AMERICAN AIRLINES INC
Form 424B5
September 24, 2009

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CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be Registered	Proposed maximum offering price per unit	Proposed maximum aggregate offering price	Amount of registration fees(3)
6.25% Convertible Senior Notes due 2014	$460,000,000(1)	100%	$460,000,000	$25,668
Common Stock, $1.00 par value per share	(2)			(4)
Guarantee of 6.25% Convertible Senior Notes due 2014 by American Airlines, Inc.				None(5)

(1) Includes a principal amount of convertible senior notes that may be purchased by the underwriters pursuant to their option to purchase up to an additional $60,000,000 principal amount of convertible senior notes.

(2) An indeterminate number of shares of common stock may be issued from time to time upon conversion of the convertible senior notes, subject to adjustment in accordance with the terms of the convertible senior notes and the indenture governing the notes.

(3) The registration fee of $25,668 is calculated in accordance with Rule 457(r) of the Securities Act of 1933, as amended (the Securities Act). Pursuant to Rule 457(p) under the Securities Act, registration fees of $207,471 were applied to the Automatic Shelf Registration Statement on Form S-3 (Registration Nos. 333-160646, 333-160646-01) filed by AMR Corporation and American Airlines, Inc. on July 17, 2009. The $25,668 of the registration fees associated with this offering are hereby offset against these prepaid registration fees. Following this offering and the concurrent offering of shares of AMR Corporation s common stock, $1.00 par value per share, a total of $156,135 will remain available for offset against future registration fees that would otherwise be payable under such Automatic Shelf Registration Statement.

(4) Pursuant to Rule 457(i) under the Securities Act, there is no additional filing fee with respect to the shares of common stock issuable upon conversion of the convertible senior notes because no additional consideration will be received in connection with the exercise of the conversion privilege.

(5) Pursuant to Rule 457(n) promulgated under the Securities Act, no separate fee is required for the guarantee.

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-160646
333-160646-01

PROSPECTUS SUPPLEMENT
(To Prospectus Dated July 17, 2009)

$400,000,000
AMR Corporation
6.25% Convertible Senior Notes due 2014

Guaranteed by American Airlines, Inc.

We are selling $400,000,000 principal amount of our 6.25% Convertible Senior Notes due 2014 by this prospectus supplement and the accompanying prospectus. The notes will bear interest at the rate of 6.25% per year. Interest on the notes is payable on April 15 and October 15 of each year, beginning on April 15, 2010. The notes will mature on October 15, 2014. The notes are not redeemable prior to maturity.

The notes are convertible by holders into shares of our common stock at an initial conversion rate of 101.0101 shares per $1,000 principal amount of the notes, equivalent to an initial conversion price of approximately $9.90 per share, subject to adjustment upon the occurrence of certain events, at any time prior to the close of business on the business day immediately preceding the maturity date of the notes.

We have granted the underwriters named in this prospectus supplement an option to purchase up to an additional $60,000,000 aggregate principal amount of notes to cover over-allotments.

The notes will be our unsecured senior obligations and will rank equally with all of our other unsecured senior indebtedness. Our wholly-owned subsidiary, American Airlines, Inc., will guarantee the notes on an unsecured senior basis. The guarantee will rank equal in right of payment with all existing and future unsecured and unsubordinated indebtedness of American Airlines, Inc.

Concurrently with this offering, we are offering 48,484,849 shares of our common stock (or a total of 55,757,576 shares if the underwriters in that offering exercise their option to purchase additional shares in full) in an underwritten offering pursuant to a separate prospectus supplement. The consummation of this offering is not contingent upon the consummation of the common stock offering and vice versa.

Our common stock is listed on the New York Stock Exchange under the symbol AMR. The last reported price of the common stock on September 22, 2009 was $8.44 per share.

Prior to this offering, there has been no public market in the notes.

Investing in the notes or shares of common stock involves a high degree of risk. See Risk Factors beginning on page S-9.

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.

	Per Note	Total
Public Offering Price	100.00%	$ 400,000,000
Underwriting Discount	2.75%	$ 11,000,000
Proceeds to AMR Corporation (before expenses)	97.25%	$ 389,000,000

Interest on the notes will accrue from September 28, 2009 to the date of delivery.

The underwriters expect to deliver the notes to purchasers on or about September 28, 2009 only in book-entry form through the facilities of The Depository Trust Company.

