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

FORM 10-Q

[X]Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the Quarterly Period Ended September 30, 1999.

[ ]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	75-1825172
(State or other jurisdiction of incorporation or organization)	(I.R.S. 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

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 X 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 - 148,083,026 as of October 29, 1999

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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 September 30,		Nine Months Ended September 30,	
	1999	1998	1999	1998
Revenues				
Airline Group:				
Passenger - American Airlines, Inc	$3,900	$3,871	$10,971	$11,238
- American Eagle	352	304	963	849
Cargo	160	158	469	490
Other	267	257	795	739
	4,679	4,590	13,198	13,316
Sabre	617	604	1,894	1,735
Other	20	17	60	51
Less: Intersegment revenues	(166)	(165)	(508)	(498)
Total operating revenues	5,150	5,046	14,644	14,604
Expenses				
Wages, salaries and benefits	1,734	1,632	5,164	4,817
Aircraft fuel	456	400	1,219	1,219
Depreciation and amortization	317	328	984	966
Commissions to agents	314	311	900	934
Maintenance, materials and repairs	263	251	743	704
Other rentals and landing fees	261	231	754	667
Food service	196	184	548	523
Aircraft rentals	161	142	483	427
Other operating expenses	901	835	2,634	2,343
Total operating expenses	4,603	4,314	13,429	12,600
Operating Income	547	732	1,215	2,004
Other Income (Expense)				
Interest income	26	37	72	103
Interest expense	(107)	(93)	(294)	(280)
Interest capitalized	27	28	89	71
Minority interest	(13)	(12)	(40)	(37)
Miscellaneous - net	(9)	16	50	(3)
	(76)	(24)	(123)	(146)
Income From Continuing Operations Before Income Taxes	471	708	1,092	1,858
Income tax provision	192	277	451	734
Income From Continuing Operations	279	431	641	1,124
Discontinued Operations, net of applicable income taxes	-	2	64	8
Net Earnings	$ 279	$ 433	$ 705	$ 1,132

Continued on next page.

AMR CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS (CONTINUED)
(Unaudited) (In millions, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1999	1998	1999	1998
Earnings Applicable to Common Shares	$ 279	$ 433	$ 705	$ 1,132
Earnings Per Common Share				
Basic				
Income from Continuing Operations	$ 1.86	$ 2.56	$ 4.17	$ 6.57
Discontinued Operations	-	0.01	0.41	0.05
Net Earnings	$ 1.86	$ 2.57	$ 4.58	$ 6.62
Diluted				
Income from Continuing Operations	$ 1.76	$ 2.48	$ 4.04	$ 6.34
Discontinued Operations	-	0.01	0.40	0.05
Net Earnings	$ 1.76	$ 2.49	$ 4.44	$ 6.39

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

AMR CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited) (In millions)

	September 30, 1999	December 31, 1998 (Note 1)
Assets		
Current Assets		
Cash	$ 96	$ 95
Short-term investments	1,869	1,978
Receivables, net	1,742	1,543
Inventories, net	703	596
Deferred income taxes	476	476
Other current assets	226	187
Total current assets	5,112	4,875
Equipment and Property		
Flight equipment, net	10,986	8,712
Other equipment and property, net	1,980	1,903
Purchase deposits for flight equipment	1,329	1,624
	14,295	12,239
Equipment and Property Under Capital Leases		
Flight equipment, net	1,883	1,981
Other equipment and property, net	186	166
	2,069	2,147
Route acquisition costs, net	894	916
Other assets, net	1,994	2,126
	$ 24,364	$ 22,303
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	$ 1,249	$ 1,152
Accrued liabilities	2,189	2,122
Air traffic liability	2,596	2,163
Current maturities of long-term debt	307	48
Current obligations under capital leases	168	154
Total current liabilities	6,509	5,639
Long-term debt, less current maturities	3,525	2,436
Obligations under capital leases, less current obligations	1,692	1,764
Deferred income taxes	1,752	1,491
Other liabilities, deferred gains, deferred credits and postretirement benefits	4,388	4,275
Stockholders' Equity		
Common stock	182	182
Additional paid-in capital	3,061	3,075
Treasury stock	(2,111)	(1,288)
Accumulated other comprehensive income	(4)	(4)
Retained earnings	5,370	4,733
	6,498	6,698
	$ 24,364	$ 22,303

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

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

	Nine Months Ended September 30,	
	1999	1998
Net Cash Provided by Operating Activities	$ 2,163	$ 2,571
Cash Flow from Investing Activities:		
Capital expenditures, including net change in purchase deposits for flight equipment	(2,876)	(1,950)
Net decrease in short-term investments	113	190
Acquisitions and other investments	(99)	(140)
Proceeds from:		
Sale of discontinued operations	259	-
Sale of equipment and property	67	224
Sale of other investments	66	-
Net cash used for investing activities	(2,470)	(1,676)
Cash Flow from Financing Activities:		
Repurchases of common stock	(930)	(889)
Payments on long-term debt and capital lease obligations	(213)	(349)
Proceeds from:		
Issuance of long-term debt	1,367	165
Sale-leaseback transactions	54	108
Exercise of stock options	30	80
Net cash provided by (used for) financing asctivities	308	(885)
Net increase in cash	1	10
Cash at beginning of period	95	62
Cash at end of period	$ 96	$ 72
Cash Payments For:		
Interest	$ 197	$ 226
Income taxes	114	435
Financing Activities Not Affecting Cash:		
Capital lease obligations incurred	$ 54	$ 108

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 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 balance sheet at December 31, 1998 has been derived from the audited financial statements at that date. For further information, refer to the consolidated financial statements and footnotes thereto included in the AMR Corporation (AMR or the Company) Annual Report on Form 10-K for the year ended December 31, 1998. Certain amounts from 1998 have been reclassified to conform with the 1999 presentation.

2. Accumulated depreciation of owned equipment and property at September 30, 1999 and December 31, 1998, was $7.9 billion and $7.3 billion, respectively. Accumulated amortization of equipment and property under capital leases at September 30, 1999 and December 31, 1998, was $1.4 billion and $1.3 billion, respectively.

   Effective January 1, 1999, in order to more accurately reflect the expected useful life of its aircraft, the Company changed its estimate of the depreciable lives of certain aircraft types from 20 to 25 years and increased the residual value from five to 10 percent. As a result of this change, depreciation and amortization expense was reduced by approximately $39 million and net earnings was increased by approximately $23 million, or $0.15 per common share diluted, for the three months ended September 30, 1999. For the nine months ended September 30, 1999, depreciation and amortization expense was reduced by approximately $119 million and net earnings was increased by approximately $70 million, or $0.44 per common share diluted.

3. The Miami International Airport Authority is currently remediating various environmental conditions at Miami International Airport (Airport) and funding the remediation costs through landing fee revenues. Future costs of the remediation effort may be borne by carriers operating at the Airport, including American Airlines, Inc. (American), through increased landing fees and/or other charges. The ultimate resolution of this matter is not expected to have a significant impact on the financial position or liquidity of AMR.

