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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): **April 26, 2018**

AMERICAN AIRLINES GROUP INC.
AMERICAN AIRLINES, INC.
(Exact name of registrant as specified in its charter)

(State or other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)
Delaware	**1-8400**	**75-1825172**
Delaware	**1-2691**	**13-1502798**

(Address of principal executive offices)	(Zip Code)
4333 Amon Carter Blvd., Fort Worth, Texas	**76155**
4333 Amon Carter Blvd., Fort Worth, Texas	**76155**

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

N/A
(Former name or former address if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

☐ Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On April 26, 2018, American Airlines Group Inc. (the “Company”) issued a press release reporting financial results for the three months ended March 31, 2018. The press release is furnished as Exhibit 99.1.

ITEM 7.01. REGULATION FD DISCLOSURE.

On April 26, 2018, the Company provided an update for investors presenting information relating to its financial and operational outlook for 2018. This investor update is located on the Company’s website at www.aa.com under “Investor Relations.” The investor update is furnished as Exhibit 99.2.

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

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits.

Exhibit No.	Description
99.1	Press Release, dated April 26, 2018.
99.2	Investor Update, dated April 26, 2018.

SIGNATURES

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

	AMERICAN AIRLINES GROUP INC.
Date: April 26, 2018	By: /s/ Derek J. Kerr
	Derek J. Kerr Executive Vice President and Chief Financial Officer

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

	AMERICAN AIRLINES, INC.
Date: April 26, 2018	By: /s/ Derek J. Kerr
	Derek J. Kerr Executive Vice President and Chief Financial Officer

Exhibit 99.1

PRESS RELEASE

Corporate Communications
817-967-1577
mediarelations@aa.com

FOR RELEASE: Thursday, April 26, 2018

AMERICAN AIRLINES GROUP REPORTS FIRST-QUARTER 2018 PROFIT

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

- **Reported a first-quarter 2018 pre-tax profit of $273 million, or $468 million excluding net special items[1], and a first-quarter net profit of $186 million, or $357 million excluding net special items**
- **First-quarter 2018 earnings were $0.39 per diluted share, or $0.75 per diluted share excluding net special items**
- **Returned $498 million to shareholders, including the repurchase of 8.4 million shares and dividend payments of $48 million. Announced a new $2.0 billion share repurchase authorization[2] to be completed by December 31, 2020**

"American's team members continue to deliver solid results, including record first quarter revenue performance. Higher fuel prices led to a decline in year-over-year earnings, but we are excited about the future," said Chairman and CEO Doug Parker. "With the youngest fleet in the industry among our large network peer competitors, a significantly improved product, and a team of 130,000 who demonstrate extraordinary care for our customers, we are well positioned for long-term success."

First-Quarter Revenue and Expenses

Pre-tax earnings excluding net special items for the first quarter of 2018 were $468 million, a $193 million decrease from the first quarter of 2017.

	GAAP		Non-GAAP[1]	
	1Q18	1Q17	1Q18	1Q17
Total operating revenues ($ mil)	$ 10,401	$ 9,820	$ 10,401	$ 9,820
Total operating expenses ($ mil)	9,970	9,083	9,775	8,962
Operating income ($ mil)	431	737	626	858
Pre-tax income ($ mil)	273	535	468	661
Pre-tax margin	2.6%	5.4%	4.5%	6.7%
Net income ($ mil)	186	340	357	414
Earnings per diluted share	$ 0.39	$ 0.67	$ 0.75	$ 0.82

Robust demand for air travel drove a 5.9 percent year-over-year increase in first-quarter 2018 total revenue, to a first quarter record $10.4 billion. Passenger revenue per available seat mile (PRASM) grew in all geographic regions, with notable strength in Latin America. Cargo revenue was up 18.8 percent to $227 million due primarily to a 10.9 percent increase in volume and a 7.1 percent increase in cargo yield. Other revenue was up 10.0 percent to $694 million. First-quarter total revenue per available seat mile increased by 3.5 percent compared to the first quarter 2017 on a 2.3 percent increase in total available seat miles. This marks the sixth consecutive quarter of positive unit revenue growth and the second quarter in a row where all geographic regions showed PRASM growth on a year-over-year basis.

Total first-quarter 2018 operating expenses were $10.0 billion, up 9.8 percent year-over-year driven by a 25.7 percent increase in consolidated fuel expense. Had fuel prices remained unchanged versus the first quarter 2017, total expenses would have been $412 million lower. Total first-quarter 2018 cost per available seat mile (CASM) was 15.15 cents, up 7.3 percent from first-quarter 2017. Excluding fuel and special items, total first-quarter CASM was 11.57 cents, up 2.8 percent year-over-year.

“We made significant progress on several key initiatives during the first quarter, including fleet simplification and adding more travel options for customers by expanding Basic Economy,” said President Robert Isom.

“Our recently announced order for 47 Boeing 787s enables the retirement of older aircraft, including the Airbus A330-300, the Boeing 767, and certain Boeing 777-200s. These replacement aircraft will provide improved fuel efficiency, lower maintenance costs, greater range, and an enhanced customer experience.

“In April, we launched trans-Atlantic Basic Economy together with our Atlantic partners. Basic Economy is now rolled out in the U.S. and certain markets in Mexico and the Caribbean. We continue to look for more opportunities to launch this popular travel option for our customers,” Isom said.

Strategic Objectives

American Airlines is focused on four long-term strategic objectives: Create a World-Class Customer Experience, Make Culture a Competitive Advantage, Ensure Long-Term Financial Strength, and Think Forward, Lead Forward.

