

Edgar Filing: AMR CORP - Form 8-K

AMR CORP
Form 8-K
April 23, 2003
1

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: April 23, 2003

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)

2

Item 7. Financial Statements and Exhibits

The following exhibits are included herein:

99.1 Press Release

Item 12. Disclosure of Results of Operations and Financial Condition

AMR Corporation (the Company) is filing herewith a press release issued on April 23, 2003 by the Company as Exhibit 99.1 which is included herein. This press release was issued to report the Company's first quarter 2003 results.

Edgar Filing: AMR CORP - Form 8-K

3

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/ Charles D. MarLett
Charles D. MarLett
Corporate Secretary

Dated: April 23, 2003

4

EXHIBIT INDEX

Exhibit	Description
99.1	Press Release

5

Exhibit 99.1

Contact: Corporate Communications
Fort Worth, Texas
817-967-1577
corp.commm@aa.com

FOR RELEASE: Wednesday, April 23, 2003

AMR REPORTS FIRST-QUARTER LOSS OF \$1.04 BILLION

FORT WORTH, Texas - AMR Corporation, the parent company of American Airlines, Inc., today reported a first quarter net loss of \$1.04 billion, or \$6.68 per share. This compares with a net loss of \$1.56 billion, or \$10.09 per share, in the first quarter of 2002, which included a cumulative effect of accounting change of \$988 million, or \$6.38 per share.

"Our first quarter results were truly dreadful." noted AMR's Chairman and Chief Executive Officer Don Carty. "The results we reported today clearly demonstrate the negative effects from high fuel prices leading up to the Iraq war, and passenger concern about traveling before and after fighting commenced," Carty said.

Edgar Filing: AMR CORP - Form 8-K

"The fact remains that we are confronting a brutally difficult financial and business environment," he said. "We are beset on all sides by a struggling economy, the continued uncertainties regarding hostilities in the Middle East, concerns regarding the SARS outbreak, fuel prices that are significantly higher than they were a year ago, and fare levels that are at 30-year lows. All told, it's a perilous climate and our success is far from assured," Carty said.

In keeping with the provisions of SFAS 109, AMR's first quarter 2003 results do not reflect a benefit for federal and state income taxes. Conversely, AMR's first quarter 2002 results did reflect a tax benefit.

- more -

6

Comparison of First Quarter Results

	(in millions)	
	2003	2002
Loss Before Income Taxes and Cumulative Effect of Accounting Change	\$ (1,043)	\$ (863)
Income tax benefit	-	(288)
Loss Before Cumulative Effect of Accounting Change	(1,043)	(575)
Cumulative Effect of Accounting Change, Net of Tax Benefit	-	(988)
Net Loss	\$ (1,043)	\$ (1,563)

Additionally, given the fluidity of AMR's current situation, the planned conference between AMR's Senior Vice President and Chief Financial Officer Jeff Campbell and members of the financial community and the media will not occur today as previously scheduled.

Statements in this news release contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Act of 1934, as amended, which represent the Company's expectations or beliefs concerning future events. When used in this news release, the words "expects," "anticipates," and similar expressions are intended to identify forward-looking statements. All forward-looking statements in this release are based upon information available to the Company on the date of this release. The Company undertakes no obligation to publicly update or revise any forward-looking statements, 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, including the uncertain financial and business environment for the Company even with the ratification of the labor agreements. These uncertainties include, but are not limited to, the struggling economy, high fuel prices, conflicts in the Middle East, the SARS outbreak and historically low fare levels. Additional information concerning these and other factors is contained in the Company's Securities and Exchange Commission filings, including but not limited to the Form 10-K for the year ended Dec. 31, 2002.

Edgar Filing: AMR CORP - Form 8-K

Detailed financial information follows:

7

AMR CORPORATION
 CONSOLIDATED STATEMENTS OF OPERATIONS
 (in millions, except per share amounts)
 (Unaudited)

