

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: May 29, 2013

American Airlines, Inc.

(Exact name of registrant as specified in its charter)

Delaware 1-2691 13-1502798

(State of Incorporation) (Commission File Number) (IRS Employer Identification No.)

4333 Amon Carter Blvd. Fort Worth, Texas 76155

(Address of principal executive offices) (Zip Code)

(817) 963-1234

(Registrant's telephone number)

(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))

## **Item 7.01. Regulation FD Disclosure**

As previously reported, on November 29, 2011, AMR Corporation (the "AMR"), its principal subsidiary, American Airlines, Inc. ("American" or the "Company") and certain of the Company's other direct and indirect domestic subsidiaries (collectively, the "Debtors"), filed voluntary petitions for relief (the "Chapter 11 Cases") under Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code"), in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court").

On May 29, 2013, the Debtors filed their monthly operating report for the month ended April 30, 2013 (the "Monthly Operating Report") with the Bankruptcy Court. The Monthly Operating Report is attached hereto as Exhibit 99.1 and is incorporated herein by reference. This current report (including the exhibit hereto or any information included therein) shall not be deemed an admission as to the materiality of any information required to be disclosed solely by reason of Regulation FD.

Also on May 29, 2013, AMR Chairman and CEO Tom W. Horton released a letter to employees regarding the progress of restructuring. A copy of the letter is attached hereto as exhibit 99.2.

### *Limitation on Incorporation by Reference*

In accordance with General Instruction B.2 of Form 8-K, the information with respect to the Debtors in this Item 7.01 shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

### *Cautionary Statement Regarding Financial and Operating Data*

The Company cautions investors and potential investors not to place undue reliance upon the information contained in the Monthly Operating Report, which was not prepared for the purpose of providing the basis for an investment decision relating to any of the securities of the Company. No assurance can be given as to the value that may be ascribed to the Debtors' various prepetition liabilities and other securities. The Company cannot predict what the ultimate value of any of its or the other Debtors' securities may be. Accordingly, the Company urges that caution be exercised with respect to existing and future investments in any of these securities (including AMR's common stock) or other Debtor claims. The Monthly Operating Report is limited in scope, covers a limited time period and has been prepared solely for the purpose of complying with the monthly reporting requirements of the Office of the United States Trustee of the Southern District of New York and the Bankruptcy Court. The Monthly Operating Report was not audited or reviewed by independent accountants, is in a format prescribed by applicable bankruptcy laws and regulations and is subject to future adjustment and reconciliation. Therefore, the Monthly Operating Report does not necessarily contain all information required in filings pursuant to the Exchange Act, or may present such information differently from such requirements. There can be no assurance that, from the perspective of an investor or potential investor in the Debtors' securities, the Monthly Operating Report is complete. The Monthly Operating Report also contains information for periods which are shorter or otherwise different from those required in the Company's reports pursuant to the Exchange Act, and such information might not be indicative of the Company's financial condition or operating results for the period that would be reflected in the Company's financial statements or in its reports pursuant to the Exchange Act. Results set forth in the Monthly Operating Report should not be viewed as indicative of future results.

### *Cautionary Statement Regarding Forward-Looking Statements*

This current report on Form 8-K and the exhibits hereto contain forward-looking statements or information. 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," "forecast," "if current trends continue," and other similar words. Actual results may differ materially from the results suggested by the statements and information contained herein, for a number of reasons, including, but not limited to, risks related to the Agreement and Plan of Merger executed as of February 13, 2013, among the Company, AMR Merger Sub, Inc. and US Airways Group, Inc., including fulfillment of conditions and receipt of consents and

approvals required thereby, the Company's ability to secure financing for all of its scheduled aircraft deliveries, the impact of the restructuring of the Company and certain of its U.S. subsidiaries, the Company's ability to refinance, extend or repay its near and intermediate term debt, the Company's substantial level of indebtedness and related interest rates, the potential impact of volatile fuel prices, impairments and restructuring charges, and the potential impact of labor unrest. Because of the Company's restructuring, there can be no assurance as to the future value of AMR's or any of its subsidiaries' securities, including AMR common stock. Accordingly, the Company urges that caution be exercised with respect to existing and future investments in any of these securities (including AMR's common stock) or other claims. Readers are referred to the documents filed by the company with the Securities and Exchange Commission, including the Company's Form 10-K for the period ended December 31, 2012, as amended by its Form 10-K/A filed April 16, 2013, which further identify the important risk factors that could cause actual results to differ materially from the forward-looking statements in this current report on Form 8-K and the exhibit hereto. The Company disclaims any obligation to update any forward-looking statement or information.

**Item 9.01. Financial Statements and Exhibits**

<b><u>Exhibit Number</u></b>	<b><u>Description</u></b>
99.1	Monthly Operating Report for the month ended April 30, 2013, filed with the United States Bankruptcy Court for the Southern District of New York.
99.2	Letter from Tom W. Horton dated May 29, 2013.

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/ Kenneth W. Wimberly  
Kenneth W. Wimberly  
Corporate Secretary

Dated: May 29, 2013

## EXHIBIT INDEX

<u>Exhibit</u>	<u>Description</u>
99.1	Monthly Operating Report for the month ended April 30, 2013, filed with the United States Bankruptcy Court for the Southern District of New York.
99.2	Letter from Tom W. Horton dated May 29, 2013.

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

Chapter 11

In re: Case No. 11-15463-SHL  
AMR Corporation, et al. (jointly administered)  
Debtors

MONTHLY OPERATING REPORT  
FOR THE MONTH ENDED APRIL 30, 2013

DEBTORS' ADDRESS:

AMR Corporation  
4333 Amon Carter Blvd.  
Fort Worth, Texas 76155

DEBTORS' ATTORNEYS:

Weil, Gotshal & Manges LLP  
767 Fifth Avenue  
New York, New York 10153

DISBURSEMENTS (IN THOUSANDS): \$2,858,940  
FOR THE MONTH ENDED APRIL 30, 2013

CONSOLIDATED NET INCOME (LOSS) (IN MILLIONS): \$(105)  
FOR THE MONTH ENDED APRIL 30, 2013

---

REPORT PREPARER: AMR CORPORATION

The undersigned, having reviewed the attached report and being familiar with the Debtors' financial affairs, verifies under penalty of perjury, that the information contained therein is complete, accurate, and truthful to the best of my knowledge.

/s/ Isabella D. Goren

Isabella D. Goren  
Senior Vice President and Chief Financial Officer  
(Principal Financial and Accounting Officer)

AMR CORPORATION

INDEX TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND SCHEDULES

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

<a href="#">Condensed Consolidated Balance Sheet</a>	<a href="#">3</a>
<a href="#">Consolidated Statement of Operations</a>	<a href="#">5</a>
<a href="#">Condensed Consolidated Statement of Cash Flows</a>	<a href="#">6</a>

<a href="#">NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS</a>	<a href="#">7</a>
--	-------------------

SCHEDULES

<a href="#">Schedule 1: Condensed Consolidating Balance Sheet</a>	<a href="#">17</a>
<a href="#">Schedule 2: Consolidating Statement of Operations</a>	<a href="#">19</a>
<a href="#">Schedule 3: Total Disbursements by Filed Legal Entity</a>	<a href="#">20</a>
<a href="#">Schedule 4: Schedule of Federal, State and Local Taxes Collected, Received, Due or Withheld</a>	<a href="#">21</a>
<a href="#">Schedule 5: Total Disbursements to Retained Professionals</a>	<a href="#">22</a>

**AMR CORPORATION, ET AL.**  
**DEBTORS AND DEBTORS IN POSSESSION**  
**CONDENSED CONSOLIDATED BALANCE SHEET**  
**APRIL 30, 2013**  
(Unaudited) (In millions)

**Assets**

**Current Assets**

Cash	\$	657
Short-term investments		3,764
Restricted cash and short-term investments		852
Receivables, net		1,238
Inventories, net		600
Fuel derivative contracts		20
Other current assets		551
Total current assets		<u>7,682</u>

**Equipment and Property**

Flight equipment, net		10,274
Other equipment and property, net		2,099
Purchase deposits for flight equipment		714
		<u>13,087</u>

**Equipment and Property Under Capital Leases**

Flight equipment, net		208
Other equipment and property, net		56
		<u>264</u>

International slots and route authorities		710
Domestic slots and airport operating and gate lease rights, less accumulated amortization, net		153
Other assets		2,171
	\$	<u><u>24,067</u></u>

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



AMR CORPORATION, ET AL.  
DEBTORS AND DEBTORS IN POSSESSION  
CONDENSED CONSOLIDATED BALANCE SHEET  
APRIL 30, 2013  
(Unaudited) (In millions)