Joint Book-Running Managers

Citi	**UBS Investment Bank**	**Morgan Stanley**

Co-Managers

Credit Suisse	**Goldman, Sachs & Co.**

September 22, 2009

You should rely only on 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. We have not, and the underwriters have not, authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. 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 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 notes that we are currently offering, and (*b*) the accompanying prospectus, which provides general information about us and our securities, some of which does not apply to the notes 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.

References in this prospectus supplement to *AMR*, the *Company*, *we*, *us* and *our* refer to AMR Corporation toge with its subsidiaries, unless otherwise specified or the context otherwise requires.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus, any related company free writing prospectus and the documents incorporated by reference herein and therein contain various forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the *Securities Act*), and Section 21E of the Securities Exchange Act of 1934, as amended (the *Exchange Act*), which represent our expectations or beliefs concerning future events. When used in this prospectus supplement, the accompanying prospectus, any related company free writing prospectus and in documents incorporated herein and therein by reference, the words expects, plans, anticipates, indicates, believes, forecast, guidance, outlook, may, will, should, seeks, t expressions are intended to identify forward-looking statements. Similarly, statements that describe our objectives, plans or goals are forward-looking statements.

Forward-looking statements include, without limitation, our expectations concerning operations and financial conditions, including changes in capacity, revenues, and costs; future financing plans and needs; the amounts of our unencumbered assets and other sources of liquidity; fleet plans; overall economic and industry conditions; plans and objectives for future operations; regulatory approvals and actions, including our application for antitrust immunity with other **one**world® alliance members; and the impact on us of our results of operations in recent years and the sufficiency of our financial resources to absorb that impact. Other forward-looking statements include statements which do not relate solely to historical facts, such as, without limitation, statements which 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.

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 based upon information available to us on the date of this prospectus supplement or such document. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise. Guidance given in this prospectus supplement, the accompanying prospectus, any related company free writing prospectus and the documents incorporated by reference herein and therein regarding capacity, fuel consumption, fuel prices, fuel hedging and unit costs, and statements regarding expectations of regulatory approval of our application for antitrust immunity with other **one**world members, are forward-looking statements.

Forward-looking statements are subject to a number of factors that could cause our actual results to differ materially from our expectations. The following factors, in addition to those discussed under the caption Risk Factors in this prospectus supplement and other possible factors not listed, could cause our actual results to differ materially from those expressed in forward-looking statements: our materially weakened financial condition, resulting from our significant losses in recent years; weaker demand for air travel and lower investment asset returns resulting from the severe global economic downturn; our need to raise substantial additional funds and our ability to do so on acceptable terms; our ability to generate additional revenues and reduce our costs; continued high and volatile fuel prices and further increases in the price of fuel, and the availability of fuel; our substantial indebtedness and other obligations; our ability to satisfy existing financial

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or other covenants in certain of our credit agreements; changes in economic and other conditions beyond our control, and the volatile results of our operations; the fiercely and increasingly competitive business environment we face; potential industry consolidation and alliance changes; competition with reorganized carriers; low fare levels by historical standards and our reduced pricing power; changes in our corporate or business strategy; government regulation of our business; conflicts overseas or terrorist attacks; uncertainties with respect to our international operations; outbreaks of a disease (such as SARS, avian flu or the H1N1 virus) that affects travel behavior; labor costs that are higher than those of our competitors; uncertainties with respect to our relationships with unionized and other employee work groups; increased insurance costs and potential reductions of available insurance coverage; our ability to retain key management personnel; potential failures or disruptions of our computer, communications or other technology systems; losses and adverse publicity resulting from any accident involving our aircraft; changes in the price of our common stock; and our ability to reach acceptable agreements with third parties.

Additional information concerning these and other factors is contained in our filings and the filings of American Airlines, Inc. (*American*) with the Securities and Exchange Commission (the *SEC*), including but not limited to our and American s Quarterly Reports on Form 10-Q for the quarters ended March 31, 2009 and June 30, 2009 and our and American s Annual Reports on Form 10-K for the year ended December 31, 2008 (and, in the case of AMR, as updated by AMR s Current Report on Form 8-K filed on April 21, 2009).

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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 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

AMR s operations fall almost entirely in the airline industry. As of June 30, 2009, AMR s principal subsidiary, American, provided scheduled jet service to approximately 160 destinations throughout North America, the Caribbean, Latin America, Europe and Asia.

