

10-Q 1 ar2q02f.txt AMR CORPORATION FORM 10-Q 1 UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549 FORM 10-Q [X]Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 For the Quarterly Period Ended June 30, 2002. []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 1-8400. AMR Corporation (Exact name of registrant as specified in its charter) Delaware 75-1825172 (State or other (I.R.S. Employer jurisdiction Identification No.) of incorporation or organization) 4333 Amon Carter Blvd. Fort Worth, Texas 76155 (Address of principal (Zip Code) executive offices) 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. Yes X 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 - 155,688,619 as of July 15, 2002. 2 INDEX AMR CORPORATION PART I: FINANCIAL INFORMATION Item 1. Financial Statements Consolidated Statements of Operations -- Three and six months ended June 30, 2002 and 2001 Condensed Consolidated Balance Sheets - June 30, 2002 and December 31, 2001 Condensed Consolidated Statements of Cash Flows -- Six months ended June 30, 2002 and 2001 Notes to Condensed Consolidated Financial Statements - June 30, 2002 Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations Item 3. Quantitative and Qualitative Disclosures about Market Risk PART II: OTHER INFORMATION Item 1. Legal Proceedings Item 4. Submission of Matters to a Vote of Security Holders Item 6. Exhibits and Reports on Form 8-K SIGNATURE 3 PART I: FINANCIAL INFORMATION Item 1. Financial Statements AMR CORPORATION CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited) (In millions, except per share amounts)

Three Months

Ended Six

Months

Ended June

30, June 30,

2002 2001

2002 2001

Revenues

Passenger--

American

Airlines

\$3,747

\$4,645

\$7,231

\$8,580--

AMR Eagle

344-409-649

763-Cargo

142-190-276

366-Other

revenues-246

339-459-634

Total

operating

revenues

4,479-5,583

8,615-10,343

Expenses

Wages,

salaries and

benefits

2,126-2,126

4,206-3,872

Aircraft fuel

656-842

1,183-1,549

Depreciation

and

amortization

338-352-679

665-Other

rentals and

landing fees

306-320-595

Maintenance,
 materials and
 repairs 285
 298-551-578
 Aircraft
 rentals 214
 226-440-374
 Food service
 180-218-350
 402
 Commissions
 to agents 155
 260-316-484
 Special
 charges — 685
 — 685 Other
 operating
 expenses 820
 1,016 1,625
 1,921 Total
 operating
 expenses
 5,080 6,343
 9,945 11,107
 Operating
 Loss (601)
 (760) (1,330)
 (764) Other
 Income
 (Expense)
 Interest
 income 18-24
 36-64 Interest
 expense
 (164) (132)
 (330) (251)
 Interest
 capitalized 22
 38-44-79
 Miscellaneous
 — net 5-37 (3)
 22 (119) (33)
 (253) (86)
 Loss Before
 Income Taxes
 (720) (793)
 (1,583) (850)
 Income tax
 benefit (225)
 (286) (513)
 (300) Net
 Loss \$ (495)
 \$ (507) \$
 (1,070) \$
 (550) Loss
 Per Share
 Basic and
 Diluted
 \$(3.19)
 \$(3.29) \$

(6.90)

\$(3.58)

The accompanying notes are an integral part of these financial statements. 1 4 AMR CORPORATION CONDENSED CONSOLIDATED
BALANCE SHEETS Unaudited) (In millions)

June 30,2002

December

31,2001

Assets Current

Assets Cash \$

195 \$ 120

Short-term

investments

2,368 2,872

Receivables,

net 1,556

1,414

Inventories,

net 743 822

Deferred

income taxes

792 790

Other current

assets 194

522 Total

current assets

5,848 6,540

Equipment and

Property Flight

equipment, net

15,556

14,980 Other

equipment and

property, net

2,317 2,079

Purchase

deposits for

flight

equipment 686

929 18,559

17,988

Equipment and

Property

Under Capital

Leases Flight

equipment, net

1,433 1,572

Other

equipment and

property, net

92 95 1,525

1,667

Goodwill

1,351 1,392

Route

acquisition

costs 829 829

Airport

operating and

gate lease

rights, net 481

496 Other

assets 4,296
 3,929 \$
 32,889 \$
 32,841
 Liabilities and
 Stockholders'
 Equity Current
 Liabilities
 Accounts
 payable \$
 1,559 \$ 1,785
 Accrued
 liabilities 2,344
 2,192 Air
 traffic liability
 3,059 2,763
 Current
 maturities of
 long-term debt
 350-556
 Current
 obligations
 under capital
 leases 147
 216 Total
 current
 liabilities 7,459
 7,512 Long-
 term debt, less
 current
 maturities
 9,172 8,310
 Obligations
 under capital
 leases, less
 current
 obligations
 1,444 1,524
 Deferred
 income taxes
 1,940 1,627
 Postretirement
 benefits 2,611
 2,538 Other
 liabilities,
 deferred gains
 and deferred
 credits 5,868
 5,957
 Stockholders'
 Equity
 Preferred
 stock ---
 Common
 stock 182 182
 Additional
 paid-in capital
 2,812 2,865
 Treasury stock
 (1,645)
 (1,716)

Accumulated
other
comprehensive
loss (72)
(146)
Retained
earnings 3,118
4,188 4,395
5,373 \$
32,889 \$
32,841

The accompanying notes are an integral part of these financial statements. 2 5 AMR CORPORATION CONDENSED CONSOLIDATED
STATEMENTS OF CASH FLOWS (Unaudited) (In millions)

Six Months
Ended June
30, 2002
2001 Net
Cash
Provided by
Operating
Activities \$
86 \$ 885
Cash Flow
from
Investing
Activities:
Capital
expenditures,
including
purchase
deposits for
flight
equipment
(1,113)
(2,124)
Acquisition
of Trans
World
Airlines, Inc.
-(742) Net
decrease in
short-term
investments
504 922
Proceeds
from sale of
equipment
and property
162 206
Other 35 (6)
Net cash
used for
investing
activities
(412)
(1,744)
Cash Flow
from
Financing
Activities:
Payments on

long-term
 debt and
 capital lease
 obligations
 (468) (586)
 Proceeds
 from
 Issuance of
 long-term
 debt 866
 1,587
 Exercise of
 stock
 options 3 34
 Net cash
 provided by
 financing
 activities 401
 1,035 Net
 increase in
 cash 75 176
 Cash at
 beginning of
 period 120
 89 Cash at
 end of
 period \$ 195
 \$ 265

