

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

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934
For the Period Ended March 31, 1996.

Transition Report Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934
For the Transition Period From _____ to _____

Commission file number 1-8400.

AMR Corporation
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	75-1825172 (I.R.S. Employer Identification No.)
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4333 Amon Carter Blvd. Fort Worth, Texas (Address of principal executive offices)	76155 (Zip Code)
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Registrant's telephone number, (817) 963-1234
including area code

Not Applicable
(Former name, former address and former fiscal year, if changed
since last report)

Indicate by check mark whether the registrant (1) has filed all
reports required to be filed by Section 13 or 15(d) of the
Securities Exchange Act of 1934 during the preceding 12 months
(or for such shorter periods that the registrant was required to
file such reports), and (2) has been subject to such filing
requirements for the past 90 days. Yes No

Applicable Only to Corporate Issuers

Indicate the number of shares outstanding of each of the
issuer's classes of common stock, as of the latest practical
date.

Common Stock, \$1 par value - 76,911,973 as of April 24, 1996

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AMR CORPORATION

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PART 1. FINANCIAL INFORMATION

AMR CORPORATION

CONSOLIDATED STATEMENT OF OPERATIONS

(Unaudited) (In millions, except per share amounts)

	Three Months Ended	
	March 31,	
	1996	1995
Revenues		
Airline Group:		
Passenger - American Airlines, Inc.	\$3,287	\$3,090
- AMR Eagle, Inc.	267	208
Cargo	163	158
Other	187	155
	3,904	3,611
The SABRE Group	449	399
Management Services Group	157	143
Less: Intergroup revenues	(202)	(183)
Total operating revenues	4,308	3,970
Expenses		
Wages, salaries and benefits	1,487	1,405
Aircraft fuel	441	378
Commissions to agents	315	320
Depreciation and amortization	300	315
Other rentals and landing fees	216	214
Aircraft rentals	164	170
Food service	156	160
Maintenance materials and repairs	168	152
Other operating expenses	660	604
Total operating expenses	3,907	3,718
Operating Income	401	252
Other Income (Expense)		
Interest income	16	13
Interest expense	(146)	(177)
Miscellaneous - net	(6)	(16)
	(136)	(180)
Earnings Before Income Taxes	265	72
Income tax provision	108	35
Net Earnings	\$ 157	\$ 37
Earnings Per Common Share		
Primary	\$ 2.02	\$ 0.48
Fully Diluted	\$ 1.84	\$ 0.48
Number of shares used in computations		
Primary	78	77
Fully Diluted	92	77

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

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 AMR CORPORATION
 CONDENSED CONSOLIDATED BALANCE SHEET
 (In millions)

	March 31, 1996 (Unaudited)	December 31, 1995 (Note 1)
Assets		
Current Assets		
Cash	\$ 38	\$ 82
Short-term investments	796	819
Receivables, net	1,378	1,153
Inventories, net	606	589
Deferred income taxes	358	357
Other current assets	166	137
Total current assets	3,342	3,137
Equipment and Property		
Flight equipment, net	9,649	9,852
Other equipment and property, net	1,959	1,964
	11,608	11,816
Equipment and Property Under Capital Leases		
Flight equipment, net	1,559	1,588
Other equipment and property, net	160	161
	1,719	1,749
Route acquisition costs, net	996	1,003
Other assets, net	1,816	1,851
	\$ 19,481	\$ 19,556
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	\$ 880	\$ 817
Accrued liabilities	1,775	1,999
Air traffic liability	1,707	1,466
Current maturities of long-term debt	148	228
Current obligations under capital leases	146	122
Total current liabilities	4,656	4,632
Long-term debt, less current maturities	4,730	4,983
Obligations under capital leases, less current obligations	1,990	2,069
Deferred income taxes	443	446
Other liabilities, deferred gains, deferred credits and postretirement benefits	3,766	3,706
Stockholders' Equity		
Convertible preferred stock	78	78
Common stock	77	76
Additional paid-in capital	2,263	2,239
Retained earnings	1,478	1,327
	3,896	3,720
	\$ 19,481	\$ 19,556