	Three Months Ended March 31,		Percent Change
	2003	2002	
Revenues			
Passenger - American Airlines	\$3,394	\$ 3,484	(2.6)
- Regional Affiliates	326	326	-
Cargo	134	134	-
Other revenues	266	219	21.5
Total operating revenues	4,120	4,163	(1.0)
Expenses			
Wages, salaries and benefits	2,123	2,080	2.1
Aircraft fuel	729	527	38.3
Depreciation and amortization	338	341	(0.9)
Other rentals and landing fees	291	289	0.7
Commissions, booking fees and credit card expense	255	320	(20.3)
Maintenance, materials and repairs	231	266	(13.2)
Aircraft rentals	190	226	(15.9)
Food service	149	170	(12.4)
Other operating expenses	683	673	1.5
Total operating expenses	4,989	4,892	2.0
Operating Loss	(869)	(729)	19.2
Other Income (Expense)			
Interest income	13	18	(27.8)
Interest expense	(192)	(166)	15.7
Interest capitalized	19	22	(13.6)
Miscellaneous - net	(14)	(8)	75.0
	(174)	(134)	29.9
Loss Before Income Taxes and			
Cumulative Effect of			
Accounting Change	(1,043)	(863)	20.9
Income tax benefit	-	(288)	*
Loss Before Cumulative			
Effect of Accounting Change			
Accounting Change, Net of Tax Benefit	(1,043)	(575)	81.4
Net Loss			
	\$ (1,043)	\$ (1,563)	(33.3)

Continued on next page

* Greater than 100%

Note 1: Certain amounts have been reclassified to conform with 2003 presentation.

Note 2: Regional Affiliates include American Eagle Airlines, Inc., Executive Airlines, Inc., Trans States Airlines, Inc.

Edgar Filing: AMR CORP - Form 8-K

and Chautauqua Airlines, Inc.

8

AMR CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS (CONTINUED)
(in millions, except per share amounts)
(Unaudited)

	Three Months Ended March 31,	
	2003	2002
Basic and Diluted Loss Per Share		
Before Cumulative Effect of		
Accounting Change	\$ (6.68)	\$ (3.71)
Cumulative Effect of Accounting		
Change	-	(6.38)
Net Loss	\$ (6.68)	\$ (10.09)
Number of Shares Used in		
Computation		
Basic and Diluted	156	155

9

AMR CORPORATION
OPERATING STATISTICS
(Unaudited)

	Three Months Ended March 31,		
	2003	2002	Percent Change
American Airlines, Inc. Mainline Jet Operations (except as noted)			
Revenue passenger miles (millions)	27,838	27,817	0.1
Available seat miles (millions)	40,274	40,089	0.5
Cargo ton miles (millions)	490	463	5.8
Passenger load factor	69.1%	69.4%	(0.3)pts.
Passenger revenue yield per passenger mile (cents)	12.19	12.52	(2.6)
Passenger revenue per available seat mile (cents)	8.43	8.69	(3.0)
Cargo revenue yield per ton mile (cents)	27.38	28.74	(4.7)
Operating expenses per available seat mile (cents) (*)	11.39	11.30	0.8
Operating expenses per available seat mile (cents) (**)	12.44	11.37	9.4
Fuel consumption (gallons, in millions)	725	745	(2.7)
Fuel price per gallon (cents)	94.0	67.2	39.9
Operating aircraft at period-end	812	852	(4.7)
Regional Affiliates			
Revenue passenger miles (millions)	1,165	1,022	14.0
Available seat miles (millions)	1,987	1,728	15.0

Edgar Filing: AMR CORP - Form 8-K

Passenger load factor	58.6%	59.1%	(0.5) pts.
-----------------------	-------	-------	------------

AMR Corporation

Average Equivalent Number of Employees

American Airlines	92,200	97,800
Other	11,800	11,700
Total	104,000	109,500

* Excludes \$423 million and \$27 million of expenses incurred related to Regional Affiliates in 2003 and 2002, respectively.

** Includes \$423 million and \$27 million of expenses incurred related to Regional Affiliates in 2003 and 2002, respectively.

Note 1: Certain amounts have been reclassified to conform with 2003 presentation.

Note 2: American Airlines, Inc. 2003 operating expenses include expenses incurred related to fixed fee per block hour agreements with Regional Affiliates - American Eagle Airlines, Inc., Executive Airlines, Inc., Trans States Airlines, Inc. and Chautauqua Airlines, Inc. whereas 2002 operating expenses include expenses incurred related to fixed fee per block hour agreements with Regional Affiliates - Trans States Airlines, Inc. and Chautauqua Airlines, Inc.

Note 3: Regional Affiliates include American Eagle Airlines, Inc., Executive Airlines, Inc., Trans States Airlines, Inc. and Chautauqua Airlines, Inc.