Create a World-Class Customer Experience

American is committed to delivering a world-class product by creating value and building trust with customers, driving operational excellence, and strengthening its network, especially where the company has a competitive advantage. During the first quarter, American:

- Filed an application along with Qantas to the U.S. Department of Transportation seeking approval to form a joint business to better serve customers flying between North America and Australia and New Zealand. The proposed joint business will significantly improve service and stimulate demand, and is expected to unlock more than $300 million annually in consumer benefits that are not achievable through any other form of cooperation
- Enhanced the travel experience between New York LaGuardia and Chicago for business customers by adding that route to the company’s shuttle portfolio. The shuttle is highly valued by top business customers and offers an hourly schedule and dedicated gates and check-in areas
- Expanded Basic Economy to its first trans-Atlantic routes on April 11, including Dallas/Fort Worth-London Heathrow, giving customers a new option for American’s lowest fares in partnership with American’s Atlantic joint business partners
- Introduced new wine sommelier Bobby Stuckey to lead American’s wine program, selecting premium wines for customers to enjoy in Admirals Club lounges, Flagship Lounges, Flagship First Dining and in flight

- Introduced new meals on certain Pacific flights. Japan Airlines' Chef Jun Kurogi has designed a traditional Japanese meal in premium cabins on flights from Tokyo, and Chef Sean Connolly has designed dishes for premium cabins on flights from Auckland and Sydney

Make Culture a Competitive Advantage

American is creating an environment that cares for frontline team members, provides competitive pay, and equips its team with the right tools to support its customers. During the first quarter, American:

- Hosted 7,000 American Airlines leaders at its Annual Leadership Conference in Dallas. Team members who oversee people spent a full day learning about American's four strategic objectives and how to implement them in partnership with their teams
- Honored 103 team members at the company's Annual Chairman's Award celebration in Dallas earlier this month. The Chairman's Award is the airline's highest recognition, and recipients this year were recognized for accomplishments including making complicated maintenance tasks easier and safer, caring for colleagues during personal tragedies, and making customers feel like family
- Accrued $29 million for the company's 2018 profit sharing program during the quarter
- Completed the transition to a new cloud-based HR information system which provides seamless integration of team member data and hiring, onboarding, compensation and performance-related tasks. In April, American also implemented a new payroll system for U.S.-based management and support staff, with the remaining team members to transition on a phased basis

Ensure Long-Term Financial Strength

American is focused on capturing the efficiencies created by the merger, delivering on its earnings potential, and creating value for its owners. In the first quarter, American:

- Returned $498 million to shareholders through share repurchases and dividends, bringing the total since mid-2014 to $11.9 billion. These repurchases have reduced the share count by 38 percent to 467.4 million shares as of March 31, 2018
- In April, announced an order for 47 new Boeing 787 widebody aircraft consisting of 22 787-8s scheduled to begin arriving in 2020 and 25 787-9s scheduled to begin arriving in 2023. The 787-8s will replace American's Boeing 767-300s, while later 787-9 deliveries will replace Airbus A330-300s and older 777-200 widebody aircraft. In addition, American deferred 40 737 MAX aircraft and 3 Airbus A321neo aircraft. These changes better align future aircraft deliveries with planned aircraft retirements and reduce planned capital expenditures by approximately $200 million in 2019 and $800 million in 2020
- On April 26, 2018 declared a dividend of $0.10 per share, to be paid on May 22, 2018, to stockholders of record as of May 8, 2018

Think Forward, Lead Forward

American is committed to re-establishing itself as an industry leader by creating an action-oriented culture that moves quickly to bring products to market, embraces technological change, and quickly seizes upon new opportunities for its network and product. In the first quarter, American:

- Reached a new lease agreement with the city of Chicago that clears the way for an $8.5 billion redevelopment plan at O'Hare that includes more gates, a better structure for connecting travelers, and a better overall customer experience that will help close the competitive gate gap there

- Reached an agreement earlier this month to get access to 15 additional gates in DFW Terminal E. This allows the company to significantly grow departures at its largest hub to more than 900 per day, enabling more customers to access our global network
- Completed all customer-facing renovations in Terminal B, where American's regional operation at Dallas/Fort Worth is located
- In April, opened five new gates at Chicago O'Hare Terminal 3, permitting American to provide improved service to its customers at this key competitive hub.

Guidance and Investor Update

American expects its second-quarter 2018 TRASM to increase approximately 1.5 to 3.5 percent year-over-year, which reflects expected continued strength in demand for both business and leisure travel. The company also expects its second-quarter 2018 pre-tax margin excluding special items to be between 7.5 and 9.5 percent.[3] Due to higher fuel prices included in the guidance provided today, American now expects its 2018 diluted earnings per share excluding net special items to be between $5.00 and $6.00.[3]

For additional financial forecasting detail, please refer to the company's investor relations update, filed with the Securities and Exchange Commission on Form 8-K. This filing will be available at aa.com/investorrelations.

Conference Call / Webcast Details

The company will conduct a live audio webcast of its earnings call today at 7:30 a.m. CT, which will be available to the public on a listen-only basis at aa.com/investorrelations. An archive of the webcast will be available on the website through May 26.

Notes

1. In the first quarter, the company recognized $195 million in net special items before the effect of income taxes. First quarter special items principally included $82 million of fleet restructuring expenses and $59 million of merger integration expenses. See the accompanying notes in the Financial Tables section of this press release for further explanation, including a reconciliation of all GAAP to non-GAAP financial information.
2. Share repurchases under the buyback program may be made through a variety of methods, which may include open market purchases, privately negotiated transactions, block trades or accelerated share repurchase transactions. Any such repurchases will be made from time to time subject to market and economic conditions, applicable legal requirements and other relevant factors. The program does not obligate the company to repurchase any specific number of shares or continue a dividend for any fixed period, and may be suspended at any time at the company's discretion.
3. American is unable to reconcile certain forward-looking projections to GAAP as the nature or amount of special items cannot be determined at this time.