The accompanying notes are an integral part of these financial statements. 3 6 AMR CORPORATION NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) 1. The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and 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 and the asset impairment charge as discussed in footnote 8, necessary to present fairly the financial position, results of operations and cash flows for the periods indicated. The Company's 2002 results continue to be adversely impacted by the September 11, 2001 terrorist attacks and the resulting effect on the economy and the air transportation industry. In addition, on April 9, 2001, Trans World Airlines LLC (TWA LLC, a wholly owned subsidiary of AMR Corporation) purchased substantially all of the assets and assumed certain liabilities of Trans World Airlines, Inc. (TWA). Accordingly, the operating results of TWA LLC are included in the accompanying condensed consolidated financial statements for the three and six month periods ended June 30, 2002 whereas for 2001 the results of TWA LLC were included only for the period April 10, 2001 through June 30, 2001. When utilized in this report, all references to American Airlines, Inc. include the operations of TWA LLC since April 10, 2001 (collectively, American). Results of operations for the periods presented herein are not necessarily indicative of results of operations for the entire year. For further information, refer to the consolidated financial statements and footnotes thereto included in the AMR Corporation (AMR or the Company) Annual Report on Form 10-K for the year ended December 31, 2001 ("2001 Form 10-K"). 2. Accumulated depreciation of owned equipment and property at June 30, 2002 and December 31, 2001 was \$9 billion and \$8.9 billion, respectively. Accumulated amortization of equipment and property under capital leases at June 30, 2002 and December 31, 2001 was approximately \$1.1 billion and \$1.2 billion, respectively. 3. The following table provides unaudited pro forma consolidated results of operations, assuming the acquisition of TWA had occurred as of January 1, 2001 (in millions, except per share amounts): Six Months Ended June 30, 2001 Operating revenues \$ 11,210 Net loss (557) Loss per share \$ (3.62) The unaudited pro forma consolidated results of operations have been prepared for comparative purposes only. These amounts are not indicative of the combined results that would have occurred had the transaction actually been consummated on the date indicated above and are not indicative of the consolidated results of operations which may occur in the future. 4. As discussed in the notes to the consolidated financial statements included in the Company's 2001 Form 10-K, Miami-Dade County (the County) is currently investigating and remediating various environmental conditions at the Miami International Airport (MIA) and funding the remediation costs through landing fees and various cost recovery methods. American and AMR Eagle have been named as potentially responsible parties (PRPs) for the contamination at MIA. During the second quarter of 2001, the County filed a lawsuit against 17 defendants, including American, in an attempt to recover its past and future cleanup costs (Miami-Dade County, Florida v. Advance Cargo Services, Inc., et al. in the Florida Circuit Court). In addition to the 17 defendants named in the lawsuit, 243 other agencies and companies were also named as PRPs and contributors to the contamination. American's and AMR Eagle's portion of the cleanup costs cannot be reasonably estimated due to various factors, including the unknown extent of the remedial actions that may be required, the proportion of the cost that will ultimately be recovered from the responsible parties, and uncertainties regarding the environmental agencies that will ultimately supervise the remedial activities and the nature of that supervision. 4 7 AMR CORPORATION NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) (Unaudited) In addition, the Company is subject to environmental issues at various other airport and non-airport locations. Management believes, after considering a number of factors, that the ultimate disposition of these environmental issues is not expected to materially affect the Company's

consolidated financial position, results of operations or cash flows. Amounts recorded for environmental issues are based on the Company's current assessments of the ultimate outcome and, accordingly, could increase or decrease as these assessments change. 5. As of June 30, 2002, the Company had commitments to acquire the following aircraft: 47 Boeing 737-800s, 11 Boeing 777-200ERs, nine Boeing 767-300ERs, 109 Embraer regional jets and 20 Bombardier CRJ- 700s. Deliveries of these aircraft are scheduled to continue through 2008. Payments for these aircraft are expected to be approximately \$505 million during the remainder of 2002, \$1.5 billion in 2003, \$1.1 billion in 2004 and an aggregate of approximately \$2.1 billion in 2005 through 2008. 6. During the six month period ended June 30, 2002, American and AMR Eagle borrowed approximately \$626 million under various debt agreements which are secured by aircraft. Effective interest rates on these agreements are based on London Interbank Offered Rate plus a spread and mature over various periods of time through 2018. In March 2002, the Regional Airports Improvement Corporation issued facilities sublease revenue bonds at the Los Angeles International Airport to provide reimbursement to American for certain facility construction costs. The proceeds of approximately \$225 million provided to American have been recorded as long-term debt on the condensed consolidated balance sheets. These obligations bear interest at fixed rates, with an average rate of 7.88 percent, and mature over various periods of time, with a final maturity in 2024. 7. Effective January 1, 2001, the Company adopted Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities", as amended (SFAS 133). SFAS 133 required the Company to recognize all derivatives on the balance sheet at fair value. Derivatives that are not hedges are adjusted to fair value through income. If the derivative is a hedge, depending on the nature of the hedge, changes in the fair value of derivatives are either offset against the change in fair value of the hedged assets, liabilities, or firm commitments through earnings or recognized in other comprehensive income until the hedged item is recognized in earnings. The ineffective portion of a derivative's change in fair value is immediately recognized in earnings. The adoption of SFAS 133 did not result in a cumulative effect adjustment being recorded to net income for the change in accounting. However, the Company recorded a transition adjustment of approximately \$64 million in Accumulated other comprehensive loss in the first quarter of 2001. In addition, effective January 1, 2002, the Company adopted Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets" (SFAS 142). SFAS 142 requires the Company to test goodwill and indefinite-lived intangible assets (for AMR, route acquisition costs) for impairment rather than amortize them. During the first quarter of 2002, the Company completed its impairment analysis for route acquisition costs in accordance with SFAS 142. The analysis did not result in an impairment charge. During the second quarter of 2002, the Company completed the first step of its impairment analysis related to its \$1.4 billion of goodwill and determined the Company's net book value to be in excess of the Company's fair market value at January 1, 2002, using AMR as the reporting unit for purposes of the fair value determination. As a result, the Company is in the process of completing the second step of the impairment analysis which will allocate the newly determined fair value of AMR to each of its assets and liabilities. This allocation is expected to be completed during the third or fourth quarter of 2002 and will likely result in the Company recording a one-time, non-cash pre-tax charge of up to \$1.4 billion to write-down AMR's goodwill. Such charge would be nonoperational in nature and would be reflected as a cumulative effect of an accounting change in the consolidated statements of operations. 5

