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 25, 2018**

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 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

☐ 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 25, 2018, American Airlines Group Inc. (the “Company”) issued a press release reporting financial results for the three and twelve months ended months ended December 31, 2017. The press release is furnished as Exhibit 99.1.

ITEM 7.01. REGULATION FD DISCLOSURE.

On January 25, 2018, the Company provided an update for investors presenting information relating to its financial and operational outlook for 2018. 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.

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 certain 2017 financial information previously reported in accordance with GAAP in effect as of December 31, 2017 to reflect the expected effects of adoption. This recast financial information is labeled "As Recast" in Exhibit 99.3 furnished with this report and is included for supplemental purposes only. The adoption and related disclosures required by GAAP will be reported in the Company's 2018 first quarter report on Form 10-Q.

The information in Items 2.02 and 7.01 of this Current Report on Form 8-K, including Exhibits 99.1, 99.2 and 99.3, 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 25, 2018.
99.2	Investor Update, dated January 25, 2018.
99.3	Unaudited As Recast Financial Information, dated January 25, 2018.

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 25, 2018	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 25, 2018	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 25, 2018

AMERICAN AIRLINES GROUP REPORTS FOURTH-QUARTER AND FULL YEAR 2017 PROFIT

FORT WORTH, Texas – American Airlines Group Inc. (NASDAQ: AAL) today reported its fourth-quarter and full year 2017 results, including these highlights:

- **Reported a full year 2017 pre-tax profit of $3.1 billion, or $3.8 billion excluding net special items[1], and a full year net profit of $1.9 billion, or $2.4 billion excluding net special items**
- **Reported a fourth-quarter 2017 pre-tax profit of $425 million, or $739 million excluding net special items, and a fourth-quarter net profit of $258 million, or $455 million excluding net special items**
- **2017 earnings were $3.90 per diluted share, or $4.88 per diluted share excluding net special items. Fourth-quarter earnings were $0.54 per diluted share, or $0.95 per diluted share excluding net special items**
- **Accrued $241 million for the company's profit sharing program in 2017, including $46 million in the fourth quarter**
- **Returned $1.7 billion to shareholders in 2017, including the repurchase of 33.9 million shares and dividend payments of $198 million**

Pre-tax earnings excluding net special items for the fourth quarter of 2017 were $739 million, a $34 million decrease from the fourth quarter of 2016. For the full year 2017, pre-tax earnings excluding net special items were $3.8 billion, a decrease of $1.2 billion from 2016.

“2017 was a remarkable year for American Airlines. We made enormous progress as a company as we continued to make significant investments in our team members, product and operation, and those investments are beginning to pay off,” said Chairman and CEO Doug Parker. “Our operation continues to deliver record-setting performance for the company, and the credit goes to our team members who are simply the best in the business.

“We enter 2018 with strong momentum. Demand for American’s reliable, friendly service remains strong, our network is expanding, and the products we are bringing to market are resonating with customers.”

Fourth-Quarter and Full Year 2017 Revenue and Expenses

	GAAP		Non-GAAP[1]		GAAP		Non-GAAP[1]	
	4Q17	**4Q16**	**4Q17**	**4Q16**	**FY17**	**FY16**	**FY17**	**FY16**
Total operating revenues ($ mil)	$ 10,600	$ 9,789	$ 10,600	$ 9,789	$ 42,207	$ 40,180	$ 42,207	$ 40,180
Total operating expenses ($ mil)	9,910	9,022	9,607	8,761	38,149	34,896	37,415	34,173
Operating income ($ mil)	690	767	993	1,028	4,058	5,284	4,792	6,007
Pre-tax income ($ mil)	425	500	739	773	3,084	4,299	3,840	5,071
Pre-tax margin	4.0%	5.1%	7.0%	7.9%	7.3%	10.7%	9.1%	12.6%
Net income ($ mil)	258	289	455	475	1,919	2,676	2,399	3,173
Earnings per diluted share	$ 0.54	$ 0.56	$ 0.95	$ 0.92	$ 3.90	$ 4.81	$ 4.88	$ 5.71

Strong close-in demand and improving yields drove an 8.3 percent year-over-year increase in fourth-quarter total revenue, to $10.6 billion. Passenger yields grew in all geographic regions, including 11.0 percent growth in trans-Atlantic and 7.9 percent growth in Latin America. Cargo revenue was up 19.7 percent to $232 million due to higher volumes and a 6.7 percent increase in cargo yield. Other revenue was up 8.1 percent to $1.3 billion. Fourth-quarter total revenue per available seat mile increased by 5.6 percent compared to 2016 on a 2.5 percent increase in total available seat miles.

Total fourth-quarter operating expenses were $9.9 billion, up 9.8 percent year-over-year due primarily to a 23.5 percent increase in consolidated fuel expense and a 7.0 percent increase in salaries and benefits resulting from the company's investments in its team members. Total fourth-quarter cost per available seat mile (CASM) was 14.71 cents, up 7.1 percent from fourth-quarter 2016. Excluding fuel and special items, total fourth-quarter CASM was 11.25 cents, up 3.8 percent year-over-year.

Strategic Objectives

The company continues to focus on four long-term strategic objectives: Create a World-Class Customer Experience, Make Culture a Competitive Advantage, Ensure Long-Term Financial Strength, and Think Forward, Lead Forward.

Create a World-Class Customer Experience

American began 2017 by being named *Air Transport World's* Airline of the Year in recognition of its successful integration and significant investment in its product and people. This is a recognition American had not received since 1988. Also in 2017, American:

- Recorded its best on-time departure and arrival performance since 2003, and its best baggage handling performance since DOT began reporting in 1994
- Launched new products to meet customer demand, including the expansion of American's best-in-class lounges by opening Flagship First Dining, a new exclusive experience for customers in First Class on international and A321T transcontinental flights. American now offers Flagship First Dining in Miami, Los Angeles, and New York-JFK. Importantly, American is the only U.S. airline that offers international First Class
- Operated the youngest fleet among its peers and invested $4.1 billion in new aircraft, including its first Boeing 737 MAX. By the end of 2018, the company expects to induct a total of 20 new MAX aircraft, which will replace older, less fuel efficient aircraft
- Introduced new streaming-capable satellite-based internet access on the 737 MAX, which will be rolled out across most of the domestic mainline fleet

- Introduced Basic Economy, a product to compete with ultra low-cost carriers. This product is now offered nationwide and to leisure markets in Mexico and most of the Caribbean
- Rolled out Premium Economy, which offers a wider seat, more legroom, an amenity kit, and enhanced meal choices on international flights. Currently 64 widebody aircraft offer this product. American expects to offer Premium Economy on most of its widebody fleet by the spring of 2019
- Expanded the airline's global footprint by launching Los Angeles-to-Beijing service; and announcing service from Philadelphia to Prague, Czech Republic, and Budapest, Hungary; Dallas-Fort Worth to Reykjavik-Keflavik, Iceland; and Chicago-O'Hare to Venice, Italy, which will start this summer
- Completed delivery of the last Boeing 737-800 and Airbus A321CEO aircraft
- Painted the last aircraft in American's new livery

"Customers are responding positively to the options American offers, from international First Class to Basic Economy," said American Airlines President Robert Isom. "We are far ahead of our U.S. competitors in offering Premium Economy on our international flights, which comes just as we begin to prepare for the busy summer travel season. Importantly, this highly-differentiated product makes American's international service consistent with its partners across the Atlantic and the Pacific, so customers can book their international Premium Economy trips seamlessly.

"American's customers are noticing these significant product and network improvements. 2017 survey scores measuring our customers' likelihood to recommend American were the highest they've been in company history," Isom said.