About American Airlines Group

American Airlines and American Eagle offer an average of nearly 6,700 flights per day to nearly 350 destinations in more than 50 countries. American has hubs in Charlotte, Chicago, Dallas/Fort Worth, Los Angeles, Miami, New York, Philadelphia, Phoenix, and Washington, D.C. American is a founding member of the **one**world® alliance, whose members serve more than 1,000 destinations with about 14,250 daily flights to over 150 countries. Shares of American Airlines Group Inc. trade on Nasdaq under the ticker symbol AAL. In 2015, its stock joined the S&P 500 index. Connect with American on Twitter @AmericanAir and at Facebook.com/AmericanAirlines.

Cautionary Statement Regarding Forward-Looking Statements and Information

Certain of the statements contained in this report should be considered forward-looking statements within the meaning of the Securities Act of 1933, as amended (the Securities Act), the Securities Exchange Act of 1934, as amended (the Exchange Act), and the Private Securities Litigation Reform Act of 1995. These forward-looking statements may be identified by words such as "may," "will," "expect," "intend," "anticipate," "believe," "estimate," "plan," "project," "could," "should," "would," "continue," "seek," "target," "guidance," "outlook," "if current trends continue," "optimistic," "forecast" and other similar words. Such statements include, but are not limited to, statements about our plans, objectives, expectations, intentions, estimates and strategies for the future, and other statements that are not historical facts. These forward-looking statements are based on our current objectives, beliefs and expectations, and they are subject to significant risks and uncertainties that may cause actual results and financial position and timing of certain events to differ materially from the information in the forward-looking statements. These risks and uncertainties include, but are not limited to, those set forth in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2018 (especially in Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations, and Part II, Item 1A. Risk Factors), and other risks and uncertainties listed from time to time in our other filings with the Securities and Exchange Commission. There may be other factors of which we are not currently aware that may affect matters discussed in the forward-looking statements and may also cause actual results to differ materially from those discussed. We do not assume any obligation to publicly update or supplement any forward-looking statement to reflect actual results, changes in assumptions or changes in other factors affecting these forward-looking statements other than as required by law. Any forward-looking statements speak only as of the date hereof or as of the dates indicated in the statements.

American Airlines Group Inc.
Condensed Consolidated Statements of Operations
(In millions, except share and per share amounts)
(Unaudited)

	3 Months Ended March 31, 2018	3 Months Ended March 31, 2017 (1)	Percent Change
Operating revenues:			
Passenger	$ 9,480	$ 8,997	5.4
Cargo	227	191	18.8
Other	694	632	10.0
Total operating revenues	10,401	9,820	5.9
Operating expenses:			
Aircraft fuel and related taxes	1,763	1,402	25.8
Salaries, wages and benefits	3,017	2,859	5.5
Regional expenses:			
Fuel	398	318	25.0
Other	1,300	1,255	3.6
Maintenance, materials and repairs	469	492	(4.8)
Other rent and landing fees	462	440	4.9
Aircraft rent	304	295	3.2
Selling expenses	356	318	12.0
Depreciation and amortization	445	405	10.0
Special items, net	195	119	64.8
Other	1,261	1,180	6.8
Total operating expenses	9,970	9,083	9.8
Operating income	431	737	(41.4)
Nonoperating income (expense):			
Interest income	25	21	15.4
Interest expense, net	(265)	(257)	3.0
Other income, net	82	34	nm
Total nonoperating expense, net	(158)	(202)	(21.6)
Income before income taxes	273	535	(48.9)
Income tax provision	87	195	(55.4)
Net income	$ 186	$ 340	(45.2)
Earnings per common share:			
Basic	$ 0.39	$ 0.67	
Diluted	$ 0.39	$ 0.67	
Weighted average shares outstanding (in thousands):			
Basic	472,297	503,902	
Diluted	474,598	507,797	

(1) On January 1, 2018, the Company adopted two new Accounting Standard Updates (ASUs): ASU 2014-09: Revenue from Contracts with Customers (the "New Revenue Standard") and ASU 2017-07: Compensation - Retirement Benefits (the "New Retirement Standard"). In accordance with the transition provisions of these new standards, the Company has recast its 2017 financial information to reflect the effects of adoption. For additional information, see Note 1(b) to AAG's Condensed Consolidated Financial Statements in Part I, Item 1A of its first quarter 2018 Form 10-Q filed on April 26, 2018.

Note: Percent change may not recalculate due to rounding.

