

AMR CORP
Form 10-Q
October 19, 2011
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the Quarterly Period Ended September 30, 2011. September 30, 2011.

☐ **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
(State or other jurisdiction of

incorporation or organization)

4333 Amon Carter Blvd.

Fort Worth, Texas
(Address of principal executive offices)

Registrant's telephone number, including area code (817) 963-1234

75-1825172
(I.R.S. Employer

Identification No.)

76155
(Zip Code)

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

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to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☒

Accelerated Filer ☐

Non-accelerated Filer ☐

Smaller Reporting Company ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). ☐ Yes ☒ 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 335,227,024 shares as of October 13, 2011.

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Table of Contents**PART I: FINANCIAL INFORMATION****Item 1. Financial Statements**
AMR CORPORATION**CONSOLIDATED STATEMENTS OF OPERATIONS**

(Unaudited) (In millions, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Revenues				
Passenger American Airlines	\$ 4,816	\$ 4,455	\$ 13,508	\$ 12,565
Regional Affiliates	735	618	2,023	1,716
Cargo	176	167	532	491
Other revenues	649	602	1,960	1,812
Total operating revenues	6,376	5,842	18,023	16,584
Expenses				
Aircraft fuel	2,255	1,613	6,299	4,744
Wages, salaries and benefits	1,776	1,732	5,262	5,149
Other rentals and landing fees	363	355	1,070	1,059
Maintenance, materials and repairs	345	334	983	1,025
Depreciation and amortization	273	274	815	808
Commissions, booking fees and credit card expense	285	256	809	738
Aircraft rentals	165	148	483	422
Food service	137	129	390	365
Other operating expenses	738	659	2,182	2,034
Total operating expenses	6,337	5,500	18,293	16,344
Operating Income (Loss)	39	342	(270)	240
Other Income (Expense)				
Interest income	6	8	20	19
Interest expense	(211)	(204)	(626)	(622)
Interest capitalized	11	7	28	25
Miscellaneous net	(7)	(10)	(36)	(35)
	(201)	(199)	(614)	(613)
Income (Loss) Before Income Taxes	(162)	143	(884)	(373)
Income tax				
Net Income (Loss)	\$ (162)	\$ 143	\$ (884)	\$ (373)

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Earnings (Loss) Per Share

Basic	\$ (0.48)	\$ 0.43	\$ (2.64)	\$ (1.12)
Diluted	\$ (0.48)	\$ 0.39	\$ (2.64)	\$ (1.12)

The accompanying notes are an integral part of these financial statements.

Table of Contents**AMR CORPORATION****CONDENSED CONSOLIDATED BALANCE SHEETS**

(Unaudited) (In millions)

	September 30, 2011	December 31, 2010
Assets		
Current Assets		
Cash	\$ 304	\$ 168
Short-term investments	3,992	4,328
Restricted cash and short-term investments	474	450
Receivables, net	925	738
Inventories, net	631	594
Fuel derivative contracts	137	269
Other current assets	375	291
Total current assets	6,838	6,838
Equipment and Property		
Flight equipment, net	11,897	12,264
Other equipment and property, net	2,117	2,199
Purchase deposits for flight equipment	728	375
	14,742	14,838
Equipment and Property Under Capital Leases		
Flight equipment, net	338	194
Other equipment and property, net	62	50
	400	244
International slots and route authorities	708	708
Domestic slots and airport operating and gate lease rights, less accumulated amortization, net	204	224
Other assets	1,827	2,236
	\$ 24,719	\$ 25,088

Table of Contents**AMR CORPORATION****CONDENSED CONSOLIDATED BALANCE SHEETS**

(Unaudited) (In millions)

	September 30, 2011	December 31, 2010
Liabilities and Stockholders Equity (Deficit)		
Current Liabilities		
Accounts payable	\$ 1,150	\$ 1,156
Accrued liabilities	1,928	2,085
Air traffic liability	4,392	3,656
Current maturities of long-term debt	1,374	1,776
Current obligations under capital leases	79	107
Total current liabilities	8,923	8,780
Long-term debt, less current maturities	9,552	8,756
Obligations under capital leases, less current obligations	615	497
Pension and postretirement benefits	7,875	7,877
Other liabilities, deferred gains and deferred credits	2,587	3,123
Stockholders Equity (Deficit)		
Preferred stock		
Common stock	341	339
Additional paid-in capital	4,467	4,445
Treasury stock	(367)	(367)
Accumulated other comprehensive income (loss)	(2,783)	(2,755)
Accumulated deficit	(6,491)	(5,607)
	(4,833)	(3,945)
	\$ 24,719	\$ 25,088

The accompanying notes are an integral part of these financial statements.

Table of Contents**AMR CORPORATION****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Unaudited) (In millions)

	Nine Months Ended September 30,	
	2011	2010
Net Cash Provided by (used for) Operating Activities	\$ 346	\$ 1,090
Cash Flow from Investing Activities:		
Capital expenditures, including aircraft lease deposits	(1,234)	(1,412)
Net (increase) decrease in short-term investments	336	(109)
Net (increase) decrease in restricted cash and short-term investments	(24)	13
Proceeds from sale of equipment and property	(8)	12
Net cash used for investing activities	(930)	(1,496)
Cash Flow from Financing Activities:		