

AMERICAN AIRLINES INC  
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

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:

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- 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

American Airlines, Inc. is filing herewith its Eagle Eye communication to investors by its parent company, AMR Corporation. 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.

American Airlines, Inc.

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

Dated: March 22, 2010

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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 (ex-special items) 1/ 2/	13.17	14.11	13.22	13.47	13.21
AMR Cost per ASM (ex-fuel and special 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 (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

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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

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

Reconciliation to GAAP

	Jan	Actual Feb	Mar	Forecast 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 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 Fuel and Special Items	9.38	10.40	9.39	9.69	9.31

	Jan	Actual Feb	Forecast Mar	Forecast 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 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 Fuel and Special Items	8.82	9.85	8.89	9.16	8.85