8 AMR CORPORATION NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) (Unaudited) The following table provides information relating to the Company's amortized intangible assets as of June 30, 2002 (in millions):

	Accumulated Net Book Value	Amortized intangible assets:
Airport operating rights	\$ 516	\$ 168
Gate lease rights	\$ 348	\$ 209
Total	\$ 725	\$ 244

481 Airport operating and gate lease rights are being amortized on a straight-line basis over 25 years to a zero residual value. For the three and six month period ended June 30, 2002, the Company recorded amortization expense of approximately \$6 million and \$15 million, respectively, related to these intangible assets. The Company expects to record annual amortization expense of approximately \$29 million in each of the next five years related to these intangible assets. The pro forma effect of discontinuing amortization of goodwill and route acquisition costs under SFAS 142 - assuming the Company had adopted this standard as of January 1, 2001 - results in an adjusted net loss of approximately \$494 million, or \$3.21 per share, and approximately \$530 million, or \$3.45 per share, respectively, for the three and six month periods ended June 30, 2001. 8. In conjunction with the acquisition of certain assets from TWA, coupled with revisions to the Company's fleet plan to accelerate the retirement dates of its Fokker 100, Saab 340 and ATR 42 aircraft, during the second quarter of 2001 the Company determined these aircraft were impaired under Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of" (SFAS 121). As a result, during the second quarter of 2001, the Company recorded an asset impairment charge of approximately \$685 million relating to the write-down of the carrying value of 71 Fokker 100 aircraft, 74 Saab 340 aircraft and 20 ATR 42 aircraft and related rotables to their estimated fair market values which is included in Special charges on the accompanying consolidated statements of operations. Management estimated the undiscounted future cash flows utilizing models used by the Company in making fleet and scheduling decisions. In determining the fair market value of these aircraft, the Company considered outside third party appraisals and recent transactions involving sales of similar aircraft. As a result of the writedown of these aircraft to fair market value, as well as the acceleration of the retirement dates and changes in salvage values, depreciation and amortization will decrease by approximately \$18 million on an annualized basis. 9. The Company includes unrealized gains and losses on available-for- sale securities, changes in minimum pension liabilities and changes in the fair value of certain derivative financial instruments that qualify for hedge accounting in comprehensive loss. For the three months ended June 30, 2002 and 2001, comprehensive loss was \$496 million and \$511 million, respectively. In addition, for the six months ended June 30, 2002 and 2001, comprehensive loss was \$996 million and \$480 million, respectively. The difference between net loss and comprehensive loss is due primarily to the accounting for the Company's derivative financial instruments under SFAS 133. In addition, the six month period ended June 30, 2001 includes the cumulative effect of the adoption of SFAS 133. During the second quarter of 2002, the Company discontinued entering into new foreign exchange currency put option agreements. The fair value of the Company's remaining foreign currency put option agreements was not material as of June 30, 2002, and all of these agreements will expire by September 30, 2002. 6 9 AMR CORPORATION NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) (Unaudited) 10. The following table sets forth the computations of basic and diluted loss per share (in millions, except per share data):

	Three Months Ended	Six Months Ended
June 30, 2002	June 30, 2001	June 30, 2001
Numerator: Net loss	\$(495)	\$(507)
Denominator: Denominator for basic and diluted loss per share - weighted-average shares	155	154
Basic and diluted loss per share	\$(3.19)	\$(3.29)

For the three and six months ended June 30, 2002, approximately five million and seven million potential dilutive shares, respectively, were not added to the denominator because inclusion of such shares would be antidilutive as compared to approximately 14 million shares for the three and six months ended June 30, 2001. 7 10 Item 2. Management's Discussion and Analysis of Financial Condition and Results of

