

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 earliest event reported: July 2, 1996

American Airlines, Inc.

(Exact name of registrant as specified in its charter)

Delaware	1-2691	13-1502798
(State or other	(Commiss	(I.R.S. Employer
jurisdiction	ion File	Identification No.)
of incorporation)	Number)	

4333 Amon Carter Blvd.
Fort Worth, Texas
(Address of principal
executive offices)

76155
(Zip Code)

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

Item 2. Disposition of Assets.

AMR Corporation ("AMR"), parent company of American Airlines, Inc. ("American" or the "Company"), announced that as of July 2, 1996 it had completed the reorganization of its information technology businesses known as The SABRE Group into separate, wholly-owned subsidiaries of AMR (the "Reorganization").

Prior to the Reorganization, most of The SABRE Group's business units were divisions of American. As part of the Reorganization, all of the businesses of The SABRE Group, including American's SABRE Travel Information Network, SABRE Computer Services, SABRE Development Services, and SABRE Interactive divisions, and certain buildings, equipment, and American's leasehold interest in certain other buildings used by The SABRE Group were combined in subsidiaries of American (the "SABRE Group subsidiaries"), and the SABRE Group subsidiaries were dividdened by American to AMR. Also as part of the Reorganization, \$850 million of American's long-term debt owed to AMR was repaid through the transfer by American to AMR of an \$850 million debenture issued by one of the SABRE Group subsidiaries to American.

AMR is continuing to study, as it has in the past, additional SABRE Group transactions. No decisions have been made, however, as to what, if any, transactions involving The SABRE Group may occur.

The accompanying unaudited pro forma consolidated statements of operations are presented to reflect the Company's results of operations as if the Reorganization had been completed on January 1, 1995. The accompanying unaudited pro forma condensed consolidated balance sheet is presented to reflect the Company's financial position on March 31, 1996, as if the Reorganization had occurred on that date.

The pro forma information is presented for illustrative purposes only and is not necessarily indicative of the operating results or financial position that would have occurred if the transactions had been consummated as presented in the accompanying pro forma condensed consolidated financial statements, nor is it necessarily indicative of future results of operations.

The pro forma condensed consolidated financial statements should be read in conjunction with the historical consolidated financial statements and related notes thereto of the Company.

American Airlines, Inc.
 Pro Forma Consolidated Statement of Operations
 Year ended December 31, 1995
 (Unaudited) (In millions)

	Historical	Pro Forma Adjustments	Pro Forma As Adjusted
Revenues			
Airline Group:			
Passenger	\$ 13,134	\$ -	\$ 13,134
Cargo	668	-	668
Other	699	-	699
	14,501	-	14,501
Information Services Group	1,391	(1,391) (a)	-
Less: Intergroup revenues	(483)	483 (d)	-
Total operating revenues	15,409	(908)	14,501
Expenses			
Wages, salaries and benefits	5,183	(367) (a)	4,816
Aircraft fuel	1,565	-	1,565
Commissions to agents	1,236	-	1,236
Depreciation and amortization	1,138	(164) (a)	964
		(10) (b)	
Other rentals and landing fees	802	(31) (a)	771
Food service	675	-	675
Aircraft rentals	604	-	604
Maintenance materials and repairs	494	-	494
Other operating expenses	2,259	(445) (a)	2,297
		483 (d)	
Restructuring costs	485	-	485
Total operating expenses	14,441	(534)	13,907
Operating Income	968	(374)	594
Other Income (Expense)			
Interest income	23	-	23
Interest expense	(543)	(6) (a)	(467)
		9 (b)	
		73 (c)	
Miscellaneous - net	(55)	(1) (a)	(56)
	(575)	75	(500)
Earnings Before Income Taxes and Extraordinary Loss			
Taxes and Extraordinary Loss	393	(299)	94
Income tax provision	172	(114) (e)	58
Earnings Before Extraordinary Loss			
Extraordinary Loss	221	(185)	36
Extraordinary Loss, Net of Tax Benefit	(13)	-	(13)
Net Earnings	\$ 208	\$ (185)	\$ 23

See accompanying notes.

American Airlines, Inc.
 Pro Forma Consolidated Statement of Operations
 Three months ended March 31, 1996
 (Unaudited) (In millions)