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

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

	Three Months Ended March 31,	
	1996	1995
Net Cash Provided by Operating Activities	\$ 325	\$ 253
Cash Flow from Investing Activities:		
Capital expenditures	(107)	(458)
Net decrease in short-term investments	23	270
Proceeds from sale of equipment and property	73	60
Net cash used for investing activities	(11)	(128)
Cash Flow from Financing Activities:		
Payments on long-term debt and capital lease obligations	(379)	(86)
Other	21	(1)
Net cash used for financing activities	(358)	(87)
Net increase (decrease) in cash	(44)	38
Cash at beginning of period	82	23
Cash at end of period	\$ 38	\$ 61
Cash Payments (Refunds) For:		
Interest	\$ 138	\$ 155
Income taxes	133	(9)

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

AMR CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, these financial statements contain all adjustments, consisting of normal recurring accruals, necessary to present fairly the financial position, results of operations and cash flows for the periods indicated. The balance sheet at December 31, 1995 has been derived from the audited financial statements at that date. For further information, refer to the consolidated financial statements and footnotes thereto included in the AMR Corporation Annual Report on Form 10-K for the year ended December 31, 1995.
2. Certain amounts from 1995 have been reclassified to conform with the 1996 presentation.
3. Accumulated depreciation of owned equipment and property at March 31, 1996 and December 31, 1995, was \$6.0 billion and \$5.8 billion, respectively. Accumulated amortization of equipment and property under capital leases at March 31, 1996 and December 31, 1995, was \$890 million and \$875 million, respectively.
4. As discussed in the notes to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 1995, the Miami International Airport Authority is currently remediating various environmental conditions at Miami International Airport (Airport) and funding the remediation costs through landing fee revenues. Some of the costs of the remediation effort may be borne by carriers currently operating at the Airport, including American Airlines, Inc. (American), through increased landing fees. The ultimate resolution of this matter is not expected to have a significant impact on the financial position or liquidity of AMR.
5. On April 17, 1996, the Company announced that its Board of Directors had approved a reorganization of The SABRE Group as a separate, wholly-owned subsidiary of AMR Corporation subject to the receipt of a favorable tax ruling and certain other conditions. This reorganization will involve the dividend of American's SABRE Travel Information Network, SABRE Computer Services, SABRE Development Services and SABRE Interactive divisions to the Company. The reorganization should be completed sometime during the third quarter.

The Company also continues to study, as it has in the past, other transactions which may involve The SABRE Group, such as strategic partnerships or an initial public offering of a portion of The SABRE Group's stock. No decisions, however, have been made at this time as to what, if any, transactions involving The SABRE Group may occur after the reorganization is complete.

6. On April 19, 1996, the Company announced the call for redemption on May 20, 1996 of all its outstanding 6 1/8% Convertible Subordinated Quarterly Income Capital Securities due 2024. At March 31, 1996, debentures in an aggregate principal amount of \$1,020,356,000 were outstanding. The redemption price of the debentures is \$1,042 per \$1,000 principal amount of debentures, plus accrued and unpaid interest to the redemption date. As an alternative to redemption, holders of debentures have the option, until May 17, 1996, to convert their debentures into AMR Common Stock at a conversion price of \$79 per share of Common Stock (equivalent to 12.658 shares of Common Stock for each \$1,000 principal amount of debentures). The Company has entered into a standby arrangement with certain parties in which the parties have agreed to purchase from the Company, at the Company's option, up to the number of shares of Common Stock that would have been issuable upon conversion of any debentures that are not surrendered for conversion by May 17, 1996. Debentures that are redeemed rather than converted will result in the Company recording an extraordinary loss on early retirement of debt during the second quarter arising from the excess of the redemption price for such debentures over their carrying value. This differential as of

March 31, 1996 equaled approximately \$231 for each \$1,000 principal amount of debentures.

7. On April 19, 1996, the Company announced the call for redemption on May 20, 1996 of all its outstanding \$500 Series A Cumulative Convertible Preferred Stock. The redemption price for the Preferred Stock is \$521 per share of Preferred Stock, plus accrued and unpaid dividends to the redemption date. As an alternative to redemption, holders of the Preferred Stock have the option, until May 17, 1996, of converting their Preferred Stock into AMR Common Stock at a conversion price of \$78.75 per share of Common Stock (equivalent to 6.3492 shares of Common Stock for each share of Preferred Stock).

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS

Results of Operations

Summary AMR recorded net earnings for the three months ended March 31, 1996, of \$157 million, or \$2.02 per common share (\$1.84 fully diluted). This compares to net earnings of \$37 million, or \$0.48 per common share (both primary and fully diluted) for the first quarter of 1995. AMR's operating income improved 59.1 percent or \$149 million.

