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**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): **October 26, 2017**

**AMERICAN AIRLINES GROUP INC.  
AMERICAN AIRLINES, INC.**

(Exact name of registrant as specified in its charter)

**Delaware  
Delaware**

(State or other Jurisdiction of Incorporation)

**1-8400  
1-2691**

(Commission File Number)

**75-1825172  
13-1502798**

(IRS Employer Identification No.)

**4333 Amon Carter Blvd., Fort Worth, Texas  
4333 Amon Carter Blvd., Fort Worth, Texas**

(Address of principal executive offices)

**76155  
76155**

(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.

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**ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.**

On October 26, 2017, American Airlines Group Inc. (the “Company”) issued a press release reporting financial results for the three and nine months ended September 30, 2017. The press release is furnished as Exhibit 99.1.

**ITEM 7.01. REGULATION FD DISCLOSURE.**

On October 26, 2017, the Company provided an update for investors presenting information relating to its financial and operational outlook for 2017. This investor update is located on the Company’s website at [www.aa.com](http://www.aa.com) under “Investor Relations.” The investor update is furnished as Exhibit 99.2.

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

**ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.**

**(d) Exhibits.**

<b>Exhibit No.</b>	<b>Description</b>
99.1	<a href="#">Press Release, dated October 26, 2017.</a>
99.2	<a href="#">Investor Update, dated October 26, 2017.</a>

**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: October 26, 2017

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: October 26, 2017

By: /s/ Derek J. Kerr  
Derek J. Kerr  
Executive Vice President and  
Chief Financial Officer

**PRESS RELEASE**

Corporate Communications  
817-967-1577  
[mediarelations@aa.com](mailto:mediarelations@aa.com)

FOR RELEASE: Thursday, October 26, 2017

**AMERICAN AIRLINES GROUP REPORTS  
THIRD-QUARTER PROFIT**

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

- **Recorded a third-quarter 2017 pre-tax profit of \$1.0 billion, or \$1.1 billion excluding net special items,<sup>1</sup> and net profit of \$624 million, or \$692 million excluding net special items**
- **Reported third-quarter earnings of \$1.28 per diluted share, or \$1.42 per diluted share excluding net special items**
- **Reported a 2.7 percent increase in total revenue, to \$10.9 billion, and a 1.1 percent increase in total revenue per available seat mile (TRASM) for the third quarter**
- **Returned \$411 million to stockholders in the third quarter through the repurchase of 7.7 million shares for \$362 million and dividend payments of \$49 million**

Pre-tax earnings excluding net special items for the third quarter of 2017 were \$1.1 billion, a \$369 million decrease from the third quarter of 2016. During the third quarter, the company's operations were affected by Hurricanes Harvey, Irma and Maria, causing more than 8,000 flight cancellations, and reducing pre-tax earnings by an estimated \$75 million.

"Despite the significant operational challenges posed by three hurricanes, our team delivered solid financial results," said Chairman and CEO Doug Parker. "The hurricane response highlighted the humanity and professionalism of the American team, and our industry as a whole."

"We especially want to acknowledge the burden placed on our team members in Puerto Rico and throughout the Caribbean. The generous spirit of the American Airlines team was on full display as team members in Miami, Chicago and elsewhere packed meals and care packages for our colleagues and our customers in Puerto Rico. We also capped fares for customers traveling to and from the regions hit by these storms," Parker said.

## Revenue and Expenses

	GAAP		Non-GAAP <sup>1</sup>	
	3Q17	3Q16	3Q17	3Q16
Total operating revenues (\$ mil)	\$ 10,878	\$ 10,594	\$ 10,878	\$ 10,594
Total operating expenses (\$ mil)	9,646	9,163	9,539	8,869
Operating income (\$ mil)	1,232	1,431	1,339	1,725
Pre-tax income (\$ mil)	1,004	1,189	1,114	1,483
Pre-tax margin	9.2%	11.2%	10.2%	14.0%
Net income (\$ mil)	624	737	692	933
Earnings per diluted share	\$ 1.28	\$ 1.40	\$ 1.42	\$ 1.76

Continued strong demand for air travel and improving yields drove a 2.7 percent year-over-year increase in total revenue, to \$10.9 billion. For the first time since the second quarter of 2014, yield grew in every geographic region, with notable strength in Latin America. Cargo revenue was up 17.0 percent to \$200 million due to a 19.2 percent increase in cargo ton miles. Other revenue was up 2.2 percent to \$1.3 billion. Third-quarter TRASM increased by 1.1 percent on a 1.6 percent increase in total available seat miles.

Total third-quarter operating expenses were \$9.6 billion, up 5.3 percent year-over-year due primarily to a 13.3 percent increase in consolidated fuel expense and an 8.0 percent increase in salaries and benefits resulting from the company's investments in its team members. Total third-quarter cost per available seat mile (CASM) was 13.20 cents, up 3.6 percent. Excluding fuel and special items, total CASM was 10.43 cents, up 4.5 percent.

"We are playing the long game at American to create value in an industry that has been fundamentally transformed," said Parker.

### Strategic Objectives

At American's Media & Investor Day last month, the company laid out four long-term strategic objectives: Build a World-Class Product, Drive Efficiencies, Make Culture a Competitive Advantage, and Think Forward, Lead Forward.

#### Build a World-Class Product

American continues to make significant investments in the premium travel experience. In August, the company opened a new Admirals Club lounge in Terminal 5 at Los Angeles International Airport, and in September, the company opened a new Flagship Lounge at Chicago O'Hare International Airport. American plans to open new Flagship Lounges with Flagship First Dining in Miami and Los Angeles later this quarter.

