

AMERICAN AIRLINES INC
Form 424B5
January 04, 2017
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Registration No. 333-194685-01

The information in this preliminary prospectus supplement and the accompanying prospectus is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and we are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JANUARY 4, 2017

PROSPECTUS SUPPLEMENT TO PROSPECTUS DATED MARCH 19, 2014

\$592,496,000

2017-1 Pass Through Trusts

Pass Through Certificates, Series 2017-1

American Airlines, Inc. is creating two separate pass through trusts that will issue American Airlines, Inc. Class AA and Class A Pass Through Certificates, Series 2017-1. American Airlines, Inc. may offer Class B Pass Through Certificates, Series 2017-1 on or after the date of this prospectus supplement, pursuant to a separate prospectus supplement or a separate offering memorandum (each referred to as "offering materials"), in addition to any other additional classes of American Airlines, Inc. Pass Through Certificates, Series 2017-1 that may subsequently be offered, as provided herein. Neither any Class B Pass Through Certificates nor any other additional classes of certificates are being offered pursuant to this prospectus supplement. A separate trust will be established for each class of certificates that are issued.

The Class AA Certificates and Class A Certificates will represent interests in the assets of the related pass through trust. The proceeds from the sale of the Class AA Certificates and Class A Certificates will initially be held in escrow and will thereafter be used by the pass through trusts to acquire the related series of equipment notes to be issued by American on a full recourse basis. Payments on the equipment notes held in each pass through trust will be passed through to the holders of the Certificates of such trust. Distributions on the Class AA Certificates and Class A Certificates will be subject to certain subordination provisions described herein. The Class AA Certificates and Class A Certificates do not represent interests in American or any of its affiliates and do not represent obligations of any of American's affiliates.

Subject to the distribution provisions described herein, the Class AA Certificates will rank generally senior to the Class A Certificates and any Class B Certificates that may be issued; the Class A Certificates will rank generally junior to the Class AA Certificates and will rank generally senior to any Class B Certificates that may be issued; and any Class B Certificates that may be issued will rank generally junior to the Class AA Certificates and the Class A Certificates.

The equipment notes expected to be held by the pass through trust for the Class AA Certificates, the pass through trust for the Class A Certificates and, if applicable, the pass through trust for any Class B Certificates, will be issued to finance the following 18 aircraft: (a) seven Airbus A321-231S aircraft newly manufactured and scheduled for delivery to American from January 2017 to April 2017, (b) three Boeing 737-800 aircraft newly manufactured and scheduled for delivery to American from March 2017 to May 2017, (c) two Boeing 787-8 aircraft newly manufactured and scheduled for delivery to American in February 2017 and March 2017, (d) one Boeing 787-9 aircraft newly manufactured and scheduled for delivery to American in January 2017 and (e) five Embraer ERJ 175 LR aircraft newly manufactured and scheduled for delivery to American from February 2017 to April 2017. The equipment notes issued for each aircraft will be secured by a security interest in all such aircraft. Interest on the issued and outstanding equipment notes expected to be held by each pass through trust will be payable semiannually on February 15 and August 15 of each year, commencing on August 15, 2017, and principal on such equipment notes is scheduled for payment on February 15 and August 15 of each year, commencing on February 15, 2018.

Citibank, N.A. will provide a separate liquidity facility for each of the Class AA Certificates and Class A Certificates, in each case in an amount sufficient to make three semiannual interest distributions on the outstanding balance of the Certificates of such Class. Any Class B Certificates, if issued, may have the benefit of a liquidity facility as described in the offering materials for such class of certificates.

The Certificates will not be listed on any national securities exchange.

Investing in the Certificates involves risks. See Risk Factors beginning on page S-26.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

| | Aggregate Face Amount | Interest Rate | Final Expected Distribution Date | Price to Public(1) |
|----------------------------------|------------------------------|----------------------|---|---------------------------|
| Pass Through Certificates | | | | |
| Class AA | \$404,943,000 | % | February 15, 2029 | % |
| Class A | \$187,553,000 | % | February 15, 2029 | % |

(1) Plus accrued interest, if any, from the date of issuance.

The underwriters will purchase all of the Class AA Certificates and the Class A Certificates if any are purchased. The aggregate proceeds from the sale of the Class AA Certificates and the Class A Certificates will be \$592,496,000. American will pay the underwriters a commission of \$. Delivery of the Class AA Certificates and the Class A Certificates in book-entry form will be made on or about , 2017 against payment in immediately available funds.

Joint Structuring Agents and Lead Bookrunners

Credit Suisse

Citigroup
Joint Bookrunners

Deutsche Bank Securities

Goldman, Sachs & Co.

BofA Merrill Lynch

BNP Paribas

Barclays

Credit Agricole Securities
Prospectus Supplement dated January , 2017.

ICBC

Morgan Stanley

J.P. Morgan

US Bancorp

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We have not, and Credit Suisse Securities (USA) LLC, Citigroup Global Markets Inc., Deutsche Bank Securities Inc., Goldman, Sachs & Co., Morgan Stanley & Co. LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Barclays Capital Inc., J.P. Morgan Securities LLC, BNP Paribas Securities Corp., Credit Agricole Securities (USA) Inc., ICBC Standard Bank Plc and U.S. Bancorp Investments, Inc. (the *Underwriters*) have not, authorized anyone to provide you with information other than the information contained in this prospectus supplement, the accompanying prospectus, any related free writing prospectus issued by us (which we refer to as a *company free writing prospectus*) and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus or to which we have referred you. This prospectus supplement, the accompanying prospectus and any related company free writing prospectus do not constitute an offer to sell, or a solicitation of an offer to purchase, the securities offered by this prospectus supplement, the accompanying prospectus and any related company free writing prospectus in any jurisdiction to or from any person to whom or from whom it is unlawful to make such offer or solicitation of an offer in such jurisdiction. You should not assume that the information contained in this prospectus supplement, the accompanying prospectus and any related company free writing prospectus or any document incorporated by reference is accurate as of any date other than the date on the front cover of the applicable document. Neither the delivery of this prospectus supplement, the accompanying prospectus and any related company free writing prospectus nor any distribution of securities pursuant to this prospectus supplement and the accompanying prospectus shall, under any circumstances, create any implication that there has been no change in our business, financial condition, results of operations or prospects, or in the affairs of the Trusts, the Depositary or the Liquidity Provider, since the date of this prospectus supplement.

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PRESENTATION OF INFORMATION

These offering materials consist of two documents: (a) this prospectus supplement, which describes the terms of the American Airlines, Inc. Class AA and Class A Pass Through Certificates, Series 2017-1 (collectively, the *Certificates*, and each, a *Certificate*) that we are currently offering, and (b) the accompanying prospectus, which provides general information about us and our pass through certificates, some of which may not apply to the Certificates that we are currently offering. The information in this prospectus supplement replaces any inconsistent information included in the accompanying prospectus. To the extent the description of this offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information contained in or incorporated by reference in this prospectus supplement. See *About this Prospectus* in the accompanying prospectus.

In this prospectus supplement, unless otherwise specified, references to *American*, the *Company*, *we*, *us* and *our* to American Airlines, Inc.; references to *AAG* refer to our parent, American Airlines Group Inc.; and references to *AMR* refer to AAG during the period of time prior to its acquisition of US Airways Group, Inc. (*US Airways Group*).

We have given certain capitalized terms specific meanings for purposes of this prospectus supplement. The *Index of Defined Terms* attached as Appendix I to this prospectus supplement lists the page in this prospectus supplement on which we have defined each such term.

At varying places in this prospectus supplement, we refer you to other sections for additional information by indicating the caption heading of such other sections. The page on which each principal caption included in this prospectus supplement can be found is listed in the foregoing Table of Contents. All such cross-references in this prospectus supplement are to captions contained in this prospectus supplement and not the accompanying prospectus, unless otherwise stated.

Table of Contents**SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

Certain of the statements contained in this prospectus supplement, the accompanying prospectus, any related company free writing prospectus and the documents incorporated by reference herein and therein represent our expectations or beliefs concerning future events and 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, continue, seek, target, guidance, outlook, if current trends continue, optimistic, forecast and other similar statements include, but are not limited to, statements about the benefits of the merger of AMR Merger Sub, Inc. (*Merger Sub*) with and into US Airways Group, with US Airways Group surviving as a wholly-owned subsidiary of AMR (the *Merger*) pursuant to that certain Agreement and Plan of Merger, dated as of February 13, 2013, by and among AMR, Merger Sub and US Airways Group (as amended, the *Merger Agreement*), including future financial and operating results, our plans, objectives, expectations and intentions, and other statements that are not historical facts, such as, without limitation, statements that 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. 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 described below under Risk Factors and the following: significant operating losses in the future; downturns in economic conditions that adversely affect our business; the impact of continued periods of high volatility in fuel costs, increased fuel prices and significant disruptions in the supply of aircraft fuel; competitive practices in the industry, including the impact of low-cost carriers, airline alliances and industry consolidation; the challenges and costs of integrating operations and realizing anticipated synergies and other benefits of the Merger; costs of ongoing data security compliance requirements and the impact of any significant data security breach; our substantial indebtedness and other obligations and the effect they could have on our business and liquidity; an inability to obtain sufficient financing or other capital to operate successfully and in accordance with our current business plan; increased costs of financing, a reduction in the availability of financing and fluctuations in interest rates; the effect our high level of fixed obligations may have on our ability to fund general corporate requirements, obtain additional financing and respond to competitive developments and adverse economic and industry conditions; our significant pension and other postretirement benefit funding obligations; the impact of any failure to comply with the covenants contained in financing arrangements; provisions in credit card processing and other commercial agreements that may materially reduce our liquidity; the impact of union disputes, employee strikes and other labor-related disruptions; any inability to maintain labor costs at competitive levels; interruptions or disruptions in service at one or more of our hub airports; any inability to obtain and maintain adequate facilities, infrastructure and landing and take-off rights and authorizations (*slots*) to operate our flight schedule and expand or change our route network; our reliance on third-party regional operators or third-party service providers that have the ability to affect our revenue and the public's perception about our services; any inability to effectively manage the costs, rights and functionality of third-party distribution channels on which we rely; extensive government regulation, which may result in increases in our costs, disruptions to our operations, limits on our operating flexibility, reductions in the demand for air travel, and competitive disadvantages; the impact of the heavy taxation on the airline industry; changes to our business model that may not successfully increase revenues and may cause operational difficulties or decreased demand; the loss of key personnel or inability to attract and retain additional qualified personnel; the impact of conflicts overseas, terrorist attacks and ongoing security concerns; the global scope of our business and any associated economic and political instability or adverse effects of events, circumstances or government actions beyond our control, including the impact of foreign currency exchange rate fluctuations and limitations on the repatriation of cash held in foreign countries; the impact of environmental and noise regulation; the impact associated with climate change, including increased regulation to reduce emissions of greenhouse gases; our reliance on technology and

automated systems and the impact of any failure of these technologies or systems; challenges in integrating our computer, communications

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and other technology systems; losses and adverse publicity stemming from any accident involving any of our aircraft or the aircraft of our regional or codeshare operators; delays in scheduled aircraft deliveries, or other loss of anticipated fleet capacity, and failure of new aircraft to perform as expected; our dependence on a limited number of suppliers for aircraft, aircraft engines and parts; the impact of changing economic and other conditions beyond our control, including global events that affect travel behavior such as an outbreak of a contagious disease, and volatility and fluctuations in our results of operations due to seasonality; the effect of a higher than normal number of pilot retirements, more stringent duty time regulations, increased flight hour requirements for commercial airline pilots and other factors that have caused a shortage of pilots; the impact of possible future increases in insurance costs or reductions in available insurance coverage; the effect on our financial position and liquidity of being party to or involved in litigation; an inability to use net operating losses (*NOLs*) carried over from prior taxable years (*NOL Carryforwards*); any impairment in the amount of our goodwill and an inability to realize the full value of our intangible or long-lived assets and any material impairment charges that would be recorded as a result; and other economic, business, competitive, and/or regulatory factors affecting our business, including those set forth in our Annual Report on Form 10-K for the year ended December 31, 2015 (especially in Part I, Item 1A Risk Factors and Part II, Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operations); in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2016, June 30, 2016 and September 30, 2016 (especially in Part I, Item 2 Management's Discussion and Analysis of Financial Condition and Results of Operations and Part II, Item IA Risk Factors) and in our other filings with the Securities and Exchange Commission (the *SEC*), and other risks and uncertainties listed from time to time in our filings with the SEC.

