

AMERICAN AIRLINES INC  
Form 10-Q  
October 17, 2013  
Table of Contents

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

FORM 10-Q

ý Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
For the Quarterly Period Ended September 30, 2013

¨ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
For the Transition Period From \_\_\_\_\_ to \_\_\_\_\_  
Commission file number 1-2691

American Airlines, Inc.  
(Exact name of registrant as specified in its charter)

Delaware 13-1502798  
(State or other jurisdiction (I.R.S. Employer Identification No.)  
of incorporation or organization)

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

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

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ý Yes ¨ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer" and "large accelerated filer" in Rule 12b-2 of the Exchange Act.

¨ Large Accelerated Filer ¨ Accelerated Filer ý Non-accelerated Filer

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ý Yes ¨ No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). ¨ Yes ý No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, \$1 par value – 1,000 shares as of October 10, 2013



Table of Contents

INDEX

AMERICAN AIRLINES, INC.

DEBTOR AND DEBTOR IN POSSESSION

<u>Forward-Looking Information</u>	<u>1</u>
<b>PART I: <u>FINANCIAL INFORMATION</u></b>	<b><u>2</u></b>
Item 1. <u>Financial Statements</u>	<u>2</u>
<u>Consolidated Statements of Operations</u>	<u>2</u>
<u>Consolidated Statements of Comprehensive Income</u>	<u>3</u>
<u>Condensed Consolidated Balance Sheets</u>	<u>4</u>
<u>Condensed Consolidated Statements of Cash Flows</u>	<u>6</u>
<u>Notes to Condensed Consolidated Financial Statements</u>	<u>7</u>
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>27</u>
Item 3. <u>Quantitative and Qualitative Disclosures about Market Risk</u>	<u>40</u>
Item 4. <u>Controls and Procedures</u>	<u>40</u>
<b>PART II: <u>OTHER INFORMATION</u></b>	<b><u>41</u></b>
Item 1. <u>Legal Proceedings</u>	<u>41</u>
Item 1A. <u>Risk Factors</u>	<u>42</u>
Item 6. <u>Exhibits</u>	<u>61</u>
<u>SIGNATURE</u>	<u>64</u>

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Table of Contents

## Forward-Looking Information

Statements in this report contain various forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which represent the Company's expectations or beliefs concerning future events. When used in this document and in documents incorporated herein by reference, the words "expects," "estimates," "plans," "anticipates," "indicates," "believes," "projects," "forecast," "guidance," "outlook," "if current trends continue," "optimistic," "may," "will," "could," "should," "would," "continue," "seeks," "intends," "targets" and similar expressions are intended to identify forward-looking statements. Similarly, statements that describe the Company's objectives, plans or goals, or actions the Company may take in the future, are forward-looking statements. Forward-looking statements include, without limitation, the Company's expectations concerning its anticipated Merger with US Airways Group, Inc., the possible impact of the lawsuit filed by the U.S. Department of Justice seeking to enjoin the Merger, and the challenges and costs of such Merger (including integrating operations and achieving anticipated synergies), the Chapter 11 Cases and the Company's business plan; the Company's operations and financial conditions, including changes in capacity, revenues, and costs; future financing plans and needs; the amounts of its unencumbered assets and other sources of liquidity; fleet plans; overall economic and industry conditions; plans and objectives for future operations; regulatory approvals and actions; and the impact on the Company of its results of operations in recent years and the sufficiency of its financial resources to absorb that impact. Guidance given in this report regarding capacity, fuel consumption, fuel prices, fuel hedging and unit costs constitutes forward-looking statements. Other forward-looking statements include statements which do not relate solely to historical facts, such as, without limitation, statements which discuss the possible future effects of current known trends or uncertainties, or which indicate that the future effects of known trends or uncertainties cannot be predicted, guaranteed or assured. All forward-looking statements in this report are based upon information available to the Company on the date of this report. The Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Forward-looking statements are subject to a number of factors that could cause the Company's actual results to differ materially from the Company's expectations. The following factors, in addition to other possible factors not listed, could cause the Company's actual results and financial position, and the timing of certain events, to differ materially from those expressed in forward-looking statements: risks related to the Merger, including fulfillment of conditions, receipt of consents and approvals, and the inability to realize the contemplated benefits of the Merger; the possible adverse consequences of the lawsuit by the U.S. Department of Justice seeking to enjoin the Merger; risks arising from the Chapter 11 Cases, including reorganization risks, liquidity risks, and common stock risks; the materially weakened financial condition of the Company, resulting from its significant losses in recent years; the potential impact on the demand for air travel resulting from downturns in economic conditions; the Company's ability to secure financing for all of its scheduled aircraft deliveries; the potential requirement for the Company to maintain reserves under its credit card processing agreements, which could materially adversely impact the Company's liquidity; the ability of the Company to generate additional revenues and reduce its costs; continued high and volatile fuel prices and further increases in the price of fuel, and the availability of fuel; reliance on third-party distribution channels for distribution of a significant portion of the Company's airline tickets; the Company's substantial indebtedness and other obligations; the ability of the Company to satisfy certain covenants and conditions in certain of its financing and other agreements; changes in economic and other conditions beyond the Company's control, and the volatile results of the Company's operations; the fiercely and increasingly competitive business environment faced by the Company; industry consolidation and alliance changes; low fare levels by historical standards and the Company's reduced pricing power; changes in the Company's corporate or business strategy; delays in scheduled aircraft deliveries or failure of new aircraft to perform as expected; dependence on a limited number of suppliers for aircraft, aircraft engines and parts; extensive government regulation of the Company's business; increasingly stringent environmental regulations; conflicts overseas or terrorist attacks; uncertainties with respect to the Company's international operations; outbreaks of a disease (such as SARS, avian flu or the H1N1 virus) that affects travel behavior; uncertainties with respect to the Company's relationships with unionized and other employee work groups; higher than normal numbers of pilot retirements and a potential shortage of pilots; increased insurance costs and potential reductions of available insurance coverage; the Company's ability to retain key management personnel; potential failures or disruptions of the

Company's computer, communications or other technology systems; losses and adverse publicity resulting from any accident involving the Company's aircraft; interruptions or disruptions in service at one or more of the Company's primary market airports; the heavy taxation of the airline industry; inability to realize the full value of intangible assets or long-lived assets, resulting in material impairment charges; and interruptions or disruptions in relationships with third-party regional airlines or other third-party service providers. The Risk Factors contained in the Company's Securities and Exchange Commission filings, including the factors discussed in Part II, Item 1A, "Risk Factors" could cause the Company's actual results to differ materially from historical results and from those expressed in forward-looking statements.

Table of Contents

## PART I: FINANCIAL INFORMATION

## Item 1. Financial Statements

AMERICAN AIRLINES, INC.  
DEBTOR AND DEBTOR IN POSSESSION  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(Unaudited) (In millions)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2013	2012	2013	2012
Revenues				
Passenger	\$5,253	\$4,909	\$14,755	\$14,303
Regional Affiliates	766	748	2,197	2,208
Cargo	163	156	485	499
Other revenues	634	609	1,901	1,890
Total operating revenues	6,816	6,422	19,338	18,900
Expenses				
Aircraft fuel	2,220	2,180	6,558	6,554
Wages, salaries and benefits	1,383	1,620	3,982	4,854
Regional payments to AMR Eagle	261	288	792	861
Other rentals and landing fees	333	324	1,013	976
Maintenance, materials and repairs	285	283	913	853
Commissions, booking fees and credit card expense	280	277	813	806
Depreciation and amortization	242	252	727	765
Aircraft rentals	186	137	529	410
Food service	154	139	442	393
Special charges and merger related	15	211	55	328
Other operating expenses	774	684	2,306	2,053
Total operating expenses	6,133	6,395	18,130	18,853
Operating Income	683	27	1,208	47
Other Income (Expense)				
Interest income	5	7	14	19
Interest expense (contractual interest expense equals \$(195) and \$(534) for the three and nine months ended September 30, 2013, respectively, and \$(166) and \$(519) for the three and nine months ended September 30, 2012, respectively)	(188)	) (161)	) (514)	) (503)
Interest capitalized	10	13	35	36
Related party interest, net	(3)	) (3)	) (8)	) (10)
Miscellaneous, net	(66)	) (12)	) (66)	) (26)
	(242)	) (156)	) (539)	) (484)
Income (Loss) Before Reorganization Items, Net	441	(129)	) 669	(437)
Reorganization Items, Net	(151)	) (128)	) (434)	) (1,760)
Income (Loss) Before Income Taxes	290	(257)	) 235	(2,197)
Income tax (benefit)	—	—	(30)	) —
Net Earnings (Loss)	\$290	\$ (257)	) \$265	\$ (2,197)

