

AMR CORP  
Form 8-K  
March 22, 2010

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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: March 22, 2010

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

|                                      |                                    |                                                    |
|--------------------------------------|------------------------------------|----------------------------------------------------|
| Delaware<br>(State of Incorporation) | 1-8400<br>(Commission File Number) | 75-1825172<br>(IRS Employer Identification<br>No.) |
|--------------------------------------|------------------------------------|----------------------------------------------------|

|                                                                       |                   |                     |
|-----------------------------------------------------------------------|-------------------|---------------------|
| 4333 Amon Carter<br>Blvd.<br>(Address of principal executive offices) | Fort Worth, Texas | 76155<br>(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))
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Item 8.01 Other Events

AMR Corporation is filing herewith its Eagle Eye communication to investors. This document includes (a) actual unit cost, fuel price, capacity and traffic information for January and February and (b) forecasts of unit cost, revenue performance, fuel prices and fuel hedging, capacity and traffic estimates, liquidity expectations, other income/expense estimates and share count.

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SIGNATURE

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

AMR CORPORATION

/s/ Kenneth W. Wimberly  
Kenneth W. Wimberly  
Corporate Secretary

Dated: March 22, 2010

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AMR EAGLE EYE

March 22, 2010

Statements in this report contain various forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which represent the Company's expectations or beliefs concerning future events. When used in this document, the words “expects”, “plans,” “anticipates,” “indicates,” “believes,” “forecast,” “guidance,” “outlook”, “may,” “will,” “should”, “s” similar expressions are intended to identify forward-looking statements. Similarly, statements that describe our objectives, plans or goals, or actions we may take in the future are forward-looking statements. Forward-looking statements include, without limitation, the Company's expectations concerning operations and financial conditions, including changes in capacity, revenues, and costs; future financing plans and needs; the amounts of the Company's unencumbered assets and other sources of liquidity; fleet plans; overall economic and industry conditions; plans and objectives for future operations; regulatory approvals and actions, including the Company's application for antitrust immunity with other oneworld alliance members; and the impact on the Company of its results of operations in recent years and the sufficiency of its financial resources to absorb that impact. Other forward-looking statements include statements which do not relate solely to historical facts, such as, without limitation, statements which discuss the possible future effects of current known trends or uncertainties, or which indicate that the future effects of known trends or uncertainties cannot be predicted, guaranteed or assured. All forward-looking statements in this report are based upon information available to the Company on the date of this report. The Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise. This document includes forecasts of unit cost and revenue performance, fuel prices and fuel hedging, capacity and traffic estimates, other income/expense estimates, share count, and statements regarding the Company's liquidity, each of which is a forward-looking statement. Forward-looking statements are subject to a number of factors that could cause the Company's actual results to differ materially from the Company's expectations. The following factors, in addition to other possible factors not listed, could cause the Company's actual results to differ materially from those expressed in forward-looking statements: the materially weakened financial condition of the Company, resulting from its significant losses in recent years; weaker demand for air travel and lower investment asset returns resulting from the severe global economic downturn; the Company's need to raise substantial additional funds and its ability to do so on acceptable terms; the ability of the Company to generate additional revenues and reduce its costs; continued high and volatile fuel prices and further increases in the price of fuel, and the availability of fuel; the Company's substantial indebtedness and other obligations; the ability of the Company to satisfy covenants and conditions in certain of its financing and other agreements; changes in economic and other conditions beyond the Company's control, and the volatile results of the Company's operations; the fiercely and increasingly competitive business environment faced by the Company; potential industry consolidation and alliance changes; competition with reorganized carriers; low fare levels by historical standards and the Company's reduced pricing power; changes in the Company's corporate or business strategy; government regulation of the Company's business; conflicts overseas or terrorist attacks; uncertainties with respect to the Company's international operations; outbreaks of a disease (such as the H1N1 virus, SARS or avian flu) that affects travel behavior; labor costs that are higher than those of the Company's competitors; uncertainties with respect to the Company's relationships with unionized and other employee work groups; increased insurance costs and potential reductions of available insurance coverage; the Company's ability to retain key management personnel; potential failures or disruptions of the Company's computer, communications or other technology systems; losses and adverse publicity resulting from any accident involving the Company's aircraft; changes in the price of the Company's common stock; and the ability of the Company to reach acceptable agreements with third parties. Additional information concerning these and other factors is contained in the Company's Securities and Exchange Commission filings, including but not limited to the Company's Annual Report on Form 10-K for the year ended December 31, 2009.