Operations RESULTS OF OPERATIONS For the Three Months Ended June 30, 2002 and 2001 Summary AMR Corporation's (AMR or the Company) net loss during the second quarter of 2002 was \$495 million, or \$3.19 per share, as compared to a net loss of \$507 million, or \$3.29 per share for the same period in 2001. AMR's operating loss of \$601 million decreased by \$159 million compared to the same period in 2001. The Company's 2002 results continue to be adversely impacted by the September 11, 2001 terrorist attacks and the resulting effect on the economy and the air transportation industry. On April 9, 2001, Trans World Airlines LLC (TWA LLC, a wholly owned subsidiary of AMR) purchased substantially all of the assets and assumed certain liabilities of Trans World Airlines, Inc. (TWA). Accordingly, the operating results of TWA LLC are included in the accompanying condensed consolidated financial statements for the three month period ended June 30, 2002 whereas for 2001 the results of TWA LLC were included only for the period April 10, 2001 through June 30, 2001. All references to American Airlines, Inc. include the operations of TWA LLC since April 10, 2001 (collectively, American). AMR's second quarter 2001 results include: (i) a \$685 million charge (\$430 million after-tax, or \$2.79 per share) related to the writedown of the carrying value of its Fokker 100, Saab 340 and ATR-42 aircraft and related rotables in accordance with SFAS 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" (see footnote 8 to the condensed consolidated financial statements), and (ii) a \$45 million gain (\$29 million after-tax, or \$0.19 per share) from the settlement of a legal matter related to the Company's 1999 labor disruption. Although traffic has continued to increase on significantly reduced capacity since the events of September 11, 2001, the Company's second quarter 2002 revenues were down significantly quarter-over-quarter. In addition to the residual effects of September 11, the Company's revenues continue to be negatively impacted by the economic slowdown, seen largely in business travel declines, the geographic distribution of the Company's network and reduced fares. In total, the Company's revenues decreased \$1,104 million, or 19.8 percent, in the second quarter of 2002 as compared to the same period last year. American's passenger revenues decreased by 19.3 percent, or \$898 million in the second quarter of 2002 from the same period in 2001. American's domestic revenue per available seat mile (RASM) decreased 11.9 percent, to 8.47 cents, on a capacity decrease of 8 percent, to 32 billion available seat miles (ASMs). International RASM decreased to 8.67 cents, or 5 percent, on a capacity decrease of 16.2 percent. The decrease in international RASM was due to an 8.6 percent and 3.1 percent decrease in Latin American and European RASM, respectively, slightly offset by a 3.2 percent increase in Pacific RASM. The decrease in international capacity was driven by a 33.9 percent, 16.2 percent and 12.3 percent reduction in Pacific, European and Latin American ASMs, respectively. AMR Eagle's passenger revenues decreased 15.9 percent, or \$65 million. AMR Eagle's traffic increased 2.8 percent while capacity decreased 5 percent, to approximately 1.6 billion ASMs. As with American, the decrease in AMR Eagle's revenues was due primarily to the continued impact of the September 11, 2001 terrorist attacks and the economic slowdown. Cargo revenues decreased \$48 million, or 25.3 percent, primarily due to the same reasons as noted above. Other revenues decreased 27.4 percent, or \$93 million, due primarily to decreases in contract maintenance work that American performs for other airlines, and decreases in codeshare revenue and employee travel service charges. 8 11 RESULTS OF OPERATIONS (Continued) The Company's operating expenses decreased 19.9 percent, or \$1,263 million. American's cost per ASM increased 0.5 percent to 10.78 cents, excluding the impact of the second quarter 2001 asset impairment charge. Wages, salaries and benefits remained flat quarter-over-quarter, reflecting (i) a decrease in the average number of equivalent employees, somewhat offset by higher salaries, and (ii) increases in the Company's pension and health insurance costs, the latter reflecting rapidly rising medical care and prescription drug costs. Aircraft fuel expense decreased 22.1 percent, or \$186 million, due primarily to an 11.6 percent decrease in the Company's fuel consumption and a 9.4 percent decrease in the Company's average price per gallon of fuel. Food service decreased 17.4 percent, or \$38 million, due primarily to the Company's reduced operating schedule and change in level of food service. Commissions to agents decreased 40.4 percent, or \$105 million, due primarily to a 19.1 percent decrease in passenger revenues and commission structure changes implemented in March 2002. Special charges of \$685 million related to the writedown of the carrying value of the Company's Fokker 100, Saab 340 and ATR-42 aircraft and related rotables during the second quarter of 2001 (see footnote 8 to the condensed consolidated financial statements). Other operating expenses decreased 19.3 percent, or \$196 million, due primarily to decreases in contract maintenance work that American performs for other airlines, and decreases in travel and incidental costs, credit card and booking fees, advertising and promotion costs, and data processing expenses, which were partially offset by higher insurance and security costs. Other income (expense) increased \$86 million due to the following: Interest income decreased 25 percent, or \$6 million, due primarily to decreases in interest rates. Interest expense increased \$32 million, or 24.2 percent, resulting primarily from the increase in the Company's long-term debt. Interest capitalized decreased \$16 million, or 42.1 percent, due primarily to a decrease in purchase deposits for flight equipment. Miscellaneous-net decreased 86.5 percent, or \$32 million, due primarily to a \$45 million gain recorded during the second quarter of 2001 from the settlement of a legal matter related to the Company's 1999 labor disruption. The effective tax rate for the three months ended June 30, 2002 was impacted by a \$30 million charge resulting from a provision in Congress' economic stimulus package that changes the period for carrybacks of net operating losses (NOLs). This change allows the Company to carry back 2001 and 2002 NOLs for five years, rather than two years under the existing law, allowing the Company to more quickly recover its NOLs. The extended NOL carryback did however, result in the displacement of foreign tax credits taken in prior years. These credits are now expected to expire before being utilized by the Company, resulting in this charge. 9 12 RESULTS OF OPERATIONS (Continued)

OPERATING

STATISTICS

Three Months

Ended June

30, 2002

2001

American

Airlines

Revenue

passenger

miles (millions)

31,379

35,188

Available seat
miles (millions)
43,958
49,044 Cargo
ton miles
(millions) 518
610
Passenger
load factor
71.4% 71.7%
Breakeven
load factor (%)
86.4% 74.0%
Passenger
revenue yield
per passenger
mile (cents)
11.94 13.20
Passenger
revenue per
available seat
mile (cents)
8.52 9.47
Cargo
revenue yield
per ton mile
(cents) 27.21
30.89
Operating
expenses per
available seat
mile (cents)(*)
10.78 10.73
Fuel
consumption
(gallons, in
millions) 808
922 Fuel price
per gallon
(cents) 75.5
83.3 Fuel
price per
gallon,
excluding fuel
taxes (cents)
70.0 78.0
Operating
aircraft at
period-end
828 904
AMR Eagle
Revenue
passenger
miles (millions)
1,059 1,030
Available seat
miles (millions)
1,596 1,680
Passenger
load factor
66.4% 61.3%

Operating
aircraft at
period-end
281-271

(*) Excludes the impact of Special charges Operating aircraft at June 30, 2002, included:

American
Airlines
Aircraft
AMR Eagle
Aircraft
Airbus
A300-
600R 34
ATR 42 28
Boeing
737-800
77
Bombardier
CRJ-700 5
Boeing
757-200
151
Embraer
135 40
Boeing
767-200 8
Embraer
140 30
Boeing
767-200
Extended
Range 21
Embraer
145 56
Boeing
767-300
Extended
Range 58
Super ATR
42 Boeing
777-200
Extended
Range 43
Saab 340B
55 Fokker
100 74
Saab 340B
Plus 25
McDonnell
Douglas
MD-80
362 Total
281 Total
828

The average aircraft age for American's aircraft is 10 years and 6.6 years for AMR Eagle aircraft. In addition, the following owned and leased aircraft were not operated by the Company as of June 30, 2002: 29 owned Boeing 727-200s, 24 operating leased Boeing 717-200s, 13 operating leased McDonnell Douglas DC-9s, eight owned McDonnell Douglas DC-10-10s, four operating leased McDonnell Douglas MD-80s, and 15 capital leased and two owned Saab 340Bs. 10 13 RESULTS OF OPERATIONS (Continued) For the Six Months Ended June 30, 2002 and 2001 Summary AMR's net loss for the six months ended June 30, 2002 was \$1,070 million, or \$6.90 per share, as compared to a net loss of \$550 million, or \$3.58 per share, for the same period in 2001. AMR's operating loss for the six months ended June 30, 2002 was \$1,330 million, compared to an operating loss of \$764 million for the same period in 2001. The Company's 2002 results continue to be adversely impacted by the September 11, 2001 terrorist