**Liabilities and Stockholders' Equity (Deficit)**

**Current Liabilities**

Accounts payable	\$	1,440
Accrued liabilities		2,117
Air traffic liability		5,418
Current maturities of long-term debt		1,255
Current obligations under capital leases		29
Total current liabilities		<u>10,259</u>

Long-term debt, less current maturities	6,715
Obligations under capital leases, less current obligations	374
Pension and postretirement benefits	6,714
Other liabilities, deferred gains and deferred credits	1,691

<b>Liabilities Subject to Compromise (Note 2)</b>	6,861
---	-------

**Stockholders' Equity (Deficit)**

Preferred stock	—
Common stock	341
Additional paid-in capital	4,483
Treasury stock	(367)
Accumulated other comprehensive income (loss)	(3,096)
Accumulated deficit	(9,908)
	<u>(8,547)</u>
	<u>\$ 24,067</u>

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

**AMR CORPORATION, ET AL.**  
**DEBTORS AND DEBTORS IN POSSESSION**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**MONTH ENDED APRIL 30, 2013**  
(Unaudited) (In millions, except per share amounts)

<b>Revenues</b>	
Passenger - American Airlines	\$ 1,498
- Regional Affiliates	233
Cargo	55
Other revenues	207
Total operating revenues	<u>1,993</u>
<b>Expenses</b>	
Aircraft fuel	722
Wages, salaries and benefits	478
Other rentals and landing fees	117
Maintenance, materials and repairs	128
Depreciation and amortization	82
Commissions, booking fees and credit card expense	80
Aircraft rentals	60
Food service	48
Special charges and merger related	3
Other operating expenses	261
Total operating expenses	<u>1,979</u>
<b>Operating Income (Loss)</b>	14
<b>Other Income (Expense)</b>	
Interest income	2
Interest expense	(56)
Interest capitalized	4
Miscellaneous - net	(3)
	<u>(53)</u>
<b>Income (Loss) Before Reorganization Items</b>	(39)
<b>Reorganization Items, Net (Note 2)</b>	<u>(66)</u>
<b>Income (Loss) Before Income Taxes</b>	(105)
Income tax (benefit)	—
<b>Net Income (Loss)</b>	<u>\$ (105)</u>
<b>Earnings (Loss) Per Share</b>	
Basic	<u>\$ (0.31)</u>
Diluted	<u>\$ (0.31)</u>
<b>Weighted Average Shares Used in Computation</b>	
Basic	<u>335,292,238</u>
Diluted	<u>335,292,238</u>

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

AMR CORPORATION, ET AL.  
DEBTORS AND DEBTORS IN POSSESSION  
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
MONTH ENDED APRIL 30, 2013  
(Unaudited) (In millions)

<b>Net Cash Provided by (Used for) Operating Activities</b>	\$	249
<b>Cash Flow from Investing Activities:</b>		
Capital expenditures, including aircraft lease deposits		(261)
Disposal of equipment and property		—
Net (increase) decrease in short-term investments		(125)
Net cash used for investing activities		<u>(386)</u>
<b>Cash Flow from Financing Activities:</b>		
Payments on long-term debt and capital lease obligations		(72)
Proceeds from:		
Issuance of debt		137
Sale leaseback transactions		123
Net cash provided by financing activities		<u>188</u>
Net increase (decrease) in cash		51
Cash at beginning of period		<u>606</u>
Cash at end of period	\$	<u><u>657</u></u>

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

**1. Summary of Accounting Policies**

***Basis of Presentation***

On November 29, 2011 (the "Petition Date"), AMR Corporation ("AMR" or the "Company"), its principal subsidiary, American Airlines, Inc. ("American") and certain of the Company's other direct and indirect domestic subsidiaries (collectively, the "Debtors") filed voluntary petitions for relief (the "Chapter 11 Cases") under Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code"), in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). The Chapter 11 Cases are being jointly administered under the caption "In re AMR Corporation, et al., Case No. 11-15463-SHL."

The Company and the other Debtors are operating as "debtors in possession" under the jurisdiction of the Bankruptcy Court and the applicable provisions of the Bankruptcy Code. In general, as debtors in possession under the Bankruptcy Code, we are authorized to continue to operate as an ongoing business but may not engage in transactions outside the ordinary course of business without the prior approval of the Bankruptcy Court. The Bankruptcy Code enables the Company to continue to operate its business without interruption, and the Bankruptcy Court has granted additional relief covering, among other things, obligations to (i) employees, (ii) taxing authorities, (iii) insurance providers, (iv) independent contractors for improvement projects, (v) foreign vendors, (vi) other airlines pursuant to certain interline agreements, and (vii) certain vendors deemed critical to the Debtors' operations.

While operating as debtors in possession under Chapter 11 of the Bankruptcy Code, the Debtors may sell or otherwise dispose of or liquidate assets or settle liabilities, subject to the approval of the Bankruptcy Court or otherwise as permitted in the ordinary course of business. On April 15, 2013, the Company and other Debtors filed with the Bankruptcy Court a proposed Plan of Reorganization (the "Plan") and related Disclosure Statement. The Debtors have an exclusive period to solicit and obtain acceptances of the Plan through and including July 29, 2013. It is possible that the Plan as filed may be challenged and undergo revision, perhaps substantially, prior to the time that it is submitted to the Debtors' stakeholders for a vote. The ultimate plan of reorganization, which would be subject to acceptance by the requisite majorities of empowered stakeholders under the Bankruptcy Code and approval by the Bankruptcy Court, could materially change the amounts and classifications in the Condensed Consolidated Financial Statements. See Note 2 to the Condensed Consolidated Financial Statements for further information on the plan of reorganization.

This Monthly Operating Report ("MOR") was prepared on a consolidated basis for the Company and its direct and indirect subsidiaries, including the subsidiary Debtors and other subsidiaries that did not file voluntary petitions for relief under Chapter 11. This MOR is unaudited, is limited in scope, covers a limited time period, and has been prepared solely for the purpose of complying with the monthly reporting requirements for Chapter 11 debtors as required by the Office of the United States Trustee for the Southern District of New York (the "U.S. Trustee") and the Bankruptcy Court. This MOR does not include all the information and footnotes required by generally accepted accounting principles ("GAAP") for complete financial statements. Therefore, there can be no assurance that the consolidated financial information presented herein is complete and readers are strongly cautioned not to place undue reliance on this MOR. This MOR should be read in conjunction with the Debtors' previously filed MORs and the financial statements and accompanying notes in the Company's annual and quarterly reports that are filed with the United States Securities and Exchange Commission (the "SEC").

In accordance with GAAP, the Debtors have applied ASC 852 "Reorganizations" ("ASC 852") in preparing the Condensed Consolidated Financial Statements. ASC 852 requires that the financial statements, for periods subsequent to the Chapter 11 Cases, distinguish transactions and events that are directly associated with the reorganization from the ongoing operations of the business. Accordingly, certain revenues, expenses (including professional fees), realized gains and losses and provisions for losses that are realized or incurred in the Chapter 11 Cases are recorded in reorganization items, net on the accompanying Consolidated Statement of Operations. In addition, prepetition obligations that may be impacted by the Chapter 11 reorganization process have been classified on the Condensed Consolidated Balance Sheet in liabilities subject to compromise. These liabilities are reported at the amounts expected to be allowed by the Bankruptcy Court, even if they may be settled for lesser amounts (see Note 2).

These Condensed Consolidated Financial Statements have also been prepared on a going concern basis, which contemplates continuity of operations, realization of assets and satisfaction of liabilities in the ordinary course of

business. Accordingly, the Condensed Consolidated Financial Statements do not include any adjustments relating to the recoverability of assets and classification of liabilities that might be necessary should the Debtors be unable to continue as a going concern.

The accompanying Condensed Consolidated Financial Statements do not purport to reflect or provide for the consequences of the Chapter 11 Cases, other than as set forth under “liabilities subject to compromise” on the accompanying Condensed Consolidated Balance Sheet and “income (loss) before reorganization items” and “reorganization items, net” on the accompanying Consolidated Statement of Operations (see Note 2). In particular, the financial statements do not purport to show (1) as to assets, their realizable value on a liquidation basis or their availability to satisfy liabilities; (2) as to prepetition liabilities, the amounts that may be allowed for claims or contingencies, or the status and priority thereof; (3) as to shareowners' equity accounts, the effect of any changes that may be made to the Debtors' capitalization; or (4) as to operations, the effect of any changes that may be made to the Debtors' business, including, without limitation, as a result of the Merger (as defined in the section entitled “Merger Agreement” below).