AMR's improved results for the first quarter reflect better performance by each of the Company's three business units - the Airline Group, which includes American Airlines, Inc.'s Passenger and Cargo Divisions and AMR Eagle, Inc.; The SABRE Group, which includes AMR's information technology and consulting businesses; and the Management Services Group, which includes AMR's airline management, aviation services, and investment service activities.

On April 17, 1996, the Company announced the planned reorganization of The SABRE Group as a separate, wholly-owned subsidiary of AMR. It is anticipated that upon completion of the reorganization approximately \$850 million of American's debt owed to AMR will be replaced by an equivalent amount of debt owed to AMR by The SABRE Group, thereby reducing the Airline Group's annual interest costs -- and increasing The SABRE Group's annual interest costs -- by approximately \$50-60 million. In addition, the reorganization will include a new marketing and services agreement between American and The SABRE Group. Although the terms of the new agreement have not been finalized, it is expected to increase American's revenues from services provided to The SABRE Group (such as air travel) and decrease American's costs for technology services provided by The SABRE Group.

The following sections provide a discussion of AMR's results by reporting segment, which are described in AMR's Annual Report on Form 10-K for the year ended December 31, 1995.

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

	Three Months Ended March 31,	
	1996	1995
Revenues		
Passenger - American Airlines, Inc.	\$3,287	\$3,090
- AMR Eagle, Inc.	267	208
Cargo	163	158
Other	187	155
	3,904	3,611
Expenses		
Wages, salaries and benefits	1,301	1,240
Aircraft fuel	441	378
Commissions to agents	315	320
Depreciation and amortization	252	266
Other operating expenses	1,348	1,291
Total operating expenses	3,657	3,495
Operating Income	247	116
Other Income (Expense)	(134)	(171)
Earnings (Loss) Before Income Taxes	\$ 113	\$ (55)
Average number of equivalent employees	89,900	89,300

OPERATING STATISTICS

	Three Months Ended March 31,	
	1996	1995
American Airlines, Inc.		
Jet Airline Operations		
Revenue passenger miles (millions)	24,632	23,834
Available seat miles (millions)	37,554	37,398
Cargo ton miles (millions)	498	489
Passenger revenue yield per passenger mile (cents)	13.34	12.96
Passenger revenue per available seat mile (cents)	8.75	8.26
Cargo revenue yield per ton mile (cents)	32.26	31.99
Operating expenses per available seat mile (cents)	8.99	8.67
Passenger load factor	65.6%	63.7%
Breakeven load factor	60.1%	60.3%
Fuel consumption (gallons, in millions)	663	666
Fuel price per gallon (cents)	63.9	54.8
Operating aircraft at period-end	632	648
AMR Eagle, Inc.		
Revenue passenger miles (millions)	636	496
Available seat miles (millions)	1,137	960
Passenger load factor	56.0%	51.7%
Operating aircraft at period-end	255	267

Operating aircraft at March 31, 1996, included:

Jet Aircraft:		Regional Aircraft:	
Airbus A300-600R	35	ATR 42	46
Boeing 727-200	68	Super ATR	33
Boeing 757-200	86	Jetstream 32	38
Boeing 767-200	8	Saab 340A	9
Boeing 767-200 Extended Range	22	Saab 340B	95
Boeing 767-300 Extended Range	41	Saab 340B Plus	14
Fokker 100	75	Shorts 360	20
McDonnell Douglas DC-10-10	15	Total	255
McDonnell Douglas DC-10-30	4		
McDonnell Douglas MD-11	18		
McDonnell Douglas MD-80	260		
Total	632		

89.2% of the jet aircraft fleet is Stage III, a classification of aircraft meeting noise standards as promulgated by the Federal Aviation Administration.

Average aircraft age is 8 years for jet aircraft and 4 years for regional aircraft.

Results of Operations (continued)

The Airline Group's revenues increased \$293 million or 8.1 percent. American's passenger revenues increased by 6.4 percent, \$197 million. American's yield (the average amount one passenger pays to fly one mile) of 13.34 cents increased by 2.9 percent compared to the same period in 1995. Domestic yields increased 4.0 percent from first quarter 1995, while international yields were up 0.6 percent.