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

American is creating an environment that cares for frontline team members, provides competitive pay, and equips its team with the right tools to support its customers. During 2017, American:

- Awarded each team member with two complimentary round-trip tickets across American's global network to commemorate being named *Air Transport World's* 2017 Airline of the Year
- After hurricanes hit the Caribbean and Florida, American Airlines team members worked together to help the people of San Juan, Puerto Rico and other affected parts of the region. American and its team members have delivered more than 2.5 million pounds of relief supplies and raised almost $2 million for the American Red Cross, in addition to other relief work
- Invested more than $300 million in facilities and equipment including renovations to team member spaces, mobile devices for pilots and flight attendants, and the ongoing One Campus One Team initiative at the airline's global support center in Fort Worth
- Ensured team member pay remained competitive through initiatives such as a mid-contract salary increase for pilots and flight attendants and continued step increases from a mid-contract pay increase for mechanics and fleet service workers
- Introduced a best-in-industry maternity and adoption benefit program to all team members including union-represented team members
- Launched the company's first team member survey in over a decade
- Provided customer service skills training to 35,000 team members through Elevate the Everyday Experience training, and launched training for leaders that emphasizes supporting team members who directly serve customers
- Announced that work on its CFM56-5B engines, which power much of American's Airbus narrowbody fleet, would move in-house to its world-class maintenance team located in Tulsa, Oklahoma beginning later this year

- Just this month, shared benefits of the recent Tax Cuts and Jobs Act by issuing $1,000 payments to all non-officer team members at American and its wholly-owned regional carriers. While American does not yet pay federal cash income taxes, the new tax law will reduce the company's future tax bill and allow more investments in equipment and facilities

Ensure Long-Term Financial Strength

American has taken significant steps forward to ensure its long-term competitiveness in the global aviation industry. In the four full years since the merger closed, the company's cumulative pre-tax earnings excluding net special items were $19.4 billion. American is focused on capturing the efficiencies created by the merger, delivering on its earnings potential, and creating value for its owners. In 2017, American:

- Returned $1.7 billion to shareholders through share repurchases and dividends, bringing the total since mid-2014 to $11.4 billion. These repurchases have reduced the share count by 37 percent to 475.5 million shares at the end of 2017. As of December 31, 2017, the company had approximately $450 million remaining of its current $2.0 billion share repurchase authority[2]
- Announced, at American's Media & Investor Day last fall, $3.9 billion in revenue and cost initiatives expected to be realized by the end of 2021. These projects are on track and are expected to improve the customer experience, drive revenue improvements, and deliver cost efficiencies
- Completed several innovative and landmark transactions in 2017 that provided efficient financing for the company. These transactions included repricing approximately $5 billion in term loans at industry-leading rates, extending and increasing its revolving credit facility, and setting a new benchmark rate for subordinated aircraft debt in the EETC market
- On January 25, 2018, declared a dividend of $0.10 per share, to be paid on February 20, 2018, to stockholders of record as of February 6, 2018

Think Forward, Lead Forward

American is committed to re-establishing itself as an industry leader by creating an action-oriented culture that moves quickly to bring products to market, embraces technological change, and quickly seizes upon new opportunities for its network and product. In 2017, American:

- Announced a $200 million equity stake in China Southern Airlines, leading to a growing codeshare with the largest airline in China
- Executed an amended and restated trans-Atlantic Joint Business Agreement that extends the term of the agreement with the company's partners
- Adopted next-generation technology such as cloud hosting and machine learning to speed time to value
- Announced a commitment for more than $1.6 billion for improvements of LAX Terminals 4 and 5, setting the stage for American to receive additional gate space, strengthen its Pacific gateway and to be the pre-eminent airline for Los Angeles
- Built a five-gate expansion at Chicago O'Hare Terminal 3, which is expected to open in April, giving American a new advantage at this key competitive hub

Parker summarized: "As an airline, we will always operate in a just-in-time environment, however, we recognize we must lead for the long term. This means we must be more nimble in our problem solving and in how we innovate and develop the right products, technology, and network both for customers of today and the future. Ultimately, all of this work will produce a company built for the long term, led by a team that thinks long-term, sees the potential of future opportunities, and brings innovative concepts to market quickly and efficiently."

Guidance and Investor Update

American expects its first-quarter 2018 TRASM to increase approximately 2.0 to 4.0 percent year-over-year, which reflects expected continued improvement in demand for both business and leisure travel. The company also expects its first-quarter 2018 pre-tax margin excluding special items to be between 2.0 and 4.0 percent.[3] In addition, based on the guidance issued today and current business conditions, American presently expects its 2018 diluted earnings per share excluding net special items to be between $5.50 and $6.50.[3]

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

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 February 25.

Notes

1. In the fourth quarter, the company recognized $314 million in net special items before the effect of income taxes. Mainline special items principally consisted of a $123 million charge for the $1,000 cash bonus and associated payroll taxes granted to employees in recognition of recent tax reform, $81 million of merger integration expenses, $58 million of fleet restructuring expenses, and a $20 million net charge resulting from fair value adjustments to bankruptcy obligations. Regional special items of $23 million principally consisted of a charge related to the $1,000 cash bonus and associated payroll taxes discussed above for employees at the company's regional subsidiaries. The company also recognized a nonoperating special charge of $11 million and an income tax net special benefit of $7 million. 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.
2. Share repurchases under the buyback program may be made through a variety of methods, which may include open market purchases, privately negotiated transactions, block trades or accelerated share repurchase transactions. Any such repurchases will be made from time to time subject to market and economic conditions, applicable legal requirements and other relevant factors. The program does not obligate the company to repurchase any specific number of shares or continue a dividend for any fixed period, and may be suspended at any time at the company's discretion.
3. 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, 2017 (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 statements.

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

	3 Months Ended December 31, 2017	3 Months Ended December 31, 2016	Percent Change	12 Months Ended December 31, 2017	12 Months Ended December 31, 2016	Percent Change
Operating revenues:						
Mainline passenger	$ 7,257	$ 6,717	8.0	$ 29,238	$ 27,909	4.8
Regional passenger	1,762	1,630	8.1	6,895	6,670	3.4
Cargo	232	194	19.7	800	700	14.3
Other	1,349	1,248	8.1	5,274	4,901	7.6
Total operating revenues	10,600	9,789	8.3	42,207	40,180	5.0
Operating expenses:						
Aircraft fuel and related taxes	1,646	1,335	23.3	6,128	5,071	20.8
Salaries, wages and benefits	2,993	2,796	7.0	11,816	10,890	8.5
Regional expenses:						
Fuel	383	308	24.3	1,382	1,109	24.6
Other	1,315	1,247	5.4	5,164	4,935	4.6
Maintenance, materials and repairs	484	482	0.5	1,959	1,834	6.8
Other rent and landing fees	443	430	3.0	1,806	1,772	1.9
Aircraft rent	305	295	3.4	1,197	1,203	(0.4)
Selling expenses	383	334	14.8	1,477	1,323	11.6
Depreciation and amortization	447	397	12.5	1,702	1,525	11.6
Special items, net	280	259	8.1	712	709	0.5
Other	1,231	1,139	8.1	4,806	4,525	6.2
Total operating expenses	9,910	9,022	9.8	38,149	34,896	9.3
Operating income	690	767	(10.0)	4,058	5,284	(23.2)
Nonoperating income (expense):						
Interest income	24	18	29.2	94	63	47.8
Interest expense, net	(266)	(254)	5.1	(1,053)	(991)	6.2
Other, net	(23)	(31)	(27.5)	(15)	(57)	(73.4)
Total nonoperating expense, net	(265)	(267)	(0.4)	(974)	(985)	(1.0)
Income before income taxes	425	500	(15.1)	3,084	4,299	(28.3)
Income tax provision	167	211	(20.9)	1,165	1,623	(28.2)
Net income	$ 258	$ 289	(10.9)	$ 1,919	$ 2,676	(28.3)
Earnings per common share:						
Basic	$ 0.54	$ 0.56		$ 3.92	$ 4.85	
Diluted	$ 0.54	$ 0.56		$ 3.90	$ 4.81	
Weighted average shares outstanding (in thousands):						
Basic	477,165	514,571		489,164	552,308	
Diluted	479,382	518,358		491,692	556,099	