4. As of September 30, 1999, the Company had commitments to acquire the following aircraft: 85 Boeing 737-800s, 26 Boeing 777-200IGWs, 90 Embraer EMB-135s, 25 Bombardier CRJ-700s and 11 Embraer EMB-145s. Deliveries of these aircraft extend through 2006. Payments for these aircraft approximate $1.0 billion during the remainder of 1999, $2.2 billion in 2000, $1.9 billion in 2001 and an aggregate of approximately $1.5 billion in 2002 through 2006.

   In April 1999, the Company announced that it will accelerate the retirement of nine McDonnell Douglas DC-10 and 16 Boeing 727-200 aircraft, thereby eliminating American's entire DC-10 fleet by the end of 2000 and advancing the retirement of the Boeing 727 fleet to the end of 2003.

5. In early February 1999, some members of the Allied Pilots Association (APA) engaged in certain activities (increased sick time and declining to fly additional trips) that resulted in numerous cancellations across American's system. These actions were taken in response to the acquisition of Reno Air, Inc. (Reno) and adversely impacted the Company's 1999 net earnings. On October 30, 1999, American and the APA reached agreement on a number of issues, including the integration of Reno and American pilot workforces, and new processes to facilitate and foster the amicable resolution of future issues between American and the APA.

6. In connection with a secondary offering by Equant N.V. in

February 1999, the Company sold approximately 923,000 depository certificates for proceeds of $66 million. The Company recorded a pre-tax gain of $66 million as a result of this transaction.

7. The results of operations for AMR Services, AMR Combs and TeleService Resources have been reflected in the consolidated statements of operations as discontinued operations. During the first quarter of 1999, the Company completed the sales of all three businesses. As a result of these sales, the Company recorded a gain of approximately $64 million, net of income taxes of approximately $19 million. Earnings from the operations of AMR Services, AMR Combs and TeleService Resources were $2 million, net of income taxes of $1.7 million, and $8 million, net of income taxes of $6.7 million, for the three and nine months ended September 30, 1998, respectively. Revenues from the operations of AMR Services, AMR Combs and TeleService Resources were $122 million for the three months ended September 30, 1998 and $97 million and $374 million for the nine months ended September 30, 1999 and 1998, respectively.

8. During 1999, American and American Eagle entered into various debt agreements which are secured by aircraft. Effective interest rates on these agreements range from 5.6 percent to 6.6 percent and mature in 2011 and 2015. As of September 30, 1999, the Company had borrowed approximately $1.0 billion under these agreements.

   On July 13, 1999, the Company issued $150 million of unsecured debt bearing interest at 7.875 percent, maturing on July 13, 2039, and callable at par after July 13, 2004.

   On October 6, 1999, American issued $600 million of pass-through certificates which are secured by 15 Boeing aircraft. Interest on these certificates range from 6.855 to 7.324 percent and mature in 2004 and 2009. A portion of these proceeds were used to repay $170 million of secured debt borrowed by American during September 1999.

AMR CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(Unaudited)

9. The following table sets forth the computations of basic and diluted earnings per share from continuing operations (in millions, except per share data):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1999	1998	1999	1998
Numerator:				
Numerator for basic earnings per share - income from continuing operations	$ 279	$ 431	$ 641	$1,124
Impact of Sabre, Inc. dilutive securities	(6)	-	-	-
Numerator for diluted earnings per share - adjusted income from continuing operations	$ 273	$ 431	$ 641	$1,124
Denominator:				
Denominator for basic earnings per share - weighted-average shares	150	169	154	171
Effect of dilutive securities:				
Employee options and shares	11	12	12	13
Assumed treasury shares purchased	(7)	(7)	(7)	(7)
Dilutive potential common shares	5	5	5	6
Denominator for diluted earnings per share - adjusted weighted-average shares	155	174	159	177
Basic earnings per share from continuing operations	$1.86	$2.56	$4.17	$6.57
Diluted earnings per share from continuing operations	$1.76	$2.48	$4.04	$6.34

AMR CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(Unaudited)

10. AMR's operations fall within two lines of business: the Airline Group and Sabre, Inc, a majority-owned subsidiary of AMR. The Airline Group consists primarily of American, one of the largest scheduled passenger airlines and air freight carriers in the world, and AMR Eagle Holding Corporation (AMR Eagle), a separate subsidiary of AMR. AMR Eagle owns three regional airlines which operate as "American Eagle", and provides connecting service to American. Sabre provides electronic distribution of travel through its Sabre computer reservations system and information technology solutions to the travel and transportation industries.

Selected financial information by reportable segment is as follows (in millions):

	Airline Group	Sabre	Total
Three months ended September 30, 1999			
Revenues from external customers	$4,669	$465	$5,134
Intersegment revenues	10	152	162
Operating income	422	121	543
Three months ended September 30, 1998			
Revenues from external customers	$4,576	$458	$5,034
Intersegment revenues	14	146	160
Operating income	626	98	724
Nine months ended September 30, 1999			
Revenues from external customers	$13,165	$1,430	$14,595
Intersegment revenues	33	464	497
Operating income	867	329	1,196
Nine months ended September 30, 1998			
Revenues from external customers	$13,278	$1,287	$14,565
Intersegment revenues	38	448	486
Operating income	1,661	322	1,983

The following table provides a reconciliation of reportable segment revenues and operating income to the Company's consolidated financial statement totals (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1999	1998	1999	1998
Revenues				
Total external revenues for reportable segments	$5,134	$5,034	$14,595	$14,565
Intersegment revenues for reportable segments	162	160	497	486
Other revenues	20	17	60	51
Elimination of intersegment revenues	(166)	(165)	(508)	(498)
Total consolidated revenues	$5,150	$5,046	$14,644	$14,604
Operating income				
Total operating income for reportable segments	$ 543	$ 724	$ 1,196	$1,983
Other operating income	4	8	19	21
Total consolidated operating income	$ 547	$ 732	$ 1,215	$2,004

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

RESULTS OF OPERATIONS

For the Three Months Ended September 30, 1999 and 1998

Summary AMR recorded net earnings for the three months ended September 30, 1999 of $279 million, or $1.76 per common share diluted. This compares to net earnings of $433 million, or $2.49 per common share diluted, for the third quarter of 1998. AMR's operating income of $547 million decreased 25.3 percent, or $185 million, compared to $732 million for the same period in 1998.

The following sections provide a discussion of AMR's results by reporting segment, which are described in Footnote 10 and in AMR's Annual Report on Form 10-K for the year ended December 31, 1998.

