAP to non-GAAP reconciliation at the end of this document.*
2. *Numbers may not recalculate due to rounding.*
3. *Cargo/Other revenue includes cargo revenue, loyalty program revenue, and contract services.*
4. *CASM ex fuel and special items is a non-GAAP financial measure.*
5. *Other Non-Operating (Income)/Expense primarily includes non-service related pension and retiree medical benefit income/costs, gains and losses from foreign currency, and income/loss from the company's approximate 25% ownership interest in Republic Airways Holdings Inc.*

Please refer to the footnotes and the forward looking statements page of this document for additional information

Fleet Update
January 24, 2019

Fleet Comments

- In 2019, the company expects to take delivery of 46 mainline aircraft comprised of 17 A321neo aircraft, 20 B738 MAX aircraft, 2 B789 aircraft and 7 used A319 aircraft. The company also expects to retire 55 mainline aircraft, including 10 B757 aircraft, 9 B763 aircraft, 6 E190 aircraft and 30 MD80 aircraft.
- In 2019, the company expects to increase the regional fleet count by a net of 12 aircraft, resulting from the addition of 11 CRJ900 aircraft and 20 E175 aircraft, as well as the reduction of 14 CRJ200 aircraft and 5 ERJ140 aircraft.

Active Mainline Year Ending Fleet Count

	2018A	2019E	2020E	2021E
A319	126	133	133	133
A320	48	48	48	44
A321	219	219	219	219
A321neo	—	17	32	50
A332	15	15	15	15
A333	9	9	9	9
B738	304	304	299	276
B738 MAX	20	40	50	60
B757	34	24	24	24
B763	24	15	6	—
B772	47	47	47	47
B773	20	20	20	20
B788	20	20	32	42
B789	20	22	22	22
E190	20	14	—	—
MD80	30	—	—	—
	956	**947**	**956**	**961**

Active Regional Year Ending Fleet Count[1]

	2018A	2019E	2020E	2021E
CRJ200	35	21	21	21
CRJ700	119	119	113	113
CRJ900	118	129	133	133
E175	154	174	189	189
ERJ140	51	46	34	34
ERJ145	118	118	118	118
	595	**607**	**608**	**608**

Notes:

1. *At the end of the fourth quarter of 2018, the company had 8 ERJ140 regional aircraft in temporary storage, which are not included in the active regional ending fleet count.*

Please refer to the footnotes and the forward looking statements page of this document for additional information

American Airlines

Shares Outstanding
January 24, 2019

Shares Outstanding Comments

- The estimated weighted average shares outstanding for 2019 are listed below.
- On April 25, 2018, the company's Board authorized a new $2.0 billion share repurchase program to expire by the end of 2020, of which $1.65 billion remained available for use as of January 1, 2019. This brings the total amount authorized for share repurchase programs to $13.0 billion since the merger. All previous repurchase programs had been fully expended as of March 31, 2018.

2019 Shares Outstanding (shares mil)[1]

	Shares	
For Q1	**Basic**	**Diluted**
Earnings	461	462
Net loss	461	461

	Shares	
For Q2-Q4 Average	**Basic**	**Diluted**
Earnings	462	463
Net loss	462	462

	Shares	
For FY 2019 Average	**Basic**	**Diluted**
Earnings	462	463
Net loss	462	462

Notes:

1. *Shares outstanding are based upon several estimates and assumptions, including average per share stock price and stock award activity and does not assume any future share repurchases. The number of shares in actual calculations of earnings per share will likely be different from those set forth above.*

Please refer to the footnotes and the forward looking statements page of this document for additional information

GAAP to Non-GAAP Reconciliation
January 24, 2019

The company sometimes uses financial measures that are derived from the consolidated financial statements but that are not presented in accordance with GAAP to understand and evaluate its current operating performance and to allow for period-to-period comparisons. The company believes these non-GAAP financial measures may also provide useful information to investors and others. These non-GAAP measures may not be comparable to similarly titled non-GAAP measures of other companies, and should be considered in addition to, and not as a substitute for or superior to, any measure of performance, cash flow or liquidity prepared in accordance with GAAP. The company is providing a reconciliation of reported non-GAAP financial measures to their comparable financial measures on a GAAP basis. The table below presents the reconciliation of total operating costs (GAAP measure) to total operating costs excluding special items and fuel (non-GAAP measure). Management uses total operating costs excluding special items and fuel to evaluate the company's current operating performance and for period-to-period comparisons. The price of fuel, over which the company has no control, impacts the comparability of period-to-period financial performance. Additionally, special items may vary from period-to-period in nature and amount. These adjustments to exclude aircraft fuel and special items allow management an additional tool to better understand and analyze the company's non-fuel costs and core operating performance. Additionally, the table below presents the reconciliation of other non-operating expense (GAAP measure) to other non-operating expense excluding special items (non-GAAP measure). Management uses this non-GAAP financial measure to evaluate the company's current performance and to allow for period-to-period comparisons. As special items may vary from period-to-period in nature and amount, the adjustment to exclude special items allows management an additional tool to better understand the company's core operating performance.