American Airlines Group Inc.
Consolidated Operating Statistics
(Unaudited)

	3 Months Ended March 31,		
	2018	2017 (1)	Change
Mainline			
Revenue passenger miles (millions)	47,007	45,211	4.0%
Available seat miles (ASM) (millions)	57,963	56,564	2.5%
Passenger load factor (percent)	81.1	79.9	1.2pts
Passenger enplanements (thousands)	34,840	33,755	3.2%
Departures (thousands)	263	262	0.2%
Aircraft at end of period	952	944	0.8%
Block hours (thousands)	831	819	1.4%
Average stage length (miles)	1,217	1,201	1.3%
Fuel consumption (gallons in millions)	845	831	1.6%
Average aircraft fuel price including related taxes (dollars per gallon)	2.09	1.69	23.8%
Full-time equivalent employees at end of period	104,400	102,900	1.5%
Regional (2)			
Revenue passenger miles (millions)	5,938	5,773	2.9%
Available seat miles (millions)	7,860	7,777	1.1%
Passenger load factor (percent)	75.5	74.2	1.3pts
Passenger enplanements (thousands)	12,786	12,605	1.4%
Aircraft at end of period	587	623	(5.8)%
Fuel consumption (gallons in millions)	185	182	1.8%
Average aircraft fuel price including related taxes (dollars per gallon)	2.15	1.75	22.8%
Full-time equivalent employees at end of period (3)	24,200	21,400	13.1%
Total Mainline & Regional			
Revenue passenger miles (millions)	52,945	50,984	3.8%
Available seat miles (millions)	65,823	64,341	2.3%
Passenger load factor (percent)	80.4	79.2	1.2pts
Yield (cents)	17.90	17.65	1.5%
Passenger revenue per ASM (cents)	14.40	13.98	3.0%
Total revenue per ASM (cents)	15.80	15.26	3.5%
Cargo ton miles (millions)	687	619	10.9%
Cargo yield per ton mile (cents)	33.03	30.83	7.1%
Passenger enplanements (thousands)	47,626	46,360	2.7%
Aircraft at end of period	1,539	1,567	(1.8)%
Fuel consumption (gallons in millions)	1,030	1,013	1.6%
Average aircraft fuel price including related taxes (dollars per gallon)	2.10	1.70	23.6%
Full-time equivalent employees at end of period	128,600	124,300	3.5%
Operating cost per ASM (cents)	15.15	14.12	7.3%
Operating cost per ASM excluding special items (cents)	14.85	13.93	6.6%
Operating cost per ASM excluding special items and fuel (cents)	11.57	11.25	2.8%

(1) As previously discussed, on January 1, 2018, the Company adopted the New Revenue Standard and the New Retirement Standard. For additional information, see Note 1(b) to AAG's Condensed Consolidated Financial Statements in Part I, Item 1A of its first quarter 2018 Form 10-Q filed on April 26, 2018.

(2) Regional includes wholly owned regional airline subsidiaries and operating results from capacity purchase carriers.

(3) Regional full-time equivalent employees only include our wholly owned regional airline subsidiaries.

Note: Amounts may not recalculate due to rounding.

American Airlines Group Inc.
Consolidated Revenue Statistics by Region
(Unaudited)

	3 Months Ended March 31, 2018	3 Months Ended March 31, 2017 (1)	Change
Domestic			
Revenue passenger miles (millions)	36,261	35,303	2.7%
Available seat miles (ASM) (millions)	43,892	43,582	0.7%
Passenger load factor (percent)	82.6	81.0	1.6pts
Passenger revenue (dollars in millions)	6,963	6,781	2.7%
Yield (cents)	19.20	19.21	—%
Passenger revenue per ASM (cents)	15.86	15.56	2.0%
Latin America			
Revenue passenger miles (millions)	8,085	7,490	7.9%
Available seat miles (millions)	10,239	9,775	4.7%
Passenger load factor (percent)	79.0	76.6	2.4pts
Passenger revenue (dollars in millions)	1,445	1,231	17.4%
Yield (cents)	17.87	16.43	8.7%
Passenger revenue per ASM (cents)	14.11	12.59	12.0%
Atlantic			
Revenue passenger miles (millions)	4,665	4,500	3.7%
Available seat miles (millions)	6,746	6,415	5.2%
Passenger load factor (percent)	69.2	70.1	(0.9)pts
Passenger revenue (dollars in millions)	669	624	7.2%
Yield (cents)	14.34	13.87	3.4%
Passenger revenue per ASM (cents)	9.92	9.73	2.0%
Pacific			
Revenue passenger miles (millions)	3,934	3,691	6.6%
Available seat miles (millions)	4,946	4,569	8.3%
Passenger load factor (percent)	79.5	80.8	(1.3)pts
Passenger revenue (dollars in millions)	403	361	11.6%
Yield (cents)	10.25	9.79	4.7%
Passenger revenue per ASM (cents)	8.15	7.91	3.1%
Total International			
Revenue passenger miles (millions)	16,684	15,681	6.4%
Available seat miles (millions)	21,931	20,759	5.6%
Passenger load factor (percent)	76.1	75.5	0.6pts
Passenger revenue (dollars in millions)	2,517	2,216	13.6%
Yield (cents)	15.09	14.13	6.7%
Passenger revenue per ASM (cents)	11.48	10.68	7.5%

(1) As previously discussed, on January 1, 2018, the Company adopted the New Revenue Standard and the New Retirement Standard. For additional information, see Note 1(b) to AAG's Condensed Consolidated Financial Statements in Part I, Item 1A of its first quarter 2018 Form 10-Q filed on April 26, 2018.

Note: Amounts may not recalculate due to rounding.

Reconciliation of GAAP Financial Information to Non-GAAP Financial Information

American Airlines Group Inc. (the “Company”) sometimes uses financial measures that are derived from the condensed consolidated financial statements but that are not presented in accordance with GAAP to understand and evaluate its current operating performance and to allow for period-to-period comparisons. The Company believes these non-GAAP financial measures may also provide useful information to investors and others. These non-GAAP measures may not be comparable to similarly titled non-GAAP measures of other companies, and should be considered in addition to, and not as a substitute for or superior to, any measure of performance, cash flow or liquidity prepared in accordance with GAAP. The Company is providing a reconciliation of reported non-GAAP financial measures to their comparable financial measures on a GAAP basis.