attacks and the resulting effect on the economy and the air transportation industry. On April 9, 2001, TWA LLC purchased substantially all of the assets and assumed certain liabilities of TWA. Accordingly, the operating results of TWA LLC are included in the accompanying condensed consolidated financial statements for the six month period ended June 30, 2002 whereas for 2001 the results of TWA LLC were included only for the period April 10, 2001 through June 30, 2001. In addition, AMR's 2001 results include: (i) a \$685 million charge (\$430 million after-tax, or \$2.79 per share) related to the writedown of the carrying value of its Fokker 100, Saab 340 and ATR-42 aircraft and related rotables, and (ii) a \$45 million gain (\$29 million after-tax, or \$0.19 per share) from the settlement of a legal matter related to the Company's 1999 labor disruption. Although traffic has continued to increase on significantly reduced capacity since the events of September 11, 2001, the Company's 2002 revenues were down significantly year-over-year. In addition to the residual effects of September 11, the Company's revenues continue to be negatively impacted by the economic slowdown, seen largely in business travel declines, the geographic distribution of the Company's network and reduced fares. In total, the Company's revenues decreased \$1,728 million, or 16.7 percent, in 2002 versus the same period in 2001. American's passenger revenues decreased by 15.7 percent, or \$1,349 million in 2002 as compared to the same period in 2001. American's domestic RASM decreased 13.4 percent, to 8.58 cents, on a capacity decrease of 0.4 percent, to 61.3 billion ASMs. International RASM decreased to 8.67 cents, or 7.7 percent, on a capacity decrease of 14 percent. The decrease in international RASM was due to a 10.2 percent and 7.9 percent decrease in Latin American and European RASM, respectively, slightly offset by a 5.6 percent increase in Pacific RASM. The decrease in international capacity was driven by a 36.4 percent, 15.2 percent and 8.2 percent reduction in Pacific, European and Latin American ASMs, respectively. AMR Eagle's passenger revenues decreased 14.9 percent, or \$114 million. AMR Eagle's traffic increased 4.7 percent while capacity decreased 3.2 percent, to approximately 3.2 billion ASMs. As with American, the decrease in AMR Eagle's revenues was due primarily to the continued impact of the September 11, 2001 terrorist attacks and the economic slowdown. Cargo revenues decreased \$90 million, or 24.6 percent, primarily due to the same reasons as noted above. Other revenues decreased 27.6 percent, or \$175 million, due primarily to decreases in contract maintenance work that American performs for other airlines, and decreases in codeshare revenue and employee travel service charges. 11 14 RESULTS OF OPERATIONS (Continued) The Company's operating expenses decreased 10.5 percent, or approximately \$1,162 million. American's cost per ASM increased by 0.5 percent to 11.03 cents, excluding the impact of the second quarter 2001 asset impairment charge. Wages, salaries and benefits increased 8.6 percent, or \$334 million, reflecting (i) a decrease in the average number of equivalent employees, somewhat offset by higher average salaries, and (ii) increases in the Company's pension and health insurance costs, the latter reflecting rapidly rising medical care and prescription drug costs. Aircraft fuel expense decreased 23.6 percent, or \$366 million, due primarily to a 16.1 percent decrease in the Company's average price per gallon of fuel and a 6.1 percent decrease in the Company's fuel consumption. Aircraft rentals increased \$66 million, or 17.6 percent, due primarily the addition of TWA aircraft. Food service decreased 12.9 percent, or \$52 million, due primarily to the Company's reduced operating schedule and change in level of food service. Commissions to agents decreased 34.7 percent, or \$168 million, due primarily to a 15.7 percent decrease in passenger revenues and commission structure changes implemented in March 2002. Special charges of \$685 million related to the writedown of the carrying value of the Company's Fokker 100, Saab 340 and ATR-42 aircraft and related rotables during the second quarter of 2001. Other operating expenses decreased 15.4 percent, or \$296 million, due primarily to decreases in contract maintenance work that American performs for other airlines, and decreases in travel and incidental costs, credit card and booking fees, advertising and promotion costs, and data processing expenses, which were partially offset by higher insurance and security costs. Other income (expense) increased \$167 million due to the following: Interest income decreased 43.8 percent, or \$28 million, due primarily to decreases in interest rates. Interest expense increased \$79 million, or 31.5 percent, resulting primarily from the increase in the Company's long-term debt. Interest capitalized decreased \$35 million, or 44.3 percent, due primarily to a decrease in purchase deposits for flight equipment. Miscellaneous-net decreased \$25 million due primarily to a \$45 million gain recorded during the second quarter of 2001 from the settlement of a legal matter related to the Company's 1999 labor disruption and the write-down of certain investments held by the Company during the first quarter of 2001. The effective tax rate for the six months ended June 30, 2002 was impacted by a \$57 million charge resulting from a provision in Congress' economic stimulus package that changes the period for carrybacks of NOLs. This change allows the Company to carry back 2001 and 2002 NOLs for five years, rather than two years under the existing law, allowing the Company to more quickly recover its NOLs. The extended NOL carryback did however, result in the displacement of foreign tax credits taken in prior years. These credits are now expected to expire before being utilized by the Company, resulting in this charge. 12 15 RESULTS OF OPERATIONS (Continued)

OPERATING

STATISTICS

Six Months	
Ended June	
30, 2002	
2001	
American	
Airlines	
Revenue	
passenger	
miles (millions)	
59,197	
61,640	
Available seat	
miles (millions)	
84,047	
88,021 Cargo	
ton miles	
(millions) 981	

1,159
 Passenger
 load factor
 70.4% 70.0%
 Breakeven
 load factor (*)
 86.9% 71.3%
 Passenger
 revenue yield
 per passenger
 mile (cents)
 12.22 13.92
 Passenger
 revenue per
 available seat
 mile (cents)
 8.60 9.75
 Cargo
 revenue yield
 per ton mile
 (cents) 27.93
 31.27
 Operating
 expenses per
 available seat
 mile (cents)(*)
 11.03 10.97
 Fuel
 consumption
 (gallons, in
 millions)
 1,553 1,664
 Fuel price per
 gallon (cents)
 71.5 85.2
 Fuel price per
 gallon,
 excluding fuel
 taxes (cents)
 66.0 79.8
 AMR Eagle
 Revenue
 passenger
 miles (millions)
 1,978 1,890
 Available seat
 miles (millions)
 3,163 3,268
 Passenger
 load factor
 62.5% 57.8%