Results of operations for the periods presented herein are not necessarily indicative of results of operations for the entire year. The Condensed Consolidated Financial Statements include the accounts of the Company and its direct and indirect wholly owned subsidiaries (both Debtor and non-Debtor), including (i) its principal subsidiary American Airlines, Inc. (“American”) and (ii) its regional airline subsidiary, AMR Eagle Holding Corporation and its primary subsidiaries, American Eagle Airlines, Inc. and Executive Airlines, Inc. (collectively, “AMR Eagle”). The Condensed Consolidated Financial Statements also include the accounts of variable interest entities for which the Company is the primary beneficiary. For further information, refer to the consolidated financial statements and footnotes included in the Company's Annual Report on Form 10-K filed with the SEC on February 20, 2013, as amended by the Form 10-K/A filed on April 16, 2013 (“2012 Form 10-K”), including the Summary of Significant Accounting Policies which appears as Note 2 in the 2012 Form 10-K.

Notwithstanding any indications of value that may be contained in the Plan, no assurance can be given as to the ultimate value that may be ascribed to the Debtors' various prepetition liabilities and other securities. The Company cannot predict what the ultimate value of any of its or the other Debtors' securities may be. Trading in the Company's common stock and certain debt securities on the New York Stock Exchange (NYSE) was suspended on January 5, 2012, and the Company's common stock and such debt securities were delisted by the SEC from the NYSE on January 30, 2012. On January 5, 2012, the Company's common stock began trading under the symbol “AAMRQ” on the OTCQB marketplace, operated by OTC Markets Group ([www.otcmarkets.com](http://www.otcmarkets.com)).

Additional information about the Chapter 11 Cases is available on the Internet at [aa.com/restructuring](http://aa.com/restructuring). Court filings and claims information are available at [amrcaseinfo.com](http://amrcaseinfo.com).

## **2. Chapter 11 Proceedings and Reorganization Update for the Reporting Period**

### **General Information**

*Notices to Creditors; Effect of Automatic Stay.* The Debtors have notified all known current or potential creditors that the Chapter 11 Cases were filed. Subject to certain exceptions under the Bankruptcy Code, the filing of the Debtors' Chapter 11 Cases automatically enjoined, or stayed, the continuation of most judicial or administrative proceedings or filing of other actions against the Debtors or their property to recover on, collect or secure a claim arising prior to the Petition Date. Thus, for example, most creditor actions to obtain possession of property from the Debtors, or to create, perfect or enforce any lien against the property of the Debtors, or to collect on monies owed or otherwise exercise rights or remedies with respect to a prepetition claim, are enjoined unless and until the Bankruptcy Court lifts the automatic stay as to any such claim. Vendors are being paid for goods furnished and services provided after the Petition Date in the ordinary course of business.

*Appointment of Creditors' Committee.* On December 5, 2011, the U.S. Trustee appointed the Creditors' Committee (“Creditors' Committee”) for the Chapter 11 Cases.

*Rejection of Executory Contracts.* Under section 365 and other relevant sections of the Bankruptcy Code, the Debtors may assume, assume and assign, or reject certain executory contracts and unexpired leases, including, without limitation, agreements relating to aircraft and aircraft engines (collectively, "Aircraft Property") and leases of real property, subject to the approval of the Bankruptcy Court and certain other conditions. As of April 30, 2013, the Bankruptcy Court had entered orders granting the Debtors' motions to assume 538 and reject 12 unexpired leases of non-residential real property and had entered various orders extending, by the Debtors' agreement with certain landlords, the date by which the Debtors must assume or reject an additional 21 unexpired leases of non-residential real property.

On April 3, 2013, the Bankruptcy Court entered an order approving a stipulation providing that, among other things, (i) the 1990 and 1994 series of special facility revenue bonds that financed certain improvements at John F. Kennedy International Airport ("JFK") will be treated as general unsecured claims, (ii) the Debtors may continue to use any premises and improvements at JFK or LaGuardia Airport financed by the 1990 or 1994 series of special facility revenue bonds, (iii) the Debtors will assume the leases at JFK that currently relate to the 2002 and 2005 series of special facility revenue bonds, and (iv) the Debtors' use of premises at JFK will continue to be governed by those leases as well as any other leases that may apply (including leases with the Port Authority of New York and New Jersey). As a result, the Company expects a claim of \$171 million, of which \$124 million has been previously accrued, plus post-petition interest.

In general, rejection of an executory contract or unexpired lease is treated as a prepetition breach of the executory contract or unexpired lease in question and, subject to certain exceptions, relieves the Debtors from performing their future obligations under such executory contract or unexpired lease but entitles the contract counterparty or lessor to a prepetition general unsecured claim for damages caused by such deemed breach. Counterparties to such rejected contracts or leases have the right to file claims against the Debtors' estate for such damages. Generally, the assumption of an executory contract or unexpired lease requires the Debtors to cure existing defaults under such executory contract or unexpired lease.

Any description of an executory contract or unexpired lease elsewhere in these Notes or in the report to which these Notes are attached, including where applicable the Debtors' express termination rights or a quantification of their obligations, must be read in conjunction with, and is qualified by, any rights the Debtors or counterparties have under section 365 of the Bankruptcy Code.

The Debtors expect that liabilities subject to compromise and resolution in the Chapter 11 Cases will arise in the future as a result of damage claims created by the Debtors' rejection of various executory contracts and unexpired leases. Due to the uncertain nature of many of the potential rejection claims, the magnitude of such claims is not reasonably estimable at this time. Such claims may be material (see "Liabilities Subject to Compromise" in Note 2 to the Condensed Consolidated Financial Statements).

*Special Protection Applicable to Leases and Secured Financing of Aircraft and Aircraft Equipment.* Notwithstanding the general discussion above of the impact of the automatic stay, under section 1110 of the Bankruptcy Code, beginning 60 days after filing a petition under Chapter 11, certain secured parties, lessors and conditional sales vendors may have a right to take possession of certain qualifying Aircraft Property that is leased or subject to a security interest or conditional sale contract, unless the Debtors, subject to approval by the Bankruptcy Court, agree to perform under the applicable agreement, and cure any defaults as provided in section 1110 (other than defaults of a kind specified in section 365(b)(2) of the Bankruptcy Code). Taking such action does not preclude the Debtors from later rejecting the applicable lease or abandoning the Aircraft Property subject to the related security agreement, or from later seeking to renegotiate the terms of the related financing.

The Debtors may extend the 60-day period by agreement of the relevant financing party, with Bankruptcy Court approval. In the absence of an agreement or cure as described above or such an extension, the financing party may take possession of the Aircraft Property and enforce its contractual rights or remedies to sell, lease or otherwise retain or dispose of such equipment.

The 60-day period under section 1110 in the Chapter 11 Cases expired on January 27, 2012. In accordance with the Bankruptcy Court's Order Authorizing the Debtors to (i) Enter into Agreements Under Section 1110(a) of the Bankruptcy Code, (ii) Enter into Stipulations to Extend the Time to Comply with Section 1110 of the Bankruptcy Code and (iii) File Redacted Section 1110(b) Stipulations, dated December 23, 2011, the Debtors have entered into agreements

to extend the automatic stay or agreed to perform and cure defaults under financing agreements with respect to certain aircraft in their fleet and other Aircraft Property. The Debtors have reached agreement on revised terms with respect to substantially all of the aircraft for which the Debtors expect to negotiate revised terms, subject in a number of instances to certain conditions, including reaching agreement on definitive documentation. The ultimate outcome of these negotiations cannot be predicted with certainty. To the extent the Debtors are unable to reach definitive agreements with Aircraft Property financing parties, those parties may seek to repossess the subject Aircraft Property. The loss of a significant number of aircraft could result in a material adverse effect on the Debtors' financial and operating performance.

*Magnitude of Potential Claims.* On February 27, 2012, the Debtors filed with the Bankruptcy Court schedules and statements of financial affairs setting forth, among other things, the assets and liabilities of the Debtors, subject to the assumptions filed in connection therewith. All of the schedules are subject to further amendment or modification.

Bankruptcy Rule 3003(c)(3) requires the Bankruptcy Court to fix the time within which proofs of claim must be filed in a Chapter 11 case pursuant to section 501 of the Bankruptcy Code. This Bankruptcy Rule also provides that any creditor who asserts a claim against the Debtors that arose prior to the Petition Date and whose claim (i) is not listed on the Debtors' schedules or (ii) is listed on the schedules as disputed, contingent, or unliquidated, must file a proof of claim. On May 4, 2012, the Bankruptcy Court entered an order that established July 16, 2012 at 5:00 p.m. (Eastern Time) as the deadline to file proofs of claim against any Debtor. More information regarding the filing of proofs of claim can be obtained at [www.amrcaseinfo.com](http://www.amrcaseinfo.com). Information on this website is not incorporated into or otherwise made a part of this report.

Differences between amounts scheduled by the Debtors and claims by creditors will be investigated and resolved in connection with the claims resolution process. In light of the expected number of creditors, the claims resolution process may take considerable time to complete. Accordingly, the ultimate number and amount of allowed claims is not presently known, nor can the ultimate recovery with respect to allowed claims be presently ascertained.