Demand for American's highly-differentiated Premium Economy travel experience remains high. Offered on international flights, Premium Economy comes with a wider seat, more legroom, an amenity kit, and enhanced meal choices. American is pleased with the customer adoption of this product as it generates an average premium of more than \$400 each way over Main Cabin fares. The company's fleet now has Premium Economy seats on 27 of its widebody aircraft, with plans to retrofit most of its remaining widebodies by the end of 2018.

In early September, American expanded its Basic Economy product throughout the continental United States. Basic Economy allows American to compete with ultra-low cost carriers while still offering a better product. Initial results of this new product's rollout continue to be consistent with management's expectations, with approximately half of American Airlines customers buying up to Main Cabin when given the option between that and Basic Economy.

"Continued product differentiation and a comprehensive network are just two of the ways American is setting itself apart. And we know we can do more. We have identified nearly \$3 billion of revenue opportunities through 2021, including product segmentation, co-branded partnerships, and harmonizing our seating configurations across the fleet," said American Airlines President Robert Isom.

#### Drive Efficiencies

As part of the company's ongoing fleet renewal program, during the third quarter, American invested more than \$900 million in 13 new mainline aircraft and three regional aircraft, including taking delivery of its first Boeing 737 MAX aircraft. These new, larger and more fuel efficient aircraft continue American's fleet transformation and will replace aircraft that are expected to leave the fleet. In total, the company has invested more than \$18 billion in new aircraft since the merger, giving it the youngest fleet of its network peers.

"We are focused on driving efficiencies and maximizing value for our investors. As we plan for the future, we have identified more than 400 efficiency-related projects which we estimate will provide \$1 billion of benefit over the next four years. Examples include fuel initiatives, flight and route planning, improved schedule seasonality, and using our airport assets more productively," said Chief Financial Officer Derek Kerr.

#### Make Culture a Competitive Advantage

Making culture a competitive advantage starts with leadership that cares for frontline team members. During the quarter, American expanded its Lead the Experience leadership training beyond corporate officers, and will expand this training further next year. In addition, American continues to roll out service training to frontline team members and anticipates 35,000 airport and reservation team members will have received this training by the end of this year, with plans to roll this training out further in 2018. Earlier this week, the company launched its first employee survey in well over a decade, which will provide more information to support frontline team members.

"We are building an environment where our leaders enthusiastically embrace the responsibility of caring for and inspiring our frontline team members. This environment includes a new technology platform for all team member data, development and training for our leaders, and investments in our team," said Elise Eberwein, Executive Vice President of People and Communications.

#### Think Forward, Lead Forward

American has expanded the use of self-service technology during irregular operations, which enables customers to rebook on alternative flights and arrange for delivery of delayed bags from the convenience of a mobile device. This new technology gives customers more accurate, real-time information and options that work for them during difficult weather situations. This automation also frees up time for the company's customer service team members to solve more complex issues.

"With the pace at which the world moves today, we know our technology solutions have to come faster, and they have to be adaptable across a variety of devices, including on-board handhelds, tablets, desktops and personal mobile devices. We are bringing more of our systems into the cloud environment, which enables us to deliver more, and finish projects faster," said Maya Leibman, Chief Information

Officer. “All of our work comes back to making it easier for our team members to do their jobs, and making it easier for our customers to fly with American, and we are making significant improvements in both of these areas.”

### **Hurricane Response**

American Airlines team members have worked together to help the people of San Juan, Puerto Rico and other affected parts of the Caribbean. American was the first commercial airline to restore service to San Juan after Hurricane Maria. 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, team members in Chicago, New York, Fort Worth and Miami volunteered to pack more than 100,000 meals for hurricane victims, as well as 2,000 kits for military men and women currently serving in San Juan.

Over recent weeks, Tech Ops team members sent and served 600 hot meals for colleagues in San Juan. American Airlines team members have contributed more than \$350,000, which American has matched, to the American Airlines Family Fund during the recent hurricane season. The Family Fund provides monetary relief to team members facing catastrophic and life-altering emergencies.

### **Capital Investments and Shareholder Returns**

Since mid-2014, American has returned more than \$11.1 billion to stockholders primarily through share repurchases and dividends, and reduced its share count by 37 percent to 480.0 million shares. As of September 30, 2017, the company had approximately \$677 million remaining of its \$2.0 billion share repurchase authority.<sup>2</sup>

The company declared a dividend of \$0.10 per share, to be paid on November 27, 2017, to stockholders of record as of November 13, 2017.

### **Guidance and Investor Update**

American expects its fourth-quarter TRASM to increase approximately 2.5 to 4.5 percent year-over-year, which reflects continued improvement in demand for both business and leisure travel. The company also expects its fourth-quarter pre-tax margin excluding special items to be between 4.5 and 6.5 percent.<sup>3</sup>

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](http://aa.com/investorrelations).

### **Conference Call / Webcast Details**

The company will conduct a live audio webcast of its earnings call today at 9:00 a.m. CT, which will be available to the public on a listen-only basis at [aa.com/investorrelations](http://aa.com/investorrelations). An archive of the webcast will be available on the website through November 26.