(*) Excludes the impact of Special charges LIQUIDITY AND CAPITAL RESOURCES Net cash provided by operating activities in the six month period ended June 30, 2002 was \$86 million, a decrease of \$799 million over the same period in 2001, due primarily to an increase in the Company's net loss. Included in net cash provided by operating activities during the first six months of 2002 was approximately \$658 million received by the Company as a result of the utilization of its 2001 NOL's. Capital expenditures for the first six months of 2002 were \$1,113 million, and included the acquisition of seven Boeing 757-200s, three Boeing 777-200ERs, 15 Embraer 140s and four Bombardier CRJ-700 aircraft. These capital expenditures were financed primarily through secured mortgage and debt agreements. Proceeds from the sale of equipment and property of \$162 million include the proceeds received upon delivery of three McDonnell Douglas MD-11 aircraft to FedEx. As of June 30, 2002, the Company had commitments to acquire the following aircraft: 47 Boeing 737-800s, 11 Boeing 777-200ERs, nine Boeing 767-300ERs, 109 Embraer regional jets and 20 Bombardier CRJ- 700s. Deliveries of these aircraft are scheduled to continue through 2008. Payments for these aircraft are expected to be approximately \$505 million during the remainder of 2002, \$1.5 billion in 2003, \$1.1 billion in 2004 and an aggregate of approximately \$2.1 billion in