*Collective Bargaining Agreements.* Section 1113(c) of the Bankruptcy Code provides a process for the modification and/or rejection of collective bargaining agreements ("CBAs"). Through this process, American was able to achieve new CBAs with each of its unions (TWU, APFA and APA), covering nine unionized work groups.

In September 2012, the Bankruptcy Court authorized American to reject its pilot CBA, and thereafter American began implementing certain terms and conditions of employment for pilots. American and the APA continued to negotiate in good faith toward a new pilot agreement, and those negotiations resulted in a new pilot CBA that was approved by the Bankruptcy Court on December 19, 2012. A small group of American pilots is appealing the Bankruptcy Court's decisions granting American's request to reject the pilot CBA and approving the new pilot CBA, and those appeals are pending in the U.S. District Court for the Southern District of New York.

AMR Eagle also engaged in the Section 1113(c) process with its unions, and ultimately achieved new CBAs with its unions, including AFA, ALPA and all four TWU-represented work groups.

In addition, American's pilots, flight attendants, and ground employee unions and the US Airways, Inc. pilots union have agreed to new terms for CBAs, effective upon the closing of the Merger (see below for further information in the section entitled "Merger Agreement" below). The US Airways, Inc. flight attendants union has also reached a tentative agreement with US Airways, Inc., which includes support for the Merger. American's unions representing pilots and flight attendants are working with their counterparts at US Airways, Inc. to determine representation and single agreement protocols to be used to integrate the pilots and flight attendants workforces after the Merger.

*Filing of Plan of Reorganization, Disclosure Statement and Form S-4*

On April 15, 2013, the Company and other Debtors filed with the Bankruptcy Court the Plan and related Disclosure Statement, which contemplate that AMR will emerge from Chapter 11 and engage in the Merger (see the section entitled "Merger Agreement" below). The Plan addresses various subjects with respect to the Debtors, including the resolution of pre-petition obligations as well as the capital structure and corporate governance after exit from the Chapter 11 Cases. The Plan further provides that, upon the effectiveness of the Plan and the Merger, which are anticipated to occur contemporaneously, all shares of existing AMR common stock and other equity interests in AMR will be cancelled and any rights with respect thereto will cease to exist, subject to the right to receive distributions pursuant to the Plan.

Generally, for purposes of the Plan, all 20 Debtors will be "substantively consolidated" into three nodes, consisting of: (i) AMR Debtors, (ii) American Debtors, and (iii) Eagle Debtors. As among the AMR Debtors, the American Debtors, and the Eagle Debtors, the Plan will separately classify creditor claims. However, pursuant to the compromises incorporated into the Plan relating to certain inter-creditor issues and the treatment of intercompany claims among the Debtors, general unsecured claims of similar rank and priority will be treated the same under the Plan regardless of the Debtor against which such claim was filed.

The Plan contains provisions related to the treatment of prepetition unsecured claims against the Debtors and equity interests in AMR as described below under "Support Agreement and Term Sheet."

On April 15, 2013, the Company filed a Form S-4 registration statement with the Securities and Exchange Commission (the "SEC") to register the shares of AAG Common Stock that will be issued to stockholders of US Airways Group, Inc. ("US Airways Group") as consideration in the Merger in exchange for their US Airways Group common stock. The AAG Common Stock cannot be issued to US Airways Group stockholders until the SEC declares the registration statement to be effective, the US Airways Group stockholders vote to approve the Merger and the Plan is confirmed and consummated. The Company filed an amended Form S-4 with the SEC on May 20, 2013.

The Company and the other Debtors have until July 29, 2013 to solicit and obtain acceptances for the Plan. To be accepted by holders of claims against the Debtors, the Plan must be approved by at least one-half in number and two-thirds in dollar amount of claims actually voting in each impaired class. Under certain circumstances set forth in Section 1129(b) of the Bankruptcy Code, the Bankruptcy Court may confirm a plan even if such plan has not been accepted by all impaired classes of claims and equity interests. The precise requirements and evidentiary showing for confirming a plan notwithstanding its rejection by one or more impaired classes of claims or equity interests depends upon a number of factors.

The information contained in the Disclosure Statement is subject to change, whether as a result of amendments to the Plan, actions of third parties or otherwise.

Nothing contained in this MOR is intended to be, nor should it be construed as, a solicitation for a vote on the Plan. The Plan will become effective only if it receives the requisite approval and is confirmed by the Bankruptcy Court. There can be no assurance that the Bankruptcy Court will confirm the Plan or that any such plan will be implemented successfully.

*Availability and Utilization of Net Operating Losses.* The availability and utilization of net operating losses (and utilization of alternative minimum tax credits) after the Debtors' emergence from Chapter 11 is uncertain at this time and will be highly influenced by the composition of the plan of reorganization that is ultimately approved. On January 27, 2012, the Bankruptcy Court issued a Final Order Establishing Notification Procedures for Substantial Claimholders and Equityholders and Approving Restrictions on Certain Transfers of Interests in the Debtors' Estates, which restricted trading in the Company's common stock and established certain procedures and potential restrictions with respect to the transfer of claims. The order was intended to prevent, or otherwise institute procedures and notification requirements with respect to, certain transfers of AMR common stock and unsecured claims against the Debtors that could impair the ability of the Debtors to use their net operating loss carryovers and certain other tax attributes on a reorganized basis. However, the Original Procedures did not envision the proposed Merger and, if implemented to take into account the proposed merger or an equivalent transaction, might have unduly restricted the amount of claims that may be accumulated and retained by certain holders. Accordingly, on February 22, 2013, the Debtors filed a motion with the



Bankruptcy Court to revise the Original Procedures (as so revised, the "Revised Procedures"). On April 11, 2013, the Bankruptcy Court entered an order (the "Revised Order") approving the Revised Procedures.

With respect to holders of unsecured claims against the Debtors, the Revised Procedures establish a process in which holders of unsecured claims in excess of a threshold amount may be required to file one or more Notices of Substantial Claim Ownership, and, under certain circumstances, may be required to sell all or a portion of any unsecured claims acquired during the Chapter 11 Cases. The Revised Procedures potentially apply to any person that beneficially owns either (1) more than \$190 million of claims against the Debtors or (2) a lower amount of claims which, when added to certain specified interests, including stock, in AMR or US Airways Group, would result in such holder holding the "Applicable Percentage," generally 4.5 percent, of the reorganized Debtors. In connection with the filing of a Notice of Substantial Claim Ownership, a holder must indicate if it will agree to refrain from acquiring additional AMR and US Airways Group common stock and such other specified interests until after the effective date of the Debtors' Chapter 11 plan of reorganization, and to dispose of any such interests acquired since February 22, 2013. This can affect the manner in which the Revised Procedures apply to certain holders.

The Revised Procedures did not alter the procedures applicable with respect to "Substantial Equityholders," namely persons who are, or as a result of a transaction would become, the beneficial owner of approximately 4.5 percent of the outstanding shares of AMR common stock.

Any acquisition, disposition, or other transfer of equity or claims in violation of the restrictions set forth in the Revised Order will be null and void ab initio and/or subject to sanctions as an act in violation of the automatic stay under sections 105(a) and 362 of the Bankruptcy Code.

***Liabilities Subject to Compromise***

The following table summarizes the components of liabilities subject to compromise included on the Consolidated Balance Sheet as of April 30, 2013:

(in millions)		
Long-term debt	\$	1,198
Estimated allowed claims on aircraft lease and debt obligations and facility lease and bond obligations		4,047
Pension and postretirement benefits		1,234
Accounts payable and other accrued liabilities		394
Other		(12)
Total liabilities subject to compromise	\$	<u>6,861</u>

Liabilities subject to compromise refers to prepetition obligations which may be impacted by the Chapter 11 reorganization process. These amounts represent the Debtors' current estimate of known or potential prepetition obligations to be resolved in connection with the Chapter 11 Cases.

In accordance with ASC 852, substantially all of the Company's unsecured debt has been classified as liabilities subject to compromise. Additionally, certain of the Company's undersecured debt instruments have also been classified as liabilities subject to compromise.

As a result of the modifications to the retirement benefits as discussed below, a portion of the pension and postretirement benefits liability, primarily relating to retiree medical and other benefits, was classified as liabilities subject to compromise.

Differences between liabilities the Debtors have estimated and the claims filed, or to be filed, will be investigated and resolved in connection with the claims resolution process. The Company will continue to evaluate these liabilities throughout the Chapter 11 Cases and adjust amounts as necessary. Such adjustments may be material. In light of the expected number of creditors, the claims resolution process may take considerable time to complete. Accordingly, the ultimate number and amount of allowed claims is not presently known.