### **Notes**

1. In the third quarter, the company recognized \$110 million in net special items before the effect of income taxes, principally consisting of merger integration expenses and fleet restructuring expenses, offset in part by a net credit resulting from fair value adjustments to bankruptcy obligations. 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 **oneworld**® 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](https://twitter.com/AmericanAir) and at [Facebook.com/AmericanAirlines](https://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 September 30,			9 Months Ended September 30,		
	2017	2016	Percent Change	2017	2016	Percent Change
<b>Operating revenues:</b>						
Mainline passenger	\$ 7,628	\$ 7,419	2.8	\$ 21,981	\$ 21,192	3.7
Regional passenger	1,749	1,731	1.1	5,133	5,040	1.8
Cargo	200	171	17.0	568	506	12.2
Other	1,301	1,273	2.2	3,924	3,653	7.4
Total operating revenues	<u>10,878</u>	<u>10,594</u>	2.7	<u>31,606</u>	<u>30,391</u>	4.0
<b>Operating expenses:</b>						
Aircraft fuel and related taxes	1,570	1,393	12.7	4,481	3,736	19.9
Salaries, wages and benefits	2,995	2,772	8.0	8,824	8,094	9.0
Regional expenses:						
Fuel	352	303	16.1	999	801	24.7
Other	1,302	1,235	5.4	3,849	3,687	4.4
Maintenance, materials and repairs	487	481	1.4	1,474	1,352	9.1
Other rent and landing fees	471	463	1.7	1,363	1,342	1.6
Aircraft rent	304	299	1.5	892	908	(1.7)
Selling expenses	400	347	15.1	1,094	990	10.5
Depreciation and amortization	433	399	8.6	1,255	1,128	11.3
Special items, net	112	289	(61.2)	432	450	(3.8)
Other	1,220	1,182	3.3	3,575	3,386	5.6
Total operating expenses	<u>9,646</u>	<u>9,163</u>	5.3	<u>28,238</u>	<u>25,874</u>	9.1
<b>Operating income</b>	<u>1,232</u>	<u>1,431</u>	<u>(13.9)</u>	<u>3,368</u>	<u>4,517</u>	<u>(25.4)</u>
<b>Nonoperating income (expense):</b>						
Interest income	25	16	51.4	70	45	55.4
Interest expense, net	(266)	(250)	6.6	(787)	(738)	6.6
Other, net	13	(8)	nm	8	(25)	nm
Total nonoperating expense, net	<u>(228)</u>	<u>(242)</u>	<u>(5.4)</u>	<u>(709)</u>	<u>(718)</u>	<u>(1.3)</u>
<b>Income before income taxes</b>	<u>1,004</u>	<u>1,189</u>	<u>(15.6)</u>	<u>2,659</u>	<u>3,799</u>	<u>(30.0)</u>
Income tax provision	380	452	(16.0)	998	1,412	(29.3)
<b>Net income</b>	<u>\$ 624</u>	<u>\$ 737</u>	<u>(15.4)</u>	<u>\$ 1,661</u>	<u>\$ 2,387</u>	<u>(30.4)</u>
<b>Earnings per common share:</b>						
Basic	<u>\$ 1.29</u>	<u>\$ 1.40</u>		<u>\$ 3.37</u>	<u>\$ 4.23</u>	
Diluted	<u>\$ 1.28</u>	<u>\$ 1.40</u>		<u>\$ 3.35</u>	<u>\$ 4.20</u>	
<b>Weighted average shares outstanding (in thousands):</b>						
Basic	<u>484,772</u>	<u>525,415</u>		<u>493,164</u>	<u>564,886</u>	
Diluted	<u>486,625</u>	<u>528,510</u>		<u>495,796</u>	<u>568,679</u>	

Note: Percent change may not recalculate due to rounding.