As of June 30, 2009, American, AMR Eagle Holding Corporation *(AMR Eagle)* and the AmericanConnection® airlines served nearly 260 cities in 50 countries with, on average, more than 3,500 daily flights. The combined network fleet numbers approximately 900 aircraft. American is also one of the largest scheduled air freight carriers in the world, providing a wide range of freight and mail services to shippers throughout its system onboard American s passenger fleet.

American is a founding member of the **one**world alliance, which enables member airlines to offer their customers more services and benefits than any member airline can provide individually. These services include a broader route network, opportunities to earn and redeem frequent flyer miles across the combined **one**world network and more airport lounges. Together, **one**world members serve nearly 700 destinations in almost 150 countries, with more than 8,000 daily departures. The **one**world alliance includes American, British Airways, Cathay Pacific, Finnair, Lan Airlines, Iberia, Qantas, Japan Airlines, Malév Hungarian, Dragonair and Royal Jordanian. Mexicana Airlines has accepted an invitation to join **one**world and formal entry into the alliance is anticipated in late 2009.

AMR Eagle, a wholly-owned subsidiary of AMR, owns two regional airlines which do business as American Eagle American Eagle Airlines, Inc. and Executive Airlines, Inc. (collectively, the *American Eagle® carriers*). American also contracts with an independently owned regional airline, which does business as AmericanConnection (the *AmericanConnection® carrier*). The American Eagle® carriers and the AmericanConnection® carrier provide connecting service from ten of American s high-traffic cities to smaller markets throughout the United States, Canada, Mexico and the Caribbean.

The address for AMR s and American s principal executive offices is 4333 Amon Carter Boulevard, Fort Worth, Texas 76155 (Telephone: 817-963-1234).

Recent Developments

Forward Sale of AAdvantage Miles to Citibank

On September 16, 2009, American entered into an arrangement under which Citibank (South Dakota), N.A. *(Citibank),* paid to American $1.0 billion in order to pre-purchase AAdvantage® Miles™ (the *Advance Purchase Miles*) under American s AAdvantage frequent flier loyalty program (the *Advance Purchase*).

To effect the Advance Purchase, American and Citibank entered into an Amended and Restated AAdvantage Participation Agreement (as so amended and restated, the *Amended Participation Agreement*). Under the Amended Participation Agreement, American agreed that it would apply in equal monthly installments, over a five-year period beginning on January 1, 2012, the Advance Purchase Miles to Citibank cardholders AAdvantage accounts. As part of the arrangement, the term of the Amended Participation Agreement was extended beyond such five-year period.

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Pursuant to the Advance Purchase, Citibank was granted a first-priority lien in certain of American s AAdvantage program assets, and a lien in certain of American s Heathrow routes, slots and gates that would be subordinated to any subsequent first lien. American also agreed to grant a future lien (with similar subordination features) in certain of American s Narita routes, slots and gates that would take effect at such time as an existing lien is released. Commencing on December 31, 2011, American has the right to repurchase, without premium or penalty, any or all of the Advance Purchase Miles that have not then been posted to Citibank cardholders accounts. American is also obligated, in certain circumstances (including certain specified termination events under the Amended Participation Agreement, certain cross defaults and cross acceleration events, and if any Advance Purchase Miles remain at the end of the term) to repurchase for cash all of the Advance Purchase Miles that have not then been used by Citibank.

The Amended Participation Agreement includes provisions that grant Citibank the right to use Advance Purchase Miles on an accelerated basis under specified circumstances. American also has the right under certain circumstances to release, or substitute other collateral for, the Heathrow and Narita route related collateral. In connection with the Advance Purchase, certain of Citibank s existing commitments to American under the Amended Participation Agreement were revised.

We expect that approximately $890 million of the Advance Purchase proceeds will be accounted for as a loan from Citibank under Accounting Standards Codification Topic 470, with the remaining $110 million related to certain other commitments with respect to the co-branding relationship and recorded as Deferred Revenue in Other Liabilities. The loan was determined using an effective interest rate of 8.3% and will be amortized under the interest method with imputed interest included in interest expense. The Deferred Revenue will be amortized straight line over the life of the agreement.

GECAS Debt and Lease Financings

On September 16, 2009, American entered into two financing transactions with GE Capital Aviation Services LLC and certain of its affiliates (*GECAS*). The financing transactions consist of:

a recourse loan facility (the *2009 Loan Facility*) in the amount of $281.5 million to be secured by 13 owned Boeing aircraft; and

a sale leaseback agreement (the *2009 Sale-Leaseback*) providing for an aggregate commitment of $1.6 billion to finance Boeing 737-800 aircraft to be delivered to American in 2010 and 2011.