**Reorganization Items, net**

Reorganization items refer to revenues, expenses (including professional fees), realized gains and losses and provisions for losses that are realized or incurred in the Chapter 11 Cases. The following table summarizes the components included in reorganization items, net on the Consolidated Statement of Operations for the month ended April 30, 2013:

(in millions)	
Aircraft and facility financing renegotiations and rejections <sup>(1) (2)</sup>	\$ 52
Professional fees	11
Other	3
Total reorganization items, net	<u>\$ 66</u>

(1) Amounts include allowed claims (claims approved by the Bankruptcy Court) and estimated allowed claims relating to the rejection or modification of financings related to aircraft. The Debtors record an estimated claim associated with the rejection or modification of a financing when the applicable motion is filed with the Bankruptcy Court to reject or modify such financing and the Debtors believe that it is probable the motion will be approved, and there is sufficient information to estimate the claim. Modifications of the financings related to certain aircraft remain subject to conditions, including reaching agreement on definitive documentation. See above, "Special Protection Applicable to Leases and Secured Financing of Aircraft and Aircraft Equipment," for further information.

(2) Amounts include allowed claims (claims approved by the Bankruptcy Court) and estimated allowed claims relating to entry of orders treating as unsecured claims with respect to facility agreements supporting certain issuances of special facility revenue bonds. The Debtors record an estimated claim associated with the treatment of claims with respect to facility agreements when the applicable motion is filed with the Bankruptcy Court and the Debtors believe that it is probable that the motion will be approved, and there is sufficient information to estimate the claim. See above, "Rejection of Executory Contracts," for further information.

Claims related to reorganization items are reflected in liabilities subject to compromise on the Condensed Consolidated Balance Sheet as of April 30, 2013.

**Interest Expense**

In accordance with ASC 852, the Debtors record interest expense only to the extent (1) interest will be paid during the Chapter 11 Cases or (2) it is probable that the Bankruptcy Court will allow a claim in respect of such interest. Interest expense recorded on the Consolidated Statements of Operations totaled \$56 million for the month ended April 30, 2013. Contractual interest expense (including interest expense that is associated with obligations in liabilities subject to compromise) during this period totaled \$58 million.

**Insurance**

Premiums to date for all insurance policies, including workers' compensation and disability insurance, have been paid in accordance with each respective policy's payment terms. No payments are past due.

**Restricted Cash and Short-term Investments**

The Company has restricted cash and short-term investments related primarily to collateral held to support projected workers' compensation obligations and funds held for certain tax obligations.

**Recent Modifications to Pension and Other Post-Employment Benefits**

The Company's defined benefit pension plans were frozen effective November 1, 2012. Eligible employees began to receive a replacement benefit under the Super Saver 401(k) Plan on November 1, 2012.

In December 2012, the Pilot A Plan, a defined benefit plan, was amended to remove the lump-sum option and the installment option forms of benefit effective December 31, 2012. A small group of American pilots is appealing the Bankruptcy Court's decision authorizing American to eliminate the lump sum option and installment option forms of

benefit. This is the same group of pilots that is appealing the Bankruptcy Court's decisions authorizing American to reject the pilot CBA and approving the new pilot CBA. All of these appeals have been consolidated, and are pending in the U.S. District Court for the Southern District of New York.

The Pilot B Plan, a defined contribution plan, was terminated on November 30, 2012. Plan B assets will be distributed to pilots in mid-2013.

On July 6, 2012, the Company commenced an adversary proceeding against the Section 1114 Committee of Retired Employees (the "Retiree Committee") in the Bankruptcy Court seeking a determination on the issue of vesting for former employees who retired and initiated retiree medical coverage before November 1, 2012. The Court held a hearing on January 23, 2013 and has not ruled on this matter as of the date of this report. The Company has been negotiating with the Retiree Committee since July 2012, seeking a consensual agreement to terminate subsidized retiree medical coverage and life insurance coverage. Those negotiations are continuing.

## **Merger Agreement**

### *Description of Agreement and Plan of Merger*

On February 13, 2013, AMR, US Airways Group, and AMR Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of AMR ("Merger Sub"), entered into an Agreement and Plan of Merger (the "Merger Agreement"), providing for a business combination of AMR and US Airways Group. The Merger Agreement provides that, upon the terms and subject to the conditions set forth in the Merger Agreement, Merger Sub will merge with and into US Airways Group (the "Merger"), with US Airways Group surviving as a wholly owned subsidiary of AMR. AMR and US Airways Group anticipate that immediately following the Merger closing, AMR will change its name to American Airlines Group Inc. ("AAG"). Following the Merger, AAG will own, directly or indirectly, all of the equity interests of American, US Airways Group and their direct and indirect subsidiaries. The Merger Agreement and the transactions contemplated thereby, including the Merger, are subject to the approval of the Bankruptcy Court, and are to be effected pursuant to the Plan of the Debtors in connection with the Chapter 11 Cases. The Plan was filed on April 15, 2013, and is subject to confirmation and consummation in accordance with the requirements of the Bankruptcy Code.

Subject to the terms and conditions of the Merger Agreement, which has been approved by the boards of directors of the respective parties, upon completion of the Merger, US Airways Group stockholders will receive one share of common stock of AAG ("AAG Common Stock") for each share of US Airways Group common stock. The aggregate number of shares of AAG Common Stock issuable to holders of US Airways Group equity instruments (including stockholders and holders of convertible notes, options, stock appreciation rights and restricted stock units) will represent 28% of the diluted equity of AAG after giving effect to the Plan. The remaining 72% diluted equity ownership of AAG will be distributable, pursuant to the Plan, to the Debtors' stakeholders, labor unions and certain employees.

All of the equity interests in AAG will be issued initially solely pursuant to the Merger Agreement or the Plan. Pursuant to the proposed Plan filed with the Bankruptcy Court on April 15, 2013, holders of AMR equity interests are expected to receive a recovery on such interests in the form of a distribution of AAG common stock. Implementation of the Plan and the making of any distributions thereunder are subject to confirmation thereof in accordance with the provisions of the Bankruptcy Code, the occurrence of the effective date under the Plan and the consummation of the Merger.

The Merger is intended to qualify, for federal income tax purposes, as a reorganization under the provisions of Section 368(a) of the Internal Revenue Code of 1986, as amended.

The Merger Agreement provides that, upon consummation of the Merger, the board of directors of the combined company will initially consist of 12 members, composed of (i) Thomas W. Horton, AMR's current chairman, chief executive officer and president, who will serve as chairman of AAG until the earlier of (A) one year after the closing of the Merger and (B) the day immediately prior to the first annual meeting of stockholders of the combined company (provided that such meeting will not occur prior to May 1, 2014), (ii) W. Douglas Parker, US Airways Group current chief executive officer, who will serve as chief executive officer of AAG and will serve as chairman of AAG following the end of Mr. Horton's term, (iii) two independent directors designated by AMR, (iv) three independent directors designated by US Airways Group, and (v) five independent directors designated by a search committee consisting of representatives of the Creditors' Committee and certain representatives of creditors signatory to the support agreement with AMR referred to below. One of such independent directors will serve as lead independent director. Subject to

applicable law, prior to the Merger, senior executives from each of AMR and US Airways Group will engage in a planning process for integration purposes.

AMR and US Airways Group have each made customary representations, warranties and covenants in the Merger Agreement, including, among others, covenants to conduct their businesses in the ordinary and usual course between the execution of the Merger Agreement and the consummation of the Merger, subject to certain restrictions as set forth in the Merger Agreement. In addition, the Merger Agreement contains "no shop" provisions that restrict each party's ability to initiate, solicit or knowingly encourage or facilitate competing third-party proposals for any transaction involving a merger of such party or the acquisition of a significant portion of its stock or assets, although each party may consider competing, unsolicited proposals and enter into discussions or negotiations regarding such proposals, if its board of directors determines that any such acquisition proposal constitutes, or is reasonably likely to lead to, a superior proposal and that the failure to take such action is reasonably likely to be inconsistent with its fiduciary duties under applicable law.

US Airways Group has agreed to certain additional customary covenants in the Merger Agreement, including, among others, subject to certain exceptions, (i) to cause a stockholder meeting to be held to consider adoption of the Merger Agreement and (ii) for its board of directors to recommend adoption of the Merger Agreement by US Airways Group stockholders. AMR has also agreed to certain additional customary covenants in the Merger Agreement, including, among others, subject to certain exceptions, (i) to pursue confirmation of the Plan and (ii) for its board of directors to recommend adoption of the Merger Agreement by the Debtors' stakeholders.

Consummation of the Merger is subject to customary conditions, including, among others: (i) approval by the stockholders of US Airways Group; (ii) expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and the receipt of certain other regulatory approvals; (iii) absence of any order or injunction prohibiting the consummation of the Merger; (iv) Bankruptcy Court confirmation of the Plan, which must contain certain specified provisions defined in the Merger Agreement; (v) subject to certain exceptions, the accuracy of representations and warranties with respect to the business of AMR or US Airways Group, as applicable; (vi) each of AMR and US Airways Group having performed their respective obligations pursuant to the Merger Agreement; and (vii) receipt by each of the Company and US Airways Group of a customary tax opinion.

