

AMERICAN AIRLINES INC

Form 424B5

January 12, 2016

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Filed Pursuant to Rule 424(b)(5)

Registration No. 333-194685-01

The information in this preliminary prospectus supplement and the accompanying prospectus is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and we are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion, Dated January 12, 2016

Prospectus Supplement to Prospectus dated March 19, 2014

\$822,953,000

2016-1 Pass Through Trusts

Pass Through Certificates, Series 2016-1

American Airlines, Inc. is creating three separate pass through trusts that will issue American Airlines, Inc. Class AA, Class A and Class B Pass Through Certificates, Series 2016-1.

Each Certificate will represent an interest in the assets of the related pass through trust. The proceeds from the sale of the Certificates will be used on the date of issuance of such Certificates by the pass through trusts to acquire the related series of equipment notes to be issued by American on a full recourse basis. Payments on the equipment notes held in each pass through trust will be passed through to the holders of the Certificates of such trust. Distributions on the Certificates will be subject to certain subordination provisions described herein. The Certificates do not represent interests in, or obligations of, American or any of its affiliates.

Subject to the distribution provisions described herein, the Class AA Certificates will rank generally senior to the Class A Certificates and the Class B Certificates; the Class A Certificates will rank generally junior to the Class AA Certificates and will rank generally senior to the Class B Certificates; and the Class B Certificates will rank generally junior to the Class AA Certificates and the Class A Certificates.

The equipment notes expected to be held by each pass through trust will be issued to finance 18 aircraft: (a) nine Airbus A321-231 aircraft delivered new to US Airways, Inc. from September 2014 to June 2015, (b) six Boeing

737-823 aircraft delivered new to American from September 2015 to December 2015, (c) one Boeing 777-323ER aircraft delivered new to American in October 2015 and (d) two Boeing 787-8 aircraft delivered new to American from April 2015 to September 2015. The equipment notes issued for each aircraft will be secured by a security interest in all such aircraft. Interest on the issued and outstanding equipment notes expected to be held by each pass through trust will be payable semiannually on January 15 and July 15 of each year, commencing on July 15, 2016, and principal on such equipment notes is scheduled for payment on January 15 and July 15 of each year, commencing on July 15, 2016.

KfW IPEX-Bank GmbH will provide a separate liquidity facility for each of the Class AA Certificates, Class A Certificates and Class B Certificates, in each case in an amount sufficient to make three semiannual interest distributions on the outstanding balance of the Certificates of such Class.

The Certificates will not be listed on any national securities exchange.

Investing in the Certificates involves risks. See Risk Factors beginning on page S-23.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Pass Through Certificates	Aggregate Face Amount	Interest Rate	Final Expected Distribution Date	Price to Public ⁽¹⁾
Class AA	\$ 447,631,000	%	January 15, 2028	100%
Class A	\$ 200,859,000	%	January 15, 2028	100%
Class B	\$ 174,463,000	%	January 15, 2024	100%

(1) Plus accrued interest, if any, from the date of issuance.

The underwriters will purchase all of the Class AA Certificates, the Class A Certificates and the Class B Certificates if any are purchased. The aggregate proceeds from the sale of the Class AA Certificates, the Class A Certificates and the Class B Certificates will be \$822,953,000. American will pay the underwriters a commission of \$. Delivery of the Class AA Certificates, the Class A Certificates and the Class B Certificates in book-entry form will be made on or about , 2016 against payment in immediately available funds.

Joint Structuring Agents and Lead Bookrunners

Goldman, Sachs & Co.

Citigroup

Joint Active Bookrunners

Morgan Stanley

Credit Suisse
Joint Bookrunners

Deutsche Bank Securities

BofA Merrill Lynch
BNP PARIBAS

Barclays
Co-Manager

J.P. Morgan
Credit Agricole Securities

US Bancorp

Prospectus Supplement dated , 2016.