2005 through 2008. In June 2002, Standard & Poor's downgraded the credit ratings of AMR and American, and the credit ratings of a number of other major airlines. The long-term credit ratings of AMR and American were removed from Standard & Poor's Credit Watch with negative implications and were given a negative outlook. Any additional reductions in AMR's or American's credit ratings could result in increased borrowing costs to the Company and might limit the availability of future financing needs. 13 16 In addition to the Company's approximately \$2.6 billion in cash and short-term investments as of June 30, 2002, the Company has available a variety of future financing sources, including, but not limited to: (i) the receipt of the remainder of the U.S. Government grant authorized by the Air Transportation Safety and System Stabilization Act (the Act), which is estimated to be in excess of \$40 million, (ii) additional secured aircraft debt, (iii) the availability of the Company's \$1 billion credit facility, (iv) sale-leaseback transactions of owned property, including aircraft and real estate, (v) the recovery of past federal income taxes paid as a result of a provision in the recently passed economic stimulus package regarding NOL carrybacks, (vi) tax-exempt borrowings for airport facilities, (vii) securitization of future operating receipts, and (viii) unsecured borrowings. No assurance can be given that any of these financing sources will be available on terms acceptable to the Company. However, the Company believes it will meet its current financing needs. Pursuant to the Act, the Government made available to air carriers, subject to certain conditions, up to \$10 billion in federal government guarantees of certain loans. American did not seek such loan guarantees. OTHER INFORMATION As a result of the September 11, 2001 events, aviation insurers have significantly reduced the maximum amount of insurance coverage available to commercial air carriers for liability to persons other than employees or passengers for claims resulting from acts of terrorism, war or similar events (war-risk coverage). At the same time, they significantly increased the premiums for such coverage as well as for aviation insurance in general. Pursuant to authority granted in the Act, the Government has supplemented the commercial war-risk insurance until August 17, 2002 with a third party liability policy to cover losses to persons other than employees or passengers for renewable 60-day periods. In the event the insurance carriers reduce further the amount of insurance coverage available or the Government fails to renew war-risk insurance, the Company's operations and/or financial position, results of operations or cash flows would be adversely impacted. As discussed in the Company's 2001 Form 10-K, a provision in the current Allied Pilots Association (APA) contract freezes the number of ASMs and block hours flown on American's two letter marketing code by American's regional carrier partners when American pilots are on furlough (the ASM cap). As AMR Eagle continues to accept previously ordered regional jets, this ASM cap would be reached sometime in 2002, necessitating actions to insure compliance with the ASM cap. American is working with its regional partners to accomplish this. Actions currently being taken and considered by AMR Eagle to reduce its capacity are discussed in the Company's 2001 Form 10-K. In addition, American is removing its code from flights of the AmericanConnection carriers, which are independent carriers that provide feed to American's St. Louis hub. American believes that the combination of these actions will enable it to comply with this ASM cap through 2002 and for sometime beyond. In addition, another provision in the current APA contract limits the total number of regional jets with more than 44 seats flown under the American code by American's regional carrier partners to 67 aircraft. Similar to the above, as AMR Eagle continues to accept previously ordered Bombardier CRJ aircraft, this cap would be reached in early 2003. In order to ensure American remains in compliance with this provision, AMR Eagle has reached an agreement in principle to dispose of 14 Embraer 145 aircraft. Ultimately, these airplanes will be acquired by Trans States Airlines, an AmericanConnection carrier. Trans States Airlines will operate these aircraft under its two letter airline code and expects to deploy these aircraft at its St. Louis hub where it feeds American. The potential transaction still requires the consent of certain third parties, including the companies financing these aircraft, and is subject to the negotiation of final documentation. Effective January 1, 2002, the Company adopted Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets" (SFAS 142). SFAS 142 requires the Company to test goodwill and indefinite-lived intangible assets (for AMR, route acquisition costs) for impairment rather than amortize them. During the first quarter of 2002, the Company completed its impairment analysis for route acquisition costs in accordance with SFAS 142. The analysis did not result in an impairment charge. During the second quarter of 2002, the Company completed the first step of its impairment analysis related to its \$1.4 billion of goodwill and determined the Company's net book value to be in excess of the Company's fair market value at January 1, 2002, using AMR as the reporting unit for purposes of the fair value determination. As a result, the Company is in the process of completing the second step of the impairment analysis which will allocate the newly determined fair value of AMR to each of its assets and liabilities. This allocation is expected to be completed during the third or fourth quarter of 2002 and will likely result in the Company recording a one-time, non-cash pre-tax charge of up to \$1.4 billion to write-down AMR's goodwill. Such charge would be nonoperational in nature and would be reflected as a cumulative effect of an accounting change in the consolidated statements of operations. 14 17 OUTLOOK Capacity for American is expected to be down approximately two percent in the third quarter of 2002 compared to last year's third quarter levels. AMR Eagle's third quarter capacity will be down about one percent from last year's levels. For the third quarter of 2002, the Company expects traffic to be about flat as compared to last year's third quarter levels. Pressure to reduce costs will continue, although the Company will continue to see higher benefit and security costs, increased insurance premiums, and greater interest expense. However, the Company expects to see a slight decrease in fuel prices as compared to the third quarter of 2001 and the continued decline in commission expense due to the commission changes implemented earlier in 2002. In total, American's unit costs, excluding special charges, for the third quarter of 2002 are expected to be down approximately 3.5 percent from last year's third quarter level. Notwithstanding the expected decrease in unit costs however, given the revenue pressures seen in the first half of the year and expected to continue into the third quarter, the Company expects to incur a sizable loss in the third quarter and a significant loss for 2002. In response to these financial challenges, the Company has undertaken a comprehensive review of its business to better align its cost structure with the current revenue environment, aimed at improving productivity, simplifying operations and reducing costs. The Company has begun to implement certain of these changes, including a fleet simplification program, adjustments to its operating schedule and increased airport automation, and will continue to refine its business throughout the coming months. 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," "plans," "anticipates," "believes," and similar expressions are intended to identify 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 actual results to differ materially from our expectations. Additional information concerning these and other factors is contained in the Company's Securities and Exchange Commission filings, including but not limited to the 2001 Form 10-K. Item 3. Quantitative and Qualitative Disclosures about Market Risk There have been no material changes in market risk from the information provided in Item 7A. Quantitative and Qualitative Disclosures About Market Risk of the 2001 Form 10-K. 15 18 PART II: OTHER INFORMATION Item 1. Legal Proceedings On July 26, 1999, a class action lawsuit was filed, and in November 1999 an amended complaint was filed, against AMR Corporation, American Airlines, Inc., AMR Eagle Holding Corporation, Airlines Reporting Corporation, and the Sabre Group Holdings, Inc. in the United States District Court for the Central District of California, Western Division (Westways World Travel, Inc. v. AMR Corp., et al.). The lawsuit alleges that requiring travel agencies to pay debit memos to American for violations of American's fare rules (by customers of the agencies) (1) breaches the Agent Reporting Agreement between American and AMR Eagle and the plaintiffs, (2) constitutes unjust enrichment, and (3) violates the Racketeer Influenced and Corrupt Organizations Act of 1970 (RICO). The as yet uncertified class includes all travel agencies who have been or will be required to pay monies to American for debit memos for fare rules violations from July 26, 1995 to the present. The plaintiffs seek to enjoin American from enforcing the pricing rules in question and to recover the amounts paid for debit memos, plus treble damages, attorneys' fees, and costs. The Company intends to vigorously defend the lawsuit. Although the Company believes that the litigation is without merit, an adverse court decision could impose restrictions on the Company's relationships with travel agencies which restrictions could have an adverse impact on the Company. On May 13, 1999, the United States (through the Antitrust Division of the Department of Justice) sued AMR Corporation, American Airlines, Inc., and AMR Eagle Holding Corporation in federal court in Wichita, Kansas. The lawsuit alleges that American unlawfully monopolized or attempted to monopolize airline passenger service to and from Dallas/Fort Worth International Airport (DFW) by increasing service when new competitors began flying to DFW, and by matching these new competitors' fares. The Department of Justice seeks to enjoin American from engaging in the alleged improper conduct and to impose restraints on American to remedy the alleged effects of its past conduct. On April 27, 2001, the U.S. District Court for the District of Kansas granted American's motion for summary judgment. On June 26, 2001, the U.S. Department of Justice appealed the granting of American's motion for summary judgment. The parties have submitted briefs to the 10th Circuit Court of Appeals, which has scheduled the case for oral argument on September 23, 2002. The Company intends to defend the lawsuit vigorously. A final adverse court decision imposing restrictions on the Company's ability to respond to competitors would have an adverse impact on the Company. Between May 14, 1999 and June 7, 1999, seven class action lawsuits were filed against AMR Corporation, American Airlines, Inc., and AMR Eagle Holding Corporation in the United States District Court in Wichita, Kansas seeking treble damages under federal and state antitrust laws, as well as injunctive relief and attorneys' fees (King v. AMR Corp., et al.; Smith v. AMR Corp., et al.; Team Electric v. AMR Corp., et al.; Warren v. AMR Corp., et al.; Whittier v. AMR Corp., et al.; Wright v. AMR Corp., et al.; and Youngdahl v. AMR Corp., et al.). Collectively, these lawsuits allege that American unlawfully monopolized or attempted to monopolize airline passenger service to and from DFW by increasing service when new competitors began flying to DFW, and by matching these new competitors' fares. Two of the suits (Smith and Wright) also allege that American unlawfully monopolized or attempted to monopolize airline passenger service to and from DFW by offering discounted fares to corporate purchasers, by offering a frequent flyer program, by imposing certain conditions on the use and availability of certain fares, and by offering override commissions to travel agents. The suits propose to certify several classes of consumers, the broadest of which is all persons who purchased tickets for air travel on American into or out of DFW from 1995 to the present. On November 10, 1999, the District Court stayed all of these actions pending developments in the case brought by the Department of Justice. As a result, to date no class has been certified. The Company intends to defend these lawsuits vigorously. One or more final adverse court decisions imposing restrictions on the Company's ability to respond to competitors or awarding substantial money damages would have an adverse impact on the Company. On May 17, 2002, the named plaintiffs in Hall, et al. v. United Airlines, et al., No. 7:00 CV 123-BR(1), pending in the United States District Court for the Eastern District of North Carolina, filed an amended complaint alleging that between 1995 and the present, American and the other defendant airlines conspired to reduce commissions paid to U.S.-based travel agents in violation of Section 1 of the Sherman Act. The named plaintiffs seek to certify a nationwide class of travel agents, but no class has yet been certified. American is vigorously defending the lawsuit. Trial is set for April 29, 2003. A final adverse court decision awarding substantial money damages or placing restrictions on the Company's commission policies or practices would have an adverse impact on the Company. 16 19 Item 1. Legal Proceedings (Continued) On April 26, 2002, six travel agencies filed an action in the United States District Court for the Central District of California against American, United Air Lines, Delta Air Lines, and Orbitz, LLC, alleging that American and the other defendants: (i) conspired to prevent travel agents from acting as effective competitors in the distribution of airline tickets to passengers in violation of Section 1 of the Sherman Act; and (ii) conspired to monopolize the distribution of common carrier air travel between airports in the United States in violation of Section 2 of the Sherman Act. The named plaintiffs seek to certify a nationwide class of travel agents, but no class has yet been certified. American is vigorously defending the lawsuit, which is styled Albany Travel Co., et al. v. Orbitz, LLC, et al., No. 02- 3459 (ER) (AJW)x. A final adverse court decision awarding substantial money damages or placing restrictions on the Company's distribution practices would have an adverse impact on the Company. On May 13, 2002, the named plaintiffs in Always Travel, et. al. v. Air Canada, et. al., No. T757-027, pending in the Federal Court of Canada, Trial Division, Montreal, filed a statement of claim alleging that between 1995 and the present, American, the other defendant airlines, and the International Air Transport Association conspired to reduce commissions paid to Canada-based travel agents in violation of Section 45 of the Competition Act of Canada. The named plaintiffs seek to certify a nationwide class of travel agents, but no class has yet been certified. American is vigorously defending the lawsuit. A final adverse court decision awarding substantial money damages or placing restrictions on the Company's commission policies would have an adverse impact on the Company. Miami-Dade County (the County) is currently investigating and remediating various environmental conditions at the Miami International Airport (MIA) and funding the remediation costs through landing fees and various cost recovery methods. American Airlines, Inc. and AMR Eagle have been named as potentially responsible parties (PRPs) for the contamination at MIA. During the second quarter of 2001, the County filed a lawsuit against 17 defendants, including American Airlines, Inc., in an attempt to recover its past and future cleanup costs (Miami-Dade County, Florida v. Advance Cargo Services, Inc., et al. in the Florida Circuit Court). In addition to the 17 defendants named in the lawsuit, 243 other agencies and companies were also named as PRPs and contributors to the contamination. American's and AMR Eagle's portion of the cleanup costs cannot be reasonably estimated due to various factors, including the unknown extent of the remedial actions that may be required, the proportion of the cost that will ultimately be recovered from the responsible parties, and uncertainties regarding the environmental agencies that will ultimately supervise the remedial activities and the nature of that