	Historical	Pro Forma Adjustments	Pro Forma As Adjusted
Revenues			
Airline Group:			
Passenger	\$ 3,287	\$ -	\$ 3,287
Cargo	160	-	160
Other	192	-	192
	3,639	-	3,639
Information Services Group	386	(386) (a)	-
Less: Intergroup revenues	(123)	123 (d)	-
Total operating revenues	3,902	(263)	3,639
Expenses			
Wages, salaries and benefits	1,332	(98) (a)	1,234
Aircraft fuel	424	-	424
Commissions to agents	296	-	296
Depreciation and amortization	271	(41) (a)	227
		(3) (b)	
Other rentals and landing fees	197	(9) (a)	188
Food service	154	-	154
Aircraft rentals	148	-	148
Maintenance materials and repairs	134	-	134
Other operating expenses	588	(116) (a)	595
		123 (d)	
Total operating expenses	3,544	(144)	3,400
Operating Income	358	(119)	239
Other Income (Expense)			
Interest income	5	-	5
Interest expense	(111)	(2) (a)	(93)
		2 (b)	
		18 (c)	
Miscellaneous - net	(1)	(1) (a)	(2)
	(107)	17	(90)
Earnings Before Income Taxes	251	(102)	149
Income tax provision	101	(39) (e)	62
Net Earnings	\$ 150	\$ (63)	\$ 87

See accompanying notes.

American Airlines, Inc.
 Proforma Condensed Consolidated Balance Sheet
 March 31, 1996
 (Unaudited) (In millions)

	Historical	Pro Forma Adjustments	Pro Forma As Adjusted
Assets			
Current Assets			
Cash	\$ 31	\$ (1) (f)	\$ 30
Short-term investments	791	(111) (g)	550
		(130) (i)	
Receivables, net	1,222	(53) (f)	1,169
Inventories, net	532	-	532
Other current assets	469	(28) (f)	441
Total current assets	3,045	(323)	2,722
Equipment and Property			
Flight equipment, net	8,902	-	8,902
Other equipment and property, net	1,811	(483) (f)	1,328
	10,713	(483)	10,230
Equipment and Property Under Capital Leases			
Flight equipment, net	1,251	-	1,251
Other equipment and property, net	160	(68) (f)	92
	1,411	(68)	1,343
Route acquisition costs, net	996	-	996
Other assets, net	1,402	(67) (f)	1,322
		(13) (g)	
	\$ 17,567	\$ (954)	\$ 16,613

See accompanying notes.

American Airlines, Inc.
 Pro Forma Condensed Consolidated Balance Sheet, Continued
 March 31, 1996
 (Unaudited) (In millions)

	Historical	Pro Forma Adjustments	Pro Forma As Adjusted
Liabilities and Stockholder's Equity			
Current Liabilities			
Accounts Payable	\$ 803	\$ (43) (f)	\$ 760
Payable to affiliates	968	130 (f)	968
		(130) (i)	
Accrued liabilities	1,558	(64) (f)	1,494
Air traffic liability	1,707	-	1,707
Current maturities of long-term debt	33	-	33
Current obligations under capital leases	125	-	125
Total current liabilities	5,194	(107)	5,087
Long-term debt, less current maturities			
	1,170	-	1,170
Long-term debt due to Parent	1,676	(850) (h)	826
Obligations under capital leases, less current obligations	1,702	(124) (g)	1,578
Deferred income taxes	479	(56) (f)	423
Other liabilities, deferred gains, deferred credits and postretirement benefits	3,552	(67) (f)	3,485
Stockholder's Equity			
Common stock	-	-	-
Additional paid-in capital	1,699	-	1,699
Retained earnings	2,095	(600) (f)	2,345
		850 (h)	
	3,794	250	4,044
	\$ 17,567	\$ (954)	\$ 16,613

See accompanying notes.

NOTES TO PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

The accompanying pro forma consolidated statements of operations for the year ended December 31, 1995 and the three months ended March 31, 1996 reflect the following pro forma adjustments assuming the Reorganization had been consummated on January 1, 1995.

- (a) To remove the historical results of operations of the divisions of American dividdened to AMR.
- (b) To reflect the estimated decrease in depreciation and amortization expense due to the removal of certain buildings, equipment, and American's leasehold interest in certain other buildings used by The SABRE Group, and to record the estimated decrease in interest expense as a result of the extinguishment of the capital lease obligation associated with American's leasehold interest.
- (c) To remove the interest expense associated with the repayment of \$850 million of American's long-term debt owed to AMR.
- (d) To reflect expenses of the Company which were previously eliminated in consolidation.
- (e) To reflect the estimated tax impact of the above adjustments.

The accompanying pro forma condensed consolidated balance sheet reflects the following pro forma adjustments for the Reorganization as if it had been consummated on March 31, 1996.

- (f) To remove the assets and liabilities of the divisions of American dividdened to AMR and to reflect the removal of certain buildings, equipment, and the leasehold interest in certain other buildings and the related deferred income taxes.
- (g) To reflect the extinguishment of the capital lease obligation associated with American's leasehold interest in certain buildings used by The SABRE Group.
- (h) To reflect the repayment of \$850 million of American's long-term debt owed to AMR.
- (i) To reflect the repayment of American's payable to The SABRE Group.

SIGNATURE

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

AMERICAN AIRLINES, INC.

/s/Charles D. MarLett
Charles D. MarLett
Corporate Secretary

Dated: July 17, 1996