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,		
	2017	2016	Change	2017	2016	Change
Mainline						
Revenue passenger miles (millions)	48,951	47,395	3.3%	201,351	199,014	1.2%
Available seat miles (ASM) (millions)	59,140	57,749	2.4%	243,806	241,734	0.9%
Passenger load factor (percent)	82.8	82.1	0.7pts	82.6	82.3	0.3pts
Yield (cents)	14.82	14.17	4.6%	14.52	14.02	3.5%
Passenger revenue per ASM (cents)	12.27	11.63	5.5%	11.99	11.55	3.9%
Passenger enplanements (thousands)	36,035	34,700	3.8%	144,922	144,530	0.3%
Departures (thousands)	265	265	—%	1,081	1,102	(1.9)%
Aircraft at end of period	948	930	1.9%	948	930	1.9%
Block hours (thousands)	833	827	0.7%	3,441	3,477	(1.0)%
Average stage length (miles)	1,226	1,215	0.9%	1,240	1,230	0.8%
Fuel consumption (gallons in millions)	866	857	1.1%	3,579	3,596	(0.5)%
Average aircraft fuel price including related taxes (dollars per gallon)	1.90	1.56	22.0%	1.71	1.41	21.4%
Full-time equivalent employees at end of period	103,100	101,500	1.6%	103,100	101,500	1.6%
Operating cost per ASM (cents)	13.89	12.93	7.4%	12.96	11.94	8.6%
Operating cost per ASM excluding special items (cents)	13.41	12.48	7.5%	12.67	11.64	8.8%
Operating cost per ASM excluding special items and fuel (cents)	10.63	10.17	4.5%	10.16	9.54	6.4%
Regional (A)						
Revenue passenger miles (millions)	6,376	6,057	5.3%	24,995	24,463	2.2%
Available seat miles (millions)	8,215	7,934	3.5%	32,687	31,676	3.2%
Passenger load factor (percent)	77.6	76.3	1.3pts	76.5	77.2	(0.7)pts
Yield (cents)	27.64	26.91	2.7%	27.58	27.26	1.2%
Passenger revenue per ASM (cents)	21.45	20.54	4.4%	21.09	21.06	0.2%
Passenger enplanements (thousands)	13,990	13,276	5.4%	54,718	54,184	1.0%
Aircraft at end of period	597	606	(1.5)%	597	606	(1.5)%
Fuel consumption (gallons in millions)	194	187	4.2%	773	751	2.8%
Average aircraft fuel price including related taxes (dollars per gallon)	1.97	1.65	19.3%	1.79	1.48	21.2%
Full-time equivalent employees at end of period **(B)**	23,500	20,800	13.0%	23,500	20,800	13.0%
Operating cost per ASM (cents)	20.67	19.60	5.4%	20.03	19.08	5.0%
Operating cost per ASM excluding special items (cents)	20.38	19.58	4.1%	19.96	19.04	4.9%
Operating cost per ASM excluding special items and fuel (cents)	15.72	15.70	0.1%	15.73	15.53	1.3%
Total Mainline & Regional						
Revenue passenger miles (millions)	55,327	53,452	3.5%	226,346	223,477	1.3%
Available seat miles (millions)	67,355	65,683	2.5%	276,493	273,410	1.1%
Cargo ton miles (millions)	752	670	12.2%	2,788	2,424	15.0%
Passenger load factor (percent)	82.1	81.4	0.7pts	81.9	81.7	0.2pts
Yield (cents)	16.30	15.62	4.4%	15.96	15.47	3.2%
Passenger revenue per ASM (cents)	13.39	12.71	5.4%	13.07	12.65	3.3%
Total revenue per ASM (cents)	15.74	14.90	5.6%	15.27	14.70	3.9%
Cargo yield per ton mile (cents)	30.91	28.97	6.7%	28.70	28.89	(0.7)%
Passenger enplanements (thousands)	50,025	47,976	4.3%	199,640	198,714	0.5%
Aircraft at end of period	1,545	1,536	0.6%	1,545	1,536	0.6%
Fuel consumption (gallons in millions)	1,060	1,044	1.7%	4,352	4,347	0.1%
Average aircraft fuel price including related taxes (dollars per gallon)	1.91	1.57	21.5%	1.73	1.42	21.4%
Full-time equivalent employees at end of period **(B)**	126,600	122,300	3.5%	126,600	122,300	3.5%
Operating cost per ASM (cents)	14.71	13.74	7.1%	13.80	12.76	8.1%
Operating cost per ASM excluding special items (cents)	14.26	13.34	6.9%	13.53	12.50	8.3%
Operating cost per ASM excluding special items and fuel (cents)	11.25	10.84	3.8%	10.82	10.24	5.6%

(A) Regional includes wholly owned regional airline subsidiaries and operating results from capacity purchase carriers.
(B) 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,		
	2017	2016	Change	2017	2016	Change
Domestic - Mainline						
Revenue passenger miles (millions)	31,525	30,574	3.1%	126,867	127,869	(0.8)%
Available seat miles (ASM) (millions)	36,529	36,361	0.5%	149,175	150,655	(1.0)%
Passenger load factor (percent)	86.3	84.1	2.2pts	85.0	84.9	0.1pts
Yield (cents)	15.49	15.03	3.1%	15.21	14.63	4.0%
Passenger revenue per ASM (cents)	13.37	12.63	5.8%	12.94	12.42	4.2%
Domestic Consolidated - Mainline and Total Regional (A)						
Revenue passenger miles (millions)	37,901	36,631	3.5%	151,862	152,332	(0.3)%
Available seat miles (millions)	44,744	44,295	1.0%	181,862	182,330	(0.3)%
Passenger load factor (percent)	84.7	82.7	2.0pts	83.5	83.5	—pts
Yield (cents)	17.53	16.99	3.2%	17.25	16.66	3.5%
Passenger revenue per ASM (cents)	14.85	14.05	5.7%	14.40	13.92	3.5%
Latin America						
Revenue passenger miles (millions)	7,281	7,070	3.0%	29,725	29,927	(0.7)%
Available seat miles (millions)	9,269	8,866	4.5%	37,702	37,760	(0.2)%
Passenger load factor (percent)	78.5	79.7	(1.2)pts	78.8	79.3	(0.5)pts
Yield (cents)	15.68	14.52	7.9%	15.07	13.72	9.9%
Passenger revenue per ASM (cents)	12.31	11.58	6.3%	11.88	10.87	9.3%
Atlantic						
Revenue passenger miles (millions)	6,262	6,087	2.9%	29,338	27,794	5.6%
Available seat miles (millions)	8,558	8,071	6.0%	38,112	37,174	2.5%
Passenger load factor (percent)	73.2	75.4	(2.2)pts	77.0	74.8	2.2pts
Yield (cents)	13.48	12.15	11.0%	13.39	13.60	(1.6)%
Passenger revenue per ASM (cents)	9.87	9.16	7.7%	10.31	10.17	1.4%
Pacific						
Revenue passenger miles (millions)	3,883	3,664	6.0%	15,421	13,424	14.9%
Available seat miles (millions)	4,784	4,451	7.5%	18,817	16,145	16.5%
Passenger load factor (percent)	81.2	82.3	(1.1)pts	82.0	83.1	(1.1)pts
Yield (cents)	9.99	9.74	2.6%	9.94	9.78	1.6%
Passenger revenue per ASM (cents)	8.11	8.01	1.2%	8.14	8.13	0.2%
Total International						
Revenue passenger miles (millions)	17,426	16,821	3.6%	74,484	71,145	4.7%
Available seat miles (millions)	22,611	21,388	5.7%	94,631	91,079	3.9%
Passenger load factor (percent)	77.1	78.6	(1.5)pts	78.7	78.1	0.6pts
Yield (cents)	13.62	12.62	7.9%	13.35	12.93	3.2%
Passenger revenue per ASM (cents)	10.50	9.93	5.7%	10.51	10.10	4.0%

(A) Revenue statistics for all Regional flying are included herein.

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 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 mainline, regional and total operating costs (GAAP measure) to mainline, regional and total operating costs excluding special items and fuel (non-GAAP measure). Management uses mainline, regional and 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.