The Merger Agreement contains certain termination rights for AMR and US Airways Group, and further provides that, upon termination of the Merger Agreement under specified circumstances, (i) AMR may be required to pay US Airways Group a termination fee of \$135 million in the event it terminates the agreement to enter into a superior proposal and \$195 million if US Airways Group terminates the Merger Agreement in the event of a knowing and deliberate breach of the Merger Agreement by AMR and (ii) US Airways Group may be required to pay AMR a termination fee of \$55 million in the event it terminates the agreement to enter into a superior proposal and \$195 million if AMR terminates the Merger Agreement in the event of a knowing and deliberate breach of the Merger Agreement by US Airways Group.

On May 15, 2013, AMR, US Airways Group, and Merger Sub, entered into an Amendment (the "Amendment") to the Merger Agreement. Among other things, the Amendment (a) provides that the term "Merger Support Order" as used in the Merger Agreement shall mean that certain order entered by the Bankruptcy Court on May 10, 2013 entitled "Order Authorizing and Approving (i) Merger Agreement Among AMR Corporation, AMR Merger Sub, Inc., and US Airways Group, Inc., (ii) Debtors' Execution of and Performance under Merger Agreement, (iii) Certain Employee Compensation and Benefit Arrangements, (iv) Termination Fees, and (v) Related Relief" (the "Merger Support Order"), which Merger Support Order was deemed to be in form and substance reasonably acceptable to AMR and US Airways Group, and (b) amends the form of Amended and Restated Certificate of Incorporation of AAG, to increase each of the total number of shares of capital stock and preferred stock authorized to be issued by AAG by 100,000,000 shares.

On May 10, 2013, the Bankruptcy Court entered the Merger Support Order. Pursuant to the Merger Agreement, as amended by the Amendment, upon entry of the Merger Support Order by the Bankruptcy Court, the Merger Agreement became effective and binding on, and enforceable against each of the parties thereto retroactive to February 13, 2013.

#### *Support Agreement and Term Sheet*

On February 13, 2013, AMR and the other Debtors entered into a Support and Settlement Agreement (the "Support Agreement") with certain significant holders of certain prepetition claims against one or more of the Debtors (such holders of claims, the "Consenting Creditors"), aggregating approximately \$1.2 billion of prepetition unsecured claims.

Pursuant to the terms of the Support Agreement, each Consenting Creditor has agreed, among other things, and subject to certain conditions, to (a) vote in favor of a plan of reorganization, which must include certain terms specified in a Term Sheet attached to the Support Agreement (the "Term Sheet"), (b) generally support confirmation and consummation of such plan and (c) not to support or solicit any plan in opposition to such plan. The Plan contains the terms specified in the Term Sheet.

The Support Agreement may be terminated upon the occurrence of certain events, including: (a) certain breaches by the Debtors or Consenting Creditors under the Support Agreement; (b) termination of the Merger Agreement or the announcement by AMR or US Airways Group of their intent to terminate the Merger Agreement (in which case the Support Agreement would terminate automatically); (c) the failure to meet certain milestones with respect to achieving confirmation and consummation of the Plan; (d) the filing, amendment or modification of certain documents, including the Plan, in a manner materially inconsistent with the Support Agreement and materially adverse to a Consenting Creditor (in which case the Support Agreement can be terminated by such Consenting Creditor solely with respect to itself); (e) the amendment or modification of the Merger Agreement in a manner that is materially adverse to a Consenting Creditor (in which case the Support Agreement can be terminated by such Consenting Creditor solely with respect to itself); and (f) if the volume weighted average price of US Airways Group common stock for the thirty trading days ending on the last trading day immediately prior to the date of termination is less than \$10.40. Termination of the Support Agreement would give the Consenting Creditors the right to withdraw their support of the Plan.

As described in the Term Sheet, the Plan implements the Merger, incorporates a compromise and settlement of certain intercreditor and intercompany claim issues, and is to contain the following provisions relating to the treatment of prepetition unsecured claims against the Debtors and equity interests in AMR:

- Unless they elect to receive alternative treatment, holders of prepetition unsecured claims against AMR or American that also are guaranteed by either such company ("Double-Dip Unsecured Claims") will receive shares of preferred stock of AAG (the "AAG Preferred Stock") that will be mandatorily convertible into shares of AAG Common Stock on each of the 30th, 60th, 90th and 120th day after the effective date of the Plan. Upon the conversion of the remaining AAG Preferred Stock on the 120th day after the effective date of the Plan, all AAG Preferred Stock will have been converted to AAG Common Stock and no AAG Preferred Stock will remain outstanding. The conversion price of the AAG Preferred Stock will vary on each conversion date, based on the volume weighted average price of the shares of the AAG Common Stock on the five trading days immediately preceding each conversion date, at a 3.5% discount, subject to a cap and a floor price. The AAG Preferred Stock allocable to the Double-Dip Unsecured Claims will have a face amount equal to the allowed amount of their claims, including post-petition interest at the non-default rate;
- Holders of prepetition unsecured claims (other than claims of the Debtors' unions) that are not Double-Dip Unsecured Claims (and holders of Double-Dip Unsecured Claims that elect to receive such treatment) will receive shares of AAG Preferred Stock, as well as shares of AAG Common Stock;
- Holders of existing AMR equity interests (including stock, warrants, restricted stock units and options) will receive a distribution of shares of AAG Common Stock representing 3.5% of the total number of shares of AAG Common Stock (on an as-converted basis) in addition to the potential to receive shares of AAG Common Stock above such amount; and
- The satisfaction of certain labor-related claims through the allocation to such claims of shares of AAG Common Stock representing 23.6% of the total number of such shares of AAG Common Stock ultimately distributed to holders of prepetition general unsecured claims against the Debtors.

In each case, the distributions made to each of the foregoing stakeholders will be adjusted to take into account any reserves made for disputed claims under the Plan. The Debtors have filed a motion with the Bankruptcy Court seeking approval of the Support Agreement.

DEBTORS AND DEBTORS IN POSSESSION  
CONDENSED CONSOLIDATING BALANCE SHEET

APRIL 30, 2013

(Unaudited) (In millions)

	Debtors	Non-Debtors	Eliminations & Adjustments	Consolidated
<b>Assets</b>				
<b>Current Assets</b>				
Cash	\$ 653	\$ 4	\$ —	\$ 657
Short-term investments	3,761	3	—	3,764
Restricted cash and short-term investments	852	—	—	852
Receivables, net	1,236	16	(14)	1,238
Inventories, net	600	—	—	600
Fuel derivative contracts	20	—	—	20
Other current assets	550	1	—	551
Total current assets	7,672	24	(14)	7,682
<b>Equipment and Property</b>				
Flight equipment, net	10,274	—	—	10,274
Other equipment and property, net	2,098	1	—	2,099
Purchase deposits for flight equipment	714	—	—	714
	13,086	1	—	13,087
<b>Equipment and Property Under Capital Leases</b>				
Flight equipment, net	208	—	—	208
Other equipment and property, net	56	—	—	56
	264	—	—	264
International slots and route authorities	710	—	—	710
Domestic slots and airport operating and gate lease rights, less accumulated amortization, net	153	—	—	153
Other assets	2,447	106	(382)	2,171
	\$ 24,332	\$ 131	\$ (396)	\$ 24,067

AMR CORPORATION, ET AL. Schedule 1 (Continued)  
**DEBTORS AND DEBTORS IN POSSESSION**  
**CONDENSED CONSOLIDATING BALANCE SHEET**  
**APRIL 30, 2013**  
(Unaudited.) (In millions)

	Debtors	Non-Debtors	Eliminations & Adjustments	Consolidated
<b>Liabilities and Stockholders' Equity (Deficit)</b>				
<b>Current Liability</b>				
Accounts payable	\$ 1,599	\$ (144)	\$ (15)	\$ 1,440
Accrued liabilities	2,117	—	—	2,117
Air traffic liability	5,418	—	—	5,418
Current maturities of long-term debt	1,255	—	—	1,255
Current obligations under capital leases	29	—	—	29
<b>Total current liabilities</b>	<b>10,418</b>	<b>(144)</b>	<b>(15)</b>	<b>10,259</b>
Long-term debt, less current maturities	6,821	—	(106)	6,715
Obligations under capital leases, less current obligations	374	—	—	374
Pensions and postretirement benefits	6,714	—	—	6,714
Other liabilities, deferred gains and deferred credits	1,691	—	—	1,691
	<b>15,600</b>	<b>—</b>	<b>(106)</b>	<b>15,494</b>
<b>Liabilities Subject to Compromise</b>	<b>6,861</b>	<b>—</b>	<b>—</b>	<b>6,861</b>
<b>Stockholders' Equity (Deficit)</b>				
Preferred stock	—	—	—	—
Common stock	341	1	(1)	341
Additional paid-in-capital	4,483	259	(259)	4,483
Treasury stock	(367)	—	—	(367)
Accumulated other comprehensive income	(3,096)	—	—	(3,096)
Accumulated Deficit	(9,908)	15	(15)	(9,908)
	<b>\$ 24,332</b>	<b>\$ 131</b>	<b>\$ (396)</b>	<b>\$ 24,067</b>