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



Table of Contents

AMERICAN AIRLINES, INC.  
DEBTOR AND DEBTOR IN POSSESSION  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
(Unaudited) (In millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Net Earnings (Loss)	\$290	\$ (257	) \$265	\$ (2,197
Other Comprehensive Income (Loss), Before Tax:				
Defined benefit pension plans and retiree medical:				
Amortization of actuarial (gain) loss and prior service cost	(33	) 56	(99	) 169
Current year change	—	—	—	—
Benefit plan modifications	—	1,673	—	1,673
Derivative financial instruments:				
Change in fair value	22	86	(34	) 29
Reclassification into earnings	11	12	23	(13
Unrealized gain (loss) on investments:				
Net change in value	(3	) 2	(3	) 5
Other Comprehensive Income (Loss) Before Tax	(3	) 1,829	(113	) 1,863
Income tax expense on other comprehensive income	—	—	—	—
Comprehensive Income (Loss)	\$287	\$1,572	\$152	\$ (334

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



Table of Contents

AMERICAN AIRLINES, INC.  
 DEBTOR AND DEBTOR IN POSSESSION  
 CONDENSED CONSOLIDATED BALANCE SHEETS  
 (Unaudited) (In millions)

	September 30, 2013	December 31, 2012
Assets		
Current Assets		
Cash	\$712	\$474
Short-term investments	6,043	3,408
Restricted cash and short-term investments	935	850
Receivables, net	1,328	1,105
Inventories, net	655	550
Fuel derivative contracts	58	65
Other current assets	469	559
Total current assets	10,200	7,011
Equipment and Property		
Flight equipment, net	10,329	10,185
Other equipment and property, net	2,052	2,081
Purchase deposits for flight equipment	709	710
	13,090	12,976
Equipment and Property Under Capital Leases		
Flight equipment, net	191	222
Other equipment and property, net	55	60
	246	282
International slots and route authorities	710	708
Domestic slots and airport operating and gate lease rights, less accumulated amortization, net	143	161
Other assets	2,176	2,126
	\$26,565	\$23,264

Table of Contents

AMERICAN AIRLINES, INC.  
DEBTOR AND DEBTOR IN POSSESSION  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(Unaudited) (In millions)

	September 30, 2013	December 31, 2012	
Liabilities and Stockholder's Equity (Deficit)			
Current Liabilities			
Accounts payable	\$1,277	\$1,212	
Accrued liabilities	2,040	2,010	
Air traffic liability	5,293	4,524	
Payable to affiliates, net	2,796	2,753	
Current maturities of long-term debt	1,335	1,388	
Current obligations under capital leases	24	31	
Total current liabilities	12,765	11,918	
Long-term debt, less current maturities	8,891	6,762	
Obligations under capital leases, less current obligations	345	381	
Pension and postretirement benefits	6,641	6,780	
Other liabilities, deferred gains and deferred credits	1,866	1,691	
Liabilities Subject to Compromise	5,860	5,694	
Stockholder's Equity (Deficit)			
Common stock	—	—	
Additional paid-in capital	4,476	4,469	
Accumulated other comprehensive income (loss)	(3,201	) (3,088	)
Accumulated deficit	(11,078	) (11,343	)
	(9,803	) (9,962	)
	\$26,565	\$23,264	

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

Table of Contents

AMERICAN AIRLINES, INC.  
DEBTOR AND DEBTOR IN POSSESSION  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Unaudited) (In millions)

	Nine Months Ended September 30,	
	2013	2012
Net Cash Provided by Operating Activities	\$1,758	\$1,464
Cash Flow from Investing Activities:		
Capital expenditures, including aircraft lease deposits	(2,391)	(1,145)
Net decrease (increase) in short-term investments	(2,635)	—
Net decrease (increase) in restricted cash and short-term investments	(85)	(109)
Proceeds from sale of equipment, property, and investments/subsidiaries	22	57
Net cash provided by (used in) investing activities	(5,089)	(1,197)
Cash Flow from Financing Activities:		
Payments on long-term debt and capital lease obligations	(2,052)	(990)
Proceeds from:		
Issuance of debt	4,082	—
Sale-leaseback transactions	1,496	853
Funds transferred to affiliates, net	43	94
Other	—	—
Net cash provided by (used in) financing activities	3,569	(43)
Net increase in cash	238	224
Cash at beginning of period	474	280
Cash at end of period	\$712	\$504

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

Table of Contents

AMERICAN AIRLINES, INC,  
DEBTOR AND DEBTOR IN POSSESSION  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(Unaudited)

1. Chapter 11 Reorganization

Overview

On November 29, 2011 (the Petition Date), AMR Corporation (AMR), its principal subsidiary, American Airlines, Inc. (American or the Company) 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). The Chapter 11 Cases are being jointly administered under the caption "In re AMR Corporation, et al., Case No. 11-15463-SHL."

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

While operating as debtors in possession under Chapter 11 of the Bankruptcy Code, the Debtors may sell or otherwise dispose of or liquidate assets or settle liabilities, subject to the approval of the Bankruptcy Court or otherwise as permitted in the ordinary course of business. On April 15, 2013, the Company and other Debtors filed with the Bankruptcy Court a proposed Plan of Reorganization (as amended, the Plan) and related Disclosure Statement (herein so called). The Plan contains provisions for the treatment of equity interests in, and prepetition claims against, AMR and the other Debtors. The Plan also contemplates a business combination (referred to herein as the Merger) of AMR and US Airways Group, Inc. (US Airways Group). See below, "Filing of Plan of Reorganization, Disclosure Statement and Form S-4", and Note 12 to the Condensed Consolidated Financial Statements for further information. The Plan was accepted by the Debtors' stakeholders and by the requisite majorities of empowered stakeholders under the Bankruptcy Code. See below for further information on the Plan. The Plan and Disclosure Statement and the information contained therein are not incorporated in this Form 10-Q.

The Company's Chapter 11 Cases followed an extended effort by the Company to restructure its business to strengthen its competitive and financial position. However, the Company's substantial cost disadvantage compared to its larger competitors, all of which restructured their costs and debt through Chapter 11, became increasingly untenable given the accelerating impact of global economic uncertainty and resulting revenue instability, volatile and rising fuel prices, and intensifying competitive challenges.

Notwithstanding any indications of value that may be contained in the Plan, no assurance can be given as to the value that ultimately may be ascribed to the Debtors' various prepetition liabilities and other securities. The Company cannot predict what the ultimate value of any of its securities may be.

General Information

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

Petition Date in the ordinary course of business.

Appointment of Creditors' Committee. On December 5, 2011, the U.S. Trustee appointed the Official Committee of Unsecured

Creditors(Creditors' Committee) for the Chapter 11 Cases.

Retirement and Life Insurance Benefits. See Note 8 to the Condensed Consolidated Financial Statements for information regarding modifications to retirement and life insurance benefits.

7

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Table of Contents

Rejection of Executory Contracts. Under section 365 and other relevant sections of the Bankruptcy Code, the Debtors may assume, assume and assign, or reject certain executory contracts and unexpired leases, including, without limitation, agreements relating to aircraft and aircraft engines (collectively, Aircraft Property) and leases of real property, subject to the approval of the Bankruptcy Court and certain other conditions. As of September 30, 2013, the Bankruptcy Court had entered orders granting the Debtors' motions to assume 554, assume and assign one, terminate one, and reject 12 unexpired leases of non-residential real property and had entered various orders extending, by the Debtors' agreement with certain landlords, the date by which the Debtors must assume or reject an additional three unexpired leases of non-residential real property. With respect to certain agreements between American and the City of Chicago, American and the City of Chicago entered into a stipulated order, which provided for the assumption of such agreements as of the effective date of the Plan. The stipulated order also provides that if the effective date of the Plan has not occurred by January 31, 2014, the parties are free to extend such deadline with the approval of the Bankruptcy Court or to renegotiate the terms of the order assuming such agreements.

