



## Edgar Filing: AMR CORP - Form 8-K

### Item 8.01 Other Events

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

#### SIGNATURE

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

AMR CORPORATION

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

Dated: June 22, 2007

AMR EAGLE EYE

June 22, 2007

Statements in this report contain various forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which represent the Company's expectations or beliefs concerning future events. When used in this document, the words "expects", "plans," "anticipates," "indicates," "believes," "forecast," "guidance," "outlook", "may," "will," "should" and similar expressions are intended to identify forward-looking statements. Forward-looking statements include, without limitation, the Company's expectations concerning operations and financial conditions, including changes in capacity, revenues and costs; future financing plans and needs; overall economic and industry conditions; plans and objectives for future operations; and the impact on the Company of its results of operations in recent years and the sufficiency of its financial resources to absorb that impact. Other forward-looking statements include statements which do not relate solely to historical facts, such as, without limitation, statements which discuss the possible future effects of current known trends or uncertainties, or which indicate that the future effects of known trends or uncertainties cannot be predicted, guaranteed or assured. All forward-looking statements in this report are based on information available to the Company on the date of this report. The Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise. This document

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includes forecasts of unit cost and revenue performance, fuel prices and fuel hedging, capacity and traffic estimates, other income/expense estimates, share count, and statements regarding the Company's liquidity, each of which is a forward-looking statement. Forward-looking statements are subject to a number of factors that could cause the Company's actual results to differ materially from the Company's expectations. The following factors, in addition to other possible factors not listed, could cause the Company's actual results to differ materially from those expressed in forward-looking statements: the materially weakened financial condition of the Company, resulting from its significant losses in recent years; the ability of the Company to generate additional revenues and significantly reduce its costs; changes in economic and other conditions beyond the Company's control, and the volatile results of the Company's operations; the Company's substantial indebtedness and other obligations; the ability of the Company to satisfy existing financial or other covenants in certain of its credit agreements; continued high fuel prices and further increases in the price of fuel, and the availability of fuel; the fiercely competitive business environment faced by the Company, and historically low fare levels; competition with reorganized and reorganizing carriers; the Company's reduced pricing power; the Company's likely need to raise additional funds and its ability to do so on acceptable terms; changes in the Company's business strategy; government regulation of the Company's business; conflicts overseas or terrorist attacks; uncertainties with respect to the Company's international operations; outbreaks of a disease (such as SARS or avian flu) that affects travel behavior; uncertainties with respect to the Company's relationships with unionized and other employee work groups; increased insurance costs and potential reductions of available insurance coverage; the Company's ability to retain key management personnel; potential failures or disruptions of the Company's computer, communications or other technology systems; changes in the price of the Company's common stock; and the ability of the Company to reach acceptable agreements with third parties. Additional information concerning these and other factors is contained in the Company's Securities and Exchange Commission filings, including but not limited to the Company's Annual Report on Form 10-K for the year ended December 31, 2006.

This Eagle Eye provides updated guidance for the second quarter and the full year 2007.

### Performance Update

Costs: Unit cost forecasts are attached.

Revenue: Second quarter mainline passenger unit revenue is expected to increase between 3.0% and 4.0% year over year. Second quarter consolidated passenger unit revenue is expected to increase between 2.2% and 3.2% year over year. These estimates are not impacted by the recently announced change to an 18 month expiration of AAdvantage miles, which will be effective later this year. The Other Revenue category is expected to be about flat year over year as prior year comparables become more difficult.

Liquidity: We expect to end the second quarter with a cash and short-term investment balance over \$6 billion, including

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nearly \$500 million in restricted cash and short-term investments.

Kenji Hashimoto  
Managing Director, Investor Relations

AMR EAGLE EYE

Fuel Forecast

Fuel Hedge Position:

2Q07: Hedged on 34% of consumption at an average cap of \$65/bbl  
WTI Crude.

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

	Actual		Forecast		
	Apr	May	Jun	2Q07	2007
Fuel Price (dollars/gal)	2.04	2.12	2.17	2.11	2.12
Fuel Consumption (MM gals)	258.3	267.4	262.2	787.9	3,110.6

Unit Cost Forecast (cents)

AMR Consolidated Cost per ASM

	Actual		Forecast		
	Apr	May	Jun	2Q07	2007
AMR Cost per ASM 1/	11.65	11.57	12.06	11.76	11.76
AMR Cost per ASM (ex-fuel) 2/	8.17	7.96	8.34	8.16	8.19

American Mainline Cost per ASM

	Actual		Forecast		
	Apr	May	Jun	2Q07	2007
AA Cost per ASM 1/	11.03	10.93	11.45	11.14	11.14
AA Cost per ASM (ex-fuel) 2/	7.65	7.44	7.83	7.64	7.67

Note: The increase in ex-fuel CASM versus prior guidance is mostly attributable to reduced capacity associated with weather related cancellations April 1 through June 20. During this period, American Airlines cancelled 1.8 percent of 2Q07's expected departures due to weather.

Based on current conditions, the Company's most recently prepared internal forecast for the full year 2007 contains an accrual for profit sharing. There can be no assurance that the Company's forecast will approximate actual results. Additionally, reductions in forecasted pre-tax earnings from a previous quarter could result in the reversal of a portion or all of the previously recorded profit sharing expense.

For more information regarding these plans, please see the Company's 2006 Form 10-K.

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Capacity and Traffic Forecast  
(millions)

AA Mainline Operations

	Actual		Forecast		
	Apr	May	Jun	2Q07	2007
ASMs	14,065	14,549	14,177	42,791	170,389
Domestic	8,943	9,287	9,063	27,293	108,566
International	5,122	5,262	5,114	15,498	61,823
Traffic	11,549	11,890	12,328	35,767	137,641

Regional Affiliate Operations

	Actual		Forecast		
	Apr	May	Jun	2Q07	2007
ASMs	1,100	1,173	1,137	3,409	13,779
Traffic	816	885	915	2,616	10,090

Below the Line Income/Expense

Total Other Income (Expense) is estimated at \$(158) million in the second quarter of 2007.

Share Count (millions)

Earnings	2Q 2007	
	Basic	Diluted
Over \$67 million	246	300
\$50 - \$66 million	246	285
\$0 - \$49 million	246	268
Loss	246	246

Earnings	FY 2007	
	Basic	Diluted
Over \$268 million	245	301
\$199 - \$267 million	245	286
\$0 - \$198 million	245	269
Loss	245	245

1/ Data is as reported

2/ The Company believes that unit costs excluding fuel is a useful measurement to investors in monitoring the performance of the Company's costs excluding the volatility of fuel.

Reconciliation to GAAP follows:

Cents	Actual		Forecast		
	Apr	May	Jun	2Q07	2007
AMR CASM	11.65	11.57	12.06	11.76	11.76
Less Fuel CASM	3.48	3.61	3.72	3.60	3.57
AMR CASM Excluding Fuel	8.17	7.96	8.34	8.16	8.19

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Cents	Actual		Forecast		
	Apr	May	Jun	2Q07	2007
AA CASM	11.03	10.93	11.45	11.14	11.14
Less Fuel CASM	3.38	3.49	3.62	3.50	3.47
AA CASM Excluding Fuel	7.65	7.44	7.83	7.64	7.67