Additional information concerning these and other factors is contained in our filings with the SEC, including but not limited to our Annual Report on Form 10-K for the year ended December 31, 2015 and our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2016, June 30, 2016 and September 30, 2016. All forward-looking statements in this prospectus supplement, the accompanying prospectus, any related company free writing prospectus and the documents incorporated by reference herein and therein are qualified in their entirety by reference to the factors discussed below under Risk Factors and elsewhere in this prospectus supplement and based upon information available to us on the date of this prospectus supplement or such document. 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 such statements other than as required by law. Forward-looking statements speak only as of the date of this prospectus supplement or as of the dates indicated in the statements.

CERTAIN VOLCKER RULE CONSIDERATIONS

Neither of the Class AA Trust or the Class A Trust are or, immediately after the issuance of the Certificates pursuant to the Trust Supplements, will be a covered fund as defined in the final regulations issued December 10, 2013 implementing the Volcker Rule (Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act). In making the foregoing determination, such Trusts are relying upon the exemption from registration set forth in Rule 3a-7 under the Investment Company Act of 1940, as amended, although additional exemptions or exclusions may be available to such Trusts.

INFORMATION RELATED TO CLASS B CERTIFICATES

Class B Certificates are not being offered pursuant to this prospectus supplement. All statements in this prospectus supplement relating to the Class B Certificates are for informational purposes only.

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PROSPECTUS SUPPLEMENT SUMMARY

*This summary highlights basic information about us and this offering. Because it is a summary, it does not contain all of the information that you should consider before investing. You should read this entire prospectus supplement, the accompanying prospectus and any related company free writing prospectus carefully, including the section entitled *Risk Factors* and the *Special Note Regarding Forward-Looking Statements* in this prospectus supplement, as well as the materials filed with the SEC that are considered to be a part of this prospectus supplement, the accompanying prospectus and any related company free writing prospectus before making an investment decision. See *Where You Can Find More Information* in this prospectus supplement.*

The Company

American was founded in 1934 and is a principal wholly-owned subsidiary of AAG, a Delaware corporation. All of American's common stock is owned by AAG. American has hubs in Charlotte, Chicago, Dallas/Fort Worth, Los Angeles, Miami, New York, Philadelphia, Phoenix and Washington, D.C. As of September 30, 2016, American operated 922 mainline aircraft and was supported by American's regional airline affiliates and third-party regional carriers, which operated an additional 599 regional aircraft. American is a founding member of the **oneworld**[®] alliance, whose members serve more than 1,000 destinations with about 14,250 daily flights to over 150 countries.

On November 29, 2011, AMR, American, and certain of AMR'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 October 21, 2013, the Bankruptcy Court entered an order approving and confirming the Debtors' fourth amended joint plan of reorganization (as amended, the *Bankruptcy Plan*). On December 9, 2013, the Debtors consummated their reorganization pursuant to the Bankruptcy Plan, principally through the transactions contemplated by the Merger Agreement. Following the Merger, American and US Airways, Inc. (*US Airways*) began moving toward operating under the single brand name of *American Airlines*. In the second quarter of 2015, American and US Airways received a single operating certificate from the Federal Aviation Administration (the *FAA*) for American and US Airways, marking a major milestone in the integration of the two airlines. On October 17, 2015, AAG completed its transition to a single reservations system, retiring the US Airways name and website. In addition, on December 30, 2015, US Airways merged with and into American with American as the surviving entity and US Airways ceased to exist as a legal entity.

American's principal executive office is located at 4333 Amon Carter Boulevard, Fort Worth, Texas 76155. American's telephone number is 817-963-1234 and its Internet address is www.aa.com. Information contained on American's website is not and should not be deemed a part of this prospectus supplement.

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| | Class AA Certificates | Class A Certificates |
|---|-----------------------------------|-----------------------------------|
| Aggregate Face Amount | \$404,943,000 | \$187,553,000 |
| Interest Rate | % | % |
| Initial Loan to Aircraft Value Ratio (cumulative)(1)(2) | 38.6% | 56.4% |
| Expected Maximum Loan to Aircraft Value Ratio (cumulative)(2) | 38.6% | 56.4% |
| Expected Principal Distribution Window (in years from Issuance Date)(3) | 1.1-12.1 | 1.1-12.1 |
| Initial Average Life (in years from Issuance Date) | 8.8 | 8.8 |
| Regular Distribution Dates | February 15 and August 15 | February 15 and August 15 |
| Final Expected Regular Distribution Date(3) | February 15, 2029 | February 15, 2029 |
| Final Legal Distribution Date(4) | August 15, 2030 | August 15, 2030 |
| Minimum Denomination(5) | \$2,000 | \$2,000 |
| Section 1110 Protection | Yes | Yes |
| Liquidity Facility Coverage | 3 semiannual interest payments | 3 semiannual interest payments |

- (1) These percentages are calculated assuming that each of the Aircraft listed under Equipment Notes and the Aircraft in this prospectus supplement summary has been subjected to an Indenture and that the Trusts have purchased the related Equipment Notes for each such Aircraft as of August 15, 2017, the first Regular Distribution Date that occurs after all Aircraft are expected to have been financed pursuant to this offering. In calculating these percentages, we have assumed that the aggregate Assumed Aircraft Value of all such Aircraft is \$1,049,658,683 as of such date. In calculating the aggregate Assumed Aircraft Value, we assumed that the appraised value of each Aircraft determined as described under Description of the Aircraft and the Appraisals declines in accordance with the Depreciation Assumption described under Description of the Equipment Notes Loan to Value Ratios of Equipment Notes. Other rates or methods of depreciation could result in materially different LTVs. We cannot assure you that the depreciation rate and method assumed for purposes of the above table are the ones most likely to occur or predict the actual future value of any Aircraft. See Risk Factors Risks Relating to the Certificates and the Offering Appraisals should not be relied upon as a measure of realizable value of the Aircraft.
- (2) See Loan to Aircraft Value Ratios in this prospectus supplement summary for the method and assumptions we used in calculating the loan to Aircraft value ratios and a discussion of certain ways that such loan to Aircraft value ratios could change.
- (3) Each series of Equipment Notes will mature on the final expected Regular Distribution Date for the Certificates issued by the Trust that owns such Equipment Notes.
- (4) The Final Legal Distribution Date for each of the Class AA Certificates and Class A Certificates is the date that is 18 months after the final expected Regular Distribution Date for that class of Certificates, which represents the period corresponding to the applicable Liquidity Facility coverage of three successive semiannual interest payments.

- (5) The Certificates will be issued in minimum denominations of \$2,000 (or such other denomination that is the lowest integral multiple of \$1,000 that is, at the time of issuance, equal to at least 1,000 euros) and integral multiples of \$1,000 in excess thereof, except that one Certificate of each class may be issued in a different denomination.

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Table of Contents**EQUIPMENT NOTES AND THE AIRCRAFT**

The Trusts are expected to hold Equipment Notes issued for, and secured by, each of the following 18 aircraft: (a) seven Airbus A321-231S aircraft newly manufactured and scheduled for delivery to American from January 2017 to April 2017, (b) three Boeing 737-800 aircraft newly manufactured and scheduled for delivery to American from March 2017 to May 2017, (c) two Boeing 787-8 aircraft newly manufactured and scheduled for delivery to American in February 2017 and March 2017, (d) one Boeing 787-9 aircraft newly manufactured and scheduled for delivery to American in January 2017 and (e) five Embraer ERJ 175 LR aircraft newly manufactured and scheduled for delivery to American from February 2017 to April 2017 (each such aircraft, an *Aircraft*, and, collectively, the *Aircraft*).

American expects that each Airbus A321-231S aircraft, each Boeing 737-800 aircraft, each Boeing 787-8 aircraft and the Boeing 787-9 aircraft that is scheduled to be delivered to American after the date of this prospectus supplement (each, an *Airbus/Boeing Aircraft*) will be owned and operated by American, and that each Embraer ERJ 175 LR aircraft that is scheduled to be delivered to American after the date of this prospectus supplement (each, an *Embraer Aircraft*) will be leased by American to Envoy Air Inc. (Envoy), an affiliated regional carrier that will operate such Embraer Aircraft on behalf of American in regional operations. See *Description of the Aircraft and the Appraisals* for a description of each Aircraft to be financed with the proceeds of this offering. Set forth below is certain information about the Equipment Notes expected to be held in the Trusts and each of the Aircraft expected to secure such Equipment Notes.

On and subject to the terms and conditions of the Note Purchase Agreement and the forms of financing agreements attached to the Note Purchase Agreement, American agrees to enter into a secured debt financing with respect to each Aircraft on or prior to the Outside Termination Date. See *Description of the Aircraft and the Appraisals Deliveries of Aircraft*.

| Aircraft Type | Actual or Expected Registration Number(1) | Actual or Expected Manufacturer's Serial Number(1) | Actual or Scheduled Month of Delivery(1) | Initial Principal Amount of Series AA Equipment Notes and Series A | | |
|------------------|---|--|--|--|--------------------|-------------------------------------|
| | | | | Equipment Notes | Appraised Value(2) | Latest Equipment Note Maturity Date |
| Airbus A321-231S | N997AA | 7349 | January 2017 | \$ 30,630,000 | \$ 55,090,000 | February 15, 2029 |
| Airbus A321-231S | N998AN | 7509 | January 2017 | 30,630,000 | 55,090,000 | February 15, 2029 |
| Airbus A321-231S | N930AU | 7539 | February 2017 | 30,680,000 | 55,180,000 | February 15, 2029 |
| Airbus A321-231S | N931AM | 7541 | February 2017 | 30,680,000 | 55,180,000 | February 15, 2029 |
| Airbus A321-231S | N932AM | 7419 | March 2017 | 30,704,000 | 55,223,333 | February 15, 2029 |
| Airbus A321-231S | N933AM | 7564 | March 2017 | 30,704,000 | 55,223,333 | February 15, 2029 |
| Airbus A321-231S | N900UW | 7617 | April 2017 | 30,758,000 | 55,320,000 | February 15, 2029 |
| Boeing 737-800 | N316PF | 31262 | March 2017 | 27,194,000 | 48,910,000 | February 15, 2029 |
| Boeing 737-800 | N317PG | 33344 | April 2017 | 27,264,000 | 49,036,667 | February 15, 2029 |
| Boeing 737-800 | N335PH | 31265 | May 2017 | 27,287,000 | 49,076,667 | February 15, 2029 |
| Boeing 787-8(3) | N817AN | 40635 | February 2017 | 67,174,000 | 120,816,667 | February 15, 2029 |