**American Airlines Group Inc.  
Consolidated Operating Statistics  
(Unaudited)**

	3 Months Ended September 30,			9 Months Ended September 30,		
	2017	2016	Change	2017	2016	Change
<b>Mainline</b>						
Revenue passenger miles (millions)	54,012	53,472	1.0%	152,400	151,619	0.5%
Available seat miles (ASM) (millions)	64,582	63,751	1.3%	184,665	183,985	0.4%
Passenger load factor (percent)	83.6	83.9	(0.3)pts	82.5	82.4	0.1pts
Yield (cents)	14.12	13.87	1.8%	14.42	13.98	3.2%
Passenger revenue per ASM (cents)	11.81	11.64	1.5%	11.90	11.52	3.3%
Passenger enplanements (thousands)	37,365	37,584	(0.6)%	108,886	109,830	(0.9)%
Departures (thousands)	275	282	(2.4)%	816	837	(2.5)%
Aircraft at end of period	947	922	2.7%	947	922	2.7%
Block hours (thousands)	893	905	(1.3)%	2,608	2,650	(1.6)%
Average stage length (miles)	1,278	1,258	1.6%	1,245	1,235	0.8%
Fuel consumption (gallons in millions)	947	953	(0.6)%	2,713	2,739	(0.9)%
Average aircraft fuel price including related taxes (dollars per gallon)	1.66	1.46	13.4%	1.65	1.36	21.1%
Full-time equivalent employees at end of period	105,000	101,200	3.8%	105,000	101,200	3.8%
Operating cost per ASM (cents)	12.37	11.96	3.5%	12.67	11.62	9.0%
Operating cost per ASM excluding special items (cents)	12.20	11.51	6.0%	12.43	11.38	9.3%
Operating cost per ASM excluding special items and fuel (cents)	9.77	9.32	4.8%	10.01	9.35	7.0%
<b>Regional (A)</b>						
Revenue passenger miles (millions)	6,459	6,447	0.2%	18,619	18,406	1.2%
Available seat miles (millions)	8,471	8,160	3.8%	24,471	23,741	3.1%
Passenger load factor (percent)	76.3	79.0	(2.7)pts	76.1	77.5	(1.4)pts
Yield (cents)	27.08	26.85	0.9%	27.57	27.38	0.7%
Passenger revenue per ASM (cents)	20.65	21.21	(2.7)%	20.97	21.23	(1.2)%
Passenger enplanements (thousands)	14,073	14,288	(1.5)%	40,727	40,908	(0.4)%
Aircraft at end of period	611	599	2.0%	611	599	2.0%
Fuel consumption (gallons in millions)	201	196	2.6%	578	565	2.4%
Average aircraft fuel price including related taxes (dollars per gallon)	1.75	1.55	13.1%	1.73	1.42	21.8%
Full-time equivalent employees at end of period (B)	22,600	20,600	9.7%	22,600	20,600	9.7%
Operating cost per ASM (cents)	19.53	18.85	3.6%	19.81	18.91	4.8%
Operating cost per ASM excluding special items (cents)	19.59	18.79	4.3%	19.82	18.85	5.1%
Operating cost per ASM excluding special items and fuel (cents)	15.44	15.08	2.4%	15.73	15.48	1.6%
<b>Total Mainline &amp; Regional</b>						
Revenue passenger miles (millions)	60,471	59,919	0.9%	171,019	170,025	0.6%
Available seat miles (millions)	73,053	71,911	1.6%	209,136	207,726	0.7%
Cargo ton miles (millions)	716	601	19.2%	2,036	1,754	16.1%
Passenger load factor (percent)	82.8	83.3	(0.5)pts	81.8	81.9	(0.1)pts
Yield (cents)	15.51	15.27	1.6%	15.85	15.43	2.8%
Passenger revenue per ASM (cents)	12.84	12.72	0.9%	12.96	12.63	2.7%
Total revenue per ASM (cents)	14.89	14.73	1.1%	15.11	14.63	3.3%
Cargo yield per ton mile (cents)	27.89	28.42	(1.9)%	27.89	28.86	(3.4)%
Passenger enplanements (thousands)	51,438	51,872	(0.8)%	149,613	150,738	(0.7)%
Aircraft at end of period	1,558	1,521	2.4%	1,558	1,521	2.4%
Fuel consumption (gallons in millions)	1,148	1,149	—%	3,291	3,304	(0.4)%
Average aircraft fuel price including related taxes (dollars per gallon)	1.67	1.48	13.3%	1.67	1.37	21.2%
Full-time equivalent employees at end of period (B)	127,600	121,800	4.8%	127,600	121,800	4.8%
Operating cost per ASM (cents)	13.20	12.74	3.6%	13.50	12.46	8.4%
Operating cost per ASM excluding special items (cents)	13.06	12.33	5.9%	13.30	12.23	8.7%
Operating cost per ASM excluding special items and fuel (cents)	10.43	9.97	4.5%	10.68	10.05	6.2%

(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 September 30,			9 Months Ended September 30,		
	2017	2016	Change	2017	2016	Change
<b><u>Domestic - Mainline</u></b>						
Revenue passenger miles (millions)	33,032	33,487	(1.4)%	95,341	97,296	(2.0)%
Available seat miles (ASM) (millions)	38,750	39,051	(0.8)%	112,647	114,294	(1.4)%
Passenger load factor (percent)	85.2	85.8	(0.6)pts	84.6	85.1	(0.5)pts
Yield (cents)	14.52	14.36	1.1%	15.12	14.51	4.2%
Passenger revenue per ASM (cents)	12.37	12.31	0.5%	12.79	12.35	3.6%
<b><u>Domestic Consolidated - Mainline and Total Regional (A)</u></b>						
Revenue passenger miles (millions)	39,491	39,934	(1.1)%	113,960	115,701	(1.5)%
Available seat miles (millions)	47,221	47,211	—%	137,118	138,036	(0.7)%
Passenger load factor (percent)	83.6	84.6	(1.0)pts	83.1	83.8	(0.7)pts
Yield (cents)	16.57	16.37	1.2%	17.15	16.56	3.6%
Passenger revenue per ASM (cents)	13.86	13.85	0.1%	14.25	13.88	2.7%
<b><u>Latin America</u></b>						
Revenue passenger miles (millions)	7,362	7,382	(0.3)%	22,445	22,857	(1.8)%
Available seat miles (millions)	8,919	8,944	(0.3)%	28,432	28,894	(1.6)%
Passenger load factor (percent)	82.5	82.5	—pts	78.9	79.1	(0.2)pts
Yield (cents)	15.12	13.97	8.2%	14.88	13.47	10.4%
Passenger revenue per ASM (cents)	12.48	11.53	8.3%	11.74	10.66	10.2%
<b><u>Atlantic</u></b>						
Revenue passenger miles (millions)	9,728	9,027	7.8%	23,077	21,707	6.3%
Available seat miles (millions)	12,212	11,533	5.9%	29,554	29,103	1.5%
Passenger load factor (percent)	79.7	78.3	1.4pts	78.1	74.6	3.5pts
Yield (cents)	13.60	13.49	0.9%	13.37	14.01	(4.6)%
Passenger revenue per ASM (cents)	10.84	10.56	2.6%	10.44	10.45	(0.1)%
<b><u>Pacific</u></b>						
Revenue passenger miles (millions)	3,890	3,576	8.8%	11,537	9,759	18.2%
Available seat miles (millions)	4,701	4,223	11.3%	14,032	11,694	20.0%
Passenger load factor (percent)	82.7	84.7	(2.0)pts	82.2	83.5	(1.3)pts
Yield (cents)	10.20	10.13	0.7%	9.92	9.79	1.3%
Passenger revenue per ASM (cents)	8.44	8.58	(1.6)%	8.15	8.17	(0.2)%
<b><u>Total International</u></b>						
Revenue passenger miles (millions)	20,980	19,985	5.0%	57,059	54,323	5.0%
Available seat miles (millions)	25,832	24,700	4.6%	72,018	69,691	3.3%
Passenger load factor (percent)	81.2	80.9	0.3pts	79.2	77.9	1.3pts
Yield (cents)	13.50	13.06	3.4%	13.26	13.03	1.8%
Passenger revenue per ASM (cents)	10.97	10.57	3.8%	10.51	10.15	3.5%

