

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

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FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of earliest event  
reported: October 21, 1998

AMR CORPORATION

(Exact name of registrant as specified in its charter)

Delaware (State of Incorporation)	1-8400 (Commission File Number)	75-1825172 (IRS Employer Identification No.)
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4333 Amon Carter Blvd. (Address of principal executive offices)	Fort Worth, Texas	76155 (Zip Code)
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(817) 963-1234  
(Registrant's telephone number)

Item 5. Other Events

AMR Corporation (the "Company") is filing herewith a press release issued October 21, 1998 by the Company as Exhibit 99.1 which is included herein. This press release was issued to report third quarter 1998 earnings and to announce that the Company's board of directors has authorized management to repurchase additional shares of its outstanding common stock.

Item 7. Financial Statements and Exhibits

The following exhibit is included herein:

99.1 Press Release

## 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.

AMR CORPORATION

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

Dated: October 21, 1998

## EXHIBIT INDEX

Exhibit	Description
99.1	Press Release

Contact: Tim Kincaid  
Fort Worth,

Texas

817-967-1577

FOR RELEASE: Wednesday, Oct. 21, 1998

AMR REPORTS RECORD THIRD QUARTER EARNINGS OF \$433 MILLION;  
COMPANY TO INITIATE ANOTHER \$500 MILLION STOCK REPURCHASE

FORT WORTH, Texas -- AMR Corp., parent company of American Airlines Inc., today reported record third quarter net earnings of \$433 million, or \$2.49 per common share diluted, a 34 percent improvement over net earnings of \$323 million, or \$1.78 per common share diluted, during the same period in 1997. These are the highest quarterly earnings in the company's history, and the sixth consecutive quarter of record earnings for AMR.

"Solid demand, stable yields and lower fuel prices all contributed to our outstanding third quarter performance," said Donald J. Carty, AMR's chairman and CEO. "The third quarter was especially challenging for our employees. In addition to serving the usual heavy summer flow of customers, our people also admirably contended with the effects of Hurricane Georges in the Caribbean and Florida, plus they accommodated thousands of additional passengers stranded by the strikes at Northwest and Air Canada. The employees of American and American Eagle can be very proud of our performance in this quarter."

Additionally, AMR completed in September a \$500 million stock repurchase program that began in July. This follows the completion last quarter of a \$500 million stock repurchase program that began in 1997. Today, AMR announced that the company's board of directors has authorized management to repurchase up to an additional \$500 million of its outstanding common stock. This represents approximately 8.6 million shares of common stock at yesterday's closing price of \$57.94.

"We have strengthened our balance sheet during the past few years by using our substantial free cash flow," Carty said. "Free cash flow generated that is in excess of our needs is being returned to our shareholders."

-- more --

Repurchases, including block repurchases, are expected to be made in the open market or in private transactions, from time to time, depending on market conditions, and may be discontinued at any time.

Among AMR's third quarter highlights:

- o American joined with British Airways, Canadian Airlines International, Cathay Pacific and Qantas to introduce the new oneworld global airline alliance.
- o AMR announced it would sell the three AMR Global Services companies -- AMR Services, AMR Combs and TeleService Resources -- to focus on its core airline and related technology businesses.
- o AMR announced and completed a \$500 million stock repurchase program, after completing another \$500 million buy-back in the second quarter.
- o AMR received Department of Justice clearance for investment in Aerolineas Argentinas.
- o American introduced new nonstop service between Houston Hobby Airport and New York LaGuardia, plus began flights between Dallas Love Field and Austin.
- o American and US Airways introduced new reciprocal frequent flyer and airport membership club programs.
- o American began new service between DFW and Manchester, U.K.
- o American's network of codeshare partners grew with a new agreement with Finnair; expansion of existing codeshares with Grupo TACA and Iberia; and the beginning of codesharing with Asiana and China Eastern.
- o American announced orders for an additional 15 Boeing 777s, for 2000-2001 delivery.
- o American Eagle ordered 75 new 37-seat Embraer ERJ-135s, with options for 75.
- o American Eagle regional jet service expanded to serve 12 cities.
- o American began contract negotiations with the Association of Professional Flight Attendants.