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We have not, and Goldman, Sachs & Co., Citigroup Global Markets Inc., Morgan Stanley & Co. LLC, Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Barclays Capital Inc., J.P. Morgan Securities LLC, BNP Paribas Securities Corp., Credit Agricole Securities (USA) Inc. and U.S Bancorp Investments, Inc. (the *Underwriters*) have not, authorized anyone to provide you with information other than the information contained in this prospectus supplement, the accompanying prospectus, any related free writing prospectus issued by us (which we refer to as a *company free writing prospectus*) and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus or to which we have referred you. This prospectus supplement, the accompanying prospectus and any related company free writing prospectus do not constitute an offer to sell, or a solicitation of an offer to purchase, the securities offered by this prospectus supplement, the accompanying prospectus and any related company free writing prospectus in any jurisdiction to or from any person to whom or from whom it is unlawful to make such offer or solicitation of an offer in such jurisdiction. You should not assume that the information contained in this prospectus supplement, the accompanying prospectus and any related company free writing prospectus or any document incorporated by reference is accurate as of any date other than the date on the front cover of the applicable document. Neither the delivery of this prospectus supplement, the accompanying prospectus and any related company free writing prospectus nor any distribution of securities pursuant to this prospectus supplement and the accompanying prospectus shall, under any circumstances, create any implication that there has been no change in our business, financial condition, results of operations or prospects, or in the affairs of the Trusts or the Liquidity Provider, since the date of this prospectus supplement.

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PRESENTATION OF INFORMATION

These offering materials consist of two documents: (a) this prospectus supplement, which describes the terms of the American Airlines, Inc. Class AA, Class A and Class B Pass Through Certificates, Series 2016-1 (collectively, the *Certificates* , and each, a *Certificate*) that we are currently offering, and (b) the accompanying prospectus, which provides general information about us and our pass through certificates, some of which may not apply to the Certificates that we are currently offering. The information in this prospectus supplement replaces any inconsistent information included in the accompanying prospectus. To the extent the description of this offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information contained in or incorporated by reference in this prospectus supplement. See *About this Prospectus* in the accompanying prospectus.

In this prospectus supplement, unless otherwise specified, references to *American*, the *Company*, *we*, *us* and *our* to American Airlines, Inc.; references to *AAG* refer to our parent, American Airlines Group Inc.; and references to *AMR* refer to AAG during the period of time prior to its emergence from Chapter 11 of the United States Bankruptcy Code (the *Bankruptcy Code*) and AAG's acquisition of US Airways Group, Inc. (*US Airways Group*) on December 9, 2013.

We have given certain capitalized terms specific meanings for purposes of this prospectus supplement. The *Index of Defined Terms* attached as Appendix I to this prospectus supplement lists the page in this prospectus supplement on which we have defined each such term.

At varying places in this prospectus supplement, we refer you to other sections for additional information by indicating the caption heading of such other sections. The page on which each principal caption included in this prospectus supplement can be found is listed in the foregoing Table of Contents. All such cross-references in this prospectus supplement are to captions contained in this prospectus supplement and not the accompanying prospectus, unless otherwise stated.