AIRLINE GROUP
FINANCIAL HIGHLIGHTS
(Unaudited) (Dollars in millions)

	Three Months Ended September 30,	
	1999	1998
Revenues		
Passenger - American Airlines, Inc.	$3,900	$ 3,871
- American Eagle	352	304
Cargo	160	158
Other	267	257
	4,679	4,590
Expenses		
Wages, salaries and benefits	1,528	1,449
Aircraft fuel	456	400
Commissions to agents	314	311
Depreciation and amortization	276	265
Maintenance, materials and repairs	263	250
Other rentals and landing fees	248	222
Food service	196	184
Aircraft rentals	161	142
Other operating expenses	815	741
Total operating expenses	4,257	3,964
Operating Income	422	626
Other Expense	(69)	(27)
Earnings Before Income Taxes	$ 353	$ 599
Average number of equivalent employees	100,800	93,100

RESULTS OF OPERATIONS (continued)

OPERATING STATISTICS

	Three Months Ended September 30, 1999	1998
American Airlines Jet Operations		
Revenue passenger miles (millions)	30,325	29,132
Available seat miles (millions)	42,245	39,806
Cargo ton miles (millions)	541	480
Passenger load factor	71.8%	73.2%
Breakeven load factor	63.3%	60.2%
Passenger revenue yield per passenger mile (cents)	12.86	13.29
Passenger revenue per available seat mile (cents)	9.23	9.73
Cargo revenue yield per ton mile (cents)	29.22	32.61
Operating expenses per available seat mile (cents)	9.21	9.22
Fuel consumption (gallons, in millions)	780	728
Fuel price per gallon (cents)	55.9	53.1
Fuel price per gallon, excluding fuel taxes (cents)	51.0	48.4
Operating aircraft at period-end	701	645
American Eagle		
Revenue passenger miles (millions)	905	753
Available seat miles (millions)	1,502	1,156
Passenger load factor	60.2%	65.1%
Operating aircraft at period-end	268	207

Operating aircraft at September 30, 1999 included:

American Airlines Aircraft:	
Airbus A300-600R	35
Boeing 727-200	75
Boeing 737-800	18
Boeing 757-200	102
Boeing 767-200	8
Boeing 767-200 Extended Range	22
Boeing 767-300 Extended Range	49
Boeing 777-200IGW	11
Fokker 100	75
McDonnell Douglas DC-10-10	6
McDonnell Douglas DC-10-30	5
McDonnell Douglas MD-11	11
McDonnell Douglas MD-80	279
McDonnell Douglas MD-90	5
Total	701

American Eagle Aircraft:	
ATR 42	35
Embraer 145	39
Embraer 135	5
Super ATR	43
Saab 340A	19
Saab 340B	102
Saab 340B Plus	25
Total	268

96.7 percent of American's aircraft fleet is Stage III, a classification of aircraft meeting noise standards as promulgated by the Federal Aviation Administration.

Average aircraft age is 10.7 years for American's aircraft and 6.2 years for American Eagle aircraft.

RESULTS OF OPERATIONS (continued)

The Airline Group's revenues increased $89 million, or 1.9 percent, in the third quarter of 1999 versus the same period last year. American's results for the third quarter of 1999 reflect the acquisition of Reno. American's passenger revenues increased by 0.7 percent, or $29 million, compared to the third quarter of 1998. American's yield (the average amount one passenger pays to fly one mile) of 12.86 cents decreased by 3.2 percent compared to the same period in 1998. Domestic yields decreased 1.2 percent from the third quarter of 1998. International yields decreased 7.4 percent due to a 9.3 percent decrease in Europe, a 5.9 percent decrease in Latin America, and a 3.0 percent decrease in the Pacific. The decrease in domestic yields was due primarily to industry capacity additions, the impact of international yield pressure on the domestic portion of international journeys, and the growing presence of low-cost competitors. The decrease in international yields was due primarily to large industry capacity additions in the transatlantic markets.

American's traffic or revenue passenger miles (RPMs) increased 4.1 percent to 30.3 billion miles for the quarter ended September 30, 1999. American's capacity or available seat miles (ASMs) increased 6.1 percent to 42.2 billion miles in the third quarter of 1999. American's domestic traffic increased 2.6 percent on capacity increases of 6.8 percent and international traffic grew 7.2 percent on capacity increases of 4.7 percent. The increase in international traffic was driven by a 41.9 percent increase in traffic to the Pacific on capacity growth of 35.1 percent, a 7.4 percent increase in traffic to Europe on capacity growth of 10.5 percent, and a 1.5 increase in traffic to Latin America on a capacity decrease of 3.8 percent. During the third quarter of 1998, American's revenue and traffic was positively impacted by the effects of pilot strikes at two of its competitors.

AMR Eagle's revenues increased 15.8 percent, or $48 million, due primarily to the acquisition of Business Express, a regional carrier based in the Northeast, in March 1999.

The Airline Group's operating expenses increased 7.4 percent, or $293 million. American's Jet Operations cost per ASM decreased 0.1 percent to 9.21 cents. Wages, salaries and benefits increased 5.5 percent, or $79 million, primarily due to an increase in the average number of equivalent employees and contractual wage rate and seniority increases that are built into the Company's labor contracts, partially offset by a decrease in the provision for profit-sharing. Aircraft fuel expense increased 14.0 percent, or $56 million, due to a 7.1 percent increase in American's fuel consumption and a 5.3 percent increase in American's average price per gallon, including taxes, and net of fuel hedging activity. Other rentals and landing fees increased $26 million, or 11.7 percent, due to higher facilities rent and landing fees across American's system and the addition of Reno. Aircraft rentals increased $19 million, or 13.4 percent, due primarily to the addition of Reno and Business Express aircraft. Other operating expense increased $74 million, or 10.0 percent, due primarily to an increase in outsourced services, travel and incidental costs, and the acquisition of Reno and Business Express.

Other Expense increased $42 million due to an increase in interest expense resulting from an increase in long-term debt for aircraft financing, and a decrease in interest income resulting from lower investment balances and a decline in interest rates.

RESULTS OF OPERATIONS (continued)

SABRE
FINANCIAL HIGHLIGHTS
(Unaudited) (Dollars in millions)

	Three Months Ended September 30, 1999	Three Months Ended September 30, 1998
Revenues	$ 617	$ 604
Operating Expenses	496	506
Operating Income	121	98
Other Income	4	15
Earnings Before Income Taxes	$ 125	$ 113
Average number of equivalent employees	11,700	11,700

Revenues
Revenues for Sabre increased $13 million, or 2.2 percent. Electronic travel distribution revenues increased approximately $37 million, or 10.9 percent, due to growth in booking fees driven by an increase in booking volumes and an overall increase in the average price per booking due to a price increase implemented in February 1999. The increase in booking fee revenues was also partially driven by an increase in bookings made through Sabre's online travel site (Travelocity.com). Revenues from information technology solutions decreased approximately $24 million, or 9.1 percent, primarily due to services performed under the information technology services agreement with US Airways, Inc. (US Airways) moving into a steady state, partially offset by increased revenues from other information technology outsourcing agreements signed during 1998.