American Airlines Group Inc. GAAP to Non-GAAP Reconciliation
($ mil except ASM and CASM data)

	1Q19 Range		2Q19 Range		3Q19 Range		4Q19 Range		FY19 Range	
	Low	High	Low	High	Low	High	Low	High	Low	High
Consolidated[1]										
Consolidated operating expenses	$ 9,972	$ 10,178	$ 10,550	$ 10,770	$ 10,687	$ 10,912	$ 10,248	$ 10,465	$ 41,459	$ 42,327
Less fuel expense	2,035	2,087	2,316	2,375	2,440	2,501	2,183	2,238	8,975	9,200
Less special items	—	—	—	—	—	—	—	—	—	—
Consolidated operating expense excluding fuel and special items	7,937	8,091	8,233	8,396	8,247	8,412	8,065	8,227	32,484	33,127
Consolidated CASM (cts)	14.97	15.28	14.09	14.38	13.74	14.03	14.31	14.62	14.26	14.56
Consolidated CASM excluding fuel and special items (Non-GAAP) (cts)	11.92	12.15	10.99	11.21	10.60	10.81	11.26	11.49	11.17	11.39
YOY (%)	*3.0%*	*5.0%*	*1.5%*	*3.5%*	*0.0%*	*2.0%*	*-0.5 %*	*1.5%*	*1.0%*	*3.0%*
Consolidated ASMs (bil)	66.6	66.6	74.9	74.9	77.8	77.8	71.6	71.6	290.8	290.8
Other non-operating (income)/expense[1]										
Other non-operating (income)/expense	$ (43)	$ (43)	$ (46)	$ (46)	$ (44)	$ (44)	$ (43)	$ (43)	$ (176)	$ (176)
Less special items	—	—	—	—	—	—	—	—	—	—
Other non-operating (income)/expense excluding special items	(43)	(43)	(46)	(46)	(44)	(44)	(43)	(43)	(176)	(176)

Notes: *Amounts may not recalculate due to rounding.*

1. *Certain of the guidance provided excludes special items. The company is unable to fully reconcile such forward-looking guidance to the corresponding GAAP measure because the full nature and amount of the special items cannot be determined at this time. Special items for this period may include, among others, merger integration expenses and fleet restructuring expenses.*

Please refer to the footnotes and the forward looking statements page of this document for additional information

Forward Looking Statements
January 24, 2019

Cautionary Statement Regarding Forward-Looking Statements

This document includes forward-looking statements within the meaning of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. These forward-looking statements may be identified by words such as “may,” “will,” “expect,” “intend,” “anticipate,” “believe,” “estimate,” “plan,” “project,” “could,” “should,” “would,” “continue,” “seek,” “target,” “guidance,” “outlook,” “if current trends continue,” “optimistic,” “forecast” and other similar words. Such statements include, but are not limited to, statements about future financial and operating results, the company’s plans, objectives, estimates, expectations and intentions, and other statements that are not historical facts. These forward-looking statements are based on the company’s current objectives, beliefs and expectations, and they are subject to significant risks and uncertainties that may cause actual results and financial position and timing of certain events to differ materially from the information in the forward-looking statements. These risks and uncertainties include, but are not limited to, those set forth in the company’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2018 (especially in Part I, Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations, and Part II, Item 1A. Risk Factors) and other risks and uncertainties listed from time to time in the company’s other filings with the Securities and Exchange Commission. There may be other factors of which the company is not currently aware that may affect matters discussed in the forward-looking statements and may also cause actual results to differ materially from those discussed. The company does not assume any obligation to publicly update or supplement any forward-looking statement to reflect actual results, changes in assumptions or changes in other factors affecting these forward-looking statements other than as required by law. Any forward-looking statements speak only as of the date hereof or as of the dates indicated in the statements.