On April 3, 2013, the Bankruptcy Court entered an order approving a stipulation providing that, among other things, (i) the 1990 and 1994 series of special facility revenue bonds that financed certain improvements at John F. Kennedy International Airport (JFK) will be treated as general unsecured claims, (ii) the Debtors may continue to use any premises and improvements at JFK or LaGuardia Airport financed by the 1990 or 1994 series of special facility revenue bonds, (iii) the Debtors will assume the leases at JFK that currently relate to the 2002 and 2005 series of special facility revenue bonds, and (iv) the Debtors' use of premises at JFK will continue to be governed by those leases as well as any other leases that may apply (including leases with the Port Authority of New York and New Jersey). See "Reorganization Items, net" for further information.

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

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

The Debtors expect that liabilities subject to compromise and resolution in the Chapter 11 Cases will arise in the future as a result of damage claims created by the Debtors' rejection of various executory contracts and unexpired leases. Due to the uncertain nature of many of the potential rejection claims, the magnitude of such claims is not reasonably estimable at this time. Such claims may be material (see "Liabilities Subject to Compromise" below). Special Protection Applicable to Leases and Secured Financing of Aircraft and Aircraft Equipment. Notwithstanding the general discussion above of the impact of the automatic stay, under section 1110 of the Bankruptcy Code, beginning 60 days after filing a petition under Chapter 11, certain secured parties, lessors and conditional sales vendors may have a right to take possession of certain qualifying Aircraft Property that is leased or subject to a security interest or conditional sale contract, unless the Debtors, subject to approval by the Bankruptcy Court, agree to perform under the applicable agreement, and cure any defaults as provided in section 1110 (other than defaults of a kind specified in section 365(b)(2) of the Bankruptcy Code). Taking such action does not preclude the Debtors from later rejecting the applicable lease or abandoning the Aircraft Property subject to the related security agreement, or from later seeking to renegotiate the terms of the related financing.

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

The 60-day period under section 1110 in the Chapter 11 Cases expired on January 27, 2012. In accordance with the Bankruptcy Court's Order Authorizing the Debtors to (i) Enter into Agreements Under Section 1110(a) of the Bankruptcy Code, (ii) Enter into Stipulations to Extend the Time to Comply with Section 1110 of the Bankruptcy Code and (iii) File Redacted Section 1110(b) Stipulations, dated December 23, 2011, the Debtors have entered into agreements to extend the automatic stay or agreed to perform and cure defaults under financing agreements with respect to certain aircraft in their fleet and other Aircraft Property. The Debtors have entered into definitive documentation with respect to substantially all of the aircraft for which the Debtors expect to negotiate revised terms. Magnitude of Potential Claims. On February 27, 2012, the Debtors filed with the Bankruptcy Court schedules and statements of financial affairs setting forth, among other things, the assets and liabilities of the Debtors, subject to the assumptions filed in connection therewith. All of the schedules are subject to further amendment or modification.

Table of Contents

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

As of October 10, 2013, approximately 13,500 claims totaling about \$291 billion have been filed with the Bankruptcy Court against the Debtors. Of those claims, approximately 360 claims aggregating approximately \$58 million were filed after the Bar Date. We expect new and amended claims to be filed in the future, including claims amended to assign values to claims originally filed with no designated value. We intend to dispute the claims filed after the Bar Date as not having been filed timely and in accordance with the Bankruptcy Code. We have identified, and we expect to continue to identify, many claims that we believe should be disallowed by the Bankruptcy Court because they are duplicative, are without merit, are overstated or for other reasons. As of October 10, 2013, the Bankruptcy Court has disallowed approximately \$119 billion of claims and has not yet ruled on our other objections to claims, the disputed portions of which aggregate to an additional \$663 million. We expect to continue to file objections in the future. Because the process of analyzing and objecting to claims is ongoing, the amount of disallowed claims may increase significantly in the future. The Debtors have recorded amounts for claims for which there was sufficient information to estimate the claim.

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

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

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

American Eagle Airlines, Inc. (AMR Eagle) also engaged in the Section 1113(c) process with its unions, and ultimately achieved new CBAs with its unions, including AFA, ALPA and all four TWU-represented work groups. In addition, American's pilots, flight attendants, and ground employee unions and the US Airways, Inc. (US Airways) pilots union have agreed to new terms for CBAs, effective upon the closing of the proposed Merger with US Airways Group (see Note 12 to the Condensed Consolidated Financial Statements for further information regarding the Merger). Separately, US Airways entered into a new CBA with the Association of Flight Attendants-CWA (the AFA) that includes support for the Merger. American's unions representing pilots and flight attendants are working with their counterparts at US Airways to determine representation and single agreement protocols to be used to integrate the pilots and flight attendants workforces after the Merger. The TWU reached agreement with its counterpart at US Airways (the International Association of Machinists and Aerospace Workers (IAM)) to jointly represent three groups of ground employees (Mechanic and Related, Fleet Service and Stores) following the Merger (subject to certification by the National Mediation Board), and on a process for integrating these workgroups, and one other, following the Merger.

Filing of Plan of Reorganization, Disclosure Statement and Form S-4. On April 15, 2013, the Company and other Debtors initially filed with the Bankruptcy Court the Plan and Disclosure Statement, which contemplate that AMR will emerge from Chapter 11 and AMR and AMR Merger Sub, Inc. will engage in the Merger (as further described in



Note 12 to the Condensed Consolidated Financial Statements). The Plan addresses various subjects with respect to the Debtors, including the resolution of pre-petition obligations as well as the capital structure and corporate governance after exit from the Chapter 11 Cases. The Plan further provides that, upon the effectiveness of the Plan and the Merger, which are anticipated to occur contemporaneously, all shares of existing AMR common stock and other equity interests in AMR will be canceled and any rights with respect thereto will cease to exist, subject to the right to receive distributions pursuant to the Plan.

Generally, for purposes of the Plan, all 20 Debtors will be “substantively consolidated” into three nodes, consisting of: (i) AMR Debtors, (ii) American Debtors, and (iii) Eagle Debtors. As among the AMR Debtors, the American Debtors, and the Eagle Debtors, the Plan will separately classify creditor claims. However, pursuant to the compromises incorporated into the Plan relating to

Table of Contents

certain inter-creditor issues and the treatment of intercompany claims among the Debtors, general unsecured claims of similar rank and priority will be treated the same under the Plan regardless of the Debtor against which such claim was filed.

The Plan contains provisions related to the treatment of prepetition unsecured claims against the Debtors and equity interests in AMR as described in the Plan and Disclosure Statement and in Note 12 to the Condensed Consolidated Financial Statements under "Description of Plan of Reorganization."

On April 15, 2013, AMR filed a Form S-4 registration statement (the Form S-4 Registration Statement) with the SEC to register the shares of common stock of AMR, which following the Merger will be renamed American Airlines Group Inc. (herein, the AAG Common Stock), to be issued to stockholders of US Airways Group, Inc. (US Airways Group) as consideration in the Merger in exchange for their US Airways Group common stock. The SEC declared the Form S-4 Registration Statement, as amended, effective on June 10, 2013. The stockholders of US Airways Group voted to approve the Merger on July 12, 2013. The AAG Common Stock cannot be issued to US Airways Group stockholders until the Plan and Merger are consummated.

On June 7, 2013, the Bankruptcy Court entered the order approving the Disclosure Statement and authorized the Debtors to begin soliciting votes on the Plan from creditors and stockholders. On July 19, 2013, the Company and the other Debtors filed with the Bankruptcy Court the "Plan Supplement", which contains certain documents that are part of the Plan. On August 1, 2013, the Plan was accepted by each class of creditors and AMR equity interest holders entitled to vote on the Plan.

A hearing was held on August 15, 2013, to consider confirmation of the Plan. The Bankruptcy Court deferred ruling on Plan confirmation and requested briefs from the Debtors and other interested parties regarding the impact of the lawsuit filed by the United States Department of Justice (DOJ) and certain states against AMR and US Airways Group in the United States District Court for the District of Columbia, Case 1:13-cv-01236 (the DOJ Action) (see Note 12 to the Consolidated Condensed Financial Statements) on confirmation standards and the appropriateness of ruling on confirmation before the DOJ Action (which seeks to enjoin the Merger) is resolved. On September 12, 2013, the Bankruptcy Court stated that it would enter an order (the Confirmation Order) confirming the Plan. A proposed Confirmation Order has been submitted to the Bankruptcy Court and it is anticipated that the Confirmation Order will be entered prior to the resolution of the DOJ Action. When the Confirmation Order is entered, the effective date of the Plan and implementation of the Plan will remain subject to certain conditions precedent, including satisfactory resolution of the DOJ Action. Although the Bankruptcy Court has stated it will enter the Confirmation Order, the ultimate resolution of the DOJ Action and its impact on the Company and the Merger are uncertain, and accordingly, it cannot be predicted at this time whether or not the Plan will become effective and the Merger will occur.