Expenses
Operating expenses decreased $10 million, or 2.0 percent, due primarily to decreases in contract labor expense and depreciation and amortization expense, partially offset by increases in salaries, benefits and employee-related expenses, subscriber incentive expense, and advertising and miscellaneous selling expenses. Contract labor expenses decreased due to a planned reduction in contract labor headcount. Depreciation and amortization expense decreased primarily due to the reversal of approximately $19 million of amortization expense on the deferred asset associated with the stock options granted to US Airways due to a reduction in the market price of Sabre's common stock. Salaries, benefits and employee-related expenses increased as a result of sales growth initiatives and increased administrative requirements to support Sabre's growth, higher average salaries and benefits costs, and severance charges related to the reduction in force of approximately 330 employees at the end of August 1999. Subscriber incentive expense increased in order to maintain and expand Sabre's travel agency subscriber base. Advertising and miscellaneous selling expenses increased in order to support Sabre's growth initiatives.

Other Income
Other income decreased 73.3 percent, or $11 million, due primarily to a favorable court judgement relating to Ticketnet Corporation, an inactive subsidiary of Sabre, in the third quarter of 1998.

RESULTS OF OPERATIONS (continued)

For the Nine Months Ended September 30, 1999 and 1998

Summary AMR recorded net earnings for the nine months ended September 30, 1999 of $705 million, or $4.44 per common share diluted. This compares with net earnings of $1,132 million, or $6.39 per common share diluted, for the same period in 1998. AMR's operating income of $1.2 billion decreased 39.4 percent, or $789 million, compared to $2.0 billion for the same period in 1998. AMR's net earnings were adversely impacted by an illegal job action by some members of the APA during the first quarter of 1999, which negatively impacted the Company's net earnings by an estimated $140 million, or $0.88 per common share diluted. This was partially offset by the gain on the sale of AMR Services, AMR Combs and TeleService Resources, and the gain from the sale of the Equant N.V. depository certificates, such gains aggregating approximately $101 million after taxes, or $0.64 per common share diluted.

AIRLINE GROUP
FINANCIAL HIGHLIGHTS
(Unaudited) (Dollars in millions)

	Nine Months Ended September 30,	
	1999	1998
Revenues		
Passenger - American Airlines, Inc.	$10,971	$ 11,238
- American Eagle	963	849
Cargo	469	490
Other	795	739
	13,198	13,316
Expenses		
Wages, salaries and benefits	4,547	4,285
Aircraft fuel	1,219	1,219
Commissions to agents	900	934
Depreciation and amortization	797	781
Maintenance, materials and repairs	742	702
Other rentals and landing fees	717	641
Food service	548	523
Aircraft rentals	483	427
Other operating expenses	2,378	2,143
Total operating expenses	12,331	11,655
Operating Income	867	1,661
Other Expense	(131)	(130)
Earnings Before Income Taxes	$ 736	$ 1,531
Average number of equivalent employees	97,800	91,900

RESULTS OF OPERATIONS (continued)

OPERATING STATISTICS

	Nine Months Ended September 30, 1999	Nine Months Ended September 30, 1998
American Airlines Jet Operations		
Revenue passenger miles (millions)	84,522	82,443
Available seat miles (millions)	120,354	116,476
Cargo ton miles (millions)	1,483	1,485
Passenger load factor	70.2%	70.8%
Breakeven load factor	64.3%	59.2%
Passenger revenue yield per passenger mile (cents)	12.98	13.63
Passenger revenue per available seat mile (cents)	9.12	9.65
Cargo revenue yield per ton mile (cents)	31.21	32.64
Operating expenses per available seat mile (cents)	9.38	9.27
Fuel consumption (gallons, in millions)	2,212	2,120
Fuel price per gallon (cents)	52.7	55.6
Fuel price per gallon, excluding fuel taxes (cents)	48.1	50.8
Operating aircraft at period-end	701	645
American Eagle		
Revenue passenger miles (millions)	2,496	2,076
Available seat miles (millions)	4,135	3,326
Passenger load factor	60.4%	62.4%
Operating aircraft at period-end	268	207

The Airline Group's revenues decreased $118 million, or 0.9 percent, during the first nine months of 1999 versus the same period last year. American's results for the nine months ended September 30, 1999 reflect the acquisition of Reno. American's passenger revenues decreased by 2.4 percent, or $267 million, largely as a result of the illegal job action by some members of the APA during the first quarter of 1999. American's yield of 12.98 cents decreased by 4.8 percent compared to the same period in 1998. Domestic yields decreased 3.0 percent from the first nine months of 1998. International yields decreased 8.7 percent, reflecting a 9.1 percent decrease in Europe, an 8.9 percent decrease in the Pacific and a 7.5 percent decrease in Latin America. The decrease in domestic yield was due primarily to increased capacity and fare sale activity in the first half of 1999 compared to the same period in 1998, the APA job action, and the impact of international yield decreases on domestic yields. The decrease in international yields was due primarily to weak international economies, large industry capacity additions and increased fare sale activity.

American's traffic or revenue passenger miles (RPMs) increased 2.5 percent to 84.5 billion miles for the nine months ended September 30, 1999. American's capacity or available seat miles (ASMs) increased 3.3 percent to 120.4 billion miles in the first nine months of 1999. American's domestic traffic increased 1.8 percent on capacity growth of 3.5 percent and international traffic grew 4.1 percent on capacity increases of 2.9 percent. The increase in international traffic was driven by a 46.7 percent increase in traffic to the Pacific on capacity growth of 50.2 percent and a 4.5 percent increase in traffic to Europe on capacity growth of 7.5 percent. This was partially offset by a 2.1 percent decrease in traffic to Latin America on a capacity decline of 6.0 percent.

American's operations were adversely impacted by several external factors primarily in the second quarter of 1999. First, American experienced record delays and cancellations due to weather, primarily at its Dallas-Fort Worth and Chicago hubs. In addition, the implementation of the Federal Aviation Administration's new Display Screen Replacement (DSR) system caused numerous delays and cancellations across American's system as three of the first five centers to receive the new DSR system - Fort Worth, New York, and Chicago - are high-traffic cities in American's network which are responsible for a significant amount of American's traffic.

AMR Eagle's revenues increased 13.4 percent, or $114 million, due primarily to the acquisition of Business Express in March 1999.

The Airline Group's operating expenses increased 5.8 percent, or $676 million. American's Jet Operations cost per ASM increased by 1.2 percent to 9.38 cents. Wages, salaries and benefits increased $262 million, or 6.1 percent, primarily due to an increase in the average number of equivalent employees and contractual wage rate and seniority increases that are built into the Company's labor contracts, partially offset by a decrease in the provision for profit-sharing. Other rentals and landing fees increased $76 million, or 11.9 percent, due to higher facilities rent and landing fees across American's system and the addition of Reno. Aircraft rentals increased $56 million, or 13.1 percent, due primarily to the addition of Reno and Business Express aircraft. Other operating expense increased $235 million, or 11.0 percent, due primarily to an increase in outsourced services, travel and incidental costs, booking fees, aircraft maintenance work performed by American for other airlines, and the acquisition of Reno and Business Express.

