

AMR CORP
Form 8-K
June 18, 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: June 18, 2009

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

Delaware	1-8400	75-1825172
(State of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

4333 Amon Carter Blvd.	Fort Worth, Texas	76155
(Address of principal executive offices)		(Zip code)

(817) 963-1234
(Registrant's telephone
number)

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

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))
-

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 18, 2009

This Eagle Eye provides updated guidance for the second quarter and the full year 2009.

Performance Update

Costs: Unit cost forecasts are attached.

Revenue: Second quarter mainline unit revenue is expected to decrease between 16.0% and 17.0% year over year while second quarter consolidated unit revenue is expected to decrease between 16.2% and 17.2%. In total, Cargo and Other Revenue is anticipated to decrease between 7.8% and 8.8% relative to second quarter 2008.

Liquidity: We expect to end the second quarter with a cash and short-term investment balance of approximately \$3.3 billion, including approximately \$460 million in restricted cash and short-term investments. Our expected cash balance includes the impact of nearly \$400 million in principal payments on long term debt made during the second quarter. We also expect to end the second quarter with approximately \$50 million of hedge collateral posted with counterparties; this amount is not included in our cash balance expectations.

Eric Briggie
Managing Director, Investor Relations

AMR EAGLE EYE

Fuel Forecast (based on 6/12/09 forward curve)

Fuel Hedge Position:

2Q09: 36% hedged with an average cap of \$2.56 (\$103 crude equivalent) with 33% subject to a floor of \$1.96 (\$77 crude equivalent)

2009: 36% hedged with an average cap of \$2.52 (\$97 crude equivalent) with 32% subject to a floor of \$1.88 (\$70 crude equivalent)

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

	Actual		Forecast		
	Apr	May	Jun	2Q09	2009
Fuel Price (dollars/gal)	1.85	1.80	2.06	1.91	2.07
Fuel Consumption (MM gals)	230.8	238.1	233.9	702.9	2,749.4

Unit Cost Forecast (cents)

AMR Consolidated Cost per ASM

	Actual		Forecast		
	Apr	May	Jun	2Q09	2009
AMR Cost per ASM	12.36	11.64	13.22	12.40	12.78
AMR Cost per ASM (ex-special items) 1/ 2/	12.28	11.63	12.78	12.23	12.69
AMR Cost per ASM (ex-fuel and special items) 1/ 2/	9.14	8.59	9.26	8.99	9.19

American Mainline Cost per ASM

	Actual		Forecast		
	Apr	May	Jun	2Q09	2009
AA Cost per ASM	11.78	11.10	12.67	11.84	12.20
AA Cost per ASM (ex-special items) 1/ 2/	11.70	11.10	12.20	11.66	12.11
AA Cost per ASM (ex-fuel and special items) 1/ 2/	8.64	8.14	8.79	8.52	8.72

2Q09 and FY2009 unit cost increase in ex-fuel unit cost versus the prior year is primarily due to cost headwinds associated with reduced capacity, pension-related employee benefit costs, and costs associated with dependability improvement initiatives. Improvement in ex-fuel unit cost expectations versus previous guidance are due to reduced passenger related variable expenses, foreign exchange effects, and efforts focused on reducing costs.

Notes:

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 \$70 million in the second quarter and approximately \$140 million for the full year 2009.

AMR EAGLE EYE

Capacity and Traffic Forecast (millions)

AA Mainline Operations

	Actual		Forecast		
	Apr	May	Jun	2Q09	2009
ASMs	12,651	13,118	12,743	38,511	151,503
Domestic	7,738	7,947	7,694	23,378	92,469
International	4,913	5,171	5,049	15,133	59,034
Traffic	10,287	10,382	10,836	31,505	120,555

Regional Affiliate Operations

	Actual		Forecast		
	Apr	May	Jun	2Q09	2009
ASMs	962	1,002	949	2,914	11,527
Traffic	700	737	733	2,169	8,043

Below the Line Income/Expenses

Total Other Income(Expense) is estimated at (\$164) million in the second quarter of 2009.

Share Count (millions)

	Basic Diluted	
2Q09	280	280
FY2009		
Earnings		
\$793 million	280	283
and over		
\$0-792 million	280	281
Loss	280	280

Note: As of February 18, 2009 nearly all of AMR's convertible notes had been retired.

AMR EAGLE EYE

Reconciliation to GAAP

	Actual Apr	May	Forecast Jun	2Q09	2009
Cents					
AMR CASM	12.36	11.64	13.22	12.40	12.78
Less Special Items CASM	0.08	0.01	0.44	0.17	0.09
AMR CASM Excluding Special Items	12.28	11.63	12.78	12.23	12.69
Less Fuel CASM	3.14	3.04	3.52	3.24	3.50
AMR CASM Excluding Fuel and Special Items	9.14	8.59	9.26	8.99	9.19

	Actual Apr	May	Forecast Jun	2Q09	2009
Cents					
AA CASM	11.78	11.10	12.67	11.84	12.20
Less Special Items CASM	0.08	-	0.47	0.18	0.09
AA CASM Excluding Special Items	11.70	11.10	12.20	11.66	12.11
Less Fuel CASM	3.06	2.96	3.41	3.14	3.39
AA CASM Excluding Fuel and Special Items	8.64	8.14	8.79	8.52	8.72