Table of Contents**SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

Certain of the statements contained in this prospectus supplement, the accompanying prospectus, any related company free writing prospectus and the documents incorporated by reference herein and therein represent our expectations or beliefs concerning future events and should be considered forward-looking statements within the meaning of the Securities Act of 1933, as amended (the *Securities Act*), the Securities Exchange Act of 1934, as amended (the *Exchange Act*), and the Private Securities Litigation Reform Act of 1995. These forward-looking statements may be identified by words such as may, will, expect, intend, anticipate, believe, estimate, plan, project, continue, seek, target, guidance, outlook, if current trends continue, optimistic, forecast and other similar statements include, but are not limited to, statements about the benefits of the merger of AMR Merger Sub, Inc. (*Merger Sub*) with and into US Airways Group, with US Airways Group surviving as a wholly-owned subsidiary of AMR (the *Merger*) pursuant to that certain Agreement and Plan of Merger, dated as of February 13, 2013, by and among AMR, Merger Sub and US Airways Group (as amended, the *Merger Agreement*), including future financial and operating results, our plans, objectives, expectations and intentions, and other statements that are not historical facts, such as, without limitation, statements that discuss the possible future effects of current known trends or uncertainties, or which indicate that the future effects of known trends or uncertainties cannot be predicted, guaranteed or assured. These forward-looking statements are based on our current objectives, beliefs and expectations, and they are subject to significant risks and uncertainties that may cause actual results and financial position and timing of certain events to differ materially from the information in the forward-looking statements. These risks and uncertainties include, but are not limited to, those described below under Risk Factors and the following: significant operating losses in the future; downturns in economic conditions that adversely affect our business; the impact of continued periods of high volatility in fuel costs, increased fuel prices and significant disruptions in the supply of aircraft fuel; competitive practices in the industry, including the impact of low cost carriers, airline alliances and industry consolidation; the challenges and costs of integrating operations and realizing anticipated synergies and other benefits of the Merger; our substantial indebtedness and other obligations and the effect they could have on our business and liquidity; an inability to obtain sufficient financing or other capital to operate successfully and in accordance with our current business plan; increased costs of financing, a reduction in the availability of financing and fluctuations in interest rates; the effect our high level of fixed obligations may have on our ability to fund general corporate requirements, obtain additional financing and respond to competitive developments and adverse economic and industry conditions; our significant pension and other post-employment benefit funding obligations; the impact of any failure to comply with the covenants contained in financing arrangements; provisions in credit card processing and other commercial agreements that may materially reduce our liquidity; the limitations of our historical consolidated financial information, which is not directly comparable to our financial information for prior or future periods; the impact of union disputes, employee strikes and other labor-related disruptions; any inability to maintain labor costs at competitive levels; interruptions or disruptions in service at one or more of our hub airports; costs of ongoing data security compliance requirements and the impact of any significant data security breach; any inability to obtain and maintain adequate facilities, infrastructure and landing and take-off rights and authorizations (*Slots*) to operate our flight schedule and expand or change our route network; our reliance on third-party regional operators or third-party service providers that have the ability to affect our revenue and the public's perception about our services; any inability to effectively manage the costs, rights and functionality of third-party distribution channels on which we rely; extensive government regulation, which may result in increases in our costs, disruptions to our operations, limits on our operating flexibility, reductions in the demand for air travel, and competitive disadvantages; the impact of the heavy taxation on the airline industry; changes to our business model that may not successfully increase revenues and may cause operational difficulties or decreased demand; the loss of key personnel or inability to attract and retain additional qualified personnel; the impact of conflicts overseas, terrorist attacks and ongoing security concerns; the global scope of our

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business and any associated economic and political instability or adverse effects of events, circumstances or government actions beyond our control, including the impact of foreign currency exchange rate fluctuations and limitations on the repatriation of cash held in foreign countries; the impact of environmental regulation; our reliance on technology and automated systems and the impact of any failure of these technologies or systems; challenges in integrating our computer, communications and other technology systems; losses and adverse publicity stemming from any accident involving any of our aircraft or the aircraft of our regional or codeshare operators; delays in scheduled aircraft deliveries, or other loss of anticipated fleet capacity, and failure of new aircraft to perform as expected; our dependence on a limited number of suppliers for aircraft, aircraft engines and parts; the impact of changing economic and other conditions beyond our control, including global events that affect travel behavior such as an outbreak of a contagious disease, and volatility and fluctuations in our results of operations due to seasonality; the effect of a higher than normal number of pilot retirements and a potential shortage of pilots; the impact of possible future increases in insurance costs or reductions in available insurance coverage; the effect of a lawsuit that was filed in connection with the Merger and remains pending; an inability to use net operating losses carried forward from prior taxable years (*NOL Carryforwards*); any impairment in the amount of goodwill we recorded as a result of the application of the acquisition method of accounting and an inability to realize the full value of our intangible or long-lived assets and any material impairment charges that would be recorded as a result; and other economic, business, competitive, and/or regulatory factors affecting our business, including those set forth in our Annual Report on Form 10-K for the year ended December 31, 2014 (especially in Part I, Item 1A Risk Factors and Part II, Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operations); in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2015, June 30, 2015 and September 30, 2015 (especially in Part I, Item 2 Management's Discussion and Analysis of Financial Condition and Results of Operations and Part II, Item IA Risk Factors) and in our other filings with the Securities and Exchange Commission (the *SEC*), and other risks and uncertainties listed from time to time in our filings with the SEC.

Additional information concerning these and other factors is contained in our filings with the SEC, including but not limited to our Annual Report on Form 10-K for the year ended December 31, 2014 and our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2015, June 30, 2015 and September 30, 2015. All forward-looking statements in this prospectus supplement, the accompanying prospectus, any related company free writing prospectus and the documents incorporated by reference herein and therein are qualified in their entirety by reference to the factors discussed below under Risk Factors and elsewhere in this prospectus supplement and based upon information available to us on the date of this prospectus supplement or such document. There may be other factors of which we are not currently aware that may affect matters discussed in the forward-looking statements and may also cause actual results to differ materially from those discussed. We do not assume any obligation to publicly update or supplement any forward-looking statement to reflect actual results, changes in assumptions or changes in other factors affecting such statements other than as required by law.