Other Expense increased 0.8 percent, or $1 million, due to an increase in capitalized interest on aircraft purchase deposits and a $31 million gain on the sale of a portion of American's interest in Equant N.V., offset by a decrease in interest income resulting from lower investment balances and a decline in interest rates and an increase in interest expense resulting from an increase in long-term debt for aircraft financing.

RESULTS OF OPERATIONS (continued)

SABRE
FINANCIAL HIGHLIGHTS
(Unaudited) (Dollars in millions)

	Nine Months Ended September 30,	
	1999	1998
Revenues	$1,894	$1,735
Operating Expenses	1,565	1,413
Operating Income	329	322
Other Income	45	18
Earnings Before Income Taxes	$ 374	$ 340
Average number of equivalent employees	12,000	13,000

Revenues
Revenues for Sabre increased $159 million, or 9.2 percent. Electronic travel distribution revenues increased approximately $123 million, or 12.0 percent, due to growth in booking fees driven by an increase in booking volumes and an overall increase in the average price per booking due to a price increase implemented in February 1999. The increase in booking fee revenues was also partially driven by an increase in bookings made through the Travelocity.com site. Revenues from information technology solutions increased approximately $36 million, or 5.1 percent, primarily due to services performed under the various information technology services agreements signed during 1998.

Expenses
Operating expenses increased $152 million, or 10.8 percent, due primarily to increases in salaries, benefits and employee-related expenses, subscriber incentive expense, data processing expenses, and advertising and miscellaneous selling expenses, partially offset by a decrease in depreciation and amortization expense, contract labor expenses, and expenses associated with the marketing cooperation agreement with American. Salaries, benefits and employee-related expenses increased as a result of sales growth initiatives and increased administrative requirements to support Sabre's growth, higher average salaries and benefits costs, and severance charges related to the reduction in force of approximately 330 employees at the end of August 1999. Subscriber incentive expense increased in order to maintain and expand Sabre's travel agency subscriber base. Data processing costs increased due to the growth in bookings and transactions processed. Advertising and miscellaneous selling expenses increased in order to support Sabre's growth initiatives. Depreciation and amortization expense decreased primarily due to a reduction in the reserve for obsolete computer equipment, partially offset by additional depreciation expense associated with new equipment additions. Contract labor expenses decreased due to a planned reduction in contract labor headcount.

Other Income
Other income increased $27 million primarily due to a $35 million gain on the sale of Equant N.V. depository certificates held by American for the economic benefit of Sabre, partially offset by a favorable court judgement relating to Ticketnet Corporation, an inactive subsidiary of Sabre, in the third quarter of 1998.

LIQUIDITY AND CAPITAL RESOURCES

Net cash provided by operating activities in the nine-month period ended September 30, 1999 was $2.2 billion, a decrease of $408 million over the same period in 1998. This decrease resulted primarily from a decrease in net earnings. Capital expenditures for the first nine months of 1999 were $2.9 billion, and included the acquisition of 18 Boeing 737-800s, 11 Boeing 777-200IGWs, six Boeing 757-200s, four Boeing 767-300ERs, 19 Embraer 145s and five Embraer 135 aircraft. These capital expenditures were financed with internally generated cash, except for 14 Boeing aircraft which were financed through secured mortgage agreements, one Boeing aircraft which was financed through a sale-leaseback transaction, and the Embraer aircraft which were funded through secured debt agreements. On October 6, 1999, American issued $600 million of pass-through certificates which are secured by 15 Boeing aircraft. Interest on these certificates range from 6.855 to 7.324 percent and mature in 2004 and 2009. A portion of these proceeds were used to repay $170 million of secured debt borrowed by American during September 1999.

As of September 30, 1999, the Company had commitments to acquire the following aircraft: 85 Boeing 737-800s, 26 Boeing 777-200IGWs, 90 Embraer EMB-135s, 25 Bombardier CRJ-700s and 11 Embraer EMB-145s. Deliveries of these aircraft extend through 2006. Payments for these aircraft approximate $1.0 billion during the remainder of 1999, $2.2 billion in 2000, $1.9 billion in 2001 and an aggregate of approximately $1.5 billion in 2002 through 2006. The Company expects to fund its remaining 1999 capital expenditures from the Company's existing cash and short-term investments, internally generated cash, and new financing depending upon capital market conditions and the Company's evolving view of its long-term needs.

In April 1999, the Company announced that it will accelerate the retirement of nine McDonnell Douglas DC-10 and 16 Boeing 727-200 aircraft, thereby eliminating American's entire DC-10 fleet by the end of 2000 and advancing the retirement of the Boeing 727 fleet to the end of 2003.

On July 13, 1999, the Company issued $150 million of unsecured debt bearing interest at 7.875 percent, maturing on July 13, 2039, and callable at par after July 13, 2004.

During the nine months ended September 30, 1999, the Company purchased approximately 14.1 million shares of its common stock at a cost of approximately $871 million. Additional share repurchases of up to $34 million, which is the remaining amount currently authorized by the Company's Board of Directors, may be made from time to time, depending on market conditions, and may be discontinued at any time.

In March 1999, Sabre's Board of Directors authorized, subject to certain business and market conditions, the repurchase of up to 1.0 million shares of Sabre's Class A Common Stock. During the nine months ended September 30, 1999, Sabre purchased all such shares at a cost of approximately $59 million. On September 15, 1999, Sabre's Board of Directors authorized, subject to certain business and market conditions, the repurchase of up to an additional $100 million of Sabre's Class A Common Stock.

In connection with a secondary offering by Equant N.V. in February 1999, the Company sold approximately 923,000 depository certificates for proceeds of $66 million. During the first half of 1999, the Company acquired approximately 400,000 depository certificates from other airlines. In addition, based upon a reallocation between the owners of the certificates in July 1999, the Company received an additional 2.6 million certificates. Accordingly, as of September 30, 1999, the Company holds approximately 5.3 million depository certificates with an estimated market value of approximately $433 million.

On October 4, 1999, Sabre announced the terms of a merger of Travelocity, an operating unit of Sabre (Travelocity) and Preview Travel, Inc. (Preview), an independent publicly traded company engaged in consumer direct travel distribution over the Internet. Under the terms of the merger agreement, shareholders of Preview will receive one share of Travelocity.com Inc., a newly created subsidiary of Sabre, for each share of Preview held, and Preview will be merged into Travelocity.com Inc., which will be the surviving entity. Sabre will attempt to obtain a listing of the shares of Travelocity.com Inc. on the NASDAQ exchange. Assuming that the listing is obtained, Travelocity.com Inc. will be a publicly traded company. Immediately prior to the merger, Sabre will contribute the existing assets and businesses of Travelocity and approximately $50 million in cash to Travelocity.com LP, a Delaware limited partnership (the Partnership). Immediately following the merger, Travelocity.com Inc. will contribute the assets and businesses obtained from the acquisition of Preview to the Partnership. As a result of the merger agreement, Sabre will own an economic interest of 70 percent in the combined businesses, composed of a 64 percent direct interest in the Partnership and an 18 percent interest in Travelocity.com Inc., which will hold a 36 percent interest in the Partnership.