(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 measure:

- 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	3 Months Ended September 30,			9 Months Ended September 30,		
	2017	2016	Percent Change	2017	2016	Percent Change
	(in millions)			(in millions)		
Pre-tax income as reported	\$ 1,004	\$ 1,189		\$ 2,659	\$ 3,799	
Pre-tax special items:						
Special items, net (1)	112	289		432	450	
Regional operating special items, net	(5)	5		(1)	13	
Nonoperating special items, net (2)	3	—		12	36	
Total pre-tax special items	110	294		443	499	
Pre-tax income excluding special items	\$ 1,114	\$ 1,483	-25%	\$ 3,102	\$ 4,298	-28%

**Calculation of Pre-Tax Margin**

Pre-tax income as reported	\$ 1,004	\$ 1,189	\$ 2,659	\$ 3,799
Total operating revenues as reported	\$ 10,878	\$ 10,594	\$ 31,606	\$ 30,391
Pre-tax margin	9.2%	11.2%	8.4%	12.5%

**Calculation of Pre-Tax Margin Excluding Special Items**

Pre-tax income excluding special items	\$ 1,114	\$ 1,483	\$ 3,102	\$ 4,298
Total operating revenues as reported	\$ 10,878	\$ 10,594	\$ 31,606	\$ 30,391
Pre-tax margin excluding special items	10.2%	14.0%	9.8%	14.1%

**Reconciliation of Net Income Excluding Special Items**

Net income as reported	\$ 624	\$ 737	\$ 1,661	\$ 2,387
Special items:				
Total pre-tax special items (1) (2)	110	294	443	499
Net tax effect of special items	(42)	(98)	(160)	(188)
Net income excluding special items	\$ 692	\$ 933	\$ 1,944	\$ 2,698

Reconciliation of Basic and Diluted Earnings Per Share Excluding Special Items	3 Months Ended September 30,		9 Months Ended September 30,	
	2017	2016	2017	2016
	(in millions, except per share amounts)		(in millions, except per share amounts)	
Net income excluding special items	\$ 692	\$ 933	\$ 1,944	\$ 2,698
Shares used for computation (in thousands):				
Basic	484,772	525,415	493,164	564,886
Diluted	486,625	528,510	495,796	568,679
Earnings per share excluding special items:				
Basic	\$ 1.43	\$ 1.77	\$ 3.94	\$ 4.78
Diluted	\$ 1.42	\$ 1.76	\$ 3.92	\$ 4.74

Reconciliation of Operating Income Excluding Special Items				
Operating income as reported	\$ 1,232	\$ 1,431	\$ 3,368	\$ 4,517
Special items:				
Special items, net (1)	112	289	432	450
Regional operating special items, net	(5)	5	(1)	13
Operating income excluding special items	\$ 1,339	\$ 1,725	\$ 3,799	\$ 4,980

Reconciliation of Operating Cost per ASM Excluding Special Items and Fuel - Mainline only	3 Months Ended September 30,		9 Months Ended September 30,	
	2017	2016	2017	2016
	(in millions)		(in millions)	
Total operating expenses as reported	\$ 9,646	\$ 9,163	\$ 28,238	\$ 25,874
Less regional expenses as reported:				
Fuel	(352)	(303)	(999)	(801)
Other	(1,302)	(1,235)	(3,849)	(3,687)
Total mainline operating expenses as reported	7,992	7,625	23,390	21,386
Special items, net (1)	(112)	(289)	(432)	(450)
Mainline operating expenses, excluding special items	7,880	7,336	22,958	20,936
Aircraft fuel and related taxes	(1,570)	(1,393)	(4,481)	(3,736)
Mainline operating expenses, excluding special items and fuel	\$ 6,310	\$ 5,943	\$ 18,477	\$ 17,200
	(in cents)		(in cents)	
Mainline operating expenses per ASM as reported	12.37	11.96	12.67	11.62
Special items, net per ASM (1)	(0.17)	(0.45)	(0.23)	(0.24)
Mainline operating expenses per ASM, excluding special items	12.20	11.51	12.43	11.38
Aircraft fuel and related taxes per ASM	(2.43)	(2.18)	(2.43)	(2.03)
Mainline operating expenses per ASM, excluding special items and fuel	9.77	9.32	10.01	9.35

Note: Amounts may not recalculate due to rounding.