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| | | | | | | |
|--------------------|--------|----------|---------------|-----------------------|-------------------------|-------------------|
| Boeing 787-8(3) | N818AL | 40636 | March 2017 | 67,230,000 | 120,916,667 | February 15, 2029 |
| Boeing 787-9(3) | N825AA | 40644 | January 2017 | 78,433,000 | 141,066,667 | February 15, 2029 |
| Embraer ERJ 175 LR | N248NN | 17000630 | February 2017 | 16,602,000 | 29,860,000 | February 15, 2029 |
| Embraer ERJ 175 LR | N249NN | 17000634 | March 2017 | 16,615,000 | 29,883,333 | February 15, 2029 |
| Embraer ERJ 175 LR | N250NN | 17000635 | March 2017 | 16,615,000 | 29,883,333 | February 15, 2029 |
| Embraer ERJ 175 LR | N251NN | 17000641 | April 2017 | 16,648,000 | 29,943,333 | February 15, 2029 |
| Embraer ERJ 175 LR | N252NN | 17000642 | April 2017 | 16,648,000 | 29,943,333 | February 15, 2029 |
| Total: | | | | \$ 592,496,000 | \$ 1,065,643,333 | |

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- (1) The indicated registration number, manufacturer's serial number and scheduled delivery month for each Aircraft reflect our current expectations, although these may differ for the actual aircraft delivered under the applicable aircraft purchase agreement between American and the applicable aircraft manufacturer and financed under this offering. The delivery deadline for purposes of financing an Aircraft pursuant to this offering is September 30, 2017 (or later under certain circumstances). The actual delivery date of any Aircraft may differ from its currently scheduled delivery month and is subject to delay or acceleration. See Description of the Aircraft and the Appraisals Deliveries of Aircraft. In addition, American has certain rights to finance a Substitute Aircraft in lieu of any Aircraft if the delivery of such Aircraft is delayed for more than 30 days after the last day of the month scheduled for delivery. See Description of the Aircraft and the Appraisals Substitute Aircraft.
- (2) The appraised value of each Aircraft set forth above is the lesser of the average and median appraised value of such Aircraft as appraised by three independent appraisal and consulting firms (Aircraft Information Services, Inc. (*AISI*), BK Associates, Inc. (*BK*) and Morten Beyer & Agnew, Inc. (*mba*, and together with AISI and BK, the *Appraisers*). Such appraisals indicate the appraised base value projected as of its scheduled delivery month at the time of the related appraisal. The AISI appraisal is dated December 31, 2016, the BK appraisal is dated December 29, 2016 and the mba appraisal is dated December 29, 2016. The Appraisers based their appraisals on varying assumptions (which may not reflect current market conditions) and methodologies. See Description of the Aircraft and the Appraisals The Appraisals. An appraisal is only an estimate of value and you should not rely on any appraisal as a measure of realizable value. See Risk Factors Risks Relating to the Certificates and the Offering Appraisals should not be relied upon as a measure of realizable value of the Aircraft.
- (3) This aircraft is approved for Extended Operations (*ETOPs*).

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The following table provides loan to Aircraft value ratios (*LTVs*) for each class of Certificates, assuming that each of the Aircraft has been subjected to an Indenture and that the Trusts have purchased the related Equipment Notes for each such Aircraft, as of August 15, 2017 (the first Regular Distribution Date that occurs after all Aircraft are expected to have been financed pursuant to this offering) and each Regular Distribution Date thereafter. The *LTVs* for any period prior to August 15, 2017 are not included, because during such period all of the Equipment Notes expected to be acquired by the Trusts with respect to each Aircraft may not yet be issued and therefore are not included in the calculation. The table is not a forecast or prediction of expected or likely *LTVs*, but simply a mathematical calculation based upon one set of assumptions. See Risk Factors Risks Relating to the Certificates and the Offering Appraisals should not be relied upon as a measure of realizable value of the Aircraft.

We compiled the following table on an aggregate basis. However, the Equipment Notes issued under an Indenture are entitled only to certain specified cross-collateralization provisions as described under Description of the Equipment Notes Security. The relevant *LTVs* in a default situation for the Equipment Notes issued under a particular Indenture would depend on various factors, including the extent to which the debtor or trustee in bankruptcy agrees to perform American's obligations under the Indentures. Therefore, the following aggregate *LTVs* are presented for illustrative purposes only and should not be interpreted as indicating the degree of cross-collateralization available to the holders of the Certificates.

| Date | Aggregate Assumed Aircraft Value(1) | Pool Balance(2) | | LTV(3) | |
|-------------------|-------------------------------------|-----------------------|----------------------|-----------------------|----------------------|
| | | Class AA Certificates | Class A Certificates | Class AA Certificates | Class A Certificates |
| August 15, 2017 | \$ 1,049,658,683 | \$ 404,943,000 | \$ 187,553,000 | 38.6% | 56.4% |
| February 15, 2018 | 1,033,674,033 | 389,150,223 | 180,238,433 | 37.6% | 55.1% |
| August 15, 2018 | 1,017,689,383 | 374,066,096 | 173,252,084 | 36.8% | 53.8% |
| February 15, 2019 | 1,001,704,733 | 364,448,700 | 168,797,700 | 36.4% | 53.2% |
| August 15, 2019 | 985,720,083 | 354,831,304 | 164,343,316 | 36.0% | 52.7% |
| February 15, 2020 | 969,735,433 | 345,213,908 | 159,888,933 | 35.6% | 52.1% |
| August 15, 2020 | 953,750,783 | 335,596,511 | 155,434,549 | 35.2% | 51.5% |
| February 15, 2021 | 937,766,133 | 325,979,115 | 150,980,165 | 34.8% | 50.9% |
| August 15, 2021 | 921,781,483 | 316,361,719 | 146,525,781 | 34.3% | 50.2% |
| February 15, 2022 | 905,796,833 | 306,744,323 | 142,071,398 | 33.9% | 49.5% |
| August 15, 2022 | 889,812,183 | 297,126,926 | 137,617,014 | 33.4% | 48.9% |
| February 15, 2023 | 873,827,533 | 287,509,530 | 133,162,630 | 32.9% | 48.1% |
| August 15, 2023 | 857,842,883 | 277,892,134 | 128,708,246 | 32.4% | 47.4% |
| February 15, 2024 | 841,858,233 | 268,274,738 | 124,253,863 | 31.9% | 46.6% |
| August 15, 2024 | 825,873,583 | 258,657,341 | 119,799,479 | 31.3% | 45.8% |
| February 15, 2025 | 809,888,933 | 249,039,945 | 115,345,095 | 30.7% | 45.0% |
| August 15, 2025 | 793,904,283 | 239,422,549 | 110,890,711 | 30.2% | 44.1% |
| February 15, 2026 | 777,919,633 | 229,805,153 | 106,436,328 | 29.5% | 43.2% |
| August 15, 2026 | 761,934,983 | 220,187,756 | 101,981,944 | 28.9% | 42.3% |
| February 15, 2027 | 745,950,333 | 210,570,360 | 97,527,560 | 28.2% | 41.3% |
| August 15, 2027 | 729,965,683 | 200,952,964 | 93,073,176 | 27.5% | 40.3% |
| February 15, 2028 | 713,981,033 | 191,335,568 | 88,618,793 | 26.8% | 39.2% |

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| | | | | | |
|-------------------|-------------|-------------|------------|-------|-------|
| August 15, 2028 | 697,996,383 | 181,718,171 | 84,164,409 | 26.0% | 38.1% |
| February 15, 2029 | 682,011,733 | | | 0.0% | 0.0% |

- (1) In calculating the aggregate Assumed Aircraft Value, we assumed that the appraised value of each Aircraft determined as described under Description of the Aircraft and the Appraisals declines in accordance with

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- the Depreciation Assumption described under Description of the Equipment Notes Loan to Value Ratios of Equipment Notes. Other rates or methods of depreciation could result in materially different LTVs. We cannot assure you that the depreciation rate and method assumed for purposes of the above table are the ones most likely to occur or predict the actual future value of any Aircraft. See Risk Factors Risks Relating to the Certificates and the Offering Appraisals should not be relied upon as a measure of realizable value of the Aircraft.
- (2) The pool balance for each class of Certificates indicates, as of any date, after giving effect to any principal distributions expected to be made on such date, the portion of the original face amount of such class of Certificates that has not been distributed to Certificateholders.
 - (3) We obtained the LTVs for each class of Certificates for each Regular Distribution Date by dividing (i) the expected outstanding pool balance of such Class (together, in the case of the Class A Certificates, with the expected outstanding pool balance of the Class AA Certificates) after giving effect to the principal distributions expected to be made on such date, by (ii) the aggregate Assumed Aircraft Value of all of the Aircraft expected to be included in the collateral pool on such date based on the assumptions described above. The outstanding pool balances and LTVs for any date will change if, among other things, any Equipment Notes are redeemed or purchased, if a default in payment on any Equipment Notes occurs, if a Substitute Aircraft is financed in lieu of any Aircraft to be financed pursuant to this offering or if any Aircraft is not subjected to an Indenture and the related Equipment Notes are not acquired by the Trusts.

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CASH FLOW STRUCTURE

This diagram illustrates the structure for the offering of the Certificates and certain cash flows.⁽¹⁾

- (1) Class B Certificates are not reflected in the diagram above. Class B Certificates are not being offered under this prospectus supplement, but Class B Certificates may be offered at any time on or after the date of this prospectus supplement. Any Class B Certificates, if issued, may have the benefit of a liquidity facility as described in the offering materials for such class of certificates.
- (2) American will issue Series AA Equipment Notes and Series A Equipment Notes and may issue Series B Equipment Notes in respect of each Aircraft. The Equipment Notes with respect to each Aircraft will be issued under a separate Indenture.
- (3) The separate Liquidity Facility for each of the Class AA Certificates and the Class A Certificates is expected to cover up to three semiannual interest distributions on the Class AA Certificates and the Class A

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- Certificates, respectively, except that the Liquidity Facilities will not cover interest on the Deposits. Initially, Citibank, N.A. will act as the Liquidity Provider for the Class AA Certificates and the Class A Certificates.
- (4) The proceeds of the offering of each class of Certificates will initially be held in escrow and deposited with the Depositary, pending the financing of each Aircraft under the related Indenture. The Depositary will hold such funds as interest-bearing Deposits. Each Trust will withdraw funds from the Deposits relating to such Trust to purchase from American the related series of Equipment Notes with respect to each Aircraft from time to time as such Aircraft is subjected to the related Indenture. The Scheduled Payments of interest on the Equipment Notes held by, and on the Deposits relating to, a Trust, taken together, will be sufficient to pay accrued interest on the outstanding Certificates of such Trust. Under certain circumstances, funds in Deposits relating to a Trust will be withdrawn prior to the Delivery Period Termination Date and distributed to the holders of Certificates of such Trust, together with accrued and unpaid interest thereon, but without any premium. See Description of the Deposit Agreements Other Withdrawals and Return of Deposits. If any funds remain as Deposits with respect to any Trust as of the Delivery Period Termination Date, such remaining funds will be distributed, with accrued and unpaid interest on such remaining funds, but without any premium, to the holders of the related class of Certificates. See Description of the Deposit Agreements Other Withdrawals and Return of Deposits. No interest will accrue with respect to the Deposits after they have been fully withdrawn. The Liquidity Facilities will not cover interest on the Deposits.