Reconciliation of Pre-Tax Income Excluding Special Items for 2014-2017	12 Months Ended December 31, 2014	2015	2016	2017	Cumulative
	(in millions)				
Pre-tax income as reported	$ 3,212	$ 4,616	$ 4,299	$ 3,084	$ 15,211
Pre-tax special items:					
Special items, net (1) (4)	800	1,051	709	712	3,272
Regional operating special items, net (2) (4)	24	29	14	22	89
Nonoperating special items, net (3) (4)	132	594	49	22	797
Total pre-tax special items	956	1,674	772	756	4,158
Pre-tax income excluding special items	$ 4,168	$ 6,290	$ 5,071	$ 3,840	$ 19,369

Reconciliation of Pre-Tax Income Excluding Special Items	3 Months Ended December 31, 2017	2016	Percent Change	12 Months Ended December 31, 2017	2016	Percent Change
	(in millions)			(in millions)		
Pre-tax income as reported	$ 425	$ 500		$ 3,084	$ 4,299	
Pre-tax special items:						
Special items, net (1)	280	259		712	709	
Regional operating special items, net (2)	23	2		22	14	
Nonoperating special items, net (3)	11	12		22	49	
Total pre-tax special items	314	273		756	772	
Pre-tax income excluding special items	$ 739	$ 773	-4%	$ 3,840	$ 5,071	-24%
Calculation of Pre-Tax Margin						
Pre-tax income as reported	$ 425	$ 500		$ 3,084	$ 4,299	
Total operating revenues as reported	$ 10,600	$ 9,789		$ 42,207	$ 40,180	
Pre-tax margin	4.0%	5.1%		7.3%	10.7%	
Calculation of Pre-Tax Margin Excluding Special Items						
Pre-tax income excluding special items	$ 739	$ 773		$ 3,840	$ 5,071	
Total operating revenues as reported	$ 10,600	$ 9,789		$ 42,207	$ 40,180	
Pre-tax margin excluding special items	7.0%	7.9%		9.1%	12.6%	
Reconciliation of Net Income Excluding Special Items						
Net income as reported	$ 258	$ 289		$ 1,919	$ 2,676	
Special items:						
Total pre-tax special items (1) (2) (3)	314	273		756	772	
Income tax special items (5)	(7)	—		(7)	—	
Net tax effect of special items	(110)	(87)		(269)	(275)	
Net income excluding special items	$ 455	$ 475	-4%	$ 2,399	$ 3,173	-24%

Reconciliation of Basic and Diluted Earnings Per Share Excluding Special Items	3 Months Ended December 31, 2017	3 Months Ended December 31, 2016	12 Months Ended December 31, 2017	12 Months Ended December 31, 2016
	(in millions, except per share amounts)		(in millions, except per share amounts)	
Net income excluding special items	$ 455	$ 475	$ 2,399	$ 3,173
Shares used for computation (in thousands):				
Basic	477,165	514,571	489,164	552,308
Diluted	479,382	518,358	491,692	556,099
Earnings per share excluding special items:				
Basic	$ 0.95	$ 0.92	$ 4.90	$ 5.75
Diluted	$ 0.95	$ 0.92	$ 4.88	$ 5.71

Reconciliation of Operating Income Excluding Special Items				
Operating income as reported	$ 690	$ 767	$ 4,058	$ 5,284
Special items:				
Special items, net (1)	280	259	712	709
Regional operating special items, net (2)	23	2	22	14
Operating income excluding special items	$ 993	$ 1,028	$ 4,792	$ 6,007

Reconciliation of Operating Cost per ASM Excluding Special Items and Fuel - Mainline only	3 Months Ended December 31, 2017	3 Months Ended December 31, 2016	12 Months Ended December 31, 2017	12 Months Ended December 31, 2016
	(in millions)		(in millions)	
Total operating expenses as reported	$ 9,910	$ 9,022	$ 38,149	$ 34,896
Less regional expenses as reported:				
Fuel	(383)	(308)	(1,382)	(1,109)
Other	(1,315)	(1,247)	(5,164)	(4,935)
Total mainline operating expenses as reported	8,212	7,467	31,603	28,852
Special items, net (1)	(280)	(259)	(712)	(709)
Mainline operating expenses, excluding special items	7,932	7,208	30,891	28,143
Aircraft fuel and related taxes	(1,646)	(1,335)	(6,128)	(5,071)
Mainline operating expenses, excluding special items and fuel	$ 6,286	$ 5,873	$ 24,763	$ 23,072
	(in cents)		(in cents)	
Mainline operating expenses per ASM as reported	13.89	12.93	12.96	11.94
Special items, net per ASM (1)	(0.47)	(0.45)	(0.29)	(0.29)
Mainline operating expenses per ASM, excluding special items	13.41	12.48	12.67	11.64
Aircraft fuel and related taxes per ASM	(2.78)	(2.31)	(2.51)	(2.10)
Mainline operating expenses per ASM, excluding special items and fuel	10.63	10.17	10.16	9.54

Note: Amounts may not recalculate due to rounding.

Reconciliation of Operating Cost per ASM Excluding Special Items and Fuel - Regional only	3 Months Ended December 31, 2017	3 Months Ended December 31, 2016	12 Months Ended December 31, 2017	12 Months Ended December 31, 2016
	(in millions)		(in millions)	
Total regional operating expenses as reported	$ 1,698	$ 1,555	$ 6,546	$ 6,044
Regional operating special items, net (2)	(23)	(2)	(22)	(14)
Regional operating expenses, excluding special items	1,675	1,553	6,524	6,030
Aircraft fuel and related taxes	(383)	(308)	(1,382)	(1,109)
Regional operating expenses, excluding special items and fuel	$ 1,292	$ 1,245	$ 5,142	$ 4,921
	(in cents)		(in cents)	
Regional operating expenses per ASM as reported	20.67	19.60	20.03	19.08
Regional operating special items, net per ASM (2)	(0.28)	(0.02)	(0.07)	(0.05)
Regional operating expenses per ASM, excluding special items	20.38	19.58	19.96	19.04
Aircraft fuel and related taxes per ASM	(4.66)	(3.88)	(4.23)	(3.50)
Regional operating expenses per ASM, excluding special items and fuel	15.72	15.70	15.73	15.53

Note: Amounts may not recalculate due to rounding.

Reconciliation of Operating Cost per ASM Excluding Special Items and Fuel - Total Mainline and Regional	3 Months Ended December 31, 2017	3 Months Ended December 31, 2016	12 Months Ended December 31, 2017	12 Months Ended December 31, 2016
	(in millions)		(in millions)	
Total operating expenses as reported	$ 9,910	$ 9,022	$ 38,149	$ 34,896
Special items:				
Special items, net (1)	(280)	(259)	(712)	(709)
Regional operating special items, net (2)	(23)	(2)	(22)	(14)
Total operating expenses, excluding special items	9,607	8,761	37,415	34,173
Fuel:				
Aircraft fuel and related taxes - mainline	(1,646)	(1,335)	(6,128)	(5,071)
Aircraft fuel and related taxes - regional	(383)	(308)	(1,382)	(1,109)
Total operating expenses, excluding special items and fuel	$ 7,578	$ 7,118	$ 29,905	$ 27,993
	(in cents)		(in cents)	
Total operating expenses per ASM as reported	14.71	13.74	13.80	12.76
Special items per ASM:				
Special items, net (1)	(0.42)	(0.39)	(0.26)	(0.26)
Regional operating special items, net (2)	(0.03)	—	(0.01)	(0.01)
Total operating expenses per ASM, excluding special items	14.26	13.34	13.53	12.50
Fuel per ASM:				
Aircraft fuel and related taxes - mainline	(2.44)	(2.03)	(2.22)	(1.85)
Aircraft fuel and related taxes - regional	(0.57)	(0.47)	(0.50)	(0.41)
Total operating expenses per ASM, excluding special items and fuel	11.25	10.84	10.82	10.24

Note: Amounts may not recalculate due to rounding.