# American Airlines Group Reports Third-Quarter Results

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Reconciliation of Operating Cost per ASM Excluding Special Items and Fuel - Regional only	3 Months Ended September 30,		9 Months Ended September 30,	
	2017	2016	2017	2016
	(in millions)		(in millions)	
Total regional operating expenses as reported	\$ 1,654	\$ 1,538	\$ 4,848	\$ 4,488
Regional operating special items, net	5	(5)	1	(13)
Regional operating expenses, excluding special items	1,659	1,533	4,849	4,475
Aircraft fuel and related taxes	(352)	(303)	(999)	(801)
Regional operating expenses, excluding special items and fuel	\$ 1,307	\$ 1,230	\$ 3,850	\$ 3,674
	(in cents)		(in cents)	
Regional operating expenses per ASM as reported	19.53	18.85	19.81	18.91
Regional operating special items, net per ASM	0.06	(0.06)	0.01	(0.05)
Regional operating expenses per ASM, excluding special items	19.59	18.79	19.82	18.85
Aircraft fuel and related taxes per ASM	(4.15)	(3.71)	(4.08)	(3.38)
Regional operating expenses per ASM, excluding special items and fuel	15.44	15.08	15.73	15.48

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 September 30,		9 Months Ended September 30,	
	2017	2016	2017	2016
	(in millions)		(in millions)	
Total operating expenses as reported	\$ 9,646	\$ 9,163	\$ 28,238	\$ 25,874
Special items:				
Special items, net (1)	(112)	(289)	(432)	(450)
Regional operating special items, net	5	(5)	1	(13)
Total operating expenses, excluding special items	9,539	8,869	27,807	25,411
Fuel:				
Aircraft fuel and related taxes - mainline	(1,570)	(1,393)	(4,481)	(3,736)
Aircraft fuel and related taxes - regional	(352)	(303)	(999)	(801)
Total operating expenses, excluding special items and fuel	\$ 7,617	\$ 7,173	\$ 22,327	\$ 20,874
	(in cents)		(in cents)	
Total operating expenses per ASM as reported	13.20	12.74	13.50	12.46
Special items per ASM:				
Special items, net (1)	(0.15)	(0.40)	(0.21)	(0.22)
Regional operating special items, net	0.01	(0.01)	—	(0.01)
Total operating expenses per ASM, excluding special items	13.06	12.33	13.30	12.23
Fuel per ASM:				
Aircraft fuel and related taxes - mainline	(2.15)	(1.94)	(2.14)	(1.80)
Aircraft fuel and related taxes - regional	(0.48)	(0.42)	(0.48)	(0.39)
Total operating expenses per ASM, excluding special items and fuel	10.43	9.97	10.68	10.05

Note: Amounts may not recalculate due to rounding.

## FOOTNOTES:

(1) The 2017 third quarter mainline operating special items totaled a net charge of \$112 million, which principally included \$62 million of merger integration expenses and \$62 million of fleet restructuring expenses, offset in part by a \$12 million net credit resulting from fair value adjustments to bankruptcy obligations. The 2017 nine-month period mainline operating special items totaled a net charge of \$432 million, which principally included \$192 million of merger integration expenses, \$174 million of fleet restructuring expenses, \$45 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 \$7 million net charge resulting from fair value adjustments to bankruptcy obligations.

The 2016 third quarter mainline operating special items totaled a net charge of \$289 million, which principally included \$194 million of merger integration expenses, \$31 million of fleet restructuring expenses and a \$39 million net charge resulting from fair value adjustments to bankruptcy obligations. The 2016 nine-month period mainline operating special items totaled a net charge of \$450 million, which principally included \$395 million of merger integration expenses and \$72 million of fleet restructuring expenses, offset in part by a \$22 million net credit 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) Nonoperating special charges in the 2017 periods primarily consisted of debt issuance and extinguishment costs associated with term loan refinancings. Additionally, the 2016 nine month period included costs associated with a bond refinancing.

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

	September 30, 2017 (unaudited)	December 31, 2016
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 340	\$ 322
Short-term investments	5,428	6,037
Restricted cash and short-term investments	393	638
Accounts receivable, net	1,700	1,594
Aircraft fuel, spare parts and supplies, net	1,315	1,094
Prepaid expenses and other	826	639
Total current assets	10,002	10,324
<b>Operating property and equipment</b>		
Flight equipment	39,545	37,028
Ground property and equipment	7,902	7,116
Equipment purchase deposits	1,280	1,209
Total property and equipment, at cost	48,727	45,353
Less accumulated depreciation and amortization	(15,416)	(14,194)
Total property and equipment, net	33,311	31,159
<b>Other assets</b>		
Goodwill	4,091	4,091
Intangibles, net	2,214	2,173
Deferred tax asset	538	1,498
Other assets	2,245	2,029
Total other assets	9,088	9,791
Total assets	\$ 52,401	\$ 51,274
<b>Liabilities and Stockholders' Equity</b>		
<b>Current liabilities</b>		
Current maturities of long-term debt and capital leases	\$ 2,467	\$ 1,855
Accounts payable	1,638	1,592
Accrued salaries and wages	1,413	1,516
Air traffic liability	4,653	3,912
Loyalty program liability	2,893	2,789
Other accrued liabilities	2,243	2,208
Total current liabilities	15,307	13,872
<b>Noncurrent liabilities</b>		
Long-term debt and capital leases, net of current maturities	22,217	22,489
Pension and postretirement benefits	7,467	7,842
Other liabilities	3,462	3,286
Total noncurrent liabilities	33,146	33,617
<b>Stockholders' equity</b>		
Common stock	5	5
Additional paid-in capital	5,918	7,223
Accumulated other comprehensive loss	(5,127)	(5,083)
Retained earnings	3,152	1,640
Total stockholders' equity	3,948	3,785
Total liabilities and stockholders' equity	\$ 52,401	\$ 51,274