American's traffic or revenue passenger miles (RPMs) increased 3.3 percent to 24.6 billion miles for the quarter ended March 31, 1996. American's capacity or available seat miles (ASMs) increased 0.4 percent to 37.6 billion miles in the first quarter of 1996, primarily as a result of increases in jet stage length and aircraft productivity. Jet stage length increased 8.7 percent and aircraft productivity, as measured by miles flown per aircraft per day, increased 2.1 percent compared with first quarter 1995. American's domestic traffic increased 0.9 percent on capacity decreases of 1.9 percent and international traffic grew 9.4 percent on capacity increases of 6.3 percent. The increase in international traffic was led by a 13.4 percent increase in traffic to Europe on capacity growth of 5.1 percent, and a 5.6 percent increase in traffic to Latin America on capacity growth of 7.2 percent.

Although not quantifiable, some portion of the passenger revenue increase is attributable to the January 1, 1996 expiration of the ten percent federal excise tax on airline travel.

AMR Eagle passenger revenues increased 28.4 percent, \$59 million, due principally to an increase in traffic of 28.2 percent to 636 million RPMs. The increase in traffic was due in large part to the Federal Aviation Administration's temporary restrictions on the operation of ATR aircraft during first quarter 1995, which contributed to a decrease in capacity at that time.

Other revenues increased 20.6 percent, \$32 million, primarily due to contract maintenance work performed by American for other airlines.

The Airline Group's operating expenses increased 4.6 percent, \$162 million. American's Jet Airline cost per ASM increased by 3.7 percent to 8.99 cents. Wages, salaries and benefits rose 4.9 percent, \$61 million, due primarily to contractual wage rate and seniority increases that are built into the Company's labor contracts and an increase in the provision for profit sharing, partially offset by a decrease due to the outsourcing of certain services. Aircraft fuel expense increased 16.7 percent, \$63 million, due to a 9.1 cent increase in American's average price per gallon, which includes the impact of the October 1995 expiration of the fuel tax exemption for the airline industry. Other operating expenses, consisting of maintenance costs, aircraft rentals, other rentals and landing fees, food service costs, and miscellaneous operating expenses increased 4.4 percent, \$57 million, primarily due to an increase in outsourced services, costs associated with increased contract maintenance work performed for other airlines, and adverse winter weather.

Other Income (Expense) decreased 21.6 percent or \$37 million. Interest expense decreased \$31 million primarily due to scheduled debt repayments and the retirement of debt prior to scheduled maturity.

Results of Operations (continued)

THE SABRE GROUP
 FINANCIAL HIGHLIGHTS
 (Unaudited) (Dollars in millions)

	Three Months Ended	
	March 31,	
	1996	1995
Revenues	\$ 449	\$ 399
Expenses		
Wages, salaries and benefits	119	103
Depreciation and amortization	43	45
Other operating expenses	156	132
Total operating expenses	318	280
Operating Income	131	119
Other Income (Expense)	(1)	(9)
Earnings Before Income Taxes	\$ 130	\$ 110
Average number of equivalent employees	7,900	7,300

Revenues

Revenues for The SABRE Group increased 12.5 percent, \$50 million, primarily due to higher booking fee prices and increased volumes.

Expenses

Wages, salaries and benefits increased 15.5 percent, \$16 million, due primarily to an increase in the average number of equivalent employees. Other operating expenses increased 18.2 percent, \$24 million, due primarily to increased product development costs.

Results of Operations (continued)

MANAGEMENT SERVICES GROUP
 FINANCIAL HIGHLIGHTS
 (Unaudited) (Dollars in millions)

	Three Months Ended March 31,	
	1996	1995
Revenues	\$ 157	\$ 143
Expenses		
Wages, salaries and benefits	67	62
Other operating expenses	67	64
Total operating expenses	134	126
Operating Income	23	17
Other Income (Expense)	(1)	-
Earnings Before Income Taxes	\$ 22	\$ 17
Average number of equivalent employees	13,500	12,700

Revenues

Revenues for the Management Services Group increased 9.8 percent, or \$14 million. AMR Services Corporation contributed \$12.8 million to the increase, principally due to increased airline passenger, ramp and cargo handling services provided by its Airline Services division.

Expenses

Wages, salaries and benefits increased 8.1 percent, \$5 million, due primarily to an increase in the average number of equivalent employees.

LIQUIDITY AND CAPITAL RESOURCES

Net cash provided by operating activities in the three month period ended March 31, 1996, was \$325 million, compared to \$253 million in 1995. Capital expenditures for the first quarter of 1996 were \$107 million. These capital expenditures were financed with internally generated cash.