The tables below present the reconciliations of the following GAAP measures to their non-GAAP measures:

- Pre-Tax Income (GAAP measure) to Pre-Tax Income Excluding Special Items (non-GAAP measure)
- Pre-Tax Margin (GAAP measure) to Pre-Tax Margin Excluding Special Items (non-GAAP measure)
- Net Income (GAAP measure) to Net Income Excluding Special Items (non-GAAP measure)
- Basic and Diluted Earnings Per Share (GAAP measure) to Basic and Diluted Earnings Per Share Excluding Special Items (non-GAAP measure)
- Operating Income (GAAP measure) to Operating Income Excluding Special Items (non-GAAP measure)

Management uses these non-GAAP financial measures to evaluate the Company's current operating performance and to allow for period-to-period comparisons. As special items may vary from period-to-period in nature and amount, the adjustment to exclude special items allows management an additional tool to better understand the Company’s core operating performance.

Additionally, the tables below present the reconciliations of total operating costs (GAAP measure) to total operating costs excluding special items and fuel (non-GAAP measure). Management uses total operating costs excluding special items and fuel to evaluate the Company's current operating performance and for period-to-period comparisons. The price of fuel, over which the Company has no control, impacts the comparability of period-to-period financial performance. The adjustment to exclude aircraft fuel and special items allows management an additional tool to better understand and analyze the Company’s non-fuel costs and core operating performance.

	3 Months Ended March 31,		Percent
Reconciliation of Pre-Tax Income Excluding Special Items	2018	2017 (1)	Change
	(in millions)		
Pre-tax income as reported	$ 273	$ 535	
Pre-tax special items:			
Special items, net (2)	195	119	
Regional operating special items, net	—	2	
Nonoperating special items, net	—	5	
Total pre-tax special items	195	126	
Pre-tax income excluding special items	$ 468	$ 661	-29%
Calculation of Pre-Tax Margin			
Pre-tax income as reported	$ 273	$ 535	
Total operating revenues as reported	$ 10,401	$ 9,820	
Pre-tax margin	2.6%	5.4%	
Calculation of Pre-Tax Margin Excluding Special Items			
Pre-tax income excluding special items	$ 468	$ 661	
Total operating revenues as reported	$ 10,401	$ 9,820	
Pre-tax margin excluding special items	4.5%	6.7%	
Reconciliation of Net Income Excluding Special Items			
Net income as reported	$ 186	$ 340	
Special items:			
Total pre-tax special items (2)	195	126	
Income tax special items (3)	22	—	
Net tax effect of special items	(46)	(52)	
Net income excluding special items	$ 357	$ 414	-14%

Reconciliation of Basic and Diluted Earnings Per Share Excluding Special Items	3 Months Ended March 31, 2018	3 Months Ended March 31, 2017 [1]
	(in millions, except per share amounts)	
Net income excluding special items	$ 357	$ 414
Shares used for computation (in thousands):		
Basic	472,297	503,902
Diluted	474,598	507,797
Earnings per share excluding special items:		
Basic	$ 0.76	$ 0.82
Diluted	$ 0.75	$ 0.82

Reconciliation of Operating Income Excluding Special Items		
Operating income as reported	$ 431	$ 737
Special items:		
Special items, net [2]	195	119
Regional operating special items, net	—	2
Operating income excluding special items	$ 626	$ 858

Reconciliation of Total Operating Cost per ASM Excluding Special Items and Fuel	3 Months Ended March 31, 2018	3 Months Ended March 31, 2017 [1]
	(in millions)	
Total operating expenses as reported	$ 9,970	$ 9,083
Special items:		
Special items, net [2]	(195)	(119)
Regional operating special items, net	—	(2)
Total operating expenses, excluding special items	9,775	8,962
Fuel:		
Aircraft fuel and related taxes - mainline	(1,763)	(1,402)
Aircraft fuel and related taxes - regional	(398)	(318)
Total operating expenses, excluding special items and fuel	$ 7,614	$ 7,242
	(in cents)	
Total operating expenses per ASM as reported	15.15	14.12
Special items per ASM:		
Special items, net [2]	(0.30)	(0.18)
Total operating expenses per ASM, excluding special items	14.85	13.93
Fuel per ASM:		
Aircraft fuel and related taxes - mainline	(2.68)	(2.18)
Aircraft fuel and related taxes - regional	(0.60)	(0.49)
Total operating expenses per ASM, excluding special items and fuel	11.57	11.25

Note: Amounts may not recalculate due to rounding.

FOOTNOTES:

(1) As previously discussed, on January 1, 2018, the Company adopted the New Revenue Standard and the New Retirement Standard. For additional information, see Note 1(b) to AAG's Condensed Consolidated Financial Statements in Part I, Item 1A of its first quarter 2018 Form 10-Q filed on April 26, 2018.

(2) The 2018 first quarter mainline operating special items totaled a net charge of $195 million, which principally included $82 million of fleet restructuring expenses and $59 million of merger integration expenses.

The 2017 first quarter mainline operating special items totaled a net charge of $119 million, which principally included $63 million of fleet restructuring expenses and $63 million of merger integration expenses.

Fleet restructuring expenses principally included the acceleration of depreciation and impairments for aircraft and related equipment grounded or expected to be grounded earlier than planned. Merger integration expenses included costs associated with remaining integration projects, principally our flight attendant, human resources, payroll and technical operations integrations.

(3) Income tax special items included a $22 million charge to income tax expense to establish a required valuation allowance related to the Company's estimated refund for Alternative Minimum Tax (AMT) credits.