In the event that a settlement is reached in the DOJ Action, AMR would be required to seek the Bankruptcy Court's approval of such settlement, which may involve a determination of whether any additional notice or re-solicitation of previous acceptances or rejections of the Plan are necessary.

There can be no assurance that the Plan will be implemented successfully.

Merger Agreement. See Note 12 to the Condensed Consolidated Financial Statements for information regarding the Merger Agreement.

Availability and Utilization of Net Operating Losses. A discussion of the potential impact of the Plan on the availability and utilization of net operating losses (and alternative minimum tax credits) after the Debtors' emergence from Chapter 11 is contained in the Disclosure Statement. As described therein, the Debtors reasonably anticipate taking advantage of the special bankruptcy rule in section 382(l)(5) of the U.S. Internal Revenue Code, which generally applies to an ownership change in bankruptcy that involves the retention or receipt of at least half of the stock of the reorganized debtor by its shareholders and/or qualified creditors.

On April 11, 2013, the Bankruptcy Court issued a Revised Final Order Establishing Notification Procedures for Substantial Claimholders and Equity Security Holders and Approving Restrictions on Certain Transfers of Interests in the Debtors' Estates (the Revised Order), which restricts trading in AMR's common stock and establishes certain procedures and potential restrictions with respect to the transfer of claims (the Revised Procedures). The order is intended to prevent, or otherwise institute procedures and notification requirements with respect to, certain transfers of AMR common stock and unsecured claims against the Debtors that could impair the ability of the Debtors to use their

net operating loss carryovers and certain other tax attributes on a reorganized basis.

In accordance with the Revised Procedures, an initial date was established by which holders of unsecured claims (or in certain cases, group of holders) that beneficially owned in excess of a threshold amount as of May 24, 2013 were required to file a Notice of Substantial Claim Ownership. The reporting deadline was May 31, 2013, and the threshold amount was \$190 million of unsecured claims or such lesser amount as set forth in the proposed Disclosure Statement. The Disclosure Statement established in accordance with the Revised Procedures a second (final) date by which holders of unsecured claims (or in certain cases, group of holders) that beneficially owned in excess of a threshold amount as of July 1, 2013 were required to file a Notice of Substantial Claim

Table of Contents

Ownership (regardless of whether such holder(s) filed a Notice as of the first reporting deadline). The final reporting deadline was July 8, 2013. The threshold amount was \$190 million of unsecured claims or such lesser amount as set forth in the approved Disclosure Statement, namely such lesser amount which, when added to certain specified interests, including stock, in AMR or US Airways Group, would result in such holder holding the “Applicable Percentage,” generally 4.5 percent, of the reorganized Debtors. In connection with the filing of a Notice of Substantial Claim Ownership, a holder was required to indicate if it agreed to refrain from acquiring additional AMR and US Airways Group common stock and such other specified interests until after the effective date of the Debtors' Chapter 11 plan of reorganization, and to dispose of any such interests acquired since February 22, 2013 if directed to do so pursuant to the Revised Order. Based, in part, on the Notices of Substantial Claim Ownership received, the Debtors evaluated whether it will be necessary for them to seek an order in accordance with the “sell-down” procedures of the Revised Order, potentially requiring any “Substantial Claimholder” to sell down a portion of its unsecured claims to reasonably ensure that the requirements of section 382(l)(5) will be satisfied. No such order has been sought.

After July 1, 2013, any acquisition of unsecured claims by a Substantial Claimholder or a person (or in certain cases, group of persons) that would become a Substantial Claimholder as a result of the contemplated transaction is not permitted unless the potential transferee files a Claims Acquisition Request at least 10 business days prior to the proposed transfer date and receives written approval from the Debtors.

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

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

Liabilities Subject to Compromise

The following table summarizes the components of liabilities subject to compromise included on the Condensed Consolidated Balance Sheet as of September 30, 2013 and December 31, 2012 (in millions):

	September 30, 2013	December 31, 2012
Long-term debt	\$289	\$358
Estimated allowed claims on aircraft lease and debt obligations and facility lease and bond obligations	4,020	3,716
Pension and postretirement benefits	1,201	1,250
Accounts payable and other accrued liabilities	350	370
Other	—	—
Total liabilities subject to compromise	\$5,860	\$5,694

Long-term debt, including undersecured debt, classified as subject to compromise as of September 30, 2013 and December 31, 2012 consisted of (in millions):

	September 30, 2013	December 31, 2012
Secured variable and fixed rate indebtedness due through 2023 (effective rates from 1.00% - 10.00% at September 30, 2013)	\$103	\$172
6.00%—8.50% special facility revenue bonds due through 2036	186	186
	\$289	\$358

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

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



Table of Contents

As a result of the modifications to the retirement benefits as discussed in Note 8 to the Condensed Consolidated Financial Statements, a portion of the pension and postretirement benefits liability, primarily relating to retiree medical and other benefits, was classified as liabilities subject to compromise.

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

**Reorganization Items, net**

Reorganization items refer to revenues, expenses (including professional fees), realized gains and losses and provisions for losses that are realized or incurred in the Chapter 11 Cases. The following table summarizes the components included in reorganization items, net on the Consolidated Statements of Operations for the three and nine months ended September 30, 2013 and 2012 (in millions):

	Three Months Ended		Nine Months Ended	
	September 30, 2013	2012	September 30, 2013	2012
Pension and postretirement benefits	\$—	\$(66)	\$—	\$(66)
Aircraft and facility financing renegotiations and rejections <sup>(1)(2)(3)</sup>	66	133	285	1,648
Professional fees	48	51	126	168
Other	37	10	23	10
Total reorganization items, net	\$151	\$128	\$434	\$1,760

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

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

Pursuant to the Description of Plan of Reorganization, as defined and further described in Note 12 to the Condensed Consolidated Financial Statements, the Debtors agreed to allow certain post-petition unsecured claims on obligations. As a result, during the first nine months of 2013, the Company recorded reorganization charges to adjust estimated allowed claim amounts previously recorded on rejected special facility revenue bonds of \$170 million and allowed general unsecured claims related to the 1990 and 1994 series of special facility revenue bonds that financed certain improvements at JFK, which is included in the table above.

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

**2. Basis of Presentation**

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with United States (U.S.) generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, these financial statements contain all adjustments, consisting of normal recurring accruals, necessary to present fairly the financial position, results of operations and



Table of Contents

cash flows for the periods indicated. Results of operations for the periods presented herein are not necessarily indicative of results of operations for the entire year. American is a wholly owned subsidiary of AMR. The Condensed Consolidated Financial Statements also include the accounts of variable interest entities for which the Company is the primary beneficiary. For further information, refer to the consolidated financial statements and footnotes included in American's Annual Report on Form 10-K filed on February 20, 2013, as amended by the Form 10-K/A filed on April 16, 2013 (2012 Form 10-K).

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

Certain of our non-U.S. subsidiaries are not part of the Chapter 11 Cases. Since these non-US subsidiaries do not have significant transactions, we do not separately disclose the condensed combined financial statements of such non-U.S. subsidiaries in accordance with the requirements of reorganization accounting.

These Condensed Consolidated Financial Statements have also been prepared on a going concern basis, which contemplates continuity of operations, realization of assets and satisfaction of liabilities in the ordinary course of business. Accordingly, the Condensed Consolidated Financial Statements do not include any adjustments relating to the recoverability of assets and classification of liabilities that might be necessary should the Debtors be unable to continue as a going concern.

As a result of the Chapter 11 Cases, the satisfaction of our liabilities and funding of ongoing operations are subject to uncertainty and, accordingly, there is a substantial doubt of the Company's ability to continue as a going concern. The accompanying Condensed Consolidated Financial Statements do not purport to reflect or provide for the consequences of the Chapter 11 Cases, other than as set forth under "liabilities subject to compromise" on the accompanying Condensed Consolidated Balance Sheet and "income (loss) before reorganization items" and "reorganization items, net" on the accompanying Consolidated Statement of Operations (see Note 1 to the Condensed Consolidated Financial Statements for further information). In particular, the financial statements do not purport to show (1) as to assets, their realizable value on a liquidation basis or their availability to satisfy liabilities; (2) as to prepetition liabilities, the amounts that may be allowed for claims or contingencies, or the status and priority thereof; or (3) as to operations, the effect of any changes that may be made to the Debtors' business, including, without limitation, as a result of the Merger.

