

AMR CORP
Form 8-K
December 16, 2009

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: December 16, 2009

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	76155 (Zip code)
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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 October and November 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: December 16, 2009

This Eagle Eye provides updated guidance for the fourth quarter, the full year 2009 and share count estimates for the full year 2010.

Performance Update

Costs: Unit cost forecasts are attached.

Revenue: Fourth quarter mainline and consolidated unit revenue is expected to decrease between 4.5% and 5.5% year over year. In total, Cargo and Other Revenue is anticipated to increase between 0.2% and 1.2% relative to fourth quarter 2008.

Liquidity: AMR expects to end the fourth quarter with a cash and short-term investment balance of approximately \$4.7 billion, including approximately \$460 million in restricted cash and short-term investments.

Eric Briggie
Managing Director, Investor Relations

AMR EAGLE EYE

Fuel Forecast (based on 12/11/09 market prices)

Fuel Hedge Position:

4Q09: 31% hedged with an average cap of \$2.43 (\$96 crude equivalent) with 28% subject to a floor of \$1.74 (\$67 crude equivalent)

2009: 36% hedged with an average cap of \$2.51 (\$97 crude equivalent) with 33% subject to a floor of \$1.86 (\$70 crude equivalent)

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

	Oct	Actual Nov	Dec	Forecast 4Q09	2009
Fuel Price (dollars/gal)	2.07	2.23	2.23	2.17	2.01
Fuel Consumption (MM gals)	229.6	216.0	228.2	673.8	2,760.2

Unit Cost Forecast (cents)

AMR Consolidated Cost per ASM

	Oct	Actual Nov	Dec	Forecast 4Q09	2009
AMR Cost per ASM	12.97	13.42	14.48	13.63	12.79
AMR Cost per ASM (ex-special items) 1/ 2/	12.97	13.42	13.21	13.20	12.57
AMR Cost per ASM (ex-fuel and special items) 1/ 2/	9.41	9.69	9.46	9.52	9.18

American Mainline Cost per ASM

	Oct	Actual Nov	Dec	Forecast 4Q09	2009
AA Cost per ASM	12.39	12.84	13.61	12.95	12.20
AA Cost per ASM (ex-special items) 1/ 2/	12.39	12.84	12.58	12.60	12.00
AA Cost per ASM (ex-fuel and special items) 1/ 2/	8.94	9.22	8.95	9.04	8.70

Notes: 4Q09 and FY2009 unit cost increase in ex-fuel unit cost versus the prior year is primarily due to cost headwinds associated with reduced capacity, non-cash pension-related employee benefit costs, and costs associated with dependability improvement initiatives.

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 \$170 million in the fourth quarter related to the impairment of certain route and slot authorities in South America and certain ERJ-135 aircraft as well as charges associated with the retirement of the A300 fleet. Consequently, the company expects special items to total approximately \$350 million for the full year 2009.

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AMR EAGLE EYE

Capacity and Traffic Forecast (millions)

AA Mainline Operations

	Actual			Forecast	
	Oct	Nov	Dec	4Q09	2009
ASMs	12,340	11,935	12,587	36,862	151,752
Domestic	7,694	7,431	7,770	22,895	92,945
International	4,646	4,504	4,817	13,967	58,807
Traffic	10,249	9,499	10,133	29,880	122,391

Regional Affiliate Operations

	Actual			Forecast	
	Oct	Nov	Dec	4Q09	2009
ASMs	985	957	943	2,885	11,571
Traffic	722	673	661	2,056	8,252

Below the Line Income/Expenses & Taxes

Total Other Income(Expense) is estimated at (\$209) million in the fourth quarter of 2009.

Share Count (millions)

	Basic	Diluted
4Q09	333	333
FY2009	294	294
FY2010 Earnings		
\$213 million and over	334	389
\$0-212 million	334	343
Loss	334	334

Reconciliation to GAAP

	Actual			Forecast	
	Oct	Nov	Dec	4Q09	2009
Cents					
AMR CASM	12.97	13.42	14.48	13.63	12.79
Special Items CASM	-	-	1.27	0.43	0.22
AMR CASM Excluding Special Items	12.97	13.42	13.21	13.20	12.57
Fuel CASM	3.56	3.73	3.75	3.68	3.39
AMR CASM Excluding Fuel and Special Items	9.41	9.69	9.46	9.52	9.18
	Actual			Forecast	
	Oct	Nov	Dec	4Q09	2009

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Cents					
AA CASM	12.39	12.84	13.61	12.95	12.20
Special Items CASM	-	-	1.03	0.35	0.20
AA CASM Excluding Special Items	12.39	12.84	12.58	12.60	12.00
Fuel CASM	3.45	3.62	3.63	3.56	3.30
AA CASM Excluding Fuel and Special Items	8.94	9.22	8.95	9.04	8.70