FOOTNOTES:

(1) The 2017 fourth quarter mainline operating special items totaled a net charge of $280 million, which principally included a $123 million charge for the $1,000 cash bonus and associated payroll taxes granted to mainline employees as of December 31, 2017 in recognition of recent tax reform, $81 million of merger integration expenses, $58 million of fleet restructuring expenses and a $20 million net charge resulting from fair value adjustments to 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 tax reform employee bonus mentioned above, $46 million for labor contract expenses primarily due to one-time charges to adjust the vacation accruals for pilots and flight attendants as a result of the mid-contract pay rate adjustments effective in the second quarter of 2017 and a $27 million net charge resulting from fair value adjustments to bankruptcy obligations.

The 2016 fourth quarter mainline operating special items totaled a net charge of $259 million, which principally included $119 million of merger integration expenses, $104 million of fleet restructuring expenses and a $47 million net charge resulting from fair value adjustments to bankruptcy obligations. The 2016 twelve-month period mainline operating special items totaled a net charge of $709 million, which principally included $514 million of merger integration expenses, $177 million of fleet restructuring expenses and a $25 million net charge resulting from fair value adjustments to bankruptcy obligations.

Merger integration expenses included costs related to information technology, professional fees, re-branding of aircraft and airport facilities and training. Additionally, the 2016 periods also included merger integration expenses related to alignment of labor union contracts, re-branded uniforms, relocation and severance. Fleet restructuring expenses driven by the merger principally included the acceleration of aircraft depreciation and impairments for aircraft grounded or expected to be grounded earlier than planned.

(2) The 2017 fourth quarter and twelve-month period regional operating special items principally related to the $1,000 cash bonus and associated payroll taxes granted to employees of the Company's regional subsidiaries as of December 31, 2017 in recognition of recent tax reform. In 2016, regional operating special items principally related to merger integration expenses.

(3) Nonoperating special charges in the 2017 and 2016 fourth quarter and twelve-month periods primarily consisted of costs associated with debt refinancings and extinguishments.

(4) Refer to Form 8-K filed on January 29, 2016 for further discussion of net special items for the twelve month periods ended December 31, 2015 and 2014.

(5) In the fourth quarter and twelve-month 2017 periods, income tax special items included a $7 million non-cash benefit to income tax expense to reflect the impact of lower corporate income tax rates on the Company's deferred tax assets and liabilities resulting from tax reform.

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

	December 31, 2017	December 31, 2016
	(unaudited)	
Assets		
Current assets		
Cash	$ 295	$ 322
Short-term investments	4,771	6,037
Restricted cash and short-term investments	318	638
Accounts receivable, net	1,752	1,594
Aircraft fuel, spare parts and supplies, net	1,359	1,094
Prepaid expenses and other	651	639
Total current assets	9,146	10,324
Operating property and equipment		
Flight equipment	40,318	37,028
Ground property and equipment	8,267	7,116
Equipment purchase deposits	1,217	1,209
Total property and equipment, at cost	49,802	45,353
Less accumulated depreciation and amortization	(15,646)	(14,194)
Total property and equipment, net	34,156	31,159
Other assets		
Goodwill	4,091	4,091
Intangibles, net	2,203	2,173
Deferred tax asset	427	1,498
Other assets	1,373	2,029
Total other assets	8,094	9,791
Total assets	$ 51,396	$ 51,274
Liabilities and Stockholders' Equity		
Current liabilities		
Current maturities of long-term debt and capital leases	$ 2,554	$ 1,855
Accounts payable	1,688	1,592
Accrued salaries and wages	1,672	1,516
Air traffic liability	3,978	3,912
Loyalty program liability	2,791	2,789
Other accrued liabilities	2,281	2,208
Total current liabilities	14,964	13,872
Noncurrent liabilities		
Long-term debt and capital leases, net of current maturities	22,511	22,489
Pension and postretirement benefits	7,497	7,842
Other liabilities	2,498	3,286
Total noncurrent liabilities	32,506	33,617
Stockholders' equity		
Common stock	5	5
Additional paid-in capital	5,714	7,223
Accumulated other comprehensive loss	(5,154)	(5,083)
Retained earnings	3,361	1,640
Total stockholders' equity	3,926	3,785
Total liabilities and stockholders' equity	$ 51,396	$ 51,274

Exhibit 99.2

Investor Relations Update
January 25, 2018

General Overview

- **Accounting Changes -** On January 1, 2018, the company adopted two new Accounting Standard Updates: (ASUs): ASU 2014-9: Revenue from Contracts with Customers (the “New Revenue Standard”) and ASU 2017-07: Retirement Benefits (the “New Retirement Standard”). The Company has recast certain 2017 financial information previously reported in accordance with GAAP in effect as of December 31, 2017 to reflect the adoption of these standards. This recast financial information is included in Exhibit 99.3 to this Form 8-K. All 2018 guidance is based off the recast 2017 financial information.

- **Revenue -** The company expects its first quarter total revenue per available seat mile (TRASM) to be up approximately 2.0 to 4.0 percent year-over-year.

- **Fuel -** Based on the January 22, 2018 forward curve, the company expects to pay an average of between $2.07 and $2.12 per gallon of consolidated jet fuel (including taxes) in the first quarter. Forecasted volume and fuel prices are provided in the following pages.

- **CASM -** Consistent with guidance provided in October 2017, consolidated CASM excluding fuel and special items is expected to be up approximately 2.0 percent[1] in 2018. First quarter consolidated CASM excluding fuel and special items is expected to be up approximately 4.0 percent[1] year-over-year due primarily to salary and benefit increases provided to our team members (including the salary increases given to our pilots and flight attendants, which became effective on April 26, 2017), higher revenue-related expenses, increased rent and landing fees, and higher depreciation and amortization resulting from increased capex. For the remainder of the year, the company’s year-over-year increase in CASM excluding fuel and special items is expected to be smaller each quarter.

  The company continues to expect its 2019 and 2020 CASM excluding fuel and special items to be up approximately 1.0 to 2.0 percent in each year.

- **Capacity -** Consistent with previous guidance, 2018 total system capacity is expected to be up 2.5 percent vs. 2017 on a schedule over schedule basis. Actual capacity growth will be slightly higher due to the year-over-year impact of the flight cancellations resulting from two consecutive hurricanes that hit Florida and the Caribbean in September 2017. Growth is driven by utilization (~2.0 pts), expected completion factor (~0.5 pts) and increased gauge (~0.5 pts). Both full year domestic and international capacity is expected to be approximately 3.0 percent higher year-over-year.

- **Liquidity -** As of December 31, 2017, the company had approximately $7.6 billion in total available liquidity, comprised of unrestricted cash and investments of $5.1 billion and $2.5 billion in undrawn revolver capacity. The company also had a restricted cash position of $318 million.

- **Capital Expenditures -** The company expects to spend $3.7 billion in capex in 2018, including $1.9 billion in aircraft and $1.8 billion in non-aircraft capex. The company now expects to spend $2.8 billion in aircraft and $1.8 billion in non-aircraft capex in 2019 and $2.5 billion in aircraft and $1.6 billion in non-aircraft capex in 2020. The company anticipates that the aircraft capex for these years will be financed at approximately 80%.

- **Taxes -** As of December 31, 2017, the company had approximately $10.2 billion of federal net operating losses (NOLs) and $3.5 billion of state NOLs, substantially all of which are expected to be available in 2018 to reduce future federal and state taxable income. The company expects to recognize a provision for income taxes in 2018 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 expects its first quarter pre-tax margin excluding special items to be approximately 2.0% to 4.0%[1]. In addition, the company expects to report full year 2018 earnings per diluted share excluding special items between $5.50 and $6.50[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 25, 2018

Financial Comments

- All operating expenses are presented on a consolidated basis.
- First quarter consolidated CASM excluding fuel and special items is expected to be up approximately 4.0 percent in the first quarter. This year-over-year increase is primarily driven by the impact of the company's mid-contract pay increases to its pilots and flight attendants, which became effective on April 26, 2017, higher revenue-related expenses, increased rent and landing fees, and higher depreciation and amortization resulting from increased capex.