### 3. Commitments, Contingencies and Guarantees

American had total aircraft acquisition commitments as of September 30, 2013 as follows:

		Remainder of 2013	2014	2015	2016	2017	2018 and Beyond	Total
Boeing								
737 Family	Purchase	5	20	—	—	—	—	25
	Lease	—	—	20	20	20	—	60
737 MAX	Purchase	—	—	—	—	3	97	100
	Lease	—	—	—	—	—	—	—
777-300 ER	Purchase	1	6	2	2	—	—	11
	Lease	—	—	—	—	—	—	—
787 Family	Purchase	—	2	11	13	9	7	42
	Lease	—	—	—	—	—	—	—
Airbus								



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A320 Family	Purchase	—	—	—	—	—	—	—
	Lease	10	35	30	25	20	—	120
A320 Neo	Purchase	—	—	—	—	10	120	130
	Lease	—	—	—	—	—	—	—
Total	Purchase	6	28	13	15	22	224	308
	Lease	10	35	50	45	40	—	180

13

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Table of Contents

As of September 30, 2013, payments for the above purchase commitments and certain engines, and future lease payments for all leased aircraft, in each case, subject to assumption of certain of the related agreements, are presented in the table below (in millions):

	Remainder of 2013	2014	2015	2016	2017	2018 and Beyond	Total
Payments for above purchase commitments and certain engines <sup>(1)</sup>	\$371	\$1,937	\$1,652	\$2,008	\$2,038	\$12,298	\$20,304
Future lease payments for all leased aircraft (including aircraft not yet delivered)	\$237	\$1,018	\$1,228	\$1,447	\$1,673	\$12,385	\$17,988

These amounts are net of purchase deposits currently held by the manufacturers. American has granted Boeing a (1) security interest in American's purchase deposits with Boeing. The Company's purchase deposits totaled \$709 million as of September 30, 2013.

**Capacity Purchase Agreements with Third-Party Regional Airlines**

During 2012, American entered into capacity purchase agreements with SkyWest Airlines, Inc. (SkyWest) and with ExpressJet Airlines, Inc. (ExpressJet), both wholly owned subsidiaries of SkyWest, Inc., to provide 50-seat regional jet feed. Both airlines operate the services under the American Eagle® brand. SkyWest began service from Los Angeles International Airport on November 15, 2012, and ExpressJet began service from Dallas-Ft. Worth International Airport on February 14, 2013. In addition, Chautauqua Airlines, Inc. (Chautauqua) continues to operate under the brand AmericanConnection® under a capacity purchase agreement with American.

On January 23, 2013, American entered into a 12-year capacity purchase agreement with Republic Airlines Inc. (Republic), a subsidiary of Republic Airways Holdings, to provide large regional jet flying. Through the agreement, Republic will acquire 47 Embraer E-175 aircraft featuring a two-class cabin with 12 first class seats and 64 seats in the main cabin. The aircraft, which will fly under the American Eagle® brand, began phasing into operation at approximately two to three aircraft per month beginning in August 2013. All 47 aircraft are expected to be in operation by the first quarter of 2015.

As of September 30, 2013, American's minimum fixed obligations under its capacity purchase agreements with third-party regional airlines were as follows (approximately, in millions):

	Remainder of 2013	2014	2015	2016	2017	2018 and Beyond	Total
Minimum fixed obligations under its capacity purchase agreements with third-party regional airlines <sup>(1)</sup>	\$67	\$521	\$670	\$676	\$520	\$4,360	\$6,814

These obligations contemplate minimum levels of flying by the third-party airlines under the respective agreements and also reflect assumptions regarding certain costs associated with the minimum levels of flying such as the cost (1) of fuel, insurance, catering, property tax and landing fees. Accordingly, actual payments under these agreements could differ materially from the minimum fixed obligations set forth above.

**Other**

As a result of the filing of the Chapter 11 Cases, attempts to prosecute, collect, secure or enforce remedies with respect to prepetition claims against the Debtors are subject to the automatic stay provisions of Section 362(a) of the Bankruptcy Code, except in such cases where the Bankruptcy Court has entered an order modifying or lifting the automatic stay. Notwithstanding the general application of the automatic stay described above, governmental authorities, both domestic and foreign, may determine to continue actions brought under their regulatory powers. Therefore, the automatic stay may have no effect on certain matters, and the Debtors cannot predict the impact, if any, that its Chapter 11 Cases might have on its commitments and obligations.

**4. Depreciation and Amortization**

Accumulated depreciation of owned equipment and property at September 30, 2013 and December 31, 2012 was \$10.6 billion and \$10.4 billion, respectively. Accumulated amortization of equipment and property under capital leases at September 30, 2013 and December 31, 2012 was \$242 million and \$205 million, respectively.

#### 5. Income Taxes

The Company provides a valuation allowance for deferred tax assets when it is more likely than not that some portion, or all, of its deferred tax assets will not be realized. The Company's deferred tax asset valuation allowance decreased from \$5.1 billion as of December 31, 2012 to \$5.0 billion as of September 30, 2013, including the impact of comprehensive income for the nine months

Table of Contents

ended September 30, 2013 and changes from other adjustments. These other adjustments include the realization of an income tax expense credit of approximately \$30 million recorded for the nine months ended September 30, 2013 by the Company as a result of passage of the American Taxpayer Relief Act of 2012. There was no amount of adjustment recorded by the Company during the nine months ended September 30, 2012.

Under current accounting rules, the Company is required to consider all items (including items recorded in other comprehensive income) in determining the amount of tax benefit that results from a loss from continuing operations and that should be allocated to continuing operations. Due to the significant volatility of items impacting other comprehensive income on a quarterly basis, the Company generally does not record any such tax benefit allocation until all items impacting other comprehensive income are known for the annual period. Thus, any such interim tax benefit allocation may subsequently be subject to reversal.

## 6. Indebtedness and Leases

Long-term debt classified as not subject to compromise consisted of (in millions):

	September 30, 2013	December 31, 2012
Secured variable and fixed rate indebtedness due through 2023 (effective rates from 1.00%-10.50% at September 30, 2013)	\$2,625	\$3,297
Enhanced equipment trust certificates (EETC) due through 2025 (rates from 4.00%-7.00% at September 30, 2013)	2,747	1,741
6.00%-8.50% special facility revenue bonds due through 2031	1,288	1,313
7.50% senior secured notes due 2016	1,000	1,000
Senior secured credit facility due 2019 (rate of 4.75% at September 30, 2013)	1,886	—
AAdvantage Miles advance purchase (net of discount of \$43 million) (effective rate 8.3%)	652	772
Other	28	27
	10,226	8,150
Less current maturities	1,335	1,388
Long-term debt, less current maturities	\$8,891	\$6,762

The financings listed in the table above are considered not subject to compromise. For information regarding the liabilities subject to compromise, see Note 1 to the Condensed Consolidated Financial Statements.

The Company's future long-term debt and operating lease payments have changed as its ordered aircraft are delivered and such deliveries have been financed. As of September 30, 2013, maturities of long-term debt (including sinking fund requirements) for the next five years are (in millions):

	Remainder of 2013	2014	2015	2016	2017	Total
Principal Not Subject to Compromise	\$ 568	\$ 887	\$ 814	\$ 1,728	\$ 528	\$ 4,525
Principal Subject to Compromise	82	147	—	—	—	229
Total Principal Amount	\$ 650	\$ 1,034	\$ 814	\$ 1,728	\$ 528	\$ 4,754

Principal Not Subject to Compromise and Subject to Compromise includes payments not made due to the Chapter 11 Cases of \$451 million and \$74 million, respectively.

Future minimum lease payments required under aircraft and facility operating leases that have initial or remaining non-cancelable lease terms in excess of a year as of September 30, 2013, were (in millions):

	Remainder of 2013	2014	2015	2016	2017	2018 and Beyond	Total
Future minimum lease payments	\$ 324	\$ 1,212	\$ 1,139	\$ 1,053	\$ 998	\$ 6,250	\$ 10,976

As of September 30, 2013, \$95 million and \$307 million are included on the accompanying balance sheet in Liabilities Subject to Compromise and Accrued liabilities and other liabilities and deferred credits, respectively, relating to rent expense being recorded in advance of future operating lease payments.