supervision. The Company is vigorously defending the lawsuit. 17 20 Item 4. Submission of Matters to a Vote of Security Holders The owners of 138,215,811 shares of common stock, or 89 percent of shares outstanding, were represented at the annual meeting of stockholders on May 15, 2002 at the American Airlines Training & Conference Center, Flagship Auditorium, 4501 Highway 360 South, Fort Worth, Texas. Elected as directors of the Corporation, each receiving a minimum of 135,637,573 votes were: John W. Bachmann Ann McLaughlin Korologos David L. Boren Michael A. Miles Edward A. Brennan Philip J. Purcell Donald J. Carty Joe M. Rodgers Armando M. Codina Judith Rodin Earl G. Graves Roger T. Staubach Stockholders ratified the appointment of Ernst & Young LLP as independent auditors for the Corporation for 2002. The vote was 132,769,970 in favor; 4,927,896 against; and 517,945 abstaining. A stockholder proposal to recommend that the Company affirm its political non-partisanship - submitted by Mrs. Evelyn Y. Davis - was defeated. The vote was 18,069,575 in favor; 95,602,793 against; 2,449,216 abstaining; and 22,094,227 non-voting. A stockholder proposal relating to increasing the Board of Directors independence by nominating only independent directors to key board committees - submitted by Mr. John Chevedden - was defeated. The vote was 11,207,257 in favor; 102,829,057 against; 2,085,270 abstaining; and 22,094,227 non-voting. Item 6. Exhibits and Reports on Form 8-K The following exhibits are included herein: 3.1 Bylaws of AMR Corporation, amended as of April 2, 2002. 10.1 Deferred Compensation Agreement, dated as of December 18, 2001 between AMR and Roger T. Staubach. 10.2 Deferred Compensation Agreement, dated as of December 18, 2001 between AMR and Edward A. Brennan. 10.3 Deferred Compensation Agreement, dated as of January 14, 2002 between AMR and Joe M. Rodgers. 10.4 Deferred Compensation Agreement, dated as of December 18, 2001 between AMR and Judith Rodin. 10.5 Deferred Compensation Agreement, dated as of December 18, 2001 between AMR and John W. Bachmann. 10.6 Deferred Compensation Agreement, dated as of December 18, 2001 between AMR and Armando M. Codina. 10.7 Deferred Compensation Agreement, dated as of December 18, 2001 between AMR and Philip J. Purcell. 10.8 American Airlines, Inc. 2002 Employee Profit Sharing Plan. 10.9 American Airlines, Inc. 2002 Incentive Compensation Plan for Officers and Key Employees. 10.10 AMR Corporation 2002-2004 Performance Share Plan for Officers and Key Employees under the 1998 Long-Term Incentive Plan, as amended. 18 21 Item 6. Exhibits and Reports on Form 8-K (continued) 10.11 AMR Corporation 2002-2004 Performance Share Program Deferred Stock Award Agreement under the 1998 Long-Term Incentive Plan, as amended. 10.12 Current form of Stock Option Agreement under the 1998 Long-Term Incentive Plan, as amended. 12 Computation of ratio of earnings to fixed charges for the three and six months ended June 30, 2002 and 2001. Form 8-Ks filed under Item 5 - Other Events On June 13, 2002, AMR filed a report on Form 8-K relating to a press release issued by American to announce the appointment of Jeffrey C. Campbell as Senior Vice President and Chief Financial Officer of the Company. On June 19, 2002, AMR filed a report on Form 8-K to provide updated monthly guidance on unit cost, fuel, traffic and capacity for the months of May through August 2002. Form 8-Ks furnished under Item 9 - Regulation FD Disclosure On April 4, 2002, AMR furnished a report on Form 8-K to announce AMR's intent to host a conference call on April 17, 2002 with the financial community relating to its first quarter 2002 earnings. On May 31, 2002, AMR furnished a report on Form 8-K to provide updated monthly guidance on unit cost, fuel, traffic and capacity for the months of March through July 2002. On June 5, 2002, AMR furnished a report on Form 8-K to provide information regarding a presentation by Don Carty, Chairman and CEO of AMR, at the Merrill Lynch Global Transportation Conference. 19 22 Signature Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this amended report to be signed on its behalf by the undersigned thereunto duly authorized. AMR CORPORATION Date: July 19, 2002 BY: /s/ Jeffrey C. Campbell Jeffrey C. Campbell Senior Vice President and Chief Financial Officer 20