## Investor Relations Update October 26, 2017

### General Overview

- **TRASM and Pre-tax Margin** – The company expects its fourth quarter total revenue per available seat mile (TRASM) to be up approximately 2.5 to 4.5 percent year-over-year. In addition, the company expects its fourth quarter pre-tax margin excluding special items to be approximately 4.5 to 6.5 percent.<sup>1</sup>
- **CASM** – Consolidated CASM excluding fuel and special items<sup>1</sup> is expected to be up approximately 5.5 percent in 2017. Fourth quarter consolidated CASM excluding fuel and special items<sup>1</sup> is expected to be up approximately 4.5 percent 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), higher revenue-related expenses, and higher depreciation and amortization resulting from increased capex.
- **Capacity** – 2017 total system capacity is expected to be up approximately 1 percent vs. 2016. Full year domestic capacity is expected to be approximately flat year-over-year, while international capacity is expected to be up approximately 4 percent vs. 2016.
- **Liquidity** – As of September 30, 2017, the company had approximately \$8.3 billion in total available liquidity, comprised of unrestricted cash and investments of \$5.8 billion and \$2.5 billion in undrawn revolver capacity. The company also had a restricted cash position of \$393 million.
- **Fuel** – Based on the October 13, 2017 forward curve, the company expects to pay an average of between \$1.80 and \$1.85 per gallon of mainline jet fuel (including taxes) in the fourth quarter. Forecasted volume and fuel prices are provided in the following pages.
- **Cargo / Other Revenue** – Includes cargo revenue, loyalty program revenue, ticket change fees, excess/overweight baggage fees, first and second bag fees, contract services, airport clubs and inflight service revenues.
- **Taxes** – As of December 31, 2016, the company had approximately \$10.5 billion of federal net operating losses (NOLs) and \$3.7 billion of state NOLs, substantially all of which are expected to be available in 2017 to reduce future federal and state taxable income. The company expects to recognize a provision for income taxes in 2017 at an effective rate of approximately 38 percent, which will be substantially non-cash.

### **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**

**Mainline Update**  
**October 26, 2017**

## **Mainline Comments**

- All operating expenses are for mainline operated flights only. Please refer to the following page for information pertaining to regional data.
- The year-over-year increase in mainline CASM excluding fuel and special items is primarily driven by investments in new labor agreements (including the previously announced flight attendant and pilot pay adjustments), investments in the operation, and higher depreciation and amortization resulting from increased capex.

	1Q17A	2Q17A	3Q17A	4Q17E	FY17E <sup>2</sup>
<b><u>Mainline Guidance<sup>1</sup></u></b>					
Available Seat Miles (ASMs) (bil)	56.6	63.5	64.6	~58.9	~243.5
CASM ex fuel and special items (YOY % change) <sup>3</sup>	10.48	9.82	9.77	+4% to +6%	+5.5% to +7.5%
Cargo Revenues (\$ mil)	172	196	200	~210	~778
Other Revenues (\$ mil)	1,297	1,327	1,301	~1,300	~5,225
Average Fuel Price (incl. taxes) (\$/gal) (as of 10/13/2017)	1.69	1.62	1.66	1.80 to 1.85	1.67 to 1.72
Fuel Gallons Consumed (mil)	831	934	947	~871	~3,583
Interest Income (\$ mil)	(21)	(24)	(25)	~(20)	~(90)
Interest Expense (\$ mil)	257	263	266	~272	~1,058
Other Non-Operating (Income)/Expense (\$ mil) <sup>4</sup>	(5)	3	(16)	~(3)	~(22)
<b><u>CAPEX Guidance (\$ mil) Inflow/(Outflow)</u></b>					
Non-Aircraft CAPEX	(439)	(404)	(431)	~(376)	~(1,650)
Gross Aircraft CAPEX & net PDPs	(1,206)	(1,080)	(938)	~(872)	~(4,096)
Assumed Aircraft Financing	899	993	810	~728	~3,430
Net Aircraft CAPEX & PDPs <sup>2</sup>	(307)	(87)	(128)	~(145)	~(666)

## **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. *CASM ex fuel and special items is a non-GAAP financial measure.*
4. *Other Non-Operating (Income)/Expense primarily includes 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**

**Regional Update**  
**October 26, 2017**

**Regional Comments**

- The company receives feed from 10 regional airlines, including wholly owned subsidiaries Envoy, PSA Airlines and Piedmont Airlines.
- Fourth quarter CASM excluding fuel and special items increased from previous guidance due primarily to pilot hiring initiatives and maintenance timing.

	1Q17A	2Q17A	3Q17A	4Q17E	FY17E <sup>2</sup>
<b><u>Regional Guidance<sup>1</sup></u></b>					
Available Seat Miles (ASMs) (bil)	7.78	8.22	8.47	~8.11	~32.58
CASM ex fuel and special items (YOY % change) <sup>3</sup>	16.10	15.69	15.44	+1% to +3%	+1% to +3%
Average Fuel Price (incl. taxes) (\$/gal) (as of 10/13/2017)	1.75	1.69	1.75	1.88 to 1.93	1.75 to 1.80
Fuel Gallons Consumed (mil)	182	195	201	~195	~773

**Regional Airlines**

Envoy Air Inc. <sup>4</sup>	Mesa Airlines, Inc.
SkyWest Airlines, Inc. <sup>5</sup>	Piedmont Airlines, Inc. <sup>4</sup>
ExpressJet Airlines, Inc. <sup>5</sup>	PSA Airlines, Inc. <sup>4</sup>
Republic Airline Inc.	Trans States Airlines, Inc.
Air Wisconsin Airlines Corporation	Compass Airlines, LLC

**Notes:**

1. Includes guidance on certain non-GAAP measures. 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. CASM ex fuel and special items is a non-GAAP financial measure. Please see the GAAP to non-GAAP reconciliation at the end of this document.
4. Wholly owned subsidiary of American Airlines Group Inc.
5. Pro-rate agreement and capacity purchase agreement.