CERTAIN VOLCKER RULE CONSIDERATIONS

None of the Trusts are or, immediately after the issuance of the Certificates pursuant to the Trust Supplements, will be a covered fund as defined in the final regulations issued December 10, 2013 implementing the Volcker Rule (Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act). In making the foregoing determination, the Trusts are relying upon the exemption from registration set forth in Rule 3a-7 under the Investment Company Act of 1940, as amended, although additional exemptions or exclusions may be available to the Trusts.

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PROSPECTUS SUPPLEMENT SUMMARY

*This summary highlights basic information about us and this offering. Because it is a summary, it does not contain all of the information that you should consider before investing. You should read this entire prospectus supplement, the accompanying prospectus and any related company free writing prospectus carefully, including the section entitled *Risk Factors* and the *Special Note Regarding Forward-Looking Statements* in this prospectus supplement, as well as the materials filed with the SEC that are considered to be a part of this prospectus supplement, the accompanying prospectus and any related company free writing prospectus before making an investment decision. See *Where You Can Find More Information* in this prospectus supplement.*

The Company

American was founded in 1934 and is a principal wholly-owned subsidiary of AAG, a Delaware corporation. All of American's common stock is owned by AAG. American operates in nine primary domestic markets: Charlotte, Chicago, Dallas/Fort Worth, Los Angeles, Miami, New York City, Philadelphia, Phoenix and Washington, D.C. As of September 30, 2015, American and US Airways, Inc. (*US Airways*) operated a combined 963 mainline jets. American is supported by AAG's wholly-owned regional airline subsidiary and third-party regional carriers operating as American Eagle under capacity purchase agreements. American is a founding member of the oneworld® alliance whose members and members-elect serve nearly 1,000 destinations with 14,250 daily flights to 150 countries, and its cargo division is one of the largest air cargo operations in the world, providing a wide range of freight and mail services, with facilities and interline connections available across the globe.

On November 29, 2011, AMR, American, and certain of AMR's other direct and indirect domestic subsidiaries (collectively, the *Debtors*) filed voluntary petitions for relief (the *Chapter 11 Cases*) under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York (the *Bankruptcy Court*). On October 21, 2013, the Bankruptcy Court entered an order approving and confirming the Debtors' fourth amended joint plan of reorganization (as amended, the *Bankruptcy Plan*). On December 9, 2013, the Debtors consummated their reorganization pursuant to the Bankruptcy Plan, principally through the transactions contemplated by the Merger Agreement. Following the Merger, American and US Airways began moving toward operating under the single brand name of *American Airlines*. In the second quarter of 2015, American and US Airways received a single operating certificate from the Federal Aviation Administration (the *FAA*) for American and US Airways, marking a major milestone in the integration of the two airlines. On October 17, 2015, AAG completed its transition to a single reservations system, retiring the US Airways name and website. In addition, on December 30, 2015, US Airways merged with and into American with American as the surviving entity and US Airways ceased to exist as a legal entity.

American's principal executive office is located at 4333 Amon Carter Boulevard, Fort Worth, Texas 76155. American's telephone number is 817-963-1234 and its Internet address is www.aa.com. Information contained on American's website is not and should not be deemed a part of this prospectus supplement.

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	Class AA Certificates	Class A Certificates	Class B Certificates
Aggregate Face Amount	\$447,631,000	\$200,859,000	\$174,463,000
Interest Rate	%	%	%
Initial Loan to Aircraft Value Ratio (cumulative)(1)(2)	39.0%	56.5%	71.7%
Expected Maximum Loan to Aircraft Value Ratio (cumulative)(2)	39.5%	57.2%	72.6%
Expected Principal Distribution Window (in years from Issuance Date)	0.5-12.0	0.5-12.0	0.5-8.0
Initial Average Life (in years from Issuance Date)	9.0	9.0	5.6
Regular Distribution Dates	January 15 and July 15	January 15 and July 15	January 15 and July 15
Final Expected Regular Distribution Date(3)	January 15, 2028	January 15, 2028	January 15, 2024
Final Legal Distribution Date(4)	July 15, 2029	July 15, 2029	July 15, 2025
Minimum Denomination(5)	\$2,000	\$2,000	\$2,000
Section 1110 Protection	Yes	Yes	Yes
Liquidity Facility Coverage	3 semiannual interest payments	3 semiannual interest payments	3 semiannual interest payments