AMR CORPORATION, ET AL. Schedule 2  
**DEBTORS AND DEBTORS IN POSSESSION**  
**CONSOLIDATING STATEMENT OF OPERATIONS**  
**MONTH ENDED APRIL 30, 2013**  
(Unaudited)

	Debtors	Non-Debtors	Eliminations & Adjustments	Consolidated
<b>Revenues</b>				
Passenger - American Airlines	\$ 1,498	\$ —	\$ —	\$ 1,498
- Regional Affiliates	233	—	—	233
Cargo	55	—	—	55
Other revenues	207	1	(1)	207
Total operating revenues	1,993	1	(1)	1,993
<b>Expenses</b>				
Aircraft fuel	722	—	—	722
Wages, salaries and benefits	478	—	—	478
Other rentals and landing fees	117	—	—	117
Maintenance, materials and repairs	128	—	—	128
Depreciation and amortization	82	—	—	82
Commissions, booking fees and credit card expense	80	—	—	80
Aircraft rentals	60	—	—	60
Food service	48	—	—	48
Special charges	3	—	—	3
Other operating expenses	261	1	(1)	261
Total operating expenses	1,979	1	(1)	1,979
<b>Operating Income</b>	14	—	—	14
<b>Other Income (Expense)</b>				
Interest income	2	—	—	2
Interest expense	(56)	—	—	(56)
Interest capitalized	4	—	—	4
Miscellaneous - net	(3)	—	—	(3)
	(53)	—	—	(53)
<b>Income Before Reorganization Items</b>	(39)	—	—	(39)
<b>Reorganization Items, Net</b>	(66)	—	—	(66)
<b>Income Before Income Taxes</b>	(105)	—	—	(105)
Income tax	—	—	—	—
<b>Net Income</b>	\$ (105)	\$ —	\$ —	\$ (105)



AMR CORPORATION, ET AL. Schedule 3  
**DEBTORS AND DEBTORS IN POSSESSION**  
**TOTAL DISBURSEMENTS BY FILED LEGAL ENTITY**  
**MONTH ENDED APRIL 30, 2013**  
(Unaudited) (In thousands)

Legal Entity	Case Number	Disbursements
American Airlines Realty (NYC) Holdings, Inc.	11-15462	\$ 30
AMR Corporation	11-15463	182
American Airlines, Inc.	11-15464	2,757,668
AMR Eagle Holding Corporation	11-15465	—
Americas Ground Services, Inc.	11-15466	341
PMA Investment Subsidiary, Inc.	11-15467	—
SC Investment, Inc.	11-15468	—
American Eagle Airlines, Inc.	11-15469	91,215
Executive Airlines, Inc.	11-15470	6,438
Executive Ground Services, Inc.	11-15471	—
Eagle Aviation Services, Inc.	11-15472	1,691
Admirals Club, Inc.	11-15473	—
Business Express Airlines, Inc.	11-15474	—
Reno Air, Inc.	11-15475	—
AA Real Estate Holding GP LLC	11-15476	—
AA Real Estate Holding L.P.	11-15477	—
American Airlines Marketing Services LLC	11-15478	62
American Airlines Vacations LLC	11-15479	58
American Aviation Supply LLC	11-15480	1,255
American Airlines IP Licensing Holding, LLC	11-15481	—
		\$ 2,858,940

## DEBTORS AND DEBTORS IN POSSESSION

## SCHEDULE OF FEDERAL, STATE AND LOCAL TAXES COLLECTED, RECEIVED, DUE OR WITHHELD

MONTH ENDED APRIL 30, 2013

(Unaudited) (In millions)

**Payroll Taxes**

Gross wages and salaries paid or incurred <sup>(3)</sup>	\$	373.4
Payroll taxes withheld employee		77.8
Payroll taxes withheld employer		26.6
Total payroll taxes withheld		<u>104.4</u>
Amount of payroll tax remitted to tax authorities		118.0
Date(s) remitted to tax authorities		Various

**Sales & Use Taxes**

Sales & use tax collected and incurred	5.9
Amount of sales & use tax remitted to tax authorities <sup>(1)</sup>	5.4
Date(s) remitted to tax authorities	Various

**Federal Transportation Tax**

Federal transportation tax collected	123.5
Amount of federal transportation tax remitted to Internal Revenue Service <sup>(1)</sup>	117.6
Date(s) remitted to tax authorities	4/10 & 4/25

**Passenger Facility Charges**

Passenger facility charges collected	30.1
Amount of passenger facility charges remitted to airport authorities <sup>(1)</sup>	31.0
Date(s) remitted to airport authorities	4/30

**U.S. Security Fees**

U.S. Security Fees collected	20.4
Amount of U.S. Security Fees remitted to Transportation Security Administration <sup>(1)</sup>	21.1
Date(s) remitted to Transportation Security Administration	4/25

**Customs User Fees**

Customs user fees collected	6.0
Amount of customs user fees remitted to Customs and Border Protection Agency <sup>(2)</sup>	19.7
Date(s) remitted to Customs and Border Protection Agency	4/24

**Immigration User Fees**

Immigration user fees collected	7.7
Amount of immigration user fees remitted to Customs and Border Protection Agency <sup>(2)</sup>	25.2
Date(s) remitted to Customs and Border Protection Agency	4/24

**Animal and Plant Health Inspection Service (APHIS) Fees**

APHIS user fees collected	5.6
Amount of user fees remitted to U.S. Department of Agriculture <sup>(2)</sup>	18.4
Date(s) remitted to U.S. Department of Agriculture	4/24

**Property taxes paid**

1.2

(1) Tax is remitted one month in arrears of collection month. Amounts noted reflect actual collections and remittances during the month ended April 30, 2013.

(2) Tax is remitted quarterly. Amounts noted reflect actual collections and remittances during the month ended April 30, 2013.

(3) Payroll tax remittance does not equal taxes withheld because of tax entity payment timing requirements.

AMR CORPORATION, ET AL. Schedule 5  
**DEBTORS AND DEBTORS IN POSSESSION**  
**TOTAL DISBURSEMENTS TO RETAINED PROFESSIONALS**  
**MONTH ENDED APRIL 30, 2013**  
(Unaudited) (In thousands)

Retained Professionals	Disbursements <sup>(1)</sup>
<b>Debtors' Advisors and Notice and Claims Agent:</b>	
Airport & Aviation Professionals Inc.	\$ 5
Bernstein Shur Sawyer & Nelson	103
Brinks Hofer Gilson & Lione	215
Cooley LLP	14
Debevoise & Plimpton	2,678
Deloitte Financial	3,224
Ernst & Young LLP	586
Ford & Harrison	42
Grant Thornton LLP	92
Groom Law Group	722
Haynes and Boone LLP	286
Houlihan Lokey Capital Inc	155
Husch Blackwell LLP	487
Jenner & Block LLP	377
Kelly Hart & Hallman LLP	28
KPMG LLP	702
McKinsey Recovery & Transformation	823
Milbank Tweed Hadley & McCloy LLP	1,009
Morgan Lewis & Bockius	289
Paul Hastings LLP	458
Rothschild Inc.	292
Sheppard Mullin Richter & Hampton LLP	260
The Boston Consulting Group, Inc.	900
The Garden City Group Inc.	806
The Segal Company	81
Weil, Gotshal & Manges LLP	2,373
Zolfo Cooper LLC	128
	<u>\$ 17,135</u>
<b>Advisors to Unsecured Creditors' Committee:</b>	
Epiq Bankruptcy Solutions LLC	\$ 8
Hay Group	126
Mesirow Financial Consulting LLC	1,787
Moelis & Company Holding LP	288
Skadden, Arps, Slate, Meagher & Flom LLP and Affiliates	1,202
Togut Segal & Segal LLP	239
	<u>\$ 3,650</u>
<b>Total Disbursements to Retained Professionals</b>	<u>\$ 20,785</u>

(1) The Debtors have retained certain legal and financial professionals to advise them in the Chapter 11 Cases. The Creditors' Committee also retained certain legal and financial professionals in connection with the Chapter 11 Cases. For the month of April 2013, estimated based on the Debtors' books and records, the Debtors accrued \$11 million of professional fees relating to such professionals, as indicated in Note 2 to the Condensed Consolidated Financial Statements. Any payments to such professionals will be made in accordance with applicable orders of the Bankruptcy Court.