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

## Fleet Update October 26, 2017

### Fleet Comments

- In 2017, the company expects to take delivery of 57 mainline aircraft comprised of 20 A321 aircraft, 20 B738 aircraft, 4 B738 Max aircraft, 3 B788 aircraft, and 10 B789 aircraft. The company also expects to retire 39 mainline aircraft, including 3 A320 aircraft, 17 B757 aircraft, 7 B763 aircraft and 12 MD80 aircraft.
- In 2017, the company expects to reduce the regional fleet count by a net of 8 aircraft, resulting from the addition of 31 CRJ700 aircraft, 24 E175 aircraft and 8 ERJ140 aircraft, as well as the reduction of 52 CRJ200 aircraft and 19 Dash 8-100 aircraft.

### Active Mainline Ending Fleet Count

	2016A	1Q17A	2Q17A	3Q17A	4Q17E
A319	125	125	125	125	125
A320	51	49	48	48	48
A321	199	207	214	219	219
A332	15	15	15	15	15
A333	9	9	9	9	9
B738	284	289	294	299	304
B738 Max	-	-	-	1	4
B757	51	51	51	40	34
B763	31	31	31	27	24
B772	47	47	47	47	47
B773	20	20	20	20	20
B788	17	19	20	20	20
B789	4	6	9	11	14
E190	20	20	20	20	20
MD80	57	56	53	46	45
	<b>930</b>	<b>944</b>	<b>956</b>	<b>947</b>	<b>948</b>

### Active Regional Ending Fleet Count<sup>1</sup>

	2016A	1Q17A	2Q17A	3Q17A	4Q17E
CRJ200	120	123	122	95	68
CRJ700	79	93	105	110	110
CRJ900	118	118	118	118	118
DASH 8-100	23	17	12	8	4
DASH 8-300	11	11	11	11	11
E175	124	137	141	144	148
ERJ140	13	6	-	7	21
ERJ145	118	118	118	118	118
	<b>606</b>	<b>623</b>	<b>627</b>	<b>611</b>	<b>598</b>

### Notes:

- At the end of the third quarter, the company had 52 ERJ140 regional aircraft in temporary storage, which are not included in the active regional ending fleet count.

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

## Shares Outstanding October 26, 2017

### Shares Outstanding Comments

- The estimated weighted average shares outstanding for 2017 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 third quarter of 2017, the company repurchased 7.7 million shares at a cost of \$362 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 480.0 million shares outstanding on September 30, 2017.

### 2017 Shares Outstanding (shares mil)<sup>1</sup>

	Shares	
	Basic	Diluted
<b>For Q4</b>		
Earnings	480	482
Net loss	480	480
<b>For FY 2017 Average</b>	Shares	
	Basic	Diluted
Earnings	490	492
Net loss	490	490

### **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 October 26, 2017

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)							
	1Q17	2Q17	3Q17	4Q17 Range		FY17 Range	
	Actual	Actual	Actual	Low	High	Low	High
<b>Mainline<sup>1</sup></b>							
Mainline operating expenses	\$ 7,450	\$ 7,950	\$ 7,992	\$ 7,798	\$ 7,961	\$ 30,990	\$ 31,498
Less mainline fuel expense	1,402	1,510	1,570	1,568	1,611	6,050	6,093
Less special items	119	202	112	—	—	433	433
Mainline operating expense excluding fuel and special items	5,929	6,238	6,310	6,230	6,350	24,508	24,972
Mainline CASM (cts)	13.17	12.51	12.37	13.24	13.52	12.73	12.94
Mainline CASM excluding fuel and special items (Non-GAAP) (cts)	10.48	9.82	9.77	10.58	10.78	10.06	10.26
<b>Mainline ASMs (bil)</b>	56.6	63.5	64.6	58.9	58.9	243.5	243.5
<b>Regional<sup>1</sup></b>							
Regional operating expenses	\$ 1,573	\$ 1,620	\$ 1,654	\$ 1,653	\$ 1,688	\$ 6,474	\$ 6,585
Less regional fuel expense	318	329	352	367	376	1,366	1,375
Less special items	2	1	(5)	—	—	(2)	(2)
Regional operating expenses excluding fuel and special items	1,253	1,290	1,307	1,286	1,311	5,110	5,211
Regional CASM (cts)	20.23	19.71	19.53	20.38	20.81	19.87	20.21
Regional CASM excluding fuel and special items (Non-GAAP) (cts)	16.10	15.69	15.44	15.86	16.17	15.69	16.00
<b>Regional ASMs (bil)</b>	7.78	8.22	8.47	8.11	8.11	32.58	32.58
<b>Other non-operating (income)/expense<sup>1</sup></b>							
Other non-operating (income)/expense	\$ —	\$ 5	\$ (13)	\$ (3)	\$ (3)	\$ (11)	\$ (11)
Less special items	5	2	3	—	—	10	10
Other non-operating (income)/expense excluding special items	(5)	3	(16)	(3)	(3)	(22)	(22)

Notes: Amounts may not recalculate due to rounding.

- 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.

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## Forward Looking Statements October 26, 2017

### 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.

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