Upon consummation of the merger, Sabre anticipates that it will recognize a gain and record goodwill based upon the ownership of Travelocity exchanged for the ownership interest in Preview. In addition, during the ten days following the merger, Travelocity.com Inc. has the right to cause Sabre to purchase with cash up to an additional $50 million in Travelocity.com Inc. common stock.

OTHER INFORMATION

The Company has previously indicated that it is considering a potential spin-off transaction in which AMR would distribute to its shareholders all of its ownership interest in Sabre. In the event of a spin-off of Sabre, the earnings and assets of Sabre would no longer be available to AMR.

YEAR 2000 READINESS

State of Readiness In 1995, the Company implemented a project (the Year 2000 Project) to ensure that hardware and software systems operated by the Company, including software licensed to or operated for third parties by Sabre, are designed to operate and properly manage dates beyond December 31, 1999 (Year 2000 Readiness). The Year 2000 Project consists of six phases: (i) awareness, (ii) assessment, (iii) analysis, design and remediation, (iv) testing and validation, (v) quality assurance review (to ensure consistency throughout the Year 2000 Project) and (vi) creation of business continuity strategy, including plans in the event of Year 2000 failures. In developing the Company's proprietary software analysis, remediation and testing methodology for Year 2000 Readiness, it studied the best practices of the Institute of Electrical and Electronics Engineers and the British Standards Institution. The Company has assessed (i) the Company's over 1,000 information technology and operating systems that will be utilized after December 31, 1999 (IT Systems); (ii) non-information technology systems, including embedded technology, facilities, and other systems (Non-IT Systems); and (iii) the Year 2000 Readiness of its critical third party service providers.

IT Systems The Company has completed the first five phases of the Year 2000 Project for all of its IT Systems, including its computer reservations and flight operating system applications that perform such "mission critical" functions as passenger bookings, ticketing, passenger check-in, aircraft weight and balance, flight planning and baggage and cargo processing. As of October 1, 1999, approximately 45 percent of those IT Systems (including the computer reservations systems) are already successfully processing Year 2000 dates in actual use. The Company has installed Year 2000 Readiness hardware and software at all of its locations worldwide. The Company is following structured clean management processes to keep all of its IT Systems Year 2000 ready.

Non-IT Systems The Company has completed the first five phases of the Year 2000 project for all of its Non-IT Systems which includes aircraft avionics and flight simulators. The Company believes that is has adequate contingency plans to ensure business continuity if any of its Non-IT systems are not Year 2000 ready.

Third Party Services The Company's business is dependent upon entities which supply critical infrastructure to the airline industry, such as the air traffic control and related systems of the Federal Aviation Administration and international aviation authorities, the Department of Transportation, and airport authorities. Those service providers depend on their hardware and software systems and on interfaces with the Company's IT Systems. The Company is actively involved in the Air Transport Association (ATA) and the International Air Transport Association (IATA) Year 2000 Airline Industry Program to ensure the readiness of airports, air traffic service providers, and commercial airline suppliers worldwide. As part of this program, the ATA and IATA are monitoring approximately 2,500 airports, 185 air traffic control service providers, and more than 5,000 commercial airline suppliers throughout the world regarding their Year 2000 Readiness. The results of these studies indicate that a majority of the domestic and international airports in which American operates have made significant progress towards their Year 2000 Readiness. Nevertheless, the Company continues to closely monitor the progress of a number of key airports that, if not properly prepared for the Year 2000, could disrupt the Company's ability to provide services to its customers.

In addition, the Company relies on third party service providers for many services, such as telecommunications, electrical power, and data and credit card transaction processing. Those service providers depend on their hardware and software systems and on interfaces with the Company's IT Systems. The Company is monitoring its critical service providers regarding their Year 2000 Readiness and has received responses from over 90 percent of its critical service providers. Such respondents assured the Company that their software and hardware is or will be Year 2000 ready. To the extent practical, the Company will implement contingencies for the third party critical service providers that have not responded.

The Company does not expect the Year 2000 issues it might encounter with third parties to be materially different from those encountered by other airlines, including the Company's competitors.

Costs of Year 2000 Project The Company expects to incur significant hardware, software and labor costs, as well as consulting and other expenses, in its Year 2000 Project. The Company's total estimated cost of the project is $215 to $220 million, of which approximately $210 million was incurred as of September 30, 1999. Costs associated with the Year 2000 Project are expensed as incurred, other than capitalized hardware costs, and have been funded through cash from operations.

Risks of Year 2000 Non-readiness The economy in general, and the travel and transportation industries in particular, may be adversely affected by risks associated with the Year 2000. The Company's business, financial condition, and results of operations could be materially adversely affected if systems that it operates or systems that are operated by third party service providers upon which the Company relies are not Year 2000 ready in time. There can be no assurance that these systems will continue to properly function and interface and will otherwise be Year 2000 ready. Management believes that its most likely Year 2000 risks relate to the failure of third parties with whom it has material relationships to be Year 2000 ready.

Although the Company is not aware of any threatened claims related to the Year 2000, the Company may be subject to litigation arising from such claims and, depending on the outcome, such litigation could have a material adverse affect on the Company. There can be no assurance that the Company's insurance coverage would be adequate to offset these and other business risks related to the Year 2000 issue.

Business Continuity Plans The Company has identified four potential risk areas related to the Year 2000 and is developing and refining plans to continue its business in the event of Year 2000 failures in response to those risks. The Company believes that its most likely Year 2000 risks relate to the failure of third parties with whom it has material relationships to be Year 2000 ready. In response to this risk, the Company has been actively participating with the ATA and IATA Year 2000 Airline Industry Program to ensure the readiness of airports and air traffic services worldwide. The Company is in the process of collecting additional business continuity information from such suppliers in order to effectively manage any failures. The second risk area relates to the effective prioritization and

management of any Year 2000 failures. The Company is establishing an Enterprise Command Center in order to prioritize issues, manage resources, coordinate problem resolution and communicate status in the event of Year 2000 failures. The third risk area relates to the possibility that the Company's employees will fail to report to work on or around December 31, 1999, thereby potentially disrupting the Company's operations. Somewhat mitigating this risk is that the Company will be operating a reduced holiday schedule due to soft passenger demand. In addition, the Company may undertake initiatives to encourage personnel to work as scheduled. The fourth risk area relates to the failure of critical internal business processes, services, systems and facilities.