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THE OFFERING

Trusts and Certificates

Each of the Class AA Trust and Class A Trust will be formed pursuant to a separate trust supplement entered into between American and Wilmington Trust Company to a basic pass through trust agreement between American and Wilmington Trust Company, as Trustee under each Trust.

If American elects to offer Class B Certificates on or after the date of this prospectus supplement, a Class B pass through trust will be formed in order to issue such Class B Certificates. Class B Certificates are not being offered under this prospectus supplement.

Each class of Certificates will represent fractional undivided interests in the related Trust.

Certificates Offered

Class AA Certificates.

Class A Certificates.

Use of Proceeds

The proceeds from the sale of the Class AA Certificates and Class A Certificates will initially be held in escrow and deposited with the Depository, pending the financing of each Aircraft under a related Indenture. Each Trust will withdraw funds from the escrow relating to such Trust to acquire from American the related series of Equipment Notes with respect to each Aircraft as such Aircraft is subjected to the related Indenture.

The Equipment Notes will be full recourse obligations of American. American will use the proceeds from the issuance of the Equipment Notes issued with respect to each Aircraft to finance, in part, the acquisition of such Aircraft.

Subordination Agent, Trustee, Paying Agent and Loan Trustee

Wilmington Trust Company.

Escrow Agent

Wilmington Trust, National Association.

Depository

Citibank, N.A.

Liquidity Provider for the Class AA
Certificates and Class A Certificates

The initial Liquidity Provider will be Citibank, N.A.

Trust Property

The property of each Trust will include:

subject to the Intercreditor Agreement, the Equipment Notes acquired by such Trust prior to the Delivery Period Termination Date, all monies at any time paid thereon and all monies due and to become due thereunder;

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the rights of such Trust to acquire the related series of Equipment Notes under the Note Purchase Agreement;

the rights of such Trust under the applicable Escrow Agreement to request the Escrow Agent to withdraw from the Depositary funds sufficient to enable such Trust to purchase the related series of Equipment Notes upon the financing of an Aircraft under the related Indenture prior to the Delivery Period Termination Date;

the rights of such Trust under the Intercreditor Agreement (including all monies receivable in respect of such rights);

all monies receivable under the separate Liquidity Facility for such Trust; and

funds from time to time deposited with the applicable Trustee in accounts relating to such Trust.

Regular Distribution Dates

February 15 and August 15 of each year, commencing on August 15, 2017.

Record Dates

The fifteenth day preceding the related Distribution Date.

Distributions

The Trustee of each Trust will distribute payments of principal, Make-Whole Amount (if any) and interest received on the Equipment Notes held in such Trust to the holders of the Certificates of such Trust, subject to the subordination provisions set forth in the Intercreditor Agreement.

Subject to the subordination provisions set forth in the Intercreditor Agreement,

Scheduled Payments of principal and interest made on the Equipment Notes will be distributed on the applicable Regular Distribution Dates; and

payments (other than Scheduled Payments) in respect of, or any proceeds of, any Equipment Notes or the Collateral under any

Indenture, including payments resulting from any early redemption of such Equipment Notes, will be distributed on a Special Distribution Date after not less than 15 days notice to Certificateholders.

See Escrowed Funds and Withdrawal and Return of Escrowed Funds below for a description of various distributions relating to the Deposits under certain circumstances.

Intercreditor Agreement

The Trustees, the Liquidity Providers and the Subordination Agent will enter into the Intercreditor Agreement. The Intercreditor Agreement prescribes how payments made on the Equipment Notes held by the Subordination Agent and made under each Liquidity Facility will be distributed. The Intercreditor Agreement also sets forth agreements among the Trustees and the Liquidity Providers relating to who will control the exercise of remedies under the Equipment Notes and the Indentures.

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Subordination

Under the Intercreditor Agreement, after payment of certain fees and expenses, distributions on the Certificates generally will be made in the following order:

first, to the holders of the Class AA Certificates to make distributions in respect of interest on the Class AA Certificates;

second, to the holders of the Class A Certificates to make distributions in respect of interest on the Eligible A Pool Balance;

third, to the holders of the Class B Certificates (if any) to make distributions in respect of interest on the Eligible B Pool Balance;

fourth, to the holders of the Class AA Certificates to make distributions in respect of the Pool Balance of the Class AA Certificates;

fifth, to the holders of the Class A Certificates to make distributions in respect of interest on the Pool Balance of the Class A Certificates not previously distributed under clause second above;

sixth, to the holders of the Class A Certificates to make distributions in respect of the Pool Balance of the Class A Certificates;

seventh, to the holders of the Class B Certificates (if any) to make distributions in respect of interest on the Pool Balance of the Class B Certificates not previously distributed under clause third above; and

eighth, to the holders of the Class B Certificates (if any) to make distributions in respect of the Pool Balance of the Class B Certificates.

Certain distributions to the Liquidity Providers will be made prior to distributions on the Class AA Certificates, Class A Certificates and, if any Class B Certificates are outstanding, Class B Certificates, as discussed under Description of the Intercreditor Agreement Priority of Distributions.

Control of Loan Trustee

The holders of at least a majority of the outstanding principal amount of Equipment Notes issued under each Indenture will be entitled to direct the Loan Trustee under such Indenture in taking action as long as no Indenture Event of Default has occurred and is continuing thereunder. If an Indenture Event of Default has occurred and is continuing under an Indenture, subject to certain conditions, the Controlling Party will be entitled to direct the Loan Trustee under such Indenture in taking action (including in exercising remedies, such as accelerating such Equipment Notes or foreclosing the lien on the Aircraft with respect to which such Equipment Notes were issued).

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The Controlling Party will be:

if Final Distributions have not been paid in full to the holders of the Class AA Certificates, the Class AA Trustee;

if Final Distributions have been paid in full to the holders of the Class AA Certificates, but not to the holders of the Class A Certificates, the Class A Trustee;

if Final Distributions have been paid in full to the holders of the Class AA Certificates and the Class A Certificates, but not to the holders of the Class B Certificates if any Class B Certificates have been issued, the Class B Trustee;

if Final Distributions have been paid in full to the holders of the Class AA Certificates, the Class A Certificates and the Class B Certificates if any Class B Certificates have been issued, but, if any Additional Certificates have been issued, not to the holders of the most senior class of Additional Certificates, the trustee for the Additional Trust related to such most senior class of Additional Certificates; and

under certain circumstances, and notwithstanding the foregoing, the Liquidity Provider with the greatest amount owed to it.

Limitation on Sale of Aircraft or Equipment In exercising remedies during the nine months after the earlier of (a) the acceleration of the Equipment Notes issued pursuant to any Indenture and (b) the bankruptcy or insolvency of American, the Controlling Party may not, without the consent of each Trustee (other than the Trustee of any Trust all of the Certificates of which are held or beneficially owned by American or American's affiliates), direct the sale of such Equipment Notes or the Aircraft subject to the lien of such Indenture for less than certain specified minimum amounts. See Description of the Intercreditor Agreement Intercreditor Rights Limitation on Exercise of Remedies for a description of such minimum amounts and certain other limitations on the exercise of remedies.

Right to Buy Other Classes of Certificates If American is in bankruptcy and certain other specified events have occurred:

the Class A Certificateholders (other than American or any of its affiliates) will have the right to purchase all, but not less than all, of the Class AA Certificates;

if Class B Certificates are outstanding, the Class B Certificateholders (other than American or any of its affiliates) will have the right to purchase all, but not less than all, of the Class AA Certificates and Class A Certificates; and

if one or more classes of Additional Certificates are outstanding, the holders (other than American or any of its affiliates) of any such class of Additional Certificates will have the right to purchase

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all, but not less than all, of the Class AA Certificates, the Class A Certificates and, if any Class B Certificates have been issued, the Class B Certificates and, if applicable, any previously or concurrently issued class of Additional Certificates ranking senior in right of payment to such class of Additional Certificates.

The purchase price, in each case described above, of any class of Certificates will be the outstanding Pool Balance of such class of Certificates plus accrued and undistributed interest, without any premium, but including any other amounts then due and payable to the Certificateholders of such class.

Liquidity Facilities

Under the Liquidity Facility for each of the Class AA Trust and the Class A Trust, the applicable Liquidity Provider is required, if necessary, to make advances in an aggregate amount sufficient to pay interest distributions on the applicable Certificates on up to three successive semiannual Regular Distribution Dates (without regard to any expected future distributions of principal on such Certificates) at the applicable interest rate for such Certificates. Drawings under the Liquidity Facilities cannot be used to pay any amount in respect of the Certificates other than such interest and will not cover interest payable on amounts held in escrow as Deposits with the Depository. See Description of the Liquidity Facilities for a description of the terms of the Liquidity Facilities, including the threshold rating requirements applicable to the Liquidity Providers.

Notwithstanding the subordination provisions under the Intercreditor Agreement, the holders of the Certificates issued by the Class AA Trust or the Class A Trust will be entitled to receive and retain the proceeds of drawings under the Liquidity Facility for such Trust. Upon each drawing under any Liquidity Facility to pay interest distributions on the related Certificates, the Subordination Agent will be obligated to reimburse the applicable Liquidity Provider for the amount of such drawing, together with interest on that drawing. Such reimbursement obligation and all interest, fees and other amounts owing to the applicable Liquidity Provider under each Liquidity Facility and certain other agreements will rank equally with comparable obligations relating to the other Liquidity Facility and will rank senior to all of the Certificates in right of payment.

If Class B Certificates are issued, such Class B Certificates may have the benefit of a separate liquidity facility and, if so, the terms of such liquidity facility will be described in the offering materials for such Class B Certificates.

Escrowed Funds

Funds in escrow for the Certificateholders of each Trust will be held by the Depositary as Deposits relating to such Trust. Subject to certain conditions, each Trustee may withdraw these funds from time to time to purchase the related series of Equipment Notes in respect of an Aircraft prior to the Delivery Period Termination Date. On each

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Regular Distribution Date, the Depository will pay interest accrued on the Deposits relating to each Trust at a rate per annum equal to the interest rate applicable to the Certificates issued by such Trust. The Deposits relating to each Trust and interest paid thereon will not be subject to the subordination provisions under the Intercreditor Agreement. The Deposits cannot be used to pay any other amount in respect of the Certificates. See Description of the Deposit Agreements for a description of the terms of the deposit arrangements, including the threshold rating requirements applicable to the Depository.

Withdrawal and Return of Escrowed Funds Under certain circumstances, less than all of the Deposits held in escrow may have been used to purchase Equipment Notes to be issued with respect to the Aircraft by the Delivery Period Termination Date. This could occur because of delays in the delivery of any Aircraft or for other reasons. See Description of the Certificates Obligation to Purchase Equipment Notes and Description of the Aircraft and the Appraisals Deliveries of Aircraft. If any funds remain as Deposits with respect to any Trust as of the Delivery Period Termination Date, such remaining funds will be withdrawn by the Escrow Agent and distributed by the Paying Agent, with accrued and unpaid interest on such remaining funds, but without any premium, to the Certificateholders of such Trust on a date no earlier than 15 days after the Paying Agent has received notice of the event requiring such distribution or, under certain circumstances, such remaining funds will be automatically returned by the Depository to the Paying Agent on the Outside Termination Date, and the Paying Agent will distribute such funds to such Certificateholders as promptly as practicable thereafter.