- (1) These percentages are calculated as of the Issuance Date. In calculating these percentages, we have assumed that the aggregate appraised value of all such Aircraft is \$1,147,770,965 as of the Issuance Date. The appraised value is only an estimate and reflects certain assumptions. See Description of the Aircraft and the Appraisals The Appraisals.
- (2) See Loan to Aircraft Value Ratios in this prospectus supplement summary for the method and assumptions we used in calculating the loan to Aircraft value ratios and a discussion of certain ways that such loan to Aircraft value ratios could change.
- (3) Each series of Equipment Notes will mature on the final expected Regular Distribution Date for the Certificates issued by the Trust that owns such Equipment Notes.
- (4) The Final Legal Distribution Date for each of the Class AA Certificates, Class A Certificates and Class B Certificates is the date which is 18 months after the final expected Regular Distribution Date for that class of Certificates, which represents the period corresponding to the applicable Liquidity Facility coverage of three successive semiannual interest payments.
- (5) The Certificates will be issued in minimum denominations of \$2,000 (or such other denomination that is the lowest integral multiple of \$1,000 that is, at the time of issuance, equal to at least 1,000 euros) and integral multiples of \$1,000 in excess thereof, except that one Certificate of each class may be issued in a different denomination.

Equipment Notes and the Aircraft

The Trusts are expected to hold Equipment Notes issued for, and secured by, each of 18 aircraft: (a) nine Airbus A321-231 aircraft delivered new to US Airways from September 2014 to June 2015, (b) six Boeing 737-823 aircraft delivered new to American from September 2015 to December 2015, (c) one Boeing 777-323ER aircraft delivered new to American in October 2015 and (d) two Boeing 787-8 aircraft delivered new to American from April 2015 to September 2015 (each such aircraft, an *Aircraft* , and, collectively, the *Aircraft*).

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Each of the Aircraft is owned and operated by American. See Description of the Aircraft and the Appraisals for a description of the 18 Aircraft to be financed with the proceeds of this offering. Set forth below is certain information about the Equipment Notes expected to be held in the Trusts and each of the Aircraft expected to secure such Equipment Notes.

On and subject to the terms and conditions of the Note Purchase Agreement and the forms of financing agreements attached to the Note Purchase Agreement, American will enter into a secured debt financing with respect to each Aircraft on the Issuance Date.

Aircraft Type	Registration Number	Serial Number	Month of Delivery	Initial Principal Amount of Series AA Equipment Notes, Series A Equipment Notes and Series B Equipment Notes		Appraised Value(1)	Latest Equipment Note Maturity Date
				Equipment Notes	Equipment Notes		
Airbus A321-231	N912UY	6264	September 2014	\$ 35,605,000	\$ 49,658,012	January 15, 2028	
Airbus A321-231	N916US	6420	January 2015	\$ 36,750,000	\$ 51,255,010	January 15, 2028	
Airbus A321-231	N917UY	6427	January 2015	\$ 36,760,000	\$ 51,269,108	January 15, 2028	
Airbus A321-231	N918US	6443	February 2015	\$ 36,853,000	\$ 51,399,224	January 15, 2028	
Airbus A321-231	N920US	6490	February 2015	\$ 37,012,000	\$ 51,620,060	January 15, 2028	
Airbus A321-231	N922US	6537	April 2015	\$ 37,326,000	\$ 52,057,915	January 15, 2028	
Airbus A321-231	N923US	6543	April 2015	\$ 37,320,000	\$ 52,050,001	January 15, 2028	
Airbus A321-231	N921US	6523	April 2015	\$ 37,297,000	\$ 52,018,243	January 15, 2028	
Airbus A321-231(2)	N927UW	6625	June 2015	\$ 37,566,000	\$ 52,393,533	January 15, 2028	
Boeing 737-823	N977NN	31225	September 2015	\$ 33,343,000	\$ 46,503,477	January 15, 2028	
Boeing 737-823	N978NN	31226	September 2015	\$ 33,462,000	\$ 46,670,000	January 15, 2028	
Boeing 737-823	N979NN	31228	October 2015	\$ 33,699,000	\$ 47,000,000	January 15, 2028	
Boeing 737-823	N980NN	31229	November 2015	\$ 33,699,000	\$ 47,000,000	January 15, 2028	
Boeing 737-823	N981NN	31230	November 2015	\$ 33,699,000	\$ 47,000,000	January 15, 2028	
Boeing 737-823	N982NN	31231	December 2015	\$ 33,850,000	\$ 47,210,000	January 15, 2028	
Boeing 777-323ER(3)	N734AR	31480	October 2015	\$ 116,097,000	\$ 161,920,000	January 15, 2028	
Boeing 787-8(3)	N805AN	40623	April 2015	\$ 84,840,000	\$ 118,326,382	January 15, 2028	
Boeing 787-8(3)	N810AN	40628	September 2015	\$ 87,775,000	\$ 122,420,000	January 15, 2028	
Total:				\$ 822,953,000	\$ 1,147,770,965		