The Company has tested all systems including those not impacted by dates and has completed approximately 98 percent of its business continuity plans to manage potential internal Year 2000 failures. The Company's business continuity plans include performing certain processes manually; maintaining dedicated staff to be available at crucial dates to remedy unforeseen problems; installing defensive code to protect real-time systems from improperly formatted date data supplied by third parties; repairing or obtaining replacement systems; and reducing or suspending certain non-critical aspects of the Company's services or operations. In addition, the Company will assess its operational readiness by evaluating mission critical systems and reporting the status to the Enterprise Command Center. Appropriate actions will be taken when issues regarding industry readiness impacts the airline's operations. Because of the pervasiveness and complexity of the Year 2000 issue, and in particular the uncertainty concerning the efforts and success of third parties to be Year 2000 ready, the Company will continue to refine its contingency plans during the fourth quarter.

The costs of the project and the date on which the Company plans to complete the Year 2000 Readiness program are based on management's best estimates, which were derived utilizing numerous assumptions of future events including the continued availability of certain resources, third party modification plans and other factors. Even though the Company has met all established deadlines and the cost estimates have remained constant, actual results could differ materially from these estimates. Specific factors that might cause such material differences include, but are not limited to, the availability and cost of personnel trained in this area, the ability to locate and correct all relevant computer codes, the failure of third parties to be Year 2000 ready, and similar uncertainties.

DALLAS LOVE FIELD

In 1968, as part of an agreement between the cities of Fort Worth and Dallas to build and operate Dallas/Fort Worth Airport (DFW), a bond ordinance was enacted by both cities (the Bond Ordinance). The Bond Ordinance required both cities to direct all scheduled interstate passenger operations to DFW and was an integral part of the bonds issued for the construction and operation of DFW. In 1979, as part of a settlement to resolve litigation with Southwest Airlines, the cities agreed to expand the scope of operations allowed under the Bond Ordinance at Dallas' Love Field. Congress enacted the Wright Amendment to prevent the federal government from acting inconsistent with this agreement. The Wright Amendment limited interstate operations at Love Field to the four states contiguous to Texas (New Mexico, Oklahoma, Arkansas and Louisiana) and prohibited through ticketing to any destination outside that perimeter. In 1997, without the consent of either city, Congress amended the Wright Amendment by (i) adding three states (Kansas, Mississippi and Alabama) to the perimeter and (ii) removing some federal restrictions on large aircraft configured with 56 seats or less (the 1997 Amendment). In October 1997, the City of Fort Worth filed suit in state district court against the City of Dallas and others seeking to enforce the Bond Ordinance. Fort Worth contends that the 1997 Amendment does not preclude the City of Dallas from exercising its proprietary rights to restrict traffic at Love Field in a manner consistent with the Bond Ordinance and, moreover, that Dallas has an obligation to do so. American joined in this litigation. On October 15, 1998, the state district court granted summary judgment in favor of Fort Worth and American, which summary judgment is being appealed to the Fort Worth Court of Appeals. In the same lawsuit, DFW filed claims alleging that irrespective of whether the Bond Ordinance is enforceable, the DFW Use Agreement prohibits American and other DFW signatory airlines from moving any interstate operations to Love Field. These claims remain unresolved. Dallas filed a separate declaratory judgment action in federal district court seeking to have the court declare that, as a matter of law, the 1997 Amendment precludes Dallas from exercising any restrictions on operations at Love Field. Further, in May 1998, Continental Airlines and Continental Express filed a lawsuit in federal court seeking a judicial declaration that the Bond Ordinance cannot be enforced to prevent them from operating flights from Love Field to Cleveland using regional jets. In December 1998, the Department of Transportation (DOT) issued an order on the federal law questions concerning the Bond Ordinance, local proprietary powers, DFW's Use Agreement with DFW carriers such as American, and the Wright and 1997 Amendments, and concluded that the Bond Ordinance was preempted by federal law and was therefore, not enforceable. The DOT also found that the DFW Use Agreement did not preclude American from

conducting interstate operations at Love Field. Fort Worth, American and DFW have appealed the DOT's order to the Fifth Circuit Court of Appeals.

As a result of the foregoing, the future of interstate flight operations at Love Field and American's DFW hub are uncertain. An increase in operations at Love Field to new interstate destinations could adversely impact American's business.

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 report, the words "expects," "plans," "anticipates," and similar expressions are intended to identify forward-looking statements. 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. Forward-looking statements are subject to a number of factors that could cause actual results to differ materially from our expectations. Additional information concerning these and other factors is contained in the Company's Securities and Exchange Commission filings, including but not limited to the Form 10-K for the year ended December 31, 1998.

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 Annual Report on Form 10-K for the year ended December 31, 1998.

PART II: OTHER INFORMATION

Item 1. Legal Proceedings

In connection with its frequent flyer program, American was sued in two purported class action cases (Wolens et al v. American Airlines, Inc. and Tucker v. American Airlines, Inc.) that were consolidated and are currently pending in the Circuit Court of Cook County, Illinois. The litigation arises from certain changes made to American's AAdvantage frequent flyer program in May 1988 which limited the number of seats available to participants traveling on certain awards. In the consolidated action, the plaintiffs seek to represent all persons who joined the AAdvantage program before May 1988 and accrued mileage credits before the seat limitations were introduced and allege that these changes breached American's contract with AAdvantage members. Plaintiffs seek money damages and attorneys' fees. The complaint originally asserted several state law claims, however only the plaintiffs' breach of contract claim remains after the U. S. Supreme Court ruled that the Airline Deregulation Act preempted the other claims. Although the case has been pending for numerous years, it still is in its preliminary stages. The court has not ruled on the plaintiffs' motion for class certification. American has a motion for judgement on the pleadings pending and is vigorously defending the lawsuit.

Gutterman et al. v. American Airlines, Inc. is also pending in the Circuit Court of Cook County, Illinois. In December 1993, American announced that the number of miles required to claim a certain travel award under American's AAdvantage frequent flyer program would be increased effective February 1, 1995, giving rise to the Gutterman litigation filed on that same date. The Gutterman plaintiffs claim that the increase in award mileage level violated the terms and conditions of the agreement between American and AAdvantage members. On June 23, 1998, the Court certified the case as a class action, although to date no notice has been sent to the class. The class consists of all members who earned miles between January 1, 1992 and February 1, 1995 (the date the change became effective). On July 13, 1998, the Court denied American's motion for summary judgment as to the claims brought by plaintiff Steven Gutterman. On July 30, 1998, the plaintiffs filed a motion for summary judgment as to liability, which motion has not been ruled upon. American is vigorously defending the lawsuit.

A federal grand jury in Miami is investigating whether American and American Eagle handled hazardous materials and processed courier shipments, cargo and excess baggage in accordance with applicable laws and regulations. In connection with this investigation, federal agents executed a search warrant at American's Miami facilities on October 22, 1997. Since that time, a number of employees have testified before the grand jury. In addition, American has been served with three subpoenas calling for the production of documents relating to the handling of courier shipments, cargo, excess baggage and hazardous materials handling and spills. American produced documents responsive to the three subpoenas. American intends to cooperate fully with the government's investigation.