In addition, if a Triggering Event occurs prior to the Delivery Period Termination Date, any Deposits held in escrow will also be withdrawn and distributed to the applicable Certificateholders. See Description of the Deposit Agreements Other Withdrawals and Return of Deposits. If any of certain events of loss occurs with respect to an Aircraft before such Aircraft is financed pursuant to this offering, any Deposits relating to such Aircraft held in escrow with respect to each Trust will be similarly withdrawn and distributed to the Certificateholders of such Trust. See Description of the Deposit Agreements Other Withdrawals and Return of Deposits.

Obligation to Purchase Equipment Notes The Trustees will be obligated to purchase the Equipment Notes issued with respect to each Aircraft prior to the Delivery Period Termination Date pursuant to the terms and conditions of the Note Purchase Agreement and the forms of financing agreements attached to the Note Purchase Agreement. On and subject to the terms and conditions of the Note Purchase Agreement and such forms of financing agreements,

American agrees to enter into a secured debt

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financing with respect to each Aircraft on or prior to September 30, 2017 (or later under certain circumstances) with the relevant parties pursuant to financing agreements that are substantially in the forms attached to the Note Purchase Agreement. See Description of the Certificates Obligation to Purchase Equipment Notes.

American may use financing agreements modified in any material respect from the forms attached to the Note Purchase Agreement so long as American obtains written confirmation from each Rating Agency to the effect that the use of such modified financing agreements will not result in a withdrawal, suspension or downgrading of the rating of each class of Certificates then rated by such Rating Agency and that remains outstanding. The terms of such financing agreements also must in any event comply with the Required Terms set forth in the Note Purchase Agreement. In addition, American, subject to certain exceptions, is obligated to certify to the Trustees that any substantive modifications do not materially and adversely affect the Certificateholders or any Liquidity Provider.

Under the Note Purchase Agreement, the Trustees will not be obligated to purchase the Equipment Notes to be issued with respect to any Aircraft not yet financed if a Triggering Event occurs or certain specified conditions are not met. In addition, if any of certain events of loss occurs with respect to an Aircraft before such Aircraft is financed pursuant to this offering, the Trustees will not be obligated to purchase the Equipment Notes to be issued with respect to such Aircraft. The Trustees will have no right or obligation to purchase the Equipment Notes to be issued with respect to any Aircraft after the Delivery Period Termination Date. See Description of the Certificates Obligation to Purchase Equipment Notes.

Possible Issuance of Class B Certificates

On or after the Issuance Date, Class B Certificates, which would evidence fractional undivided ownership interests in equipment notes secured by Aircraft, may be issued. If issued, the holders of Class B Certificates (other than American or any of its affiliates) will have the right to purchase all, but not less than all, of the Class AA Certificates and the Class A Certificates under certain circumstances, if American is in bankruptcy, at the outstanding principal balance of Class AA Certificates and Class A Certificates plus accrued and unpaid interest and other amounts due to Class AA Certificateholders and Class A Certificateholders, but without a premium.

If Class B Certificates are issued after the Class AA and Class A Certificates, such issuance of Class B Certificates will be subject to

satisfaction of certain conditions, including receipt of confirmation from each Rating Agency to the effect that such transaction will not result in a withdrawal, suspension or downgrading of the rating for each class of Certificates then rated by such Rating Agency and that

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remains outstanding. The issuance of Class B Certificates in compliance with such conditions will not require the consent of any Trustee or any holders of any class of Certificates. See Possible Issuance of Additional Certificates and Refinancing and Reissuance of Certificates.

Possible Issuance of Additional Certificates Under certain circumstances, additional pass through certificates of one or more separate pass through trusts, which will evidence fractional undivided ownership interests in a related new series of subordinated equipment notes with respect to some or all of the Aircraft, may be issued at any time in the future. Consummation of any such transaction will be subject to satisfaction of certain conditions, including receipt of confirmation from each Rating Agency to the effect that such transaction will not result in a withdrawal, suspension or downgrading of the rating for each class of Certificates then rated by such Rating Agency and that remains outstanding. The issuance of any additional pass through certificates in compliance with such conditions will not require the consent of any Trustee or any holders of any class of Certificates. See Possible Issuance of Additional Certificates and Refinancing and Reissuance of Certificates.

If one or more classes of Additional Certificates are outstanding, the holders of any such class of Additional Certificates (other than American or any of its affiliates) will have the right to purchase all, but not less than all, of the Class AA Certificates, the Class A Certificates and, if any Class B Certificates have been issued, the Class B Certificates and, if applicable, any previously or concurrently issued class of Additional Certificates ranking senior in right of payment to any such class of Additional Certificates under certain circumstances, if American is in bankruptcy, at the outstanding principal balance of Class AA Certificates, Class A Certificates, any outstanding Class B Certificates and any outstanding classes of Additional Certificates ranking senior in right of payment to any such class of Additional Certificates, but without a premium. See Description of the Certificates Certificate Buyout Right of Certificateholders. In addition, if any Additional Certificates are issued, the priority of distributions in the Intercreditor Agreement may be revised such that certain obligations relating to interest on the Additional Certificates may rank ahead of certain obligations with respect to the Class AA Certificates, the Class A Certificates and, if any Class B Certificates have been issued, the Class B Certificates. See Possible Issuance of Additional Certificates and Refinancing and Reissuance of Certificates.

Possible Refinancing or Reissuance of Certificates

American may elect to:

redeem all (but not less than all) of the Series A Equipment Notes or, if applicable, the Series B Equipment Notes (or any series of

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Additional Equipment Notes) then outstanding and issue new Equipment Notes with respect to all of the Aircraft with the same series designation as, but with terms that may be the same as or different from, those of the redeemed Equipment Notes; or

reissue Series A Equipment Notes or, if applicable, Series B Equipment Notes (or any series of Additional Equipment Notes) with respect to all of the Aircraft after such series has matured and been paid in full, with terms that may be the same as or different from those of the repaid Equipment Notes, after the Delivery Period Termination Date.

In either such case, American will fund the sale of any such series of Reissued Equipment Notes through the sale of pass through certificates issued by a single pass through trust.

Consummation of any such transaction will be subject to satisfaction of certain conditions, including receipt of confirmation from each Rating Agency to the effect that such transaction will not result in a withdrawal, suspension or downgrading of the rating for each class of Certificates then rated by such Rating Agency and that remains outstanding. The issuance of any Reissued Equipment Notes in compliance with such conditions will not require the consent of any Trustee or any holders of any class of Certificates. See Possible Issuance of Additional Certificates and Refinancing and Reissuance of Certificates. If American elects to refinance any series of Equipment Notes, it will be required to pay any applicable Make-Whole Amount in connection with the redemption of such series of Equipment Notes. See Description of the Equipment Notes Redemption.

Equipment Notes

(a) Issuer

Under each Indenture, American will issue Series AA Equipment Notes and Series A Equipment Notes and Series B Equipment Notes (if any Class B Certificates are issued) with respect to each Aircraft, which will be acquired, respectively, by the Class AA Trust, the Class A Trust and the Class B Trust (if any Class B Certificates are issued).

(b) Interest

The Equipment Notes held in each Trust will accrue interest at the rate per annum applicable to the Certificates issued by such Trust set forth on the cover page of this prospectus supplement. Interest on the issued and outstanding Equipment Notes will be payable on February 15 and August 15, commencing on August 15, 2017 and will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

(c) Principal

Principal payments on the issued and outstanding Series AA Equipment Notes, Series A Equipment Notes and, if any Series B Equipment Notes are issued, Series B Equipment Notes, are scheduled to be paid in specified amounts on February 15 and August 15 in each year, commencing on February 15, 2018, and ending on February 15, 2029, in the case of the Series AA Equipment

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Notes and Series A Equipment Notes, and, if any Series B Equipment Notes are issued, on a date specified in the offering materials for such Class B Certificates, in the case of any Series B Equipment Notes.

(d) Rankings

The following subordination provisions will be applicable to the Equipment Notes issued under each Indenture:

the indebtedness evidenced by the Series A Equipment Notes issued under such Indenture will be, to the extent and in the manner provided in such Indenture, subordinate and subject in right of payment to the Series AA Equipment Notes issued under such Indenture;

the indebtedness evidenced by the Series B Equipment Notes issued under such Indenture, if any Series B Equipment Notes are issued, will be, to the extent and in the manner provided in such Indenture, subordinate and subject in right of payment to the Series AA Equipment Notes and the Series A Equipment Notes issued under such Indenture;

if American issues any Additional Equipment Notes under such Indenture, (i) the indebtedness evidenced by the series of Additional Equipment Notes ranked most senior in priority of payment among all series of Additional Equipment Notes will be, to the extent and in the manner provided in such Indenture (as may be amended in connection with any issuance of such most senior Additional Equipment Notes), subordinate and subject in right of payment to the Series AA Equipment Notes, the Series A Equipment Notes and, if any Series B Equipment Notes are issued, the Series B Equipment Notes issued under such Indenture and (ii) the indebtedness evidenced by any series of Additional Equipment Notes (other than the series of Additional Equipment Notes ranked most senior in priority of payment among all series of Additional Equipment Notes) will be, to the extent and in the manner provided in such Indenture (as may be amended in connection with any issuance of such Additional Equipment Notes), subordinate and subject in right of payment to the Series AA Equipment Notes, the Series A Equipment Notes, any Series B Equipment Notes and each series of Additional Equipment Notes that rank senior in priority of payment to such series of Additional Equipment Notes issued under such Indenture (see Possible Issuance of Additional Certificates and Refinancing and Reissuance of Certificates); and

the indebtedness evidenced by the Series AA Equipment Notes, the Series A Equipment Notes, any Series B Equipment Notes and any

Additional Equipment Notes issued under any Indenture will be, to the extent and in the manner provided in the other Indentures, subordinate and subject in right of payment under such other Indentures to the Equipment Notes issued under such other Indentures.

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By virtue of the Intercreditor Agreement, all of the Equipment Notes held by the Subordination Agent will be effectively cross-subordinated. This means that payments received on a junior series of Equipment Notes issued in respect of one Aircraft may be applied in accordance with the priority of payment provisions set forth in the Intercreditor Agreement to make distributions on a more senior class of Certificates. See Description of the Intercreditor Agreement Priority of Distributions.

(e) Redemption

Aircraft Event of Loss. Under an Indenture, if an Event of Loss occurs with respect to an Aircraft, American will either:

substitute for such Aircraft under the related financing agreements an aircraft meeting certain requirements; or

redeem all of the outstanding Equipment Notes issued with respect to such Aircraft.

The redemption price in such case will be the unpaid principal amount of such Equipment Notes to be redeemed, together with accrued and unpaid interest, but without any premium.

Optional Redemption. American may elect to redeem at any time prior to maturity all of the outstanding Equipment Notes issued with respect to an Aircraft; *provided* that all outstanding Equipment Notes issued with respect to all other Aircraft are simultaneously redeemed. In addition, American may elect to redeem the outstanding Series A Equipment Notes, Series B Equipment Notes (if any) or any series of Additional Equipment Notes issued with respect to all Aircraft in connection with a refinancing of such series or without refinancing. See Possible Issuance of Additional Certificates and Refinancing and Reissuance of Certificates Refinancing or Reissuance of Certificates. The redemption price in each such case will be the unpaid principal amount of the Equipment Notes being redeemed, together with accrued and unpaid interest, plus the Make-Whole Amount (if any). See Description of the Equipment Notes Redemption.