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

	Three Months Ended		
	September	September	Percent
	1998	1997	Change
<b>Revenues</b>			
<b>Airline Group</b>			
Passenger-American Airlines	\$3,871	\$3,713	4.3
-AMR Eagle	304	262	16.0
Cargo	158	169	(6.5)
Other	250	233	7.3
	4,583	4,377	4.7
The SABRE Group	604	457	32.2
Management Services Group	31	26	19.2
Less: Intergroup revenues	(172)	(154)	11.7
Total operating revenues	5,046	4,706	7.2
<b>Expenses</b>			
Wages, salaries and benefits	1,632	1,521	7.3
Aircraft fuel	400	466	(14.2)
Depreciation and amortization	328	306	7.2
Commissions to agents	311	332	(6.3)
Maintenance, materials and repairs	251	224	12.1
Other rentals and landing fees	231	223	3.6
Food service	184	176	4.5
Aircraft rentals	142	143	(0.7)
Other operating expenses	835	708	17.9
Total operating expenses	4,314	4,099	5.2
Operating Income	732	607	20.6
<b>Other Income (Expense)</b>			
Interest income	37	40	(7.5)
Interest expense	(93)	(101)	(7.9)
Interest capitalized	28	5	*
Minority interest	(12)	(10)	20.0
Miscellaneous - net	16	-	-
	(24)	(66)	(63.6)
<b>Income From Continuing Operations</b>			
Before Income Taxes	708	541	30.9
Income tax provision	277	219	26.5
Income From Continuing Operations	431	322	33.9
<b>Income From Discontinued Operations (less applicable income taxes)</b>			
	2	1	*
Net Earnings	\$ 433	\$ 323	34.1

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\* Greater Than 100%

## AMR CORPORATION

## CONSOLIDATED STATEMENT OF OPERATIONS (CONTINUED)

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

	Three Months Ended	
	September 30,	
	1998	1997
Earnings Per Common Share		
Basic		
Before Discontinued		
Operations	\$ 2.56	\$ 1.83
Discontinued Operations	0.01	-
Net Earnings	\$ 2.57	\$ 1.83
Diluted		
Before Discontinued		
Operations	\$ 2.48	\$ 1.78
Discontinued Operations	0.01	-
Net Earnings	\$ 2.49	\$ 1.78
Number of Shares Used in		
Computation		
Basic	169	176
Diluted	174	181



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

	Nine Months Ended		Percent Change
	September 1998	September 30, 1997	
<b>Revenues</b>			
Airline Group			
Passenger - American Airlines	\$11,238	\$10,744	4.6
- AMR Eagle	849	766	10.8
Cargo	490	507	(3.4)
Other	720	658	9.4
	13,297	12,675	4.9
The SABRE Group	1,735	1,346	28.9
Management Services Group	86	73	17.8
Less: Intergroup revenues	(514)	(451)	14.0
Total operating revenues	14,604	13,643	7.0
<b>Expenses</b>			
Wages, salaries and benefits	4,817	4,480	7.5
Aircraft fuel	1,219	1,457	(16.3)
Depreciation and amortization	966	919	5.1
Commissions to agents	934	975	(4.2)
Maintenance, materials and repairs	704	633	11.2
Other rentals and landing fees	667	658	1.4
Food service	523	510	2.5
Aircraft rentals	427	430	(0.7)
Other operating expenses	2,343	2,054	14.1
Total operating expenses	12,600	12,116	4.0
Operating Income	2,004	1,527	31.2
<b>Other Income (Expense)</b>			
Interest income	103	100	3.0
Interest expense	(280)	(310)	(9.7)
Interest capitalized	71	10	*
Minority interest	(37)	(32)	15.6
Miscellaneous - net	(3)	(11)	(72.7)
	(146)	(243)	(39.9)
<b>Income From Continuing Operations</b>			
Before Income Taxes	1,858	1,284	44.7
Income tax provision	734	519	41.4
Income From Continuing Operations	1,124	765	46.9
<b>Income From Discontinued</b>			
<b>Operations (less applicable</b>			
income taxes)	8	12	(33.3)
Net Earnings	\$1,132	\$ 777	45.7