Table of Contents

As of September 30, 2013, AMR had issued guarantees covering approximately \$1.5 billion of American's tax-exempt bond debt (and interest thereon) and \$5.2 billion of American's secured debt (and interest thereon). American had issued guarantees covering approximately \$842 million of AMR's unsecured debt (and interest thereon).

Financing Transactions

On March 12, 2013, American closed its private offering of two tranches of enhanced equipment trust certificates (the Series 2013-1A/B EETCs) in the aggregate face amount of \$664 million. The Series 2013-1A/B EETCs are comprised of a senior tranche of Class A Certificates with an interest rate of 4.00% per annum and a final expected distribution date of July 15, 2025, and a junior tranche of Class B Certificates with an interest rate of 5.625% per annum and a final expected distribution date of January 15, 2021. The Series 2013-1A/B EETCs represent an interest in the assets of two separate pass through trusts, each of which hold equipment notes issued by American. Interest on the issued and outstanding equipment notes will be payable semiannually on January 15 and July 15 of each year, commencing on July 15, 2013, and principal on such equipment notes is scheduled for payment on January 15 and July 15 of certain years, commencing on January 15, 2014. As of September 30, 2013, the equipment notes are secured by eight currently owned Boeing 737-823 aircraft, one currently owned Boeing 777-223ER aircraft, and four currently owned Boeing 777-323ER aircraft. The certificates were offered in the U.S. to qualified institutional buyers, as defined in, and in reliance on, Rule 144A under the Securities Act of 1933, as amended (the Securities Act).

On June 5, 2013, American closed its private offering of Class C enhanced equipment trust certificates (the Series 2013-1C EETCs) in the aggregate face amount of \$120 million. The Series 2013-1C EETCs rank junior to the Series 2013-1A/B EETCs. The Series 2013-1C EETCs were issued with an interest rate of 6.125% per annum and a final expected distribution date of July 15, 2018. The 2013-1C EETCs represent an interest in the assets of a separate pass through trust, which will hold certain equipment notes issued by American. The Series 2013-1C EETCs are secured by the same aircraft securing the Series 2013-1A/B EETCs. The certificates were offered in the U.S. to qualified institutional buyers, as defined in, and in reliance on, Rule 144A under the Securities Act.

On June 27, 2013, American Airlines and AMR Corporation entered into a Credit and Guaranty Agreement (the Credit Agreement) with certain lenders. The Credit Agreement, as amended in August 2013, provides for a \$1.9 billion term loan facility (the Term Loan Facility) and a \$1.0 billion revolving credit facility (the Revolving Facility and, together with the Term Loan Facility, the Credit Facilities). As of September 30, 2013, American had borrowed \$1.9 billion under the Term Loan Facility. The Credit Facilities are secured obligations of American and guaranteed by AMR. The Revolving Facility provides that American may from time to time borrow, repay and reborrow loans thereunder and have letters of credit issued thereunder in an aggregate amount outstanding at any time of up to \$1.0 billion. As of September 30, 2013, there were no borrowings outstanding under the Revolving Facility.

Upon consummation of the Merger, US Airways Group and US Airways will be required to join the Credit Facilities as guarantors. Following the joinder, certain minimum dollar-thresholds under the negative and financial covenants in the Credit Facilities automatically will be increased.

Except under certain circumstances, American may not make drawings under the Revolving Facility until the date (the Plan Effective Date) on which certain conditions set forth in the Credit Agreement have been satisfied and the effective date has occurred under (i) a Chapter 11 plan of reorganization that does not differ from the plan of reorganization filed with the Bankruptcy Court on April 15, 2013 in any manner adverse to the lenders without consent (the Approved Plan of Reorganization) or (ii) an alternative plan of reorganization that satisfies certain financial metrics set forth in the Credit Agreement (an Alternative Plan).

The Term Loan Facility and Revolving Facility mature on June 27, 2019 and June 27, 2018, respectively, unless otherwise extended by the applicable parties, except that if the Plan Effective Date has not occurred on or before June 27, 2014 under the Approved Plan of Reorganization or an Alternative Plan, then the Term Loan Facility and Revolving Facility mature on June 27, 2014, and if the effective date under a Chapter 11 plan of reorganization occurs under a plan of reorganization that is neither the Approved Plan of Reorganization nor an Alternative Plan, then the Term Loan Facility and Revolving Facility mature on such date. As a result of the DOJ Action, it is uncertain whether the Plan Effective Date will occur in compliance with such conditions, and therefore it cannot be predicted at this time whether or not the Term Loan Facility and the Revolving Facility will mature early on June 27, 2014.

Voluntary prepayments may be made by American at any time, with a premium of 1.00% applicable to certain prepayments made prior to the date that is six months following June 27, 2013. Mandatory prepayments at par of term loans and revolving loans are required to the extent necessary to comply with American's covenants regarding the collateral coverage ratio and certain dispositions of collateral. In addition, if a "change of control" (as defined in the Credit Agreement) occurs with respect to AMR, American will be required to repay at par the loans outstanding under the Credit Facilities and terminate the Revolving Facility. The Merger would not constitute a change of control.

Table of Contents

The Credit Facilities bear interest at an index rate plus an applicable index margin or, at American's option, LIBOR (subject to a floor of 1.00%, with respect to the Term Loan) plus an applicable LIBOR margin. The applicable LIBOR margins are 3.75% and 3.50% for borrowings under the Term Loan Facility and the Revolving Facility, respectively. Subject to certain limitations and exceptions, the Credit Facilities are secured by certain route authorities, slots and foreign gate leaseholds utilized by American in providing scheduled air carrier service between the United States and South American countries, specifically Argentina, Bolivia, Brazil, Chile, Columbia, Ecuador, Paraguay, Peru, Uruguay and Venezuela.

The Credit Facilities contain events of default customary for similar financings, including cross-acceleration to other material indebtedness. Upon the occurrence of an event of default, the outstanding obligations under the Credit Facilities may be accelerated and become due and payable immediately. The Credit Facilities also include affirmative, negative, and financial covenants that, among other things, limit the ability of AMR and its restricted subsidiaries to pay dividends and make certain other payments, make certain investments, incur additional indebtedness, incur liens on the collateral, dispose of the collateral, enter into certain affiliate transactions and engage in certain business activities, in each case subject to certain exceptions. In addition, AMR must maintain a minimum aggregate liquidity (as defined in the Credit Agreement) of \$1.5 billion prior to the Merger and \$2.0 billion following the Merger. In June 2013, American also remarketed approximately \$216 million of Tulsa Municipal Airport Revenue Refunding Bonds Trust Series 2000B, 2001A, and 2001B due June 1, 2035 (Series 2000B) and December 1, 2035 (Series 2001 A&B).

The Company filed a motion with the Bankruptcy Court on October 9, 2012, requesting entry of an order authorizing American to, among other things: (i) obtain postpetition financing in an amount of up to \$1.5 billion secured on a first priority basis by, among other things, up to 41 Boeing 737-823 aircraft, 14 Boeing 757-223 aircraft, one Boeing 767-323ER aircraft and 19 Boeing 777-223ER aircraft as part of a new enhanced equipment trust certificate (EETC) financing (the Refinancing EETC) to be offered pursuant to Rule 144A under the Securities Act, and (ii) use cash on hand (including proceeds of the Refinancing EETC) to indefeasibly repay the existing prepetition obligations secured by such aircraft, as applicable, which are currently financed through, as the case may be, an EETC financing entered into by American in July 2009 (the Series 2009-1 Pass Through Certificates), a secured notes financing entered into by American in July 2009 (the 2009-2 Senior Secured Notes) and an EETC financing entered into by American in October 2011 (the Series 2011-2 Pass Through Certificates and, together with the Series 2009-1 Pass Through Certificates and the 2009-2 Senior Secured Notes, the Existing Financings), in each case without the payment of any make-whole amount or other premium or prepayment penalty.