## **Additional Information and Where To Find It**

This Monthly Operating Report does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. The proposed merger transaction between AMR and US Airways Group will be submitted to the stockholders of US Airways for their consideration. AMR has filed with the SEC a registration statement on Form S-4, which includes a preliminary proxy statement of US Airways that also constitutes a prospectus of AMR. US Airways expects to file with the SEC a definitive proxy statement on Schedule 14A, and AMR and US Airways also plan to file other documents with the SEC regarding the proposed transaction. Investors and security holders of US Airways are urged to read the PRELIMINARY proxy statement/prospectus and other relevant documents that will be filed with the SEC (including the definitive proxy statement/PROSPECTUS) carefully and in their entirety when they become available because they contain important information about the proposed transaction. Investors and security holders may obtain free copies of the preliminary proxy statement/prospectus and other documents containing important information about AMR and US Airways (including the definitive proxy statement/prospectus), once such documents are filed with the SEC, through the website maintained by the SEC at <http://www.sec.gov>. Copies of the documents filed with the SEC by US Airways, when and if available, can be obtained free of charge on US Airways' website at [www.usairways.com](http://www.usairways.com) or by directing a written request to US Airways Group, Inc., 111 West Rio Salado Parkway, Tempe, Arizona 85281, Attention: Vice President, Legal Affairs. Copies of the documents filed with the SEC by AMR, when and if available, can be obtained free of charge on AMR's website at [www.aa.com](http://www.aa.com) or by directing a written request to AMR Corporation, P.O. Box 619616, MD 5675, Dallas/Fort Worth International Airport, Texas 75261-9616, Attention: Investor Relations or by emailing [investor.relations@aa.com](mailto:investor.relations@aa.com).

US Airways, AMR and certain of their respective directors, executive officers and certain members of management may be deemed to be participants in the solicitation of proxies from the stockholders of US Airways in connection with the proposed transaction. Information about the directors and executive officers of US Airways is set forth in its Annual Report on Form 10-K/A, which was filed with the SEC on April 16, 2013, and the preliminary proxy statement/prospectus related to the proposed transaction, which is included in the Form S-4 that was filed with the SEC on April 15, 2013 and amended on May 20, 2013. Information about the directors and executive officers of AMR is set forth in its Annual Report on Form 10-K/A, which was filed with the SEC on April 16, 2013, and the preliminary proxy statement/prospectus related to the proposed transaction, which is included in the Form S-4 that was filed with the SEC on April 15, 2013 and amended on May 20, 2013. These documents can be obtained free of charge from the sources indicated above. Other information regarding the participants in the proxy solicitation may also be included in the definitive proxy statement/prospectus and other relevant materials when and if filed with the SEC in connection with the proposed transaction.

AMR has made and expects to make public disclosures of certain information regarding AMR and its subsidiaries, including, but not limited to, disclosures regarding the Merger, to investors and the general public by means of certain social media sites, including, but not limited to, Facebook and Twitter and by means of a joint Merger website maintained by AMR and US Airways Group. Investors are encouraged to (i) follow American (@AmericanAir) on Twitter, (ii) "like" American ([www.facebook.com/AmericanAirlines](http://www.facebook.com/AmericanAirlines)) on its Facebook page and (iii) visit [www.aaarriving.com](http://www.aaarriving.com) for updated information regarding AMR, US Airways Group, and the Merger. AMR does not incorporate the contents of its social media posts or the joint merger website into this MOR.

Release Date: Wednesday, May 29, 2013

### **Tom Horton Chairman and CEO sends message to employees**

FORT WORTH, Texas – Tom Horton, Chairman and Chief Executive Officer of AMR Corporation, today sent the following message to all American Airlines employees:

Dear American Team:

We are now in the home stretch of our restructuring, and thanks to the hard work of our entire team, these results are remarkable. Today we filed our Monthly Operating Report for April which highlights our financial progress. I'm pleased to report that, excluding reorganization and special items, we posted a very strong improvement to our bottom line. And if current trends continue, we are well on our way to a strongly profitable second quarter.

In addition to improving our financial performance, we are picking up the pace on the renewal of almost every facet of our company. This means investing in a new and modern fleet. In addition to the steady stream of new 777-300s, we'll soon introduce the first Airbus A319s and A321s into our fleet. In total we'll add 59 new aircraft this year. It also means new service to new markets across the globe like Seoul and Düsseldorf. And of course, it means refreshing the customer experience with enhancements like the new Flagship check-in at JFK, and new technology to help you serve our customers.

And at the start of another busy summer travel season, our operation is running well. From January through April, you have achieved an on-time arrival rate of over 78 percent. And our completion factor for the same period was 98.3 percent, which is the best performance in seven years.

All of this is building great momentum heading into our merger with US Airways to create the world's leading airline. The transformation of American is a direct result of your hard work and unwavering focus on our customers every day. You are putting American back on top.

Thanks for all you do.

Tom

#### **Additional Information and Where To Find It**

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. The proposed merger transaction between AMR Corporation ("AMR") and US Airways Group, Inc. ("US Airways") will be submitted to the stockholders of US Airways for their consideration. AMR has filed with the Securities and Exchange Commission ("SEC") a registration statement on Form S-4, which includes a preliminary proxy statement of US Airways that also constitutes a prospectus of AMR. US Airways expects to file with the SEC a definitive proxy statement on Schedule 14A, and AMR and US Airways also plan to file other documents with the SEC regarding the proposed transaction. Investors and security holders of US Airways are urged to read the PRELIMINARY proxy statement/prospectus and other relevant documents that will be filed with the SEC (including the definitive proxy statement/PROSPECTUS) carefully and in their entirety when they become available because they contain important information about the proposed transaction. Investors and security holders may obtain free copies of the preliminary proxy statement/prospectus and other documents containing important information about AMR and US Airways (including the definitive proxy statement/prospectus), once such documents are filed with the SEC, through the website maintained by the SEC at <http://www.sec.gov>. Copies of the documents filed with the SEC by US Airways, when and if available, can be obtained free of charge on US Airways' website at [www.usairways.com](http://www.usairways.com) or by directing a written request to US Airways Group, Inc., 111 West Rio Salado Parkway, Tempe, Arizona 85281, Attention: Vice President, Legal Affairs. Copies of the documents filed with the SEC by AMR, when and if available, can be obtained free of charge on AMR's website at

www.aa.com or by directing a written request to AMR Corporation, P.O. Box 619616, MD 5675, Dallas/Fort Worth International Airport, Texas 75261-9616, Attention: Investor Relations or by emailing investor.relations@aa.com.

US Airways, AMR and certain of their respective directors, executive officers and certain members of management may be deemed to be participants in the solicitation of proxies from the stockholders of US Airways in connection with the proposed transaction. Information about the directors and executive officers of US Airways is set forth in its Annual Report on Form 10-K/A, which was filed with the SEC on April 16, 2013, and the preliminary proxy statement/prospectus related to the proposed transaction, which is included in the Form S-4 that was filed with the SEC on April 15, 2013 and amended on May 20, 2013. Information about the directors and executive officers of AMR is set forth in its Annual Report on Form 10-K/A, which was filed with the SEC on April 16, 2013, and the preliminary proxy statement/prospectus related to the proposed transaction, which is included in the Form S-4 that was filed with the SEC on April 15, 2013 and amended on May 20, 2013. These documents can be obtained free of charge from the sources indicated above. Other information regarding the participants in the proxy solicitation may also be included in the definitive proxy statement/prospectus and other relevant materials when and if filed with the SEC in connection with the proposed transaction.

#### **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,” “forecast,” “if current trends continue” and other similar words. These forward-looking statements are based on AMR's and US Airways' 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. The following factors, among others, could cause actual results and financial position and timing of certain events to differ materially from those described in the forward-looking statements: the challenges and costs of the proposed transaction, including integrating operations and achieving anticipated synergies; the price of, market for and potential market price volatility of common stock of the ultimate parent entity following the closing of the proposed transaction; significant liquidity requirements and substantial levels of indebtedness of the combined company following the closing; potential limitations on the use of certain tax attributes following the closing; failure of the proposed transaction to be completed; and other economic, business, competitive, and/or regulatory factors affecting the business of the combined company after the closing and the businesses of US Airways and AMR generally, including those set forth in the filings of US Airways and AMR with the SEC, especially in the “Risk Factors” and “Management's Discussion and Analysis of Financial Condition and Results of Operations” sections of their respective annual reports on Form 10-K and quarterly reports on Form 10-Q, their current reports on Form 8-K and other SEC filings, including the registration statement and the proxy statement/prospectus related to the proposed transaction. Any forward-looking statements speak only as of the date hereof or as of the dates indicated in the statements. Neither AMR nor US Airways assumes 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 except as required by law.