On April 19, 1996, the Company announced the call for redemption on May 20, 1996 of all its outstanding 6 1/8% Convertible Subordinated Quarterly Income Capital Securities due 2024. This will reduce the Company's annual cash interest expense by approximately \$62 million.

On April 19, 1996, the Company announced the call for redemption on May 20, 1996 of all its outstanding \$500 Series A Cumulative Convertible Preferred Stock. The redemption price for the Preferred Stock is \$521 per share of Preferred Stock, plus accrued and unpaid dividends to the redemption date (approximately \$83 million if all the outstanding Preferred Stock is redeemed). Payments made for shares redeemed will be made with internally generated cash.

Item 1. Legal Proceedings

In January, 1985, American announced a new fare category, the "Ultimate SuperSaver," a discount, advance purchase fare that carried a 25 percent penalty upon cancellation. On December 30, 1985, a class action lawsuit was filed in Circuit Court, Cook County, Illinois entitled Johnson vs. American Airlines, Inc. The Johnson plaintiffs allege that the 10 percent federal excise transportation tax should be excluded from the "fare" upon which the 25 percent penalty is assessed. The case has not been certified as a class action. Summary judgment was granted in favor of American but subsequently reversed and vacated by the Illinois Appellate court. American believes the matter is without merit and is vigorously defending the lawsuit.

American has been sued in two class action cases that have been consolidated in the Circuit Court of Cook County, Illinois, in connection with certain changes made to American's AAdvantage frequent flyer program in May, 1988. (Wolens, et al v. American Airlines, Inc., No. 88 CH 7554, and Tucker v. American Airlines, Inc., No. 89 CH 199.) In both cases, the plaintiffs seek to represent all persons who joined the AAdvantage program before May 1988. Currently, the plaintiffs allege that, on that date, American implemented changes that limited the number of seats available to participants traveling on certain awards and established blackout dates during which no AAdvantage seats would be available for certain awards and that these changes breached American's contracts with AAdvantage members. Plaintiffs seek money damages for such alleged breach and attorneys' fees. Previously the plaintiffs also alleged violation of the Illinois Consumer Fraud and Deceptive Business Practice Act (Consumer Fraud Act) and sought punitive damages, attorneys' fees and injunctive relief preventing American from making changes to the AAdvantage program. American originally moved to dismiss all of the claims, asserting that they were preempted by the Federal Aviation Act and barred by the Commerce Clause of the U.S. Constitution.

Initially, the trial court denied American's preemption motions, but certified its decision for interlocutory appeal. In December 1990, the Illinois Appellate Court held that plaintiffs' claims for an injunction are preempted by the Federal Aviation Act, but that plaintiffs' claims for money damages could proceed. On March 12, 1992, the Illinois Supreme Court affirmed the decision of the Appellate Court. American sought a writ of certiorari from the U.S. Supreme Court; and on October 5, 1992, the Court vacated the decision of the Illinois Supreme Court and remanded the cases for reconsideration in light of the U.S. Supreme Court's decision in *Morales v. TWA, et al*, which interpreted the preemption provisions of the Federal Aviation Act very broadly. On December 16, 1993, the Illinois Supreme Court rendered its decision on remand, holding that plaintiffs' claims seeking an injunction are preempted, but that identical claims for compensatory and punitive damages are not preempted. On February 8, 1994, American filed a petition for a writ of certiorari in the U.S. Supreme Court. The Illinois Supreme Court granted American's motion to stay the state court proceeding pending disposition of American's petition in the U.S. Supreme Court. The matter was argued before the U.S. Supreme Court on November 1, 1994, and on January 18, 1995, the U.S. Supreme Court issued its opinion ending a portion of the suit against American. The U.S. Supreme Court held that a) plaintiffs' claim for violation of the Illinois Consumer Fraud Act is preempted by federal law -- entirely ending that part of the case and eliminating plaintiffs' claim for punitive damages; and b) certain breach of contract claims are not preempted by federal law.

The U.S. Supreme Court did not determine, however, whether the contract claims asserted by the plaintiffs are preempted, and therefore, remanded the case to the state court for further proceedings. Subsequently, plaintiffs filed an amended complaint seeking damages solely for a breach of contract claim. In the event that the plaintiffs' breach of contract claim is eventually permitted to proceed in the state court, American intends to vigorously defend the case.