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

	March 31, 2018	December 31, 2017 [1]
	(unaudited)	
Assets		
Current assets		
Cash	$ 297	$ 295
Short-term investments	4,994	4,771
Restricted cash and short-term investments	294	318
Accounts receivable, net	1,809	1,752
Aircraft fuel, spare parts and supplies, net	1,455	1,359
Prepaid expenses and other	824	651
Total current assets	9,673	9,146
Operating property and equipment		
Flight equipment	40,662	40,318
Ground property and equipment	8,599	8,267
Equipment purchase deposits	1,231	1,217
Total property and equipment, at cost	50,492	49,802
Less accumulated depreciation and amortization	(16,159)	(15,646)
Total property and equipment, net	34,333	34,156
Other assets		
Goodwill	4,091	4,091
Intangibles, net	2,193	2,203
Deferred tax asset	1,581	1,816
Other assets	1,409	1,373
Total other assets	9,274	9,483
Total assets	$ 53,280	$ 52,785
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities		
Current maturities of long-term debt and capital leases	$ 2,793	$ 2,554
Accounts payable	1,953	1,688
Accrued salaries and wages	1,178	1,672
Air traffic liability	5,549	4,042
Loyalty program liability	3,176	3,121
Other accrued liabilities	2,359	2,281
Total current liabilities	17,008	15,358
Noncurrent liabilities		
Long-term debt and capital leases, net of current maturities	21,946	22,511
Pension and postretirement benefits	7,259	7,497
Loyalty program liability	5,610	5,701
Other liabilities	2,475	2,498
Total noncurrent liabilities	37,290	38,207
Stockholders' equity (deficit)		
Common stock	5	5
Additional paid-in capital	5,279	5,714
Accumulated other comprehensive loss	(5,172)	(5,154)
Accumulated deficit	(1,130)	(1,345)
Total stockholders' deficit	(1,018)	(780)
Total liabilities and stockholders' equity (deficit)	$ 53,280	$ 52,785

(1) As previously discussed, on January 1, 2018, the Company adopted the New Revenue Standard and the New Retirement Standard. For additional information, see Note 1(b) to AAG's Condensed Consolidated Financial Statements in Part I, Item 1A of its first quarter 2018 Form 10-Q filed on April 26, 2018.

Exhibit 99.2

Investor Relations Update
April 26, 2018

General Overview

- **Revenue -** The company expects its second quarter total revenue per available seat mile (TRASM) to be up approximately 1.5 to 3.5 percent year-over-year.

- **Fuel -** Based on the April 20, 2018 forward curve, the company expects to pay an average of between $2.18 and $2.23 per gallon of consolidated jet fuel (including taxes) in the second quarter. Forecasted volume and fuel prices are provided in the following pages.

- **CASM -** Consistent with previous guidance, consolidated CASM excluding fuel and special items is expected to be up approximately 2.0 percent[1] in 2018. Second quarter consolidated CASM excluding fuel and special items is expected to be up approximately 3.5 percent[1] year-over-year due primarily to higher salaries and benefits for our team members, higher revenue-related expenses, increased rent and landing fees, higher depreciation and amortization resulting from increased capex and a timing shift of certain maintenance expenses from the first quarter.

  The company continues to expect its 2019 and 2020 CASM excluding fuel, special items and new labor agreements each to be up approximately 1.0 to 2.0 percent year-over-year.

- **Capacity -** Consistent with previous guidance, 2018 total system capacity is expected to be up 2.5 percent vs. 2017 on a schedule-over-schedule basis. Actual capacity growth will be slightly higher due to the year-over-year impact of the flight cancellations resulting from two consecutive hurricanes that hit Florida and the Caribbean in September 2017 (assuming no similar events in 2018). Growth is driven by utilization (~2.0 pts), expected completion factor (~0.5 pts) and increased gauge (~0.5 pts). Domestic capacity is expected to be up approximately 3.0 percent year-over-year and international capacity is expected to be up approximately 2.5 percent year-over-year.

- **Liquidity -** As of March 31, 2018, the company had approximately $7.8 billion in total available liquidity, comprised of unrestricted cash and investments of $5.3 billion and $2.5 billion in undrawn revolver capacity. The company also had a restricted cash position of $294 million.

- **Capital Expenditures -** The company expects to spend $3.7 billion in capex in 2018, including $1.9 billion in aircraft and $1.8 billion in non-aircraft capex. The company also expects to spend $2.5 billion in aircraft and $1.8 billion in non-aircraft capex in 2019 and $1.7 billion in aircraft and $1.6 billion in non-aircraft capex in 2020.

- **Taxes -** As of December 31, 2017, the company had approximately $10.0 billion of federal net operating losses (NOLs) and $3.4 billion of state NOLs, substantially all of which are expected to be available in 2018 to reduce future federal and state taxable income. The company expects to recognize a provision for income taxes in 2018 at an effective rate of approximately 24 percent, which will be substantially non-cash.

- **Pre-tax Margin and EPS -** Based on the assumptions outlined above, the company expects its second quarter pre-tax margin excluding special items to be approximately 7.5 to 9.5 percent[1]. In addition, due to an increase in fuel expense of approximately $0.62 per share since we gave our initial guidance on January 25, 2018, the company now expects to report full year 2018 earnings per diluted share excluding special items of between $5.00 and $6.00[1].

Notes:

1. *The company is unable to reconcile certain forward-looking projections to GAAP as the nature or amount of special items cannot be determined at this time.*

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

American Airlines

Financial Update
April 26, 2018

Financial Comments

- All operating expenses are presented on a consolidated basis.
- Second quarter consolidated CASM excluding fuel and special items is expected to be up approximately 3.5 percent[1] in the second quarter due primarily to higher salaries and benefits for our team members, higher revenue-related expenses, increased rent and landing fees, higher depreciation and amortization resulting from increased capex and a timing shift of certain maintenance expenses from the first quarter.

