

[21812001]



Tim Petree, an analyst with Merrill Lynch & Co., said: "The business turned faster than expected."

[21812012]

Costs are giving them a little bit of trouble, and the whole industry is having a pricing problem.

[21812013]

For the nine months, AMR's net rose 15% to \$415.9 million, or \$6.59 a share, from \$360.1 million, or \$5.99 a share.

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Revenue jumped 22% to \$7.89 billion from \$6.46 billion.

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Mr. Crandall said the company's current decline in earnings is exactly the kind of situation that an excessively leveraged company laden with debt from a takeover would find difficult to weather.

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"Our very disappointing third-quarter results and the discouraging outlook for the fourth quarter underscore the importance of an adequate capital base," he said.