The Bankruptcy Court approved the motion on January 17, 2013 and entered an order (the EETC Order) to such effect on February 1, 2013. The trustees for the Existing Financings appealed the EETC Order and judgments rendered in certain related adversary proceedings. The appeals (the Appeals) were briefed and oral argument before the United States Court of Appeals for the Second Circuit (the Second Circuit) was heard on June 20, 2013. On September 12, 2013, the Second Circuit fully affirmed the Company's right to repay the Existing Financings without the payment of any make-whole amount or other premium or prepayment penalty. On September 26, 2013, the trustees for the Existing Financings filed a petition for an en banc rehearing of the Appeals by the Second Circuit. The Second Circuit has not yet ruled on such request for rehearing. If the Second Circuit ultimately denies such request for rehearing, the trustees for the Existing Financings may attempt to continue the Appeals by petitioning for certiorari to the Supreme Court. American intends to continue to assert vigorously its rights to repay the Existing Financings without the payment of any make-whole amounts or other premium or prepayment penalty.

On July 31, 2013, the Company closed its private offering of the Refinancing EETC (the Series 2013-2A EETC) in the aggregate face amount of \$1.4 billion with an interest rate of 4.95% per annum and a final expected distribution date of January 15, 2023. In September 2013, American repaid the Existing Financings, including securities tendered to the Company under a tender offer for the Existing Financings that commenced on June 27, 2013, and received the proceeds from the Series 2013-2A EETC. In conjunction with the repayment of the Existing Financings, the Company incurred cash charges for penalty interest of \$19 million, included in interest expense, and a charge of \$54 million, included in Miscellaneous, net, of which \$21 million is cash, related to the premium on tender for the Existing Financings, and \$33 million is non-cash, related to the write-off of unamortized issuance costs. The 2013-2A EETC



represents an interest in the assets of a separate pass through trust, which will hold certain equipment notes issued by American. The Series 2013-2A EETC is secured by the same aircraft previously used to secure the Existing Financings. The certificates were offered in the U.S. to qualified institutional buyers, as defined in, and in reliance on, Rule 144A under the Securities Act.

On October 2, 2013, the Company filed a motion with the Bankruptcy Court requesting entry of an order authorizing American to obtain postpetition financing in an amount of up to \$785 million to be under up to two additional subordinate tranches to EETCs secured on a first priority basis by the same aircraft securing the equipment notes issued by the Company in connection with the Series 2013-2A EETC.

Table of Contents**Sale-leaseback Arrangements**

American has arranged sale-leaseback financings with certain leasing companies for 25 Boeing 737-800 aircraft scheduled to be delivered from October 2013 through 2014. The financings of each aircraft under these arrangements are subject to certain terms and conditions. In addition, in some instances, they are also subject to collaboration with the Creditors' Committee and other key stakeholders and to the approval of the Bankruptcy Court.

During the third quarter, American financed nine Boeing 737-800 aircraft under sale-leaseback arrangements, which are accounted for as operating leases. These sale-leaseback transactions resulted in gains which are being amortized over the respective remaining lease terms.

**Collateral Related Covenants**

Certain of American's debt financing agreements contain loan to value ratio covenants and require American to periodically appraise the collateral. Pursuant to such agreements, if the loan to value ratio exceeds a specified threshold, American is required, as applicable, to subject additional qualifying collateral (which in some cases may include cash collateral), or pay down such financing, in whole or in part, with premium (if any), or pay additional interest on the related indebtedness, as described below.

Specifically, American is required to meet certain collateral coverage tests on a periodic basis on three financing transactions: (1) 10.5% \$450 million Senior Secured Notes due 2012 (the 10.5% Notes), (2) 7.5% Senior Secured Notes due 2016 (the Senior Secured Notes) and (3) Credit Facilities, as described below:

	10.5% Notes	Senior Secured Notes	Credit Facilities
Frequency of Appraisals	Semi-Annual (April and October)	Semi-Annual (June and December)	Semi-Annual (June and December)
LTV Requirement	43%; failure to meet collateral test requires posting of additional collateral	1.5x Collateral valuation to amount of debt outstanding (67% LTV); failure to meet collateral test results in American paying 2% additional interest until the ratio is at least 1.5x; additional collateral can be posted, or debt repaid, to meet this test	1.6x Collateral valuation to amount of debt outstanding (62.5% LTV); if collateral test is not met, American must post additional collateral and/or repay debt until the test is met
LTV as of Last Measurement Date	56.6%	38.7%	33.5%
Collateral Description	Aircraft Type MD-80 B757-200 B767-200ER B767-300ER TOTAL	# of Aircraft 74 41 3 25 143	Generally, certain route authorities, take-off and landing slots, and rights to airport facilities used by American to operate certain services between the U.S. and London Heathrow, Tokyo Narita/Haneda, and China Generally, certain route authorities, take-off and landing slots, and rights to airport facilities used by American to operate all services between the U.S. and South America

At September 30, 2013, the Company was in compliance with the most recently completed collateral coverage tests for the Senior Secured Notes and the Credit Facilities. As of September 30, 2013, American had \$41 million of cash collateral posted with respect to the 10.5% Notes, which matured in 2012. The Company has not satisfied the debt with respect to the 10.5% Notes due to the ongoing Chapter 11 Cases.

**Other**

Almost all of the Company's aircraft assets (including aircraft and aircraft-related assets eligible for the benefits of section 1110 of the Bankruptcy Code) are encumbered, and the Company has a very limited quantity of assets which could be used as collateral in financing.

The Chapter 11 Cases triggered defaults on substantially all debt and lease obligations of the Debtors. However, under section 362 of the Bankruptcy Code, the commencement of the Chapter 11 Cases automatically stayed most creditor actions against the Debtors' estates.



Table of Contents

As discussed in Note 1 to the Condensed Consolidated Financial Statements, the Company has been using the benefits afforded by the Bankruptcy Code to restructure the terms of much of its indebtedness and lease obligations. The Company cannot predict at this time the outcome of its efforts to restructure its indebtedness and lease obligations. It is possible that holders of the Company's unsecured indebtedness may lose a portion of their investment depending on the outcome of the Chapter 11 Cases.

## 7. Fair Value Measurements

The Company utilizes the market approach to measure fair value for its financial assets and liabilities. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. The Company's short-term investments classified as Level 2 primarily utilize broker quotes in a non-active market for valuation of these securities. The Company's fuel derivative contracts, which consist primarily of collars (consisting of a purchased call option and a sold put option) and call spreads (consisting of a purchased call option and a sold call option), are valued using energy and commodity market data which is derived by combining raw inputs with quantitative models and processes to generate forward curves and volatilities. Heating oil, jet fuel and crude oil are the primary underlying commodities in the hedge portfolio. No changes in valuation techniques or inputs occurred during the nine months ended September 30, 2013.

Assets and liabilities measured at fair value on a recurring basis are summarized below (in millions):

Description	Fair Value Measurements as of September 30, 2013			
	Total	Level 1	Level 2	Level 3
Short-term investments <sup>(1)(2)</sup>				
Money market funds	\$543	\$543	\$—	\$—
Government agency investments	1,136	—	1,136	—
Repurchase investments	209	—	209	—
Corporate obligations	3,448	—	3,448	—
Bank notes / Certificates of deposit / Time deposits	707	—	707	—
	6,043	543	5,500	—
Restricted cash and short-term investments <sup>(1)</sup>	935	879	56	—
Fuel derivative contracts, net <sup>(1)</sup>	58	—	58	—
Total	\$7,036	\$1,422	\$5,614	\$—

Unrealized gains or losses on short-term investments, restricted cash and short-term investments and derivatives (1)qualifying for hedge accounting are recorded in Accumulated other comprehensive income (loss) at each measurement date.

(2) The Company's short-term investments mature in one year or less except for \$450 million of Bank notes, \$635 million of U.S. Government obligations and \$1.6 billion of Corporate obligations which have maturity dates exceeding one year.

A \$56 million Level 1 restricted money market security was liquidated in August 2013. The cash proceeds were subsequently reinvested in a Level 2 U.S. Treasury Obligation. The Company's policy regarding the recording of transfers between levels is to reflect any such transfers at the end of the reporting period.

As of September 30, 2013, the Company had no exposure to European sovereign debt.

The fair values of the Company's long-term debt classified as Level 2 were estimated using quoted market prices or discounted cash flow analyses, based on the Company's current estimated incremental borrowing rates for similar types of borrowing arrangements. All of the Company's long-term debt not classified as subject to compromise is classified as Level 2.

