

AMR CORP
Form 8-K
June 24, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of earliest event
reported: June 24, 2011

AMR CORPORATION
(Exact name of registrant as specified in its charter)

Delaware (State of Incorporation)	1-8400 (Commission File Number)	75-1825172 (IRS Employer Identification No.)
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4333 Amon Carter Blvd. (Address of principal executive offices)	Fort Worth, Texas (Zip code)	76155
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(817) 963-1234
(Registrant's telephone
number)

(Former name or former address, if changed since last report.)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 8.01 Other Events

AMR Corporation is filing herewith its Eagle Eye communication to investors. This document includes (a) actual unit cost, fuel price, capacity and traffic information for April and May and (b) forecasts of unit cost, 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 24, 2011

Performance Update

Costs: Detailed unit cost forecasts are attached. The attached unit cost forecasts for the full year 2011 reflect the mid-point of the company's guidance range set forth in the following table:

	Cost/ASM Excluding Special Items – Percent Change Full year 2011 (est.) vs. 2010 H/(L)
Mainline CASM	8.5% – 9.5%
Excluding Fuel	0.5 – 1.5
Consolidated CASM	8.6 - 9.6
Excluding Fuel	0.5 – 1.5

Performance Update (Continued)

Revenue: Second quarter mainline unit revenue is expected to increase between 4.0% and 5.0% year-over-year, and second quarter consolidated unit revenue is expected to increase between 4.5% and 5.5% year-over-year. Our revenue results reflect about \$60 million in lower revenue due to extreme weather events during the quarter in Dallas-Fort Worth and the continued impact of the earthquake that struck Japan in March. In total, Cargo and Other Revenue is expected to increase between 4.8% and 5.8% relative to second quarter 2010.

Liquidity: AMR expects to end the second quarter with a cash and short-term investment balance of approximately \$5.6 billion, including approximately \$455 million in restricted cash and short-term investments. Approximately \$160 million of hedge collateral from counterparties is included in our cash balance expectations.

Christopher Ducey
 Managing Director, Investor Relations

AMR EAGLE EYE

Fuel Forecast (based on June 20, 2011 market prices)

Fuel Hedge Position:

2Q11: 49% hedged with an average cap of \$2.68 (\$83 crude equivalent) with 39% subject to a floor of \$2.07 (\$58 crude equivalent)

2011: 47% hedged with an average cap of \$2.74 (\$85 crude equivalent) with 37% subject to a floor of \$2.06 (\$56 crude equivalent)

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

	Apr	Actual May	Jun	Forecast 2Q11	2011
Fuel Price (dollars/gal)	3.11	3.20	3.10	3.13	3.02
Fuel Consumption (MM gals)	231.7	236.6	238.7	707.0	2,792.3

Unit Cost Forecast (cents)

AMR Consolidated Cost per ASM

	Apr	Actual May	Jun	Forecast 2Q11	2011
AMR Cost per ASM	14.51	14.79	14.42	14.57	14.39
AMR Cost per ASM (ex-special items) 1/ 2/	14.44	14.79	14.42	14.55	14.37
AMR Cost per ASM (ex-fuel and special items) 1/ 2/	9.29	9.50	9.27	9.36	9.39

American Mainline Cost per ASM

	Apr	Actual May	Jun	Forecast 2Q11	2011
AA Cost per ASM	13.84	14.12	13.73	13.89	13.72
AA Cost per ASM (ex-special items) 1/ 2/	13.77	14.12	13.73	13.87	13.70
AA Cost per ASM (ex-fuel and special items) 1/ 2/	8.82	9.02	8.78	8.87	8.91

Notes: The current estimated full year ex-fuel unit cost forecast reflects the impacts of unit cost headwinds associated with previously announced 2011 capacity reductions, as well as the impact of weather-related operational disruptions. Fuel price estimates reflect the 6/20/2011 forward curve and do not incorporate the 6/23/2011 drop in price.

1/ The Company believes that unit costs excluding fuel and/or special items is a useful measurement to investors in monitoring the Company's ongoing cost performance.

2/ The Company expects to have special items of approximately \$9 million in the second quarter and approximately \$40 million for the full year 2011.

Capacity and Traffic Forecast
(millions)

AA Mainline Operations

	Actual		Forecast		
	Apr	May	Jun	2Q11	2011
ASMs	12,862	13,161	13,204	39,227	156,140
Domestic	7,688	7,675	7,801	23,164	93,025
International	5,174	5,486	5,403	16,063	63,115
Traffic	10,435	10,958	11,331	32,723	127,412

Regional Affiliate Operations

	Actual		Forecast		
	Apr	May	Jun	2Q11	2011
ASMs	1,116	1,148	1,154	3,418	13,540
Traffic	808	878	896	2,582	9,881

Below the Line
Income/Expenses & Taxes

Total Other Income(Expense) is estimated at (\$209) million in the second quarter of 2011.

AMR EAGLE EYE

Share Count (millions)

2Q11	Basic	Diluted
Earnings \$53 million and over	335	387
\$0-\$52 million	335	341
Loss	335	335
FY2011	Basic	Diluted
Earnings \$212 million and over	335	388
\$0-\$211 million	335	342
Loss	335	335

Reconciliation to GAAP

	Actual Apr	May	Jun	Forecast 2Q11	2011
Cents					
AMR CASM	14.51	14.79	14.42	14.57	14.39
Special Items CASM	0.07	-	-	0.02	0.02
AMR CASM Excluding Special Items	14.44	14.79	14.42	14.55	14.37
Fuel CASM	5.15	5.29	5.15	5.19	4.98
AMR CASM Excluding Fuel and Special Items	9.29	9.50	9.27	9.36	9.39

	Actual Apr	May	Jun	Forecast 2Q11	2011
Cents					
AA CASM	13.84	14.12	13.73	13.89	13.72
Special Items CASM	0.07	-	-	0.02	0.02
AA CASM Excluding Special Items	13.77	14.12	13.73	13.87	13.70
Fuel CASM	4.95	5.10	4.95	5.00	4.79
AA CASM Excluding Fuel and Special Items	8.82	9.02	8.78	8.87	8.91