In December, 1993, American announced that the number of miles required to claim a certain travel award under American's AAdvantage frequent flyer program would be increased effective February 1, 1995. On February 1, 1995 a class action lawsuit entitled Gutterman vs. American Airlines, Inc. was filed in the Circuit Court of Cook County, Illinois. The Gutterman plaintiffs claim that this increase in mileage level violated the terms and conditions of the agreement between American and AAdvantage members. On February 9, 1995, a virtually identical class action lawsuit entitled Benway vs. American Airlines, Inc. was filed in District Court, Dallas County, Texas. After limited discovery and prior to class certification, a summary judgment dismissing the Benway case was entered by the Dallas County Court in July 1995. On March 11, 1996, American's motion to dismiss the Gutterman lawsuit was denied. American has filed a motion for reconsideration which is still pending. Further, American's motion for summary judgment is still pending and will be pursued if the motion for reconsideration is not granted. No class has been certified in the Gutterman lawsuit and to date no discovery has been undertaken. American believes the Gutterman complaint is without merit and is vigorously defending the lawsuit.

On February 10, 1995, American capped travel agency commissions for one-way and round trip domestic tickets at \$25 and \$50, respectively. Immediately thereafter, numerous travel agencies, and two travel agency trade association groups, filed class action lawsuits against American and other major air carriers (Continental, Delta, Northwest, United, USAir and TWA) that had independently imposed similar limits on travel agency commissions. The suits were transferred to the United States District Court for the District of Minnesota, and consolidated as a multi-district litigation captioned In Re: Airline Travel Agency Commission Antitrust Litigation. The plaintiffs assert that the airline defendants conspired to reduce travel agency commissions and to monopolize air travel in violation of sections 1 and 2 of the Sherman Act. The case has been certified as a class action on behalf of approximately 40,000 domestic travel agencies and two travel agency trade associations. In June 1995 after extensive, expedited discovery, the travel agents moved for a preliminary injunction to enjoin the commission caps, and the defendants simultaneously moved for summary judgment. On August 31, 1995, the District Court denied both motions. Pre-trial activities against the defendants, including American, are continuing. American is vigorously defending the lawsuit.

PART II

Item 6. Exhibits and Reports on Form 8-K

The following exhibits are included herein:

10.1 Performance Share Program for the years 1996 to 1998 under the 1988 Long-term Incentive Program.

11 Statement re: computation of earnings per share

On April 17, 1996, AMR filed a report on Form 8-K relative to the planned reorganization of The SABRE Group.

Signatures

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

AMR CORPORATION

Date: April 29, 1996

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

1996-1998 PERFORMANCE SHARE PROGRAM
DEFERRED STOCK AWARD AGREEMENT

This AGREEMENT made as of (DATE), by and between AMR Corporation, a Delaware corporation (the "Corporation"), and (FI). (LN) (the "Employee"), employee number (Emp).

WHEREAS, the stockholders of the Corporation have approved the 1988 Long Term Incentive Plan, as amended (the "1988 Plan"); and

WHEREAS, pursuant to the Performance Share Program (the "Program") adopted by the Board of Directors of the Corporation (the "Board"), the Board has determined to make a Program grant to the Employee of Deferred Stock (subject to the terms of the 1988 Plan and this Agreement), as an inducement for the Employee to remain an employee of the Corporation (or a Subsidiary or Affiliate thereof), and to retain and motivate such Employee during such employment.

NOW, THEREFORE, the Corporation and the Employee hereby agree as follows:

1. Grant of Award. The Employee is hereby granted as of (DATE), (the "Grant Date") a Deferred Stock Award (the "Award"), subject to the terms and conditions hereinafter set forth, with respect to (PS) shares of Common Stock, \$1.00 par value, of the Corporation ("Stock"). The shares of Stock covered by the Award shall vest in accordance with Schedule A.

2. Vesting. (a) The Award will vest, if at all, in accordance with Schedule A, attached hereto and made a part of this Agreement.

(b) In the event of the termination of Employee's employment with the Corporation (or a Subsidiary or Affiliate thereof) prior to the end of three year measurement period set forth in Schedule A (the "Measurement Period") due to the Employee's death, Disability, Retirement or termination not for Cause (each an "Early Termination") the Award will vest, if at all, on a prorata basis and will be paid to the Employee (or, in the event of the Employee's death, the Employee's designated beneficiary for purposes of the Award, or in the absence of an effective beneficiary designation, the Employee's estate) as soon as practicable after the end of the Measurement Period. The prorata share will be a percentage where the denominator is 36 and the numerator is the number of months from January 1, 1996 through the month of the Early Termination, inclusive.