Table of Contents

The carrying value and estimated fair values of the Company's long-term debt, including current maturities, not classified as subject to compromise, were (in millions):

	September 30, 2013		December 31, 2012	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Secured variable and fixed rate indebtedness	\$2,625	\$2,570	\$3,297	\$3,143
Enhanced equipment trust certificates	2,747	2,725	1,741	1,811
6.0%—8.5% special facility revenue bonds	1,288	1,368	1,313	1,308
7.50% senior secured notes	1,000	1,190	1,000	1,074
Senior secured credit facility due 2019 (rate of 4.75% at September 30, 2013)	1,886	1,872	—	—
AAdvantage Miles advance purchase	652	658	772	779
Other	28	28	27	27
	\$10,226	\$10,411	\$8,150	\$8,142

The carrying value and estimated fair value of the Company's long-term debt, including current maturities, classified as subject to compromise, were (in millions):

	September 30, 2013		December 31, 2012	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Secured variable and fixed rate indebtedness	\$103	\$107	\$172	\$154
6.0%—8.5% special facility revenue bonds	186	176	186	186
	\$289	\$283	\$358	\$340

All of the Company's long-term debt classified as subject to compromise is classified as Level 2.

Table of Contents

## 8. Retirement Benefits

The following tables provide the components of net periodic benefit cost for the three and nine months ended September 30, 2013 and 2012 (in millions):

	Pension Benefits			
	Three Months Ended September 30, 2013		Nine Months Ended September 30, 2012	
Components of net periodic benefit cost:				
Service cost	\$ 1	\$ 104	\$ 3	\$ 312
Interest cost	164	191	490	573
Expected return on assets	(180	) (166	) (540	) (498
Amortization of:				
Prior service cost	7	3	21	10
Unrecognized net (gain) loss	23	63	69	187
Net periodic benefit cost	\$ 15	\$ 195	\$ 43	\$ 584
	Retiree Medical and Other Benefits			
	Three Months Ended September 30, 2013		Nine Months Ended September 30, 2012	
Components of net periodic benefit cost:				
Service cost	\$—	\$ 15	\$—	\$ 45
Interest cost	13	38	39	114
Expected return on assets	(4	) (4	) (12	) (12
Amortization of:				
Prior service cost	(61	) (7	) (183	) (21
Unrecognized net (gain) loss	(2	) (2	) (6	) (6
Net periodic benefit cost	\$(54	) \$ 40	\$(162	) \$ 120

The Company is required to make minimum contributions to its defined benefit pension plans under the minimum funding requirements of ERISA, the Pension Funding Equity Act of 2004, the Pension Protection Act of 2006, and the Pension Relief Act of 2010. As a result of the Chapter 11 Cases, American contributed \$87.6 million to its U.S. defined benefit pension plans during the first nine months of 2013 covering post-petition periods. On October 15, 2013, the Company contributed an additional \$16.8 million to its defined benefit pension plans. Prior to emerging from Chapter 11 (see Note 1 to the Condensed Consolidated Financial Statements for further information), AMR and/or its subsidiaries will make all minimum required contributions to each AMR compensation and benefit plan that are required to have been made and were not made prior to emergence. As a result of the Company contributing only the post-petition portion of required contributions, the PBGC filed a lien against certain assets of the Company in 2012.

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

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

In December 2012, the Pilot A Plan, a defined benefit plan, was amended to remove the lump-sum option and the installment option forms of benefit effective December 31, 2012. A small group of American pilots is appealing the Bankruptcy Court's decision authorizing American to eliminate the lump sum option and installment option forms of benefit. This is the same group of pilots that is appealing the Bankruptcy Court's decisions authorizing American to reject the pilot CBA and approving the new pilot CBA. All of these appeals have been consolidated, and are pending in the U.S. District Court for the Southern District of New York.



Table of Contents

The Pilot B Plan, a defined contribution plan, was terminated on November 30, 2012. As of September 30, 2013, more than 99% of Plan B assets have been distributed and, with the exception of a small residual balance to cover final plan expenses, we expect the remaining funds to be distributed by the end of the fourth quarter of 2013.

On July 6, 2012, the Company commenced an adversary proceeding in the Bankruptcy Court seeking a determination on the issue of vesting for former employees who retired before November 1, 2012 and were eligible for certain retiree medical coverage. The Court held a hearing on January 23, 2013 and has not ruled on this matter as of the date of this report. The Company has been negotiating with the retiree committee since July 2012, seeking a consensual agreement to terminate subsidized retiree medical coverage and life insurance coverage.

As a result of the modifications to the retirement benefits as discussed above, a portion of the pension and postretirement benefits liability, primarily relating to retiree medical and other benefits, was classified as liabilities subject to compromise. See Note 1 to the Condensed Consolidated Financial Statements for the breakout of liabilities subject to compromise, including that related to pension and postretirement benefits.

#### 9. Special Charges and Merger Related Expenses

##### Special Charges

Based on agreements reached with various workgroups in 2012, the Company expects to reduce a total of approximately 10,500 positions. Consequently, during 2012, the Company recorded charges for severance related costs associated with the voluntary and involuntary reductions in certain work groups. The severance charges will be paid through the end of 2013.

The following table summarizes the components of the Company's special charges and the remaining accruals for these charges as of September 30, 2013 (in millions):

	Facility Exit Costs	Employee Charges	Total
Remaining accrual at December 31, 2012	\$4	\$192	\$196
Special charges	6	13	19
Non-cash charges	(3	) —	(3
Adjustments	(4	) —	(4
Payments	(3	) (154	) (157
Remaining accrual at September 30, 2013	\$—	\$51	\$51

##### Merger Related Expenses

Merger related expenses for the three and nine months ended September 30, 2013 were \$13.8 million and \$35.4 million, respectively. See Note 12 to the Condensed Consolidated Financial Statements for information on the Merger Agreement.

#### 10. Financial Instruments and Risk Management

As part of the Company's risk management program, it uses a variety of financial instruments, primarily heating oil, jet fuel, and Brent crude collars (consisting of a purchased call option and a sold put option) and call spreads (consisting of a purchased call option and a sold call option), as cash flow hedges to mitigate commodity price risk. The Company does not hold or issue derivative financial instruments for trading purposes. As of September 30, 2013, the Company had fuel derivative contracts outstanding covering 19 million barrels of jet fuel that will be settled over the next 18 months. A deterioration of the Company's liquidity position and its ongoing Chapter 11 Cases may negatively affect the Company's ability to hedge fuel in the future.

The net fair value of the Company's fuel hedging agreements at September 30, 2013 and December 31, 2012, representing the amount the Company would receive upon termination of the agreements (net of settled contract assets), totaled \$51 million and \$62 million, respectively. As of September 30, 2013, the Company estimates that during the next twelve months it will reclassify from Accumulated other comprehensive loss into earnings of approximately \$9 million in net losses.



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The impact of aircraft fuel derivative instruments (all cash flow hedges) on the Company's Consolidated Statements of Operations is depicted below (in millions):

	Location in Consolidated Statements of Operations	Three Months Ended September 30,		Nine Months Ended September 30,	
		2013	2012	2013	2012
Amount of Gain (Loss) Reclassified from Accumulated OCI into Income <sup>(1)</sup>	Aircraft fuel	\$(11 )	\$(12 )	\$(23 )	\$13 )
Amount of Gain (Loss) Recognized in Income on Derivative <sup>(2)</sup>	Aircraft fuel	\$36	\$2	\$25	\$(3 )
Amount of Gain (Loss) Recognized in Consolidated Statements of Operations <sup>(3)</sup>	Aircraft fuel	\$25	\$(10 )	\$2	\$10

(1) Includes the effective portion of hedge gain (loss)

(2) Includes the ineffective portion of hedge gain (loss)

(3) Includes the effective and ineffective portion of hedge gain (loss)

The impact of aircraft fuel derivative instruments (all cash flow hedges) on the Company's Consolidated Statements of Comprehensive Income is depicted below (in millions):

	Location	Three Months Ended September 30,		Nine Months Ended September 30,	
		2013	2012	2013	2012
Amount of (Gain) Loss Reclassified from Accumulated OCI into Income <sup>(1)</sup>	Reclassification into Earnings	\$11	\$12	\$23	\$(13 )
Amount of Gain (Loss) Recognized in OCI on Derivative <sup>(1)</sup>	Change in Fair Value	\$23	\$86	\$(47 )	\$29
Amount of Gain (Loss) Recognized in Consolidated Statements of Comprehensive Income	Change in fair value				