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\* Greater Than 100%

## AMR CORPORATION

## CONSOLIDATED STATEMENT OF OPERATIONS (CONTINUED)

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

	Nine Months Ended September 30,	
	1998	1997
Earnings Per Common Share		
Basic		
Before Discontinued Operations	\$ 6.57	\$ 4.25
Discontinued Operations	0.05	0.06
Net Earnings	\$ 6.62	\$ 4.31
Diluted		
Before Discontinued Operations	\$ 6.34	\$ 4.16
Discontinued Operations	0.05	0.06
Net Earnings	\$ 6.39	\$ 4.22
Number of Shares Used in Computation		
Basic	171	180
Diluted	177	184

1. All share and earnings per share amounts have been restated to give effect to the stock split on June 9, 1998. The 1997 earnings per share amounts also have been restated as required to comply with Statement of Financial Accounting Standards No. 128, "Earnings Per Share."
2. On September 29, 1998, the Company announced its plan to sell most of the companies that comprise the largest unit of the Management Services Group - AMR Global Services. The companies to be disposed of include AMR Services, AMR Combs and TeleService Resources. Accordingly, the results of operations for these companies have been reflected in the consolidated statement of operations as income from discontinued operations for all periods presented.
3. The minority interest in the earnings of consolidated subsidiaries has not been allocated to a reporting segment.
4. Certain amounts from 1997 have been reclassified to conform with 1998 presentation.

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 AMR CORPORATION  
 BUSINESS SEGMENT FINANCIAL HIGHLIGHTS  
 (Unaudited) (In millions)

	Three Months Ended September 30,		Percent Change
	1998	1997	
<b>Airline Group</b>			
<b>Revenues</b>			
Passenger - American Airlines	\$3,871	\$3,713	4.3
- AMR Eagle	304	262	16.0
Cargo	158	169	(6.5)
Other	250	233	7.3
	4,583	4,377	4.7
<b>Expenses</b>			
Wages, salaries and benefits	1,446	1,380	4.8
Aircraft fuel	400	466	(14.2)
Commissions to agents	311	332	(6.3)
Depreciation and amortization	265	259	2.3
Maintenance, materials and repairs	250	224	11.6
Other operating expenses	1,286	1,207	6.5
Total operating expenses	3,958	3,868	2.3
Operating Income	625	509	22.8
Other Expense	(29)	(66)	(56.1)
Earnings Before Income Taxes	\$ 596	\$ 443	34.5
Pre-tax Margin	13.0%	10.1%	2.9 pts.
<b>The SABRE Group</b>			
Revenues	\$ 604	\$ 457	32.2
Operating Expenses	506	368	37.5
Operating Income	98	89	10.1
Other Income	15	3	*
Earnings Before Income Taxes	\$ 113	\$ 92	22.8
Pre-tax Margin	18.7%	20.1%	(1.4) pts.
<b>Management Services Group</b>			
Revenues	\$ 152	\$ 151	0.7
Less: Revenues From Discontinued Operations	(121)	(125)	(3.2)
Revenues From Continuing Operations	31	26	19.2
Operating Expenses	140	138	1.4
Less: Expenses From Discontinued Operations	(118)	(121)	(2.5)
Operating Expenses From Continuing Operations	22	17	29.4
Operating Income From Continuing Operations	9	9	-
Other Income From Continuing Operations	2	7	(71.4)
Earnings From Continuing Operations Before Income Taxes	\$ 11	\$ 16	(31.3)
Pre-tax Margin From Continuing Operations	35.5%	61.5%	(26.0) pts.

\* Greater Than 100%

AMR CORPORATION  
 BUSINESS SEGMENT FINANCIAL HIGHLIGHTS  
 (Unaudited) (In millions)