On August 7, 1998, a purported class action was filed against American Airlines in state court in Travis County, Texas (Boon Ins. Agency v. American Airlines, Inc., et al.) claiming that the $75 reissuance fee for changes to non-refundable tickets is an unenforceable liquidated damages clause and seeking a refund of the fee on behalf of all passengers who paid it, as well as interest and attorneys' fees. On September 23, 1998, Continental, Delta and America West were added as defendants to the lawsuit. On February 2, 1999, prior to any discovery being taken and a class being certified, the court granted the defendants' motion for summary judgment holding that Plaintiff's claims are preempted by the Airline Deregulation Act. Plaintiff has filed an appeal of the dismissal of the lawsuit. American intends to vigorously defend the granting of the summary judgment on appeal.

On May 20, 1999, several class action lawsuits filed against the Allied Pilots Association (APA) seeking compensation for passengers and cargo shippers adversely affected by an illegal sick-out by some of American's pilots in February 1999 were consolidated in the United States District Court for the Northern District of Texas, Dallas Division (In re Allied Pilots Association Class Action Litigation). Plaintiffs are not seeking to hold American independently liable.

Instead, Plaintiffs named American as a defendant inasmuch as American has a $45.5 million judgment against the APA that exceeds APA's total assets. Plaintiffs claim they are entitled to some or all of the APA's limited funds. APA filed cross claims against American alleging that American must indemnify pilots who put themselves on the sick list. American is vigorously defending all claims against it.

PART II

Item 1. Legal Proceedings (Continued)

On July 26, 1999, a class action lawsuit was filed against AMR Corporation, American Airlines, Inc., AMR Eagle Holding Corporation, Airlines Reporting Corporation, and the Sabre Group Holdings, Inc. in the United States District Court for the Central District of California, Western Division (Westways World Travel, Inc. v. AMR Corp., et al). The lawsuit alleges that requiring travel agencies to pay debit memos to American for violations of American's fare rules (by customers of the agencies) violates the Racketeer Influenced and Corrupt Organizations Act of 1970 (RICO). The as yet uncertified class includes all travel agencies who have or will be required to pay monies to American for debit memos for fare rules violations from July 26, 1995 to the present. Plaintiffs seek to enjoin American from enforcing the pricing rules in question and to recover the amounts paid for debit memos, plus treble damages, attorneys' fees, and costs. American intends to vigorously defend the lawsuit.

On May 13, 1999, the United States (through the Antitrust Division of the Department of Justice) sued AMR Corporation, American Airlines, Inc., and AMR Eagle Holding Corporation in federal court in Wichita, Kansas. The lawsuit alleges that American unlawfully monopolized or attempted to monopolize airline passenger service to and from Dallas/Fort Worth International Airport (DFW) by increasing service when new competitors began flying to DFW, and by matching these new competitors' fares. The Department of Justice seeks to enjoin American from engaging in the alleged improper conduct and to impose restraints on American to remedy the alleged effects of its past conduct. American intends to defend the lawsuit vigorously.

Between May 14, 1999 and June 7, 1999, seven class action lawsuits were filed against AMR Corporation, American Airlines, Inc., and AMR Eagle Holding Corporation in the United States District Court in Wichita, Kansas seeking treble damages under federal and state antitrust laws, as well as injunctive relief and attorneys' fees. (King v. AMR Corp., et al.; Smith v. AMR Corp., et al.; Team Electric v. AMR Corp., et al.; Warren v. AMR Corp., et al.; Whittier v. AMR Corp., et al.; Wright v. AMR Corp., et al.; and Youngdahl v. AMR Corp., et al.). Collectively, these lawsuits allege that American unlawfully monopolized or attempted to monopolize airline passenger service to and from DFW by increasing service when new competitors began flying to DFW, and by matching these new competitors' fares. Two of the suits (Smith and Wright) also allege that American unlawfully monopolized or attempted to monopolize airline passenger service to and from DFW by offering discounted fares to corporate purchasers, by offering a frequent flyer program, by imposing certain conditions on the use and availability of certain fares, and by offering override commissions to travel agents. The suits propose to certify several classes of consumers, the broadest of which is all persons who purchased tickets for air travel on American into or out of DFW since 1995 to the present, although to date no class has been certified. American intends to defend these lawsuits vigorously.

Item 5. Other Information

The Department of Justice is investigating the competitive practices of major carriers at major hub airports, including American's practices at DFW (for further information, see Item 1. Legal Proceedings). Also, in April 1998, the DOT issued proposed pricing and capacity rules that would severely limit major carriers' ability to compete with new entrant carriers. The outcomes of the investigations and the proposed DOT rules are unknown. However, to the extent that (i) restrictions are imposed upon American's ability to respond to a competitor, or (ii) competitors have an advantage because of federal assistance, American's business may be adversely impacted.

PART II

Item 6. Exhibits and Reports on Form 8-K

The following exhibits are included herein:

12 Computation of ratio of earnings to fixed charges for the three and nine months ended September 30, 1999 and 1998.

27 Financial Data Schedule as of September 30, 1999.

On July 12, 1999, AMR filed a report on Form 8-K relative to filing documents with reference to the Registration Statement on Form S-3 (Registration No. 333-68211) (which Registration Statement constitutes a post-effective amendment to Registration Statements on Form S-3 (Registration Nos. 33-46325 and 33-52121)) of AMR Corporation.

On July 22, 1999, AMR filed a report on Form 8-K relative to a press release issued to report the Company's second quarter 1999 earnings.

On October 21, 1999, AMR filed a report on Form 8-K relative to a press release issued to report the Company's third quarter 1999 earnings.

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: November 5, 1999

BY: /s/ Gerard J. Arpey
Gerard J. Arpey
Senior Vice President and Chief Financial Officer

Exhibit 12

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1999	1998	1999	1998
Earnings:				
Earnings from continuing operations before income taxes	$471	$708	$1,092	$1,858
Add: Total fixed charges (per below)	330	289	955	860
Less: Interest capitalized	27	28	89	71
Total earnings	$774	$969	$1,958	$2,647
Fixed charges:				
Interest, including interest capitalized	$104	$90	$287	$279
Portion on rental expense representative of the interest factor	223	197	660	578
Amortization of debt expense	3	2	8	3
Total fixed charges	$330	$289	$955	$860
Ratio of earnings to fixed charges	2.35	3.35	2.05	3.08

5
1,000,000

9-MOS
DEC-31-1999
SEP-30-1999
96
1,869
1,778
36
703
5,112
25,672
9,308
24,364
6,509
5,217
0
0
1,132
5,366
24,364
0
14,644
0
13,429
0
0
294
1,092
451
641
64
0
0
705
4.58
4.44