(f) Security and Cross-collateralization

The outstanding Equipment Notes issued with respect to each Aircraft will be secured by, among other things, a security interest in such Aircraft.

In addition, the Equipment Notes will be cross-collateralized to the extent described under Description of the Equipment Notes Security and Description of the Equipment Notes Subordination. This means, among other things, that any proceeds from the sale of any Aircraft by the Loan Trustee or other exercise of remedies under the related Indenture following an Indenture Event of Default under such Indenture will (after all of the Equipment Notes issued under such Indenture have been paid off, and subject to the provisions of the

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Bankruptcy Code) be available for application to shortfalls with respect to the Equipment Notes issued under the other Indentures and the other obligations secured by the other Indentures that are due at the time of such application. In the absence of any such shortfall at the time of such application, excess proceeds will be held by the Loan Trustee under such Indenture as additional collateral for the Equipment Notes issued under each of the other Indentures and will be applied to the payments in respect of the Equipment Notes issued under such other Indentures as they come due. However, if any Equipment Note ceases to be held by the Subordination Agent (as a result of sale during the exercise of remedies by the Controlling Party or otherwise), such Equipment Note will cease to be entitled to the benefits of cross-collateralization. Any cash Collateral held as a result of the cross-collateralization of the Equipment Notes would not be entitled to the benefits of Section 1110 of the Bankruptcy Code (*Section 1110*). See Description of the Equipment Notes Indenture Events of Default, Notice and Waiver.

If the Equipment Notes issued under any Indenture are repaid in full in the case of an Event of Loss with respect to the related Aircraft, the lien on the applicable Aircraft under such Indenture will be released. Once the lien on any Aircraft is released, such Aircraft will no longer secure the amounts that may be owing under any Indenture.

(g) Airframe Substitution

American may elect to release any Airframe from the security interest of the related Indenture and substitute for it an airframe of the same model, so long as:

no Indenture Event of Default has occurred and is continuing at the time of substitution;

the substitute airframe has a date of manufacture no earlier than one year prior to the date of manufacture of the Airframe subject to such Indenture on the issuance date of the Equipment Notes under such Int">

In order to exercise our rights to be discharged, we must deposit with the indenture trustee money or government obligations, or a combination thereof, sufficient to pay all the principal of, any premium and interest on, the debt securities of the series on the dates payments are due.

Form, Exchange and Transfer

We will issue the debt securities of each series only in fully registered form without coupons and, unless we otherwise specify in the applicable prospectus supplement or free writing prospectus, in denominations of \$1,000 and any integral multiple thereof. The indentures will provide that we may issue debt securities of a series in temporary or permanent global form and as book-entry securities that will be deposited with, or on behalf of, The Depository Trust

Company or another depository named by us and identified in a prospectus supplement or free writing prospectus with respect to that series. See “Legal Ownership of Securities” for a further description of the terms relating to any book-entry securities.

At the option of the holder, subject to the terms of the indentures and the limitations applicable to global securities described in the applicable prospectus supplement or free writing prospectus, the holder of the debt securities of any series can exchange the debt securities for other debt securities of the same series, in any authorized denomination and of like tenor and aggregate principal amount.

Subject to the terms of the indentures and the limitations applicable to global securities set forth in the applicable prospectus supplement or free writing prospectus, holders of the debt securities may present the debt securities for exchange or for registration of transfer, duly endorsed or with the form of transfer endorsed thereon duly executed if so required by us or the security registrar, at the office of the security registrar or at the office of any transfer agent designated by us for this purpose. Unless otherwise provided in the debt securities that the holder presents for transfer or exchange, we will make no service charge for any registration of transfer or exchange, but we may require payment of any taxes or other governmental charges.

We will name in the applicable prospectus supplement or free writing prospectus the security registrar, and any transfer agent in addition to the security registrar, that we initially designate for any debt securities. We may at any time designate additional transfer agents or rescind the designation of any transfer agent or approve a change in the office through which any transfer agent acts, except that we will be required to maintain a transfer agent in each place of payment for the debt securities of each series.

If we elect to redeem the debt securities of any series, we will not be required to:

- issue, register the transfer of, or exchange any debt securities of any series being redeemed in part during a period beginning at the opening of business 15 days before the day of mailing of a notice of redemption of any debt securities that may be selected for redemption and ending at the close of business on the day of the mailing; or
- register the transfer of or exchange any debt securities so selected for redemption, in whole or in part, except the unredeemed portion of any debt securities we are redeeming in part.

Information Concerning the Indenture Trustee

The indenture trustee, other than during the occurrence and continuance of an event of default under an indenture, undertakes to perform only those duties as are specifically set forth in the applicable indenture. Upon an event of default under an indenture, the indenture trustee must use the same degree of care as a prudent person would exercise or use in the conduct of his or her own affairs. Subject to this provision, the indenture trustee is under no obligation to exercise any of the powers given it by an indenture at the request of any holder of debt securities unless it is offered reasonable security and indemnity against the costs, expenses and liabilities that it might incur.

Payment and Paying Agents

Unless we otherwise indicate in the applicable prospectus supplement or free writing prospectus, we will make payment of the interest on any debt securities on any interest payment date to the person in whose name the debt securities, or one or more predecessor securities, are registered at the close of business on the regular record date for the interest.

We will pay principal of and any premium and interest on the debt securities of a particular series at the office of the paying agents designated by us, except that, unless we otherwise indicate in the applicable prospectus supplement or free writing prospectus, we may make interest payments by check which we will mail to the holder or by wire transfer to certain holders. Unless we otherwise indicate in a prospectus supplement or free writing prospectus, we will designate an office or agency of the indenture trustee in the City of New York as our sole paying agent for payments with respect to debt securities of each series. We will name in the applicable prospectus supplement or free writing prospectus any other paying agents that we initially designate for the debt securities of a particular series. We will maintain a paying agent in each place of payment for the debt securities of a particular series.

All money we pay to a paying agent or the indenture trustee for the payment of the principal of or any premium or interest on any debt securities which remains unclaimed at the end of two years after such principal, premium or interest has become due and payable will be repaid to us, and the holder of the debt security thereafter may look only to us for payment thereof.

Governing Law

The indentures and the debt securities will be governed by and construed in accordance with the laws of the State of Maryland, except to the extent that the Trust Indenture Act of 1939 is applicable.

Subordination of Subordinated Debt Securities

The subordinated debt securities will be subordinate and junior in priority of payment to certain of our other indebtedness to the extent described in a prospectus supplement or free writing prospectus. The indentures in the forms initially filed as exhibits to the registration statement of which this prospectus is a part do not limit the amount of indebtedness which we may incur, including senior indebtedness or subordinated indebtedness, and do not limit us from issuing any other debt, including secured debt or unsecured debt.

DESCRIPTION OF WARRANTS

We may issue warrants for the purchase of common stock, preferred stock and/or debt securities in one or more series. We may issue warrants independently or together with common stock, preferred stock and/or debt securities, and the warrants may be attached to or separate from these securities. While the terms summarized below will apply

generally to any warrants that we may offer, we will describe the particular terms of any series of warrants in more detail in the applicable prospectus supplement. The terms of any warrants offered under a prospectus supplement may differ from the terms described below.

We will file as exhibits to the registration statement of which this prospectus is a part, or will incorporate by reference from reports that we file with the SEC, the form of warrant agreement, including a form of warrant certificate, that describes the terms of the particular series of warrants we are offering before the issuance of the related series of warrants. The following summaries of material provisions of the warrants and the warrant agreements are subject to, and qualified in their entirety by reference to, all the provisions of the warrant agreement and warrant certificate applicable to the particular series of warrants that we may offer under this prospectus. We urge you to read the applicable prospectus supplements related to the particular series of warrants that we may offer under this prospectus and the complete warrant agreements and warrant certificates that contain the terms of the warrants.

We will describe in the applicable prospectus supplement the terms of the series of warrants being offered, including:

- The offering price and aggregate number of warrants offered;
- The currency for which the warrants may be purchased;
- If applicable, the designation and terms of the securities with which the warrants are issued and the number of warrants issued with each such security or each principal amount of such security;
- If applicable, the date on and after which the warrants and the related securities will be separately transferable;
- In the case of warrants to purchase debt securities, the principal amount of debt securities purchasable upon exercise of one warrant and the price at, and currency in which, this principal amount of debt securities may be purchased upon such exercise;
- In the case of warrants to purchase common stock or preferred stock, the number of shares of common stock or preferred stock, as the case may be, purchasable upon the exercise of one warrant and the price at which these shares may be purchased upon such exercise;
- The effect of any merger, consolidation, sale or other disposition of our business on the warrant agreements and the warrants;
- The terms of our rights to redeem or sell the warrants;
- Any provisions for changes to or adjustments in the exercise price or number of securities issuable upon exercise of the warrants;
- The dates on which the right to exercise the warrants will commence and expire;
- The manner in which the warrant agreements and warrants may be modified;
- A discussion of any material U.S. federal income tax consequences of holding or exercising the warrants;
- The terms of the securities issuable upon exercise of the warrants; and
- Any other specific terms, preferences, rights or limitations of or restrictions on the warrants.

Each warrant will entitle the holder to purchase the securities that we specify in the applicable prospectus supplement at the exercise price that we describe in the applicable prospectus supplement. Holders of the warrants may exercise the warrants at any time up to the specified time on the expiration date that we set forth in the applicable prospectus supplement. After such time on the expiration date, unexercised warrants will become void.

Holders of the warrants may exercise the warrants by delivering the warrant certificate representing the warrants to be exercised together with specified information, and paying the required amount to the warrant agent in immediately available funds, as provided in the applicable prospectus supplement. We will set forth on the reverse side of the warrant certificate and in the applicable prospectus supplement the information that the holder of the warrant will be required to deliver to the warrant agent.

Upon receipt of the required payment and the warrant certificate properly completed and duly executed at the corporate trust office of the warrant agent or any other office indicated in the applicable prospectus supplement, we will issue and deliver the securities purchasable upon such exercise. If fewer than all of the warrants represented by the warrant certificate are exercised, then we will issue a new warrant certificate for the remaining amount of warrants. If we so indicate in the applicable prospectus supplement, holders of the warrants may surrender securities as all or part of the exercise price for warrants.

Unless we provide otherwise in the applicable prospectus supplement, the warrants and warrant agreements will be governed by and construed in accordance with the laws of the State of Maryland.

DESCRIPTION OF UNITS

We may issue, in one more series, units consisting of common stock, preferred stock, debt securities and/or warrants or contracts for the purchase of common stock, preferred stock and/or debt securities in any combination in such amounts and in such numerous distinct series as we determine. While the terms we have summarized below will apply generally to any units that we may offer under this prospectus, we will describe the particular terms of any series of units in more detail in the applicable prospectus supplement. The terms of any units offered under a prospectus supplement may differ from the terms described below.

We will file as exhibits to the registration statement of which this prospectus is a part, or will incorporate by reference from reports that we file with the SEC, the form of unit agreement that describes the terms of the series of units we are offering, and any supplemental agreements, before the issuance of the related series of units. The following summaries of material terms and provisions of the units are subject to, and qualified in their entirety by reference to, all the provisions of the unit agreement and any supplemental agreements applicable to a particular series of units. We urge you to read the applicable prospectus supplements related to the particular series of units that we may offer under this prospectus, as well as any related free writing prospectuses and the complete unit agreement and any supplemental agreements that contain the terms of the units.