	Nine Months Ended September 30,		Percent Change
	1998	1997	
<b>Airline Group</b>			
Revenues			
Passenger - American Airlines	\$11,238	\$10,744	4.6
- AMR Eagle	849	766	10.8
Cargo	490	507	(3.4)
Other	720	658	9.4
	13,297	12,675	4.9
Expenses			
Wages, salaries and benefits	4,277	4,059	5.4
Aircraft fuel	1,219	1,457	(16.3)
Commissions to agents	934	975	(4.2)
Depreciation and amortization	781	781	-
Maintenance, materials and repairs	702	632	11.1
Other operating expenses	3,728	3,558	4.8
Total operating expenses	11,641	11,462	1.6
Operating Income	1,656	1,213	36.5
Other Expense	(131)	(223)	(41.3)
Earnings Before Income Taxes	\$1,525	\$ 990	54.0
Pre-tax Margin	11.5%	7.8%	3.7 pts.
<b>The SABRE Group</b>			
Revenues	\$1,735	\$1,346	28.9
Operating Expenses	1,413	1,054	34.1
Operating Income	332	292	10.3
Other Income	18	5	*
Earnings Before Income Taxes	\$ 340	\$ 297	14.5
Pre-tax Margin	19.6%	22.1%	(2.5) pts.
<b>Management Services Group</b>			
Revenues	\$ 460	\$ 463	(0.6)
Less: Revenues From Discontinued Operations	(374)	(390)	(4.1)
Revenues From Continuing Operations	86	73	17.8
Operating Expenses	\$ 419	\$ 418	0.2
Less: Expenses From Discontinued Operations	(359)	(367)	(2.2)
Operating Expenses From Continuing Operations	60	51	17.6
Operating Income From Continuing Operations	26	22	18.2
Other Income From Continuing Operations	4	7	(42.9)
Earnings From Continuing Operations Before Income Taxes	\$ 30	\$ 29	3.4
Pre-tax Margin From Continuing Operations	34.9%	39.7%	(4.8) pts.

\* Greater Than 100%

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 Airline Group  
 Operating Statistics  
 (Unaudited)

	Three Months Ended September 30,		Percent Change
	1998	1997	
<b>American Airlines Jet Operations:</b>			
Revenue passenger miles (millions)	29,132	28,500	2.2
Available seat miles (millions)	39,806	39,378	1.1
Cargo ton miles (millions)	480	506	(5.1)
Passenger load factor	73.2%	72.4%	0.8 pts.
Breakeven load factor	60.2%	61.2%	(1.0) pts.
Passenger revenue yield per passenger mile (cents)	13.29	13.03	2.0
Passenger revenue per available seat mile (cents)	9.73	9.43	3.2
Cargo revenue yield per ton mile (cents)	32.61	33.05	(1.3)
Operating expenses per available seat mile (cents)	9.22	9.14	0.9
Fuel consumption (gallons, in millions)	728	712	2.2
Fuel price per gallon (cents)	53.1	63.5	(16.4)
Fuel price per gallon, excluding fuel taxes (cents)	48.4	58.5	(17.3)
Operating aircraft at period-end	645	642	0.5
<b>AMR Eagle:</b>			
Revenue passenger miles (millions)	753	670	12.4
Available seat miles (millions)	1,156	1,070	8.0
Passenger load factor	65.1%	62.6%	2.5 pts.
Operating aircraft at period-end	207	196	5.6
<b>AMR Corporation</b>			
<b>Average Equivalent Number of Employees</b>			
<b>Airline Group:</b>			
AA Jet Operations	82,300	81,800	
Other	10,800	10,100	
Total Airline Group	93,100	91,900	
The SABRE Group	11,700	8,600	
Management Services Group	13,100	15,600	
Total	117,900	116,100	

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 Airline Group  
 Operating Statistics  
 (Unaudited)

	Nine Months Ended		Percent Change
	September 1998	September 30, 1997	
American Airlines Jet Operations:			
Revenue passenger miles (millions)	82,443	81,113	1.6
Available seat miles (millions)	116,476	115,636	0.7
Cargo ton miles (millions)	1,485	1,507	(1.5)
Passenger load factor	70.8%	70.1%	0.7 pts.
Breakeven load factor	59.2%	61.3%	(2.1) pts.
Passenger revenue yield per passenger mile (cents)	13.63	13.25	2.9
Passenger revenue per available seat mile (cents)	9.65	9.29	3.9
Cargo revenue yield per ton mile (cents)	32.64	33.22	(1.7)
Operating expenses per available seat mile (cents)	9.27	9.23	0.4
Fuel consumption (gallons, in millions)	2,120	2,082	1.8
Fuel price per gallon (cents)	55.6	67.7	(17.9)
Fuel price per gallon, excluding fuel taxes (cents)	50.8	62.8	(19.1)
Operating aircraft at period-end	645	642	0.5
AMR Eagle:			
Revenue passenger miles (millions)	2,076	1,924	7.9
Available seat miles (millions)	3,326	3,160	5.3
Passenger load factor	62.4%	60.9%	1.5 pts.
Operating aircraft at period-end	207	196	5.6