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(c) In the event of the termination of Employee's employment with the Corporation (or any Subsidiary or Affiliate thereof) for Cause, or if the Employee terminates his employment with the Corporation (or any Subsidiary or Affiliate thereof) prior to the distribution of any Award hereunder, the Award shall be forfeited in its entirety.

(d) In the event of a Change in Control or Potential Change in Control of the Corporation, the Award shall vest in accordance with the 1988 Plan.

3. Payment in Cash. Upon a determination by the Board, an Award may be paid in cash or other consideration in accordance with a formula as adopted by the Board.

4. Elective Deferrals. At any time at least 12 months prior to the end of the Measurement Period, the Employee may elect in writing, subject to Board approval, to voluntarily defer the receipt of the Stock for a specified additional period beyond the end of the Measurement Period (the "Elective Deferral Period"). Any Stock deferred pursuant to this Section 3 shall be issued to the Employee within 60 days after the end of the Elective Deferral Period. In the event of the death of the Employee during the Elective Deferral Period, the Stock so deferred shall be issued to the Employee's designated Beneficiary (or to the Employee's estate, in the absence of an effective beneficiary designation) within 60 days after the Corporation receives written notification of death.

5. Transfer Restrictions. This Award is non-transferable otherwise than by will or by the laws of descent and distribution, and may not otherwise be assigned, pledged or hypothecated and shall not be subject to execution, attachment or similar process. Upon any attempt by the Employee (or the Employee's successor in interest after the Employee's death) to effect any such disposition, or upon the levy of any such process, the Award may immediately become null and void, at the discretion of the Board.

6. Miscellaneous. This Agreement (a) shall be binding upon and inure to the benefit of any successor of the Corporation, (b) shall be governed by the laws of the State of Texas and any applicable laws of the United States, and (c) may not be amended without the written consent of both the Corporation and the Employee. No contract or right of employment shall be implied by this Agreement. If this Award is assumed or a new award is substituted therefore in any corporate reorganization, employment by such assuming or substituting corporation or by a parent corporation or subsidiary or affiliate thereof shall be considered for all purposes of this Award to be employment by the Corporation.

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7. Securities Law Requirements. The Corporation shall not be required to issue Stock pursuant to this Award unless and until (a) such shares have been duly listed upon each stock exchange on which the Corporation's Stock is then registered; and (b) a registration statement under the Securities Act of 1933 with respect to such shares is then effective.

The Board may require the Employee to furnish to the Corporation, prior to the issuance of the Stock in connection with this Award, an agreement, in such form as the Board may from time to time deem appropriate, in which the Employee represents that the shares acquired by him under the Award are being acquired for investment and not with a view to the sale or distribution thereof.

8. Incorporation of 1988 Plan Provisions. This Agreement is made pursuant to the 1988 Plan and is subject to all of the terms and provisions of the 1988 Plan as if the same were fully set forth herein. Capitalized terms not otherwise defined herein (inclusive of Schedule A) shall have the meanings set forth for such terms in the 1988 Plan.

IN WITNESS HEREOF, the Employee and the Corporation have executed this Performance Share Grant as of the day and year first above written.

EMPLOYEE

AMR CORPORATION

By: _____
Charles D. MarLett
Corporate Secretary

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Schedule A

The Award hereunder is granted contingent upon the Corporation's attainment of predetermined cash flow objectives (the "Objectives") over a three year period beginning January 1, 1996 and ending December 31, 1998 (the "Measurement Period"). The Objectives will be determined by the Corporation's cumulative operating cash flow to gross assets over the Measurement Period, as determined by the General Auditor of American Airlines, Inc. and as verified by the Corporation's independent public accountants. Unless otherwise required, the sources for the financial data needed in any calculation will be the applicable Annual Report(s) on Form 10K as filed by the Corporation. The amount, if any, of the Award to be paid following the Measurement Period will be dependent upon the actual Objective for the Measurement Period and the Corporation's standing with respect to the Objective relative to four competitors (United, Delta, Southwest and USAir, or such substitute as may be designated by the Board or any committee thereof).