Each unit will be issued so that the holder of the unit is also the holder of each security included in the unit. Thus, the holder of a unit will have the rights and obligations of a holder of each included security. The unit agreement under which a unit is issued may provide that the securities included in the unit may not be held or transferred separately, at any time or at any time before a specified date.

We will describe in the applicable prospectus supplement the terms of the series of units being offered, including:

- The designation and terms of the units and of the securities comprising the units, including whether and under what circumstances those securities may be held or transferred separately;
- Any provisions of the governing unit agreement that differ from those described below; and
- Any provisions for the issuance, payment, settlement, transfer or exchange of the units or of the securities comprising the units.

The provisions described in this section, as well as those described under “Description of Capital Stock,” “Description of Debt Securities” and “Description of Warrants” will apply to each unit and to any common stock, preferred stock, debt security or warrant included in each unit, respectively.

Each unit agent will act solely as our agent under the applicable unit agreement and will not assume any obligation or relationship of agency or trust with any holder of any unit. A single bank or trust company may act as unit agent for more than one series of units. A unit agent will have no duty or responsibility in case of any default by us under the applicable unit agreement or unit, including any duty or responsibility to initiate any proceedings at law or otherwise, or to make any demand upon us. Any holder of a unit may, without the consent of the related unit agent or the holder of any other unit, enforce by appropriate legal action its rights as holder under any security included in the unit.

We, and any unit agent and any of their agents, may treat the registered holder of any unit certificate as an absolute owner of the units evidenced by that certificate for any purpose and as the person entitled to exercise the rights attaching to the units so requested, despite any notice to the contrary.

PLAN OF DISTRIBUTION

We may sell the securities offered by this prospectus in any one or more of the following ways from time to time:

- Directly to investors, including through a specific bidding, auction or other process;
- To investors through agents;
- Directly to agents;
- To or through brokers or dealers;
- To the public through underwriting syndicates led by one or more managing underwriters;
- To one or more underwriters acting alone for resale to investors or to the public; or
- Through a combination of any such methods of sale.

We may also in sell the securities offered by this prospectus in “at the market offerings” within the meaning of Rule 415(a)(4) of the Securities Act, to or through a market maker or into an existing trading market, on an exchange or otherwise.

The accompanying prospectus supplement will set forth the terms of the offering and the method of distribution and will identify any firms acting as underwriters, dealers or agents in connection with the offering, including:

- The name or names of any underwriters, dealers or agents;
- The purchase price of the securities and the proceeds to us from the sale;
- Any over-allotment options under which the underwriters may purchase additional securities from us;
- Any underwriting discounts and other items constituting compensation to underwriters, dealers or agents;
- Any public offering price;
- Any discounts or concessions allowed or reallocated or paid to dealers; or
- Any securities exchange or market on which the securities offered in the prospectus supplement may be listed.

Only those underwriters identified in such prospectus supplement are deemed to be underwriters in connection with the securities offered in the prospectus supplement. Any underwritten offering may be on a best efforts or a firm commitment basis.

The distribution of the securities may be effected from time to time in one or more transactions at a fixed price or prices, which may be changed, at varying prices determined at the time of sale, or at prices determined as the applicable prospectus supplement specifies. The securities may be sold through a rights offering, forward contracts or similar arrangements. In any distribution of subscription rights to stockholders, if all of the underlying securities are not subscribed for, we may then sell the unsubscribed securities directly to third parties or may engage the services of one or more underwriters, dealers or agents, including standby underwriters, to sell the unsubscribed securities to third parties.

In connection with the sale of the securities, underwriters, dealers or agents may be deemed to have received compensation from us in the form of underwriting discounts or commissions and also may receive commissions from securities purchasers for whom they may act as agent. Underwriters may sell the securities to or through dealers, and the dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters or commissions from the purchasers for whom they may act as agent.

We will provide in the applicable prospectus supplement information regarding any underwriting discounts or other compensation that we pay to underwriters or agents in connection with the securities offering, and any discounts, concessions or commissions which underwriters allow to dealers. Underwriters, dealers and agents participating in the securities distribution may be deemed to be underwriters, and any discounts and commissions they receive and any profit they realize on the resale of the securities may be deemed to be underwriting discounts and commissions under the Securities Act. Underwriters and their controlling persons, dealers and agents may be entitled, under agreements entered into with us, to indemnification against and contribution toward specific civil liabilities, including liabilities under the Securities Act.

Unless otherwise specified in the related prospectus supplement, each series of securities will be a new issue with no established trading market, other than shares of common stock of India Globalization Capital, Inc., which are listed on the NYSE Amex. Any common stock sold pursuant to a prospectus supplement will be listed on the NYSE Amex, subject to official notice of issuance. We may elect to list any series of debt securities or preferred stock on an exchange, but we are not obligated to do so. It is possible that one or more underwriters may make a market in the securities, but such underwriters will not be obligated to do so and may discontinue any market making at any time without notice. No assurance can be given as to the liquidity of, or the trading market for, any offered securities.

In connection with an offering, the underwriters may purchase and sell securities in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of securities than they are required to purchase in an offering. Stabilizing transactions consist of bids or purchases made for the purpose of preventing or retarding a decline in the market price of the securities while an offering is in progress. The underwriters also may impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the underwriters have repurchased securities sold by or for the account of that underwriter in stabilizing or short-covering transactions. These activities by the underwriters may stabilize, maintain or otherwise affect the market price of the securities. As a result, the price of the securities may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the underwriters at any time. Underwriters may engage in over-allotment. If any underwriters create a short position in the securities in an offering in which they sell more securities than are set forth on the cover page of the applicable prospectus supplement, the underwriters may reduce that short position by purchasing the securities in the open market.

Underwriters, dealers or agents that participate in the offer of securities, or their affiliates or associates, may have engaged or engage in transactions with and perform services for, us or our affiliates in the ordinary course of business for which they may have received or receive customary fees and reimbursement of expenses.

In compliance with the guidelines of the Financial Industry Regulatory Authority, Inc. ("FINRA"), the maximum discount or commission to be received by any FINRA member or independent broker-dealer may not exceed 8% of the aggregate offering price of the shares offered hereby.

LEGAL MATTERS

Unless otherwise indicated in the applicable prospectus supplement, the validity of any securities offered by this prospectus will be passed upon for us by Seyfarth Shaw LLP, Chicago, Illinois. Seyfarth Shaw may also provide opinions regarding certain other matters. If legal matters in connection with offerings made pursuant to this prospectus are passed upon by counsel to underwriters, dealers or agents, if any, such counsel will be named in the prospectus supplement related to such offering.

EXPERTS

The consolidated financial statements and financial statement schedule of India Globalization Capital, Inc. and subsidiaries as of March 31, 2008 and 2007, and for each of the years in the two-year period ended March 31, 2009, have been incorporated by reference herein and in the registration statement in reliance upon the reports of Yoganandh & Ram, an independent registered public accounting firm, incorporated by reference herein, and upon the authority of said firms as experts in accounting and auditing.

PART II

INFORMATION NOT REQUIRED IN THE PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution.

The following is a statement of estimated expenses in connection with the issuance and distribution of the securities being registered, other than underwriting discounts and commission.

| | |
|--|------------|
| Registration fee | \$ 159 |
| Transfer agent, depository and trustee's fees* | 20,000 |
| Printing fees* | 25,000 |
| Legal fees and expenses* | 100,000 |
| Accounting fees and expenses* | 25,000 |
| Miscellaneous* | 15,000 |
| Total | \$ 185,159 |

* Estimated.

Item 15. Indemnification of Directors and Officers.

Our certificate of incorporation provides that all directors, officers, employees and agents of the registrant shall be entitled to be indemnified by us to the fullest extent permitted by Section 2-418 of the Maryland General Corporation Law. Section 2-418 of the Maryland General Corporation Law concerning indemnification of officers, directors, employees and agents is set forth below.

“Section 2-418. Indemnification of directors, officers, employees and agents.

(a) Definitions. — In this section the following words have the meanings indicated.

- (1) “Director” means any person who is or was a director of a corporation and any person who, while a director of a corporation, is or was serving at the request of the corporation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, other enterprise, or employee benefit plan.
- (2) “Corporation” includes any domestic or foreign predecessor entity of a corporation in a merger, consolidation, or other transaction in which the predecessor’s existence ceased upon consummation of the transaction.
- (3) “Expenses” includes attorney’s fees.
- (4) “Official capacity” means the following:
 - (i) When used with respect to a director, the office of director in the corporation; and
 - (ii)

When used with respect to a person other than a director as contemplated in subsection (j), the elective or appointive office in the corporation held by the officer, or the employment or agency relationship undertaken by the employee or agent in behalf of the corporation.

(iii) “Official capacity” does not include service for any other foreign or domestic corporation or any partnership, joint venture, trust, other enterprise, or employee benefit plan.

(5) “Party” includes a person who was, is, or is threatened to be made a named defendant or respondent in a proceeding.

(6) “Proceeding” means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative.

(b) Permitted indemnification of director. —

- (1) A corporation may indemnify any director made a party to any proceeding by reason of service in that capacity unless it is established that:
 - (i) The act or omission of the director was material to the matter giving rise to the proceeding; and
 1. Was committed in bad faith; or
 2. Was the result of active and deliberate dishonesty; or
 - (ii) The director actually received an improper personal benefit in money, property, or services; or
 - (iii) In the case of any criminal proceeding, the director had reasonable cause to believe that the act or omission was unlawful.
 - (2)
 - (i) Indemnification may be against judgments, penalties, fines, settlements, and reasonable expenses actually incurred by the director in connection with the proceeding.
 - (ii) However, if the proceeding was one by or in the right of the corporation, indemnification may not be made in respect of any proceeding in which the director shall have been adjudged to be liable to the corporation.
 - (3)
 - (i) The termination of any proceeding by judgment, order, or settlement does not create a presumption that the director did not meet the requisite standard of conduct set forth in this subsection.
 - (ii) The termination of any proceeding by conviction, or a plea of nolo contendere or its equivalent, or an entry of an order of probation prior to judgment, creates a rebuttable presumption that the director did not meet that standard of conduct.
 - (4) A corporation may not indemnify a director or advance expenses under this section for a proceeding brought by that director against the corporation, except:
 - (i) For a proceeding brought to enforce indemnification under this section; or
 - (ii) If the charter or bylaws of the corporation, a resolution of the board of directors of the corporation, or an agreement approved by the board of directors of the corporation to which the corporation is a party expressly provide otherwise.
- (c) No indemnification of director liable for improper personal benefit. — A director may not be indemnified under subsection (b) of this section in respect of any proceeding charging improper personal benefit to the director, whether or not involving action in the director’s official capacity, in which the director was adjudged to be liable on the basis that personal benefit was improperly received.
- (d) Required indemnification against expenses incurred in successful defense — Unless limited by the charter:
- (1) A director who has been successful, on the merits or otherwise, in the defense of any proceeding referred to in subsection (b) of this section shall be indemnified against reasonable expenses incurred by the director in connection with the proceeding.