- (1) The appraised value of each Aircraft set forth above is the lesser of the average and median appraised value of such Aircraft as appraised by three independent appraisal and consulting firms (Aircraft Information Services, Inc. (*AISI*), BK Associates, Inc. (*BK*) and Morten Beyer & Agnew, Inc. (*mba*, and together with AISI and BK, the *Appraisers*). In the case of each Aircraft owned by American (or US Airways as its predecessor in interest) as of the respective dates of the appraisals, such appraisals indicate the appraised base value of such Aircraft, adjusted for the maintenance status of such Aircraft at or around the time of the related appraisal (except as described in footnote (2) below with respect to the Airbus A321-231 aircraft bearing registration number N927UW), and in the case of each Aircraft not yet delivered to American as of the respective dates of the appraisals, such appraisals indicate the appraised base value projected as of its scheduled delivery month at the time of the related appraisal. The AISI appraisal is dated December 22, 2015, the BK appraisal is dated December 17, 2015 and the mba appraisal is dated December 30, 2015. The Appraisers based their appraisals on varying assumptions (which may not reflect current market conditions) and methodologies. See *Description of the Aircraft and the Appraisals* The Appraisals. An appraisal is only an estimate of value and you should not rely on any appraisal as a measure of realizable value. See *Risk Factors* Risks Relating to the Certificates and the Offering Appraisals should not be relied upon as a measure of realizable value of the Aircraft.
- (2) Because maintenance status data with respect to this aircraft was not readily available as of the dates of the appraisals, the appraised value of this aircraft was determined on the assumption that the maintenance status of this aircraft is substantially similar to the maintenance status of the other Airbus A321-231 aircraft of a similar age that are eligible to be financed pursuant to this offering.
- (3) This aircraft is approved for Extended-range Twin-engine Operations (*ETOPs*).

Table of Contents**Loan to Aircraft Value Ratios**

The following table provides loan to Aircraft value ratios (*LTVs*) for each class of Certificates as of the Issuance Date and each Regular Distribution Date thereafter. The table is not a forecast or prediction of expected or likely *LTVs*, but simply a mathematical calculation based upon one set of assumptions. See Risk Factors Risks Relating to the Certificates and the Offering Appraisals should not be relied upon as a measure of realizable value of the Aircraft.

We compiled the following table on an aggregate basis. However, the Equipment Notes issued under an Indenture are entitled only to certain specified cross-collateralization provisions as described under Description of the Equipment Notes Security. The relevant *LTVs* in a default situation for the Equipment Notes issued under a particular Indenture would depend on various factors, including the extent to which the debtor or trustee in bankruptcy agrees to perform American's obligations under the Indentures. Therefore, the following aggregate *LTVs* are presented for illustrative purposes only and should not be interpreted as indicating the degree of cross-collateralization available to the holders of the Certificates.

Date	Aggregate Assumed Aircraft Value(1)	Pool Balance(2)			LTV(3)		
		Class AA Certificates	Class A Certificates	Class B Certificates	Class AA Certificates	Class A Certificates	Class B Certificates
At Issuance	\$ 1,147,770,965	\$ 447,631,000	\$ 200,859,000	\$ 174,463,000	39.0%	56.5%	71.7%
July 15, 2016	1,130,215,551	446,199,143	200,061,718	173,733,779	39.5%	57.2%	72.6%
January 15, 2017	1,112,660,136	436,024,488	195,524,006	164,475,905	39.2%	56.8%	71.5%
July 15, 2017	1,095,104,721	425,748,918	190,963,219	154,945,015	38.9%	56.3%	70.5%