AMR Relative Standing Comparative Airlines	Percent of Award Earned				
1st	75%	100%	125%	150%	175%
2nd	50%	75%	100%	125%	150%
3rd	25%	50%	75%	100%	125%
4th	0%	25%	50%	75%	100%
5th	0%	0%	0%	0%	0%
Objective Attained	<5.25%	5.25%- 6.749%	6.75%- 8.249%	8.25% 9.249%	>9.25%

For purposes of calculating the Objectives, the following definitions will control:

"Adjusted Earnings/(Loss) Applicable to Common Shares" is defined as the sum of the Corporation's Consolidated earnings/(loss) applicable to common shares and American Airlines Inc. ("American") aircraft rental expense - net of the Related Tax Impact, less: Calculated Interest on Operating Leases - net of the Related Tax Impact, and Calculated Amortization of Operating Leases - net of the Related Tax Impact.

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"Net Cash Flow" is defined as the sum of Adjusted Earnings (Loss) Applicable to Common Shares, the Corporation's depreciation and amortization expense, Calculated Amortization of Operating Leases, and any accounting adjustments or extraordinary or unusual items (net of the Related Tax Impact) which may be added or deducted at the discretion of the Committee.

"Plan Average Net Cash Flow" is defined as the sum of the Net Cash Flow amounts for all of the fiscal years in the Measurement Period divided by three.

"Adjusted Assets" is defined as the Corporation's consolidated total assets plus the Capitalized Value of Operating Leases, minus cash and short-term investments.

"Capitalized Value of Operating Leases" is defined as the initial present value of the lease payments required under American's aircraft operating leases over the initial stated lease term, calculated using a discount rate of Prime plus one percent, net of accumulated amortization.

"Prime" is defined as the base rate on Corporate Loans posted by at least 75% of the 30 largest U.S. banks which is published daily in the Wall Street Journal.

"Calculated Interest on Operating Leases" is defined as the interest expense allocable to American's operating leases and is determined by applying the interest rate used in determining the Capitalized Value of Operating Leases to the average obligation balance of such leases (calculated as the remaining obligation balance at the end of the fiscal year plus the remaining obligation balance at the end of the prior fiscal year, divided by two).

"Calculated Amortization of Operating Leases" is defined as the amortization expense associated with Capitalized Value of Operating Leases and is determined by the straight line method of amortization over the lease term.

"Related Tax Impact" of an adjustment made in determining Adjusted Net Income or Net Cash Flow is defined as the amount of that adjustment multiplied by the Corporation's estimated marginal tax rate for the relevant year.

"Average Adjusted Assets" is Average Adjusted Assets as of December 31 of a given year during the Measurement Period, plus Average Adjusted Assets as of December 31 of the prior fiscal year, divided by two.

"Plan Average Adjusted Assets" is the sum of Average Adjusted Assets for each of the years during the Measurement Period divided by three.

"Cash Flow Return on Assets" is defined as Plan Average Net Cash Flow divided by Plan Average Adjusted Assets.

"Comparison Airlines" shall consist of UAL Corp., Delta Airlines Inc., Southwest Airlines Inc., and USAir Group.

AMR CORPORATION
 Computation of Earnings Per Share
 (In millions, except per share amounts)

	Three Months Ended March 31,	
	1996	1995
Primary:		
Earnings applicable to common shares	\$ 157	\$ 37
Average shares outstanding	77	76
Add shares issued upon assumed conversion of dilutive options, stock appreciation rights and warrants and shares assumed issued for deferred stock granted	3	3
Less assumed treasury shares purchased	(2)	(2)
Total primary shares	78	77
Primary earnings per share	\$ 2.02	\$ 0.48
Fully diluted:		
Earnings applicable to common shares	\$ 157	\$ 37
Adjustments:		
Add interest upon assumed conversion of 6.125% convertible subordinated debentures, net of tax	11	-
Add dividends upon assumed conversion of convertible preferred stock	1	-
Earnings, as adjusted	\$ 169	\$ 37
Average shares outstanding	77	76
Add shares issued upon:		
Assumed conversion of 6.125% convertible subordinated debentures	13	-
Assumed conversion of preferred stock	1	-
Assumed conversion of dilutive options, stock appreciation rights and warrants and shares assumed issued for deferred stock granted	3	3
Less assumed treasury shares purchased	(2)	(2)
Total fully diluted shares	92	77
Fully diluted earnings per share	\$ 1.84	\$ 0.48

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3-MOS
DEC-31-1996
MAR-31-1996

		38
	796	
	1,389	
	11	
	606	
	3,342	20,207
	6,880	
	19,481	
4,656		0
		77
78		
	0	
	3,741	
19,481		0
	4,308	0
		0
	3,907	
	0	
	0	
	149	
	265	
	108	
157		
	0	
	0	
		0
	157	
	2.02	
	1.84	