	1Q18E	2Q18E	3Q18E	4Q18E	FY18E[2]
Consolidated Guidance[1]					
Available Seat Miles (ASMs) (bil)	~66.2	~73.4	~76.0	~69.1	~284.7
Cargo Revenues ($ mil)[3]	~225	~245	~250	~265	~985
Other Revenues ($ mil)[3]	~665	~670	~710	~700	~2,745
Average Fuel Price (incl. taxes) ($/gal) (as of 1/22/2018)	2.07 to 2.12	2.07 to 2.12	2.06 to 2.11	2.03 to 2.08	2.06 to 2.11
Fuel Gallons Consumed (mil)	~1,043	~1,154	~1,197	~1,090	~4,484
CASM ex fuel and special items (YOY % change)[4]	+3% to +5%	+1.5% to +3.5%	+0.5% to +2.5%	+0% to +2%	+1% to +3%
Interest Income ($ mil)	~(22)	~(27)	~(28)	~(26)	~(103)
Interest Expense ($ mil)	~267	~266	~264	~265	~1,062
Other Non-Operating (Income)/Expense ($ mil)[5]	~(75)	~(75)	~(75)	~(75)	~(300)
CAPEX Guidance ($ mil) Inflow/(Outflow)					
Non-Aircraft CAPEX	~(450)	~(450)	~(450)	~(450)	~(1,800)
Gross Aircraft CAPEX & net PDPs	~(390)	~(274)	~(688)	~(514)	~(1,866)
Assumed Aircraft Financing	~210	~191	~565	~363	~1,328
Net Aircraft CAPEX & PDPs[2]	~(180)	~(83)	~(123)	~(151)	~(538)

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 25, 2018

Fleet Comments

- In 2018, the company expects to take delivery of 22 mainline aircraft comprised of 16 B738 Max aircraft and 6 B789 aircraft. The company also expects to retire 19 MD80 mainline aircraft.
- In 2018, the company expects to reduce the regional fleet count by a net of 4 aircraft, resulting from the addition of 9 CRJ700 aircraft, 6 E175 aircraft and 28 ERJ140 aircraft, as well as the reduction of 33 CRJ200 aircraft, 3 Dash 8-100 aircraft and 11 Dash 8-300 aircraft.

Active Mainline Year Ending Fleet Count

	2017A	2018E	2019E	2020E
A319	125	125	125	125
A320	48	48	48	48
A321	219	219	219	219
A321 neo	—	—	25	50
A332	15	15	15	15
A333	9	9	9	—
A350	—	—	—	2
B738	304	304	292	259
B738 Max	4	20	40	60
B757	34	34	34	24
B763	24	24	24	24
B772	47	47	47	47
B773	20	20	20	20
B788	20	20	20	20
B789	14	20	22	22
E190	20	20	—	—
MD80	45	26	—	—
	948	**951**	**940**	**935**

Active Regional Year Ending Fleet Count[1]

	2017A	2018E	2019E	2020E
CRJ200	68	35	35	35
CRJ700	110	119	111	111
CRJ900	118	118	118	118
DASH 8-100	3	—	—	—
DASH 8-300	11	—	—	—
E175	148	154	159	159
ERJ140	21	49	49	49
ERJ145	118	118	118	118
	597	**593**	**590**	**590**

Notes:

1. *At the end of 2017, the company had 38 ERJ140 regional aircraft in temporary storage, which are not included in the active regional ending fleet count. Additionally, two E170 regional aircraft were being operated by Republic Airways Holdings Inc under a short-term contract that has now ended.*

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

Shares Outstanding
January 25, 2018

Shares Outstanding Comments

- The estimated weighted average shares outstanding for 2018 are listed below.
- On January 25, 2017, the company's Board authorized a new $2.0 billion share repurchase program to expire by the end of 2018. This brings the total amount authorized for share repurchase programs to $11.0 billion since the merger. All prior repurchase programs had been fully expended as of December 31, 2016.
- In the fourth quarter of 2017, the company repurchased 4.6 million shares at a cost of $227 million. Including share repurchases, shares withheld to cover taxes associated with employee equity awards and share distributions, and the cash extinguishment of convertible debt, the company's share count has dropped 37 percent from 756.1 million shares at merger close to 475.5 million shares outstanding on December 31, 2017.

2018 Shares Outstanding (shares mil)[1]

	Shares	
For Q1	**Basic**	**Diluted**
Earnings	475	478
Net loss	475	475

	Shares	
For Q2-Q4 Average	**Basic**	**Diluted**
Earnings	477	479
Net loss	477	477

	Shares	
For FY 2018 Average	**Basic**	**Diluted**
Earnings	476	479
Net loss	476	476

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 25, 2018

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 reconciliations of mainline and regional operating costs (GAAP measure) to mainline and regional operating costs excluding special items and fuel (non-GAAP measure). Management uses mainline and regional 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 performance.

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

	1Q18 Range		2Q18 Range		3Q18 Range		4Q18 Range		FY18 Range	
	Low	High	Low	High	Low	High	Low	High	Low	High
Consolidated[1]										
Consolidated operating expenses	$ 9,837	$ 10,038	$ 10,264	$ 10,476	$ 10,501	$ 10,721	$ 10,049	$ 10,260	$ 40,569	$ 41,414
Less fuel expense	2,159	2,211	2,389	2,446	2,466	2,526	2,213	2,267	9,226	9,451
Less special items	—	—	—	—	—	—	—	—	—	—
Consolidated operating expense excluding fuel and special items	7,678	7,827	7,875	8,030	8,035	8,195	7,836	7,993	31,343	31,963
Consolidated CASM (cts)	14.86	15.16	13.98	14.27	13.82	14.11	14.54	14.85	14.25	14.55
Consolidated CASM excluding fuel and special items (Non-GAAP) (cts)	11.60	11.82	10.73	10.94	10.57	10.78	11.34	11.57	11.01	11.23
YOY (%)	*3.0%*	*5.0%*	*1.5%*	*3.5%*	*0.5%*	*2.5%*	*0.0%*	*2.0%*	*1.0%*	*3.0%*
Consolidated ASMs (bil)	66.2	66.2	73.4	73.4	76.0	76.0	69.1	69.1	284.7	284.7
Other non-operating (income)/expense[1]										
Other non-operating (income)/expense	$ (75)	$ (75)	$ (75)	$ (75)	$ (75)	$ (75)	$ (75)	$ (75)	$ (300)	$ (300)
Less special items	—	—	—	—	—	—	—	—	—	—
Other non-operating (income)/expense excluding special items	(75)	(75)	(75)	(75)	(75)	(75)	(75)	(75)	(300)	(300)

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 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 25, 2018

Cautionary Statement Regarding Forward-Looking Statements

This document includes forward-looking statements within the meaning of 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, 2017 (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.

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

Exhibit 99.3

Condensed Consolidated Statement of Operations
As Recast for Adoption of New Accounting Standards on January 1, 2018
Twelve Months Ended December 31, 2017
(In millions, except share and per share amounts)
(Unaudited)

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 certain 2017 financial information previously reported in accordance with GAAP in effect as of December 31, 2017 to reflect the expected effects of adoption. This recast financial information is labeled "As Recast" and is included for supplemental purposes only. The adoption and related disclosures required by GAAP will be reported in the Company's 2018 first quarter report on Form 10-Q.