	1Q18A	2Q18E	3Q18E	4Q18E	FY18E[2]
Consolidated Guidance[1]					
Available Seat Miles (ASMs) (bil)	65.8	~73.1	~75.9	~69.1	~283.9
Cargo Revenues ($ mil)[3]	227	~250	~250	~270	~997
Other Revenues ($ mil)[3]	694	~670	~695	~690	~2,749
Average Fuel Price (incl. taxes) ($/gal) (as of 4/20/2018)	2.10	2.18 to 2.23	2.19 to 2.24	2.17 to 2.22	2.16 to 2.21
Fuel Gallons Consumed (mil)	1,030	~1,152	~1,198	~1,104	~4,484
CASM ex fuel and special items (YOY % change)[4]	11.57	+2.5% to +4.5%	+0.5% to +2.5%	+0% to +2%	+1% to +3%
Interest Income ($ mil)	(25)	~(26)	~(26)	~(27)	~(104)
Interest Expense ($ mil)	265	~272	~269	~267	~1,073
Other Non-Operating (Income)/Expense ($ mil)[5]	(82)	~(77)	~(76)	~(76)	~(311)
CAPEX Guidance ($ mil) Inflow/(Outflow)					
Non-Aircraft CAPEX	(386)	~(471)	~(471)	~(471)	~(1,800)
Gross Aircraft CAPEX & net PDPs	(393)	~(410)	~(651)	~(455)	~(1,909)
Assumed Aircraft Financing	210	~221	~718	~436	~1,585
Net Aircraft CAPEX & PDPs[2]	(183)	~(189)	~67	~(19)	~(324)

Notes:

1. *Includes guidance on certain non-GAAP measures, which exclude special items. The company is unable to reconcile certain forward-looking projections to GAAP as the nature or amount of special items cannot be determined at this time. Please see the GAAP to non-GAAP reconciliation at the end of this document.*
2. *Numbers may not recalculate due to rounding.*
3. *Cargo/Other revenue includes cargo revenue, loyalty program revenue, and contract services.*
4. *CASM ex fuel and special items is a non-GAAP financial measure.*
5. *Other Non-Operating (Income)/Expense primarily includes non-service related pension and retiree medical benefit income/costs, gains and losses from foreign currency, and income/loss from the company's approximate 25% ownership interest in Republic Airways Holdings Inc.*

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

Fleet Update
April 26, 2018

Fleet Comments

- On April 6, 2018, the company announced that it had agreed with Airbus to terminate its order for 22 A350 aircraft, which were originally scheduled for delivery in 2020 - 2024. In addition, the company announced that it had agreed to acquire an additional 47 Boeing 787 aircraft, with deliveries scheduled to commence in 2020 and continue through 2026. The company also entered into an agreement with Boeing to defer the delivery of 40 B738 MAX aircraft, scheduled for delivery in 2020 - 2022. These aircraft are now scheduled to be delivered in 2025 and 2026.
- In 2018, the company expects to take delivery of 22 mainline aircraft comprised of 16 B738 MAX aircraft and 6 B789 aircraft. The company also expects to retire 19 MD80 mainline aircraft.
- In 2018, the company expects to reduce the regional fleet count by a net of 4 aircraft, resulting from the addition of 9 CRJ700 aircraft, 6 E175 aircraft and 28 ERJ140 aircraft, as well as the reduction of 33 CRJ200 aircraft, 3 Dash 8-100 aircraft and 11 Dash 8-300 aircraft.

Active Mainline Year Ending Fleet Count

	2017A	2018E	2019E	2020E
A319	125	125	125	125
A320	48	48	48	48
A321	219	219	219	219
A321neo	-	-	22	47
A332	15	15	15	15
A333	9	9	9	9
B738	304	304	304	284
B738 MAX	4	20	40	50
B757	34	34	34	24
B763	24	24	18	5
B772	47	47	47	47
B773	20	20	20	20
B788	20	20	20	32
B789	14	20	22	22
E190	20	20	-	-
MD80	45	26	-	-
	948	**951**	**943**	**947**

Active Regional Year Ending Fleet Count[1]

	2017A	2018E	2019E	2020E
CRJ200	68	35	35	35
CRJ700	110	119	111	111
CRJ900	118	118	118	118
DASH 8-100	3	-	-	-
DASH 8-300	11	-	-	-
E175	148	154	159	159
ERJ140	21	49	49	49
ERJ145	118	118	118	118
	597	**593**	**590**	**590**

Notes:

1. *At the end of the first quarter, the company had 23 ERJ140 regional aircraft in temporary storage, which are not included in the active regional ending fleet count.*

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

Shares Outstanding
April 26, 2018

Shares Outstanding Comments

- The estimated weighted average shares outstanding for 2018 are listed below.
- On April 25, 2018, the company's Board authorized a new $2.0 billion share repurchase program to expire by the end of 2020. This brings the total amount authorized for share repurchase programs to $13.0 billion since the merger. All repurchase programs had been fully expended as of March 31, 2018.
- In the first quarter of 2018, the company repurchased 8.4 million shares at a cost of $450 million. Including share repurchases, shares withheld to cover taxes associated with employee equity awards and share distributions, and the cash extinguishment of convertible debt, the company's share count has dropped 38 percent from 756.1 million shares at merger close to 467.4 million shares outstanding on March 31, 2018.