This Eagle Eye provides updated guidance for the first quarter and the full year 2010.

Performance Update

Costs: Unit cost forecasts are attached.

Revenue: First quarter mainline unit revenue is expected to increase between 6.5% and 7.5% year over year while first quarter consolidated unit revenue is expected to increase between 6.8% and 7.8%. In total, Cargo and Other Revenue is anticipated to increase between 4.1% and 5.1% relative to first quarter 2009.

Liquidity: AMR expects to end the first quarter with a cash and short-term investment balance of approximately \$4.9 billion, including approximately \$460 million in restricted cash and short-term investments.

Christopher Ducey  
 Managing Director, Investor Relations

AMR EAGLE EYE

Fuel Forecast (based on 3/8/2010  
 market prices)

Fuel Hedge Position:

1Q10: 30% hedged with an average cap of \$2.54 (\$99 crude equivalent) with 27% subject to a floor of \$1.83 (\$69 crude equivalent)  
 2010: 30% hedged with an average cap of \$2.45 (\$94 crude equivalent) with 29% subject to a floor of \$1.81 (\$67 crude equivalent)

AMR Fuel Price (Including Effective Hedges and Taxes) and  
 Consumption

|                            | Actual |       |       | Forecast |         |
|----------------------------|--------|-------|-------|----------|---------|
|                            | Jan    | Feb   | Mar   | 1Q10     | 2010    |
| Fuel Price (dollars/gal)   | 2.27   | 2.21  | 2.29  | 2.26     | 2.33    |
| Fuel Consumption (MM gals) | 227.8  | 201.5 | 231.4 | 660.7    | 2,766.1 |

Unit Cost Forecast (cents)

AMR Consolidated Cost per ASM

|                                                          | Actual |       |       | Forecast |       |
|----------------------------------------------------------|--------|-------|-------|----------|-------|
|                                                          | Jan    | Feb   | Mar   | 1Q10     | 2010  |
| AMR Cost per ASM                                         | 13.56  | 14.11 | 13.22 | 13.61    | 13.24 |
| AMR Cost per ASM<br>(ex-special items) 1/ 2/             | 13.17  | 14.11 | 13.22 | 13.47    | 13.21 |
| AMR Cost per ASM<br>(ex-fuel and special<br>items) 1/ 2/ | 9.38   | 10.40 | 9.39  | 9.69     | 9.31  |

American Mainline Cost per ASM

|                                             | Actual |       |       | Forecast |       |
|---------------------------------------------|--------|-------|-------|----------|-------|
|                                             | Jan    | Feb   | Mar   | 1Q10     | 2010  |
| AA Cost per ASM                             | 12.92  | 13.44 | 12.59 | 12.96    | 12.63 |
| AA Cost per ASM<br>(ex-special items) 1/ 2/ | 12.50  | 13.44 | 12.59 | 12.82    | 12.60 |
|                                             | 8.82   | 9.85  | 8.89  | 9.16     | 8.85  |

AA Cost per ASM  
(ex-fuel and special  
items) 1/ 2/

Notes: 1Q10 unit cost increase in ex-fuel and special items unit cost versus previous guidance is due to cost headwinds associated with weather and natural disasters, the phasing of maintenance events and planned asset sales, foreign exchange expense, and revenue-related expenses. We expect unit costs for 2Q10 through 4Q10 to be consistent with previous guidance.