		New Revenue Standard		New Retirement Standard	
	As Reported	Deferred Revenue Method	Reclassifications	Reclassifications	As Recast
		(A)	(B)	(C)	
Operating revenues:					
Passenger	$ 36,133	$ 311	$ 2,642	$ —	$ 39,086
Cargo	800	—	90	—	890
Other	5,274	—	(2,628)	—	2,646
Total operating revenues	42,207	311	104	—	42,622
Operating expenses:					
Aircraft fuel and related taxes	6,128	—	—	—	6,128
Salaries, wages and benefits	11,816	—	—	138	11,954
Regional expenses:					
Fuel	1,382	—	—	—	1,382
Other	5,164	—	—	—	5,164
Maintenance, materials and repairs	1,959	—	—	—	1,959
Other rent and landing fees	1,806	—	—	—	1,806
Aircraft rent	1,197	—	—	—	1,197
Selling expenses	1,477	—	—	—	1,477
Depreciation and amortization	1,702	—	—	—	1,702
Special items, net	712	—	—	—	712
Other	4,806	—	104	—	4,910
Total operating expenses	38,149	—	104	138	38,391
Operating income	4,058	311	—	(138)	4,231
Nonoperating income (expense):					
Interest income	94	—	—	—	94
Interest expense, net	(1,053)	—	—	—	(1,053)
Other, net	(15)	—	—	138	123
Total nonoperating expense, net	(974)	—	—	138	(836)
Income before income taxes	3,084	311	—	—	3,395
Income tax provision	1,165	948	—	—	2,113
Net income	$ 1,919	$ (637)	$ —	$ —	$ 1,282
Earnings per common share:					
Basic	$ 3.92				$ 2.62
Diluted	$ 3.90				$ 2.61
Weighted average shares outstanding (in thousands):					
Basic	489,164				489,164
Diluted	491,692				491,692

(A) The adoption of the New Revenue Standard impacted the Company's accounting for outstanding mileage credits earned through travel by AAdvantage loyalty program members. There is no change in accounting for sales of mileage credits to co-brand card or other partners as those are currently reported in accordance with the New Revenue Standard. Previously, the Company used the incremental cost method to account for the portion of its loyalty program liability related to mileage credits earned through travel, which were valued based on the estimated incremental cost of carrying one additional passenger. The New Revenue Standard required the Company to change its policy to the deferred revenue method and apply a relative selling price approach whereby a portion of each passenger ticket sale attributable to mileage credits earned is deferred and recognized in passenger revenue upon future mileage redemption. The value of the earned mileage credits is materially greater under the deferred revenue method than the value attributed to these mileage credits under the incremental cost method. The retrospective application of the New Revenue Standard increased the Company's 2017 operating revenues and pre-tax income by $311 million.

Additionally, the Company increased its loyalty program liability by $6.0 billion and initially increased its deferred tax asset by $2.2 billion, representing the tax effect of the increase to the loyalty program liability. As a result of tax reform enacted in December 2017 that reduced the federal income tax rate from 35% to 21%, the Company recognized an $830 million special charge to reduce this deferred tax asset to $1.4 billion at December 31, 2017 (see As Recast 2017 Balance Sheet on page 6).

(B) The adoption of the New Revenue Standard required that the Company reclassify certain ancillary revenues previously classified and reported as "other revenue" to "passenger revenue" and as applicable to "cargo revenue." Additionally, the New Revenue Standard required a gross presentation on the face of the Company's statement of operations for certain revenues and expenses that had previously been presented on a net basis.

(C) The adoption of the New Retirement Standard required that the Company reclassify all components of its net periodic benefit cost (income), with the exception of service cost, previously classified and reported as operating expenses in "salaries, wages and benefits" to "other nonoperating expense."

Condensed Consolidated Statement of Operations
As Recast for Adoption of New Accounting Standards on January 1, 2018
(In millions, except share and per share amounts)
(Unaudited)

As previously discussed, on January 1, 2018, the Company adopted the New Revenue Standard and the New Retirement Standard. The following table presents the As Recast quarterly and annual 2017 condensed consolidated statements of operations.

	1Q17	2Q17	3Q17	4Q17 (A)	FY17 (A)
Operating revenues:					
Passenger	$ 8,987	$ 10,343	$ 10,084	$ 9,673	$ 39,086
Cargo	191	219	223	257	890
Other	642	665	658	681	2,646
Total operating revenues	9,820	11,227	10,965	10,611	42,622
Operating expenses:					
Aircraft fuel and related taxes	1,402	1,510	1,570	1,646	6,128
Salaries, wages and benefits	2,859	3,037	3,030	3,028	11,954
Regional expenses:					
Fuel	318	329	352	383	1,382
Other	1,255	1,291	1,302	1,315	5,164
Maintenance, materials and repairs	492	495	487	484	1,959
Other rent and landing fees	440	452	471	443	1,806
Aircraft rent	295	294	304	305	1,197
Selling expenses	318	376	400	383	1,477
Depreciation and amortization	405	418	433	447	1,702
Special items, net	119	202	112	280	712
Other	1,180	1,224	1,248	1,259	4,910
Total operating expenses	9,083	9,628	9,709	9,973	38,391
Operating income	737	1,599	1,256	638	4,231
Nonoperating income (expense):					
Interest income	21	24	25	24	94
Interest expense, net	(257)	(263)	(266)	(266)	(1,053)
Other, net	34	29	48	12	123
Total nonoperating expense, net	(202)	(210)	(193)	(230)	(836)
Income before income taxes	535	1,389	1,063	408	3,395
Income tax provision	195	525	402	991	2,113
Net income (loss)	$ 340	$ 864	$ 661	$ (583)	$ 1,282
Earnings (loss) per common share:					
Basic	$ 0.67	$ 1.76	$ 1.36	$ (1.22)	$ 2.62
Diluted	$ 0.67	$ 1.75	$ 1.36	$ (1.22)	$ 2.61
Weighted average shares outstanding (in thousands):					
Basic	503,902	490,818	484,772	477,165	489,164
Diluted	507,797	492,965	486,625	477,165	491,692

Note: Amounts may not recalculate due to rounding.

(A) The fourth quarter and full year 2017 income tax provision includes an $830 million special charge to reduce the Company's deferred tax asset associated with its loyalty program liability as a result of tax reform enacted in December 2017 that reduced the federal income tax rate from 35% to 21%.

2017 Quarterly Adjustments to Statement of Operations
Resulting From Adoption of New Accounting Standards on January 1, 2018
(In millions)
(Unaudited)

As previously discussed, on January 1, 2018, the Company adopted the New Revenue Standard and the New Retirement Standard. The following table presents the quarterly adjustments to the following line items impacted by these new accounting standards in the condensed consolidated statement of operations.

		Quarterly Adjustments				
	FY17 As Reported	1Q17	2Q17	3Q17	4Q17	FY17 As Recast
Passenger revenue	$ 36,133	$ 832	$ 761	$ 707	$ 654	$ 39,086
Cargo revenue	800	19	23	23	25	890
Other revenue	5,274	(655)	(662)	(643)	(668)	2,646
Salaries, wages and benefits	11,816	34	34	35	35	11,954
Other operating expenses	4,806	26	24	28	28	4,910
Other nonoperating expenses	(15)	34	34	35	35	123
Income tax provision (A)	1,165	64	37	22	824	2,113

Note: Amounts may not recalculate due to rounding.

(A) The fourth quarter and full year 2017 income tax provision includes an $830 million special charge to reduce the Company's deferred tax asset associated with its loyalty program liability as a result of tax reform enacted in December 2017 that reduced the federal income tax rate from 35% to 21%.

Reconciliation of 2017 Financial Measures As Recast to Non-GAAP Financial Measures As Recast

As previously discussed, on January 1, 2018, the Company adopted the New Revenue Standard and the New Retirement Standard. The following table presents certain quarterly and annual 2017 financial measures As Recast and non-GAAP financial measures As Recast.

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 non-GAAP financial measures As Recast to their comparable 2017 financial measure As Recast.

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

- Pre-Tax Income As Recast to Pre-Tax Income As Recast Excluding Special Items (non-GAAP measure)
- Pre-Tax Margin As Recast to Pre-Tax Margin As Recast Excluding Special Items (non-GAAP measure)
- Net Income As Recast to Net Income As Recast Excluding Special Items (non-GAAP measure)
- Basic and Diluted Earnings Per Share As Recast to Basic and Diluted Earnings Per Share As Recast 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 As Recast to total operating costs As Recast 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.