- (2) A court of appropriate jurisdiction, upon application of a director and such notice as the court shall require, may order indemnification in the following circumstances:
- (i) If it determines a director is entitled to reimbursement under paragraph (1) of this subsection, the court shall order indemnification, in which case the director shall be entitled to recover the expenses of securing such reimbursement; or
 - (ii) If it determines that the director is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not the director has met the standards of conduct set forth in subsection (b) of this section or has been adjudged liable under the circumstances described in subsection (c) of this section, the court may order such indemnification as the court shall deem proper. However, indemnification with respect to any proceeding by or in the right of the corporation or in which liability shall have been adjudged in the circumstances described in subsection (c) shall be limited to expenses.

- (3) A court of appropriate jurisdiction may be the same court in which the proceeding involving the director's liability took place.

(e) Determination that indemnification is proper. — (1) Indemnification under subsection (b) of this section may not be made by the corporation unless authorized for a specific proceeding after a determination has been made that indemnification of the director is permissible in the circumstances because the director has met the standard of conduct set forth in subsection (b) of this section.

(2) Such determination shall be made:

- (i) By the board of directors by a majority vote of a quorum consisting of directors not, at the time, parties to the proceeding, or, if such a quorum cannot be obtained, then by a majority vote of a committee of the board consisting solely of two or more directors not, at the time, parties to such proceeding and who were duly designated to act in the matter by a majority vote of the full board in which the designated directors who are parties may participate;
 - (ii) By special legal counsel selected by the board of directors or a committee of the board by vote as set forth in subparagraph (i) of this paragraph, or, if the requisite quorum of the full board cannot be obtained therefor and the committee cannot be established, by a majority vote of the full board in which directors who are parties may participate; or
 - (iii) By the stockholders.
- (3) Authorization of indemnification and determination as to reasonableness of expenses shall be made in the same manner as the determination that indemnification is permissible. However, if the determination that indemnification is permissible is made by special legal counsel, authorization of indemnification and determination as to reasonableness of expenses shall be made in the manner specified in subparagraph (ii) of paragraph (2) of this subsection for selection of such counsel.
- (4) Shares held by directors who are parties to the proceeding may not be voted on the subject matter under this subsection.

(f) Payment of expenses in advance of final disposition of action. — (1) Reasonable expenses incurred by a director who is a party to a proceeding may be paid or reimbursed by the corporation in advance of the final disposition of the proceeding upon receipt by the corporation of:

- (i) A written affirmation by the director of the director's good faith belief that the standard of conduct necessary for indemnification by the corporation as authorized in this section has been met; and
 - (ii) A written undertaking by or on behalf of the director to repay the amount if it shall ultimately be determined that the standard of conduct has not been met.
- (2) The undertaking required by subparagraph (ii) of paragraph (1) of this subsection shall be an unlimited general obligation of the director but need not be secured and may be accepted without reference to financial ability to make the repayment.

(3) Payments under this subsection shall be made as provided by the charter, bylaws, or contract or as specified in subsection (e) of this section.

(g) Validity of indemnification provision. — The indemnification and advancement of expenses provided or authorized by this section may not be deemed exclusive of any other rights, by indemnification or otherwise, to which a director may be entitled under the charter, the bylaws, a resolution of stockholders or directors, an agreement or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office.

(h) Reimbursement of director's expenses incurred while appearing as witness. — This section does not limit the corporation's power to pay or reimburse expenses incurred by a director in connection with an appearance as a witness in a proceeding at a time when the director has not been made a named defendant or respondent in the proceeding.

(i) Director's service to employee benefit plan. — For purposes of this section:

- (1) The corporation shall be deemed to have requested a director to serve an employee benefit plan where the performance of the director's duties to the corporation also imposes duties on, or otherwise involves services by, the director to the plan or participants or beneficiaries of the plan;
- (2) Excise taxes assessed on a director with respect to an employee benefit plan pursuant to applicable law shall be deemed fines; and
- (3) Action taken or omitted by the director with respect to an employee benefit plan in the performance of the director's duties for a purpose reasonably believed by the director to be in the interest of the participants and beneficiaries of the plan shall be deemed to be for a purpose which is not opposed to the best interests of the corporation.

(j) Officer, employee or agent. — Unless limited by the charter:

- (1) An officer of the corporation shall be indemnified as and to the extent provided in subsection (d) of this section for a director and shall be entitled, to the same extent as a director, to seek indemnification pursuant to the provisions of subsection (d);
- (2) A corporation may indemnify and advance expenses to an officer, employee, or agent of the corporation to the same extent that it may indemnify directors under this section; and
- (3) A corporation, in addition, may indemnify and advance expenses to an officer, employee, or agent who is not a director to such further extent, consistent with law, as may be provided by its charter, bylaws, general or specific action of its board of directors, or contract.

(k) Insurance or similar protection. — (1) A corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the corporation, or who, while a director, officer, employee, or agent of the corporation, is or was serving at the request of the corporation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, other enterprise, or employee benefit plan against any liability asserted against and incurred by such person in any such capacity or arising out of such person's position, whether or not the corporation would have the power to indemnify against liability under the provisions of this section.

- (2) A corporation may provide similar protection, including a trust fund, letter of credit, or surety bond, not inconsistent with this section.
- (3) The insurance or similar protection may be provided by a subsidiary or an affiliate of the corporation.

(l) Report of indemnification to stockholders. — Any indemnification of, or advance of expenses to, a director in accordance with this section, if arising out of a proceeding by or in the right of the corporation, shall be reported in writing to the stockholders with the notice of the next stockholders' meeting or prior to the meeting.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers, and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that in the opinion of

the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment of expenses incurred or paid by a director, officer or controlling person in a successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, we will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to the court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

Paragraph B. of Article Tenth of our amended and restated certificate of incorporation provides:

“The Corporation, to the full extent permitted by Section 2-418 of the MGCL, as amended from time to time, shall indemnify all persons whom it may indemnify pursuant thereto. Expenses (including attorneys’ fees) incurred by an officer or director in defending any civil, criminal, administrative, or investigative action, suit or proceeding or which such officer or director may be entitled to indemnification hereunder shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the Corporation as authorized hereby.”

Article XI of our Bylaws provides for indemnification of any of our directors, officers, employees or agents for certain matters in accordance with Section 2-418 of the Maryland General Corporation Law.

Item 16. Exhibits.

Reference is made to the information contained in the Exhibit Index filed as part of this registration statement, which information is incorporated herein by reference pursuant to Rule 411 of the Securities and Exchange Commission's Rules and Regulations under the Securities Act of 1933, as amended (the "Securities Act").

Item 17. Undertakings.

(a) The undersigned registrant hereby undertakes:

(1) to file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(A) to include any prospectus required by Section 10(a)(3) of the Securities Act;

(B) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(C) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that the undertakings set forth in paragraphs (a)(1)(A) and (a)(1)(B) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act") that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

(2) that, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof;

(3) to remove from registration by means of a post-effective amendment any of the securities being registered hereby which remain unsold at the termination of the offering; and

(4) that, for the purpose of determining liability under the Securities Act to any purchaser:

(A) Each prospectus filed by a registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

(B) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5) or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii) or (x) for the purpose of providing the information required by Section 10(a) of the Securities Act shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the

date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at the date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which the prospectus relates, and the offering of such securities at the time shall be deemed to be the initial bona fide offering thereof. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date.

(5) that, for the purposes of determining any liability of a registrant under the Securities Act to any purchaser in the initial distribution of the securities, the undersigned registrant undertakes that in a primary offering of securities of an undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(A) any preliminary prospectus or prospectus of an undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(B) any free writing prospectus relating to the offering prepared by or on behalf of an undersigned registrant or used or referred to by an undersigned registrant;

(C) the portion of any other free writing prospectus relating to the offering containing material information about an undersigned registrant or its securities provided by or on behalf of an undersigned registrant; and

(D) any other communication that is an offer in the offering made by an undersigned registrant to the purchaser.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in this registration statement shall be deemed to be a new registration statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions referenced in Item 15 of this Registration Statement, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer, or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered hereunder, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

(d) The undersigned registrant hereby undertakes to file an application for the purpose of determining the eligibility of the trustee to act under subsection (a) of section 310 of the Trust Indenture Act (the "Trust Indenture Act") in accordance with the rules and regulations prescribed by the Commission under section 305(b)(2) of the Trust Indenture Act.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, India Globalization Capital, Inc. certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Bethesda, State of Maryland, on August 5, 2009 .

INDIA GLOBALIZATION CAPITAL, INC.

By: /s/ Ram Mukunda
Ram Mukunda
President and Chief Executive Officer
(Principal Executive Officer)

SIGNATURES AND POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby severally constitutes and appoints Ram Mukunda and John Selvaraj, and each of them individually, with full power of substitution and resubstitution, his or her true and lawful attorney-in-fact and agent, with full powers to each of them to sign for us, in our names and in the capacities indicated below, the Registration Statement on Form S-3 filed with the Securities and Exchange Commission, and any and all amendments to said Registration Statement (including post-effective amendments), and to file or cause to be filed the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as each of them might or could do in person, and hereby ratifying and confirming all that said attorneys, and each of them, or their substitute or substitutes, shall do or cause to be done by virtue of this Power of Attorney. This Power of Attorney may be executed in counterparts and all capacities to sign any and all amendments.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated on the dates indicated.

| Signature | Title | Date |
|---|---|----------------|
| /s/ Ram Mukunda (Ram Mukunda) | President and Chief Executive Officer | August 5, 2009 |
| /s/ Ranga Krishna* (Ranga Krishna) | Chairman of the Board | August 5, 2009 |
| /s/ John Selvaraj* (John Selvaraj) | Treasurer (Principal Accounting Officer) | August 5, 2009 |
| /s/ Suhail Nathani* (Suhail Nathani) | Director | August 5, 2009 |
| /s/ Sudhakar Shenoy* | Director | August 5, 2009 |

(Sudhakar Shenoy)

/s/ Richard Prins*
(Richard Prins)

Director

August 5, 2009

*Signed by Ram Mukunda under power of attorney.

EXHIBIT INDEX

| Exhibit No. | Description |
|-------------|---|
| 1.1* | Form of Underwriting Agreement relating to common stock. |
| 1.2* | Form of Underwriting Agreement relating to preferred stock. |
| 1.3* | Form of Underwriting Agreement relating to debt securities. |
| 3.1 | Amended and Restated Articles of Incorporation. (incorporated by reference to the Registrant's Registration Statement on Form S-1 (SEC File No. 333-124942), as amended and filed on September 22, 2006). |
| 3.2 | Bylaws (incorporated by reference to the Registrant's Registration Statement on Form S-1 (SEC File No. 333-124942), as amended and filed on February 14, 2006). |
| 4.1* | Form of Indenture relating to debt securities. |
| 4.2* | Form of supplemental indenture or other instrument establishing the issuance of one or more series of senior debt securities or subordinated debt securities (including the form of such debt security). |
| 4.3* | Form of Warrant Agreement and Warrant Certificate. |
| 4.4* | Form of Unit Agreement. |
| 4.6* | Certificate of Designation of Preferred Stock. |
| 5.1 | Opinion of Seyfarth Shaw LLP. |
| 23.1 | Consent of Seyfarth Shaw LLP (included in Exhibit 5.1). |
| 23.2 | Consent of Yoganandh & Ram. |
| 24.1 | Power of Attorney (included in signature pages of this Registration Statement). |

* To be filed by amendment or pursuant to a report to be filed pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, if applicable, and incorporated herein by reference.