1/ The Company believes that unit costs excluding fuel and/or special items is a useful measurement to investors in monitoring the Company's ongoing cost performance.

2/ As previously disclosed, the Company expects to have special items of approximately \$53 million in the first quarter related to the devaluation by the Venezuelan Government of its currency from 2.15 bolivars per U.S. dollar to 4.30 bolivars per U.S. dollar. The Company does not expect any significant ongoing impact of the currency devaluation, but there can be no assurances to that effect.

Capacity and Traffic Forecast  
(millions)

AA Mainline Operations

|               | Actual |        |        | Forecast |         |
|---------------|--------|--------|--------|----------|---------|
|               | Jan    | Feb    | Mar    | 1Q10     | 2010    |
| ASMs          | 12,709 | 11,188 | 12,866 | 36,763   | 153,276 |
| Domestic      | 7,847  | 6,932  | 8,011  | 22,789   | 92,694  |
| International | 4,862  | 4,256  | 4,855  | 13,974   | 60,582  |
| Traffic       | 9,678  | 8,443  | 10,508 | 28,629   | 124,817 |

Regional Affiliate Operations

|         | Actual |     |     | Forecast |        |
|---------|--------|-----|-----|----------|--------|
|         | Jan    | Feb | Mar | 1Q10     | 2010   |
| ASMs    | 951    | 840 | 977 | 2,768    | 12,336 |
| Traffic | 602    | 558 | 699 | 1,859    | 8,899  |

Below the Line Income/Expenses &  
Taxes

Total Other Income(Expense) is estimated at (\$206) million in the first quarter of 2010.

AMR EAGLE EYE

Share Count (millions)

| 1Q10                  | Basic | Diluted |
|-----------------------|-------|---------|
| Earnings              |       |         |
| \$54 million and over | 333   | 392     |
| \$0-\$53 million      | 333   | 345     |
| Loss                  | 333   | 333     |

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|                        |       |         |
|------------------------|-------|---------|
| FY2010                 |       |         |
| Earnings               | Basic | Diluted |
| \$213 million and over | 333   | 392     |
| \$0-212 million        | 333   | 345     |
| Loss                   | 333   | 333     |

Reconciliation to GAAP

|                                              | Jan   | Actual<br>Feb | Mar   | Forecast<br>1Q10 | 2010  |
|----------------------------------------------|-------|---------------|-------|------------------|-------|
| Cents                                        |       |               |       |                  |       |
| AMR CASM                                     | 13.56 | 14.11         | 13.22 | 13.61            | 13.24 |
| Special Items CASM                           | 0.39  | -             | -     | 0.14             | 0.03  |
| AMR CASM Excluding<br>Special Items          | 13.17 | 14.11         | 13.22 | 13.47            | 13.21 |
| Fuel CASM                                    | 3.79  | 3.71          | 3.83  | 3.78             | 3.90  |
| AMR CASM Excluding<br>Fuel and Special Items | 9.38  | 10.40         | 9.39  | 9.69             | 9.31  |

|                                             | Jan   | Actual<br>Feb | Forecast<br>Mar | Forecast<br>1Q10 | 2010  |
|---------------------------------------------|-------|---------------|-----------------|------------------|-------|
| Cents                                       |       |               |                 |                  |       |
| AA CASM                                     | 12.92 | 13.44         | 12.59           | 12.96            | 12.63 |
| Special Items CASM                          | 0.42  | -             | -               | 0.14             | 0.03  |
| AA CASM Excluding<br>Special Items          | 12.50 | 13.44         | 12.59           | 12.82            | 12.60 |
| Fuel CASM                                   | 3.68  | 3.59          | 3.70            | 3.66             | 3.75  |
| AA CASM Excluding<br>Fuel and Special Items | 8.82  | 9.85          | 8.89            | 9.16             | 8.85  |