Reconciliation of Pre-Tax Income As Recast Excluding Special Items	1Q17	2Q17	3Q17	4Q17	FY17
			(in millions)		
Pre-tax income As Recast	$ 535	$ 1,389	$ 1,063	$ 408	$ 3,395
Pre-tax special items:					
Special items, net (1)	119	202	112	280	712
Regional operating special items, net (1)	2	1	(5)	23	22
Nonoperating special items, net (1)	5	2	3	11	22
Total pre-tax special items	126	205	110	314	756
Pre-tax income As Recast excluding special items	$ 661	$ 1,594	$ 1,173	$ 722	$ 4,151
Calculation of Pre-Tax Margin As Recast					
Pre-tax income As Recast	$ 535	$ 1,389	$ 1,063	$ 408	$ 3,395
Total operating revenues As Recast	$ 9,820	$ 11,227	$ 10,965	$ 10,611	$ 42,622
Pre-tax margin As Recast	5.4%	12.4%	9.7%	3.8%	8.0%
Calculation of Pre-Tax Margin As Recast Excluding Special Items					
Pre-tax income As Recast excluding special items	$ 661	$ 1,594	$ 1,173	$ 722	$ 4,151
Total operating revenues As Recast	$ 9,820	$ 11,227	$ 10,965	$ 10,611	$ 42,622
Pre-tax margin As Recast excluding special items	6.7%	14.2%	10.7%	6.8%	9.7%
Reconciliation of Net Income As Recast Excluding Special Items					
Net income (loss) As Recast	$ 340	$ 864	$ 661	$ (583)	$ 1,282
Special items:					
Total pre-tax special items (1)	126	205	110	314	756
Income tax special items As Recast (2)	—	—	—	823	823
Net tax effect of special items	(52)	(64)	(42)	(110)	(269)
Net income As Recast excluding special items	$ 414	$ 1,005	$ 729	$ 444	$ 2,592

Note: Amounts may not recalculate due to rounding.

Reconciliation of 2017 Financial Measures As Recast to Non-GAAP Financial Measures As Recast

Reconciliation of Basic and Diluted Earnings Per Share As Recast Excluding Special Items	1Q17	2Q17	3Q17	4Q17	FY17
	(in millions, except per share amounts)				
Net income As Recast excluding special items	$ 414	$ 1,005	$ 729	$ 444	$ 2,592
Shares used for computation (in thousands):					
Basic	503,902	490,818	484,772	477,165	489,164
Diluted	507,797	492,965	486,625	479,382	491,692
Earnings per share As Recast excluding special items:					
Basic	$ 0.82	$ 2.05	$ 1.50	$ 0.93	$ 5.30
Diluted	$ 0.82	$ 2.04	$ 1.50	$ 0.93	$ 5.27

Reconciliation of Total Operating Cost per ASM As Recast Excluding Special Items and Fuel	1Q17	2Q17	3Q17	4Q17	FY17
	(in millions)				
Total operating expenses As Recast	$ 9,083	$ 9,628	$ 9,709	$ 9,973	$ 38,391
Special items:					
Special items, net (1)	(119)	(202)	(112)	(280)	(712)
Regional operating special items, net (1)	(2)	(1)	5	(23)	(22)
Total operating expenses As Recast, excluding special items	8,962	9,425	9,602	9,670	37,657
Fuel:					
Aircraft fuel and related taxes - mainline	(1,402)	(1,510)	(1,570)	(1,646)	(6,128)
Aircraft fuel and related taxes - regional	(318)	(329)	(352)	(383)	(1,382)
Total operating expenses As Recast, excluding special items and fuel	$ 7,242	$ 7,586	$ 7,680	$ 7,641	$ 30,147
	(in cents)				
Total operating expenses per ASM As Recast	14.12	13.42	13.29	14.81	13.88
Special items per ASM:					
Special items, net (1)	(0.18)	(0.28)	(0.15)	(0.42)	(0.26)
Regional operating special items, net (1)	—	—	0.01	(0.03)	(0.01)
Total operating expenses per ASM As Recast, excluding special items	13.93	13.14	13.14	14.35	13.62
Fuel per ASM:					
Aircraft fuel and related taxes - mainline	(2.18)	(2.10)	(2.15)	(2.44)	(2.22)
Aircraft fuel and related taxes - regional	(0.49)	(0.46)	(0.48)	(0.57)	(0.50)
Total operating expenses per ASM As Recast, excluding special items and fuel	11.25	10.57	10.51	11.34	10.90
Total Revenue per Available Seat Mile (TRASM) As Recast (in cents)	15.26	15.65	15.01	15.75	15.42

Note: Amounts may not recalculate due to rounding.

FOOTNOTES:

(1) Refer to the Company's fourth quarter 2017 earnings release filed on Exhibit 99.1 included herein for further detail of special items.

(2) The fourth quarter and full year 2017 income tax special items of $823 million are 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 assets and liabilities resulting from tax reform. The fourth quarter and full year 2017 income tax special items as previously reported due to the impact of tax reform was a $7 million benefit. The $830 million increase was due to the decrease in the Company's deferred tax asset associated with its loyalty program liability as a result of the reduction in the federal income tax rate from 35% to 21%.

Condensed Consolidated Balance Sheets
As Recast for Adoption of the New Revenue Standard on January 1, 2018
December 31, 2017
(In millions)
(Unaudited)

As previously discussed, on January 1, 2018, the Company adopted the New Revenue Standard. The following table presents the effects of the adoption of the New Revenue Standard on the December 31, 2017 consolidated balance sheet.

	As Reported	New Revenue Standard	As Recast
Assets		(A)	
Current assets			
Cash	$ 295	$ —	$ 295
Short-term investments	4,771	—	4,771
Restricted cash and short-term investments	318	—	318
Accounts receivable, net	1,752	—	1,752
Aircraft fuel, spare parts and supplies, net	1,359	—	1,359
Prepaid expenses and other	651	—	651
Total current assets	9,146	—	9,146
Operating property and equipment			
Flight equipment	40,318	—	40,318
Ground property and equipment	8,267	—	8,267
Equipment purchase deposits	1,217	—	1,217
Total property and equipment, at cost	49,802	—	49,802
Less accumulated depreciation and amortization	(15,646)	—	(15,646)
Total property and equipment, net	34,156	—	34,156
Other assets			
Goodwill	4,091	—	4,091
Intangibles, net	2,203	—	2,203
Deferred tax asset	427	1,389	1,816
Other assets	1,373	—	1,373
Total other assets	8,094	1,389	9,483
Total assets	$ 51,396	$ 1,389	$ 52,785
Liabilities and Stockholders’ Equity (Deficit)			
Current liabilities			
Current maturities of long-term debt and capital leases	$ 2,554	$ —	$ 2,554
Accounts payable	1,688	—	1,688
Accrued salaries and wages	1,672	—	1,672
Air traffic liability	3,978	64	4,042
Loyalty program liability	2,791	384	3,175
Other accrued liabilities	2,281	—	2,281
Total current liabilities	14,964	448	15,412
Noncurrent liabilities			
Long-term debt and capital leases, net of current maturities	22,511	—	22,511
Pension and postretirement benefits	7,497	—	7,497
Loyalty program liability	—	5,647	5,647
Other liabilities	2,498	—	2,498
Total noncurrent liabilities	32,506	5,647	38,153
Stockholders' equity (deficit)			
Common stock	5	—	5
Additional paid-in capital	5,714	—	5,714
Accumulated other comprehensive loss	(5,154)	—	(5,154)
Retained earnings (deficit)	3,361	(4,706)	(1,345)
Total stockholders' equity (deficit)	3,926	(4,706)	(780)
Total liabilities and stockholders’ equity (deficit)	$ 51,396	$ 1,389	$ 52,785

(A) As previously discussed, the New Revenue Standard required the Company to adopt the deferred revenue method of accounting for outstanding mileage credits earned through travel by AAdvantage loyalty program members. As a result, the Company increased its loyalty program liability by $6.0 billion and recorded a $1.4 billion increase to the deferred tax asset representing the tax effect, including the impact of tax reform, of the increase to the loyalty program liability.

Additionally, the Company currently recognizes change fees at the time the change to the passenger itinerary is processed. Under the New Revenue Standard, change fees are deferred and recognized in passenger revenue when the ticket is flown. The table above reflects a $64 million adjustment to air traffic liability to establish a deferred revenue liability for change fees related to itineraries that have not yet flown.