2018 Shares Outstanding (shares mil)[1]

	Shares	
For Q2	**Basic**	**Diluted**
Earnings	468	470
Net loss	468	468

	Shares	
For Q3-Q4 Average	**Basic**	**Diluted**
Earnings	468	470
Net loss	468	468

	Shares	
For FY 2018 Average	**Basic**	**Diluted**
Earnings	469	471
Net loss	469	469

Notes:

1. *Shares outstanding are based upon several estimates and assumptions, including average per share stock price and stock award activity and does not assume any future share repurchases. The number of shares in actual calculations of earnings per share will likely be different from those set forth above.*

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

GAAP to Non-GAAP Reconciliation
April 26, 2018

The company sometimes uses financial measures that are derived from the consolidated financial statements but that are not presented in accordance with GAAP to understand and evaluate its current operating performance and to allow for period-to-period comparisons. The company believes these non-GAAP financial measures may also provide useful information to investors and others. These non-GAAP measures may not be comparable to similarly titled non-GAAP measures of other companies, and should be considered in addition to, and not as a substitute for or superior to, any measure of performance, cash flow or liquidity prepared in accordance with GAAP. The company is providing a reconciliation of reported non-GAAP financial measures to their comparable financial measures on a GAAP basis. The table below presents the reconciliation of total operating costs (GAAP measure) to total operating costs excluding special items and fuel (non-GAAP measure). Management uses total operating costs excluding special items and fuel to evaluate the company's current operating performance and for period-to-period comparisons. The price of fuel, over which the company has no control, impacts the comparability of period-to-period financial performance. Additionally, special items may vary from period-to-period in nature and amount. These adjustments to exclude aircraft fuel and special items allow management an additional tool to better understand and analyze the company's non-fuel costs and core operating performance. Additionally, the table below presents the reconciliation of other non-operating expense (GAAP measure) to other non-operating expense excluding special items (non-GAAP measure). Management uses this non-GAAP financial measure to evaluate the company's current performance and to allow for period-to-period comparisons. As special items may vary from period-to-period in nature and amount, the adjustment to exclude special items allows management an additional tool to better understand the company's core operating performance.

American Airlines Group Inc. GAAP to Non-GAAP Reconciliation
($ mil except ASM and CASM data)

	1Q18	2Q18 Range		3Q18 Range		4Q18 Range		FY18 Range	
	Actual	Low	High	Low	High	Low	High	Low	High
Consolidated[1]									
Consolidated operating expenses	$ 9,970	$ 10,431	$ 10,643	$ 10,641	$ 10,860	$ 10,232	$ 10,444	$ 41,141	$ 41,933
Less fuel expense	2,161	2,511	2,569	2,624	2,684	2,396	2,451	9,692	9,864
Less special items	195	—	—	—	—	—	—	195	195
Consolidated operating expense excluding fuel and special items	7,614	7,920	8,074	8,017	8,177	7,836	7,993	31,255	31,873
Consolidated CASM (cts)	15.15	14.27	14.56	14.02	14.31	14.81	15.11	14.49	14.77
Consolidated CASM excluding fuel and special items (Non-GAAP) (cts)	11.57	10.83	11.05	10.56	10.77	11.34	11.57	11.01	11.23
YOY (%)	*2.8%*	*2.5%*	*4.5%*	*0.5%*	*2.5%*	*0.0%*	*2.0%*	*1.0%*	*3.0%*
Consolidated ASMs (bil)	65.8	73.1	73.1	75.9	75.9	69.1	69.1	283.9	283.9
Other non-operating (income)/expense[1]									
Other non-operating (income)/expense	$ (82)	$ (77)	$ (77)	$ (76)	$ (76)	$ (76)	$ (76)	$ (311)	$ (311)
Less special items	—	—	—	—	—	—	—	—	—
Other non-operating (income)/expense excluding special items	(82)	(77)	(77)	(76)	(76)	(76)	(76)	(311)	(311)

Notes: Amounts may not recalculate due to rounding.

1. *Certain of the guidance provided excludes special items. The company is unable to fully reconcile such forward-looking guidance to the corresponding GAAP measure because the full nature and amount of the special items cannot be determined at this time. Special items for this period may include, among others, merger integration expenses and fleet restructuring expenses.*

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

Forward Looking Statements
April 26, 2018

Cautionary Statement Regarding Forward-Looking Statements

This document includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements may be identified by words such as “may,” “will,” “expect,” “intend,” “anticipate,” “believe,” “estimate,” “plan,” “project,” “could,” “should,” “would,” “continue,” “seek,” “target,” “guidance,” “outlook,” “if current trends continue,” “optimistic,” “forecast” and other similar words. Such statements include, but are not limited to, statements about future financial and operating results, the company’s plans, objectives, estimates, expectations and intentions, and other statements that are not historical facts. These forward-looking statements are based on the company’s current objectives, beliefs and expectations, and they are subject to significant risks and uncertainties that may cause actual results and financial position and timing of certain events to differ materially from the information in the forward-looking statements. These risks and uncertainties include, but are not limited to, those set forth in the company’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2018 (especially in Part I, Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations, and Part II, Item 1A. Risk Factors) and other risks and uncertainties listed from time to time in the company’s other filings with the Securities and Exchange Commission. There may be other factors of which the company is not currently aware that may affect matters discussed in the forward-looking statements and may also cause actual results to differ materially from those discussed. The company does not assume any obligation to publicly update or supplement any forward-looking statement to reflect actual results, changes in assumptions or changes in other factors affecting these forward-looking statements other than as required by law. Any forward-looking statements speak only as of the date hereof or as of the dates indicated in the statements.