The 2009 Loan Facility will bear interest at LIBOR plus a specified margin and will mature on September 16, 2017. American has received $225.4 million in cash under the 2009 Loan Facility which is currently secured by 10 owned aircraft. American expects to receive an additional $56.1 million under the 2009 Loan Facility in October 2009 when it pledges three more owned aircraft as security under such facility.

The terms of the 2009 Sale-Leaseback are based on previous transactions with GECAS. The 2009 Sale-Leaseback is subject to certain terms and conditions, including a condition to the effect that, at the time of entering into the sale and leaseback of a particular Boeing 737-800 aircraft, American has at least a certain amount of unrestricted cash and short term investments.

As of September 17, 2009, American s remaining 2009-2011 Boeing 737-800 purchase commitments are 15 in the remainder of 2009, 45 in 2010 and eight in 2011. We currently expect to finance substantially all of these remaining 2009-2011 Boeing 737-800 deliveries using a combination of the 2009 Sale-Leaseback, funds from the sale of 10.375% pass through certificates completed by American in July 2009 and other previously arranged financing. As a result of the 2009 Sale-Leaseback, we do not expect to use our previously arranged backstop financing to finance any of our Boeing 737-800 aircraft deliveries scheduled for 2010 and 2011; however, such backstop financing arrangement remains in place.

As a condition to entering into the 2009 Loan Facility and the 2009 Sale-Leaseback, American entered into certain cross-default and cross-collateralization arrangements for the benefit of GECAS involving, among other things, the 2009 Loan Facility, the 2009 Sale-Leaseback and certain previously-existing debt and lease financings involving GECAS with respect to more than 50 aircraft.

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Liquidity Update

We have significant debt, lease and other obligations in the next several years, including significant pension funding obligations. Accordingly, we will need continued access to financing. In light of the Advance Purchase and 2009 Loan Facility, our possible remaining financing sources primarily include: (i) a limited amount of additional secured aircraft debt or sale leaseback transactions involving owned aircraft; (ii) debt secured by other assets; (iii) securitization of future operating receipts; (iv) the sale or monetization of certain assets; (v) unsecured debt; and (vi) issuance of equity or equity-like securities. Besides unencumbered aircraft, our most likely sources of liquidity include the financing of takeoff and landing slots, spare parts, and the sale or financing of certain of AMR s business units and subsidiaries, such as AMR Eagle. Our ability to obtain future financing is limited by the value of our unencumbered assets. A very large majority of our aircraft assets (including most of the aircraft eligible for the benefits of Section 1110 of the U.S. Bankruptcy Code) are encumbered, and the market value of these aircraft assets has declined in recent years, and may continue to decline. We believe that, as of the date of this prospectus supplement, we have approximately $2 billion of assets that could be used as possible financing sources. However, many of these assets may be difficult to finance, and the availability and level of the financing sources described above cannot be assured.

We expect to end the third quarter of 2009 with cash and short-term investments totaling at least $3.7 billion (not giving effect to any proceeds from this offering or the concurrent offering of common stock), including approximately $460 million in restricted cash and short-term investments. This expected cash and short-term investments balance includes a total of approximately $1.2 billion in cash that American received on September 16, 2009 from Citibank in the Advance Purchase and from GECAS under the 2009 Loan Facility. For the third quarter, we expect scheduled principal payments on long-term debt to total approximately $230 million and expect to make approximately $260 million in pre-delivery payments and non-aircraft capital expenditures. We expect to end the third quarter with approximately $60 million in collateral posted with counterparties related to fuel hedges. Furthermore, the amount of our credit card reserve balance was $208 million as of September 18, 2009 and is expected to be approximately $280 million as of September 30, 2009. We expect that the balance of this reserve will be returned to us in the third or fourth quarter of 2009. In addition, based on our current forecast, we currently expect that after such balance is returned to us we will not be required to maintain any reserve under the applicable credit card processing agreement for the near term.

Selection of GE Engines

American has selected GE Aviation as the exclusive provider of engines for its expected order of Boeing 787-9 aircraft. American previously announced plans (subject to certain reconfirmation rights) to acquire 42 Boeing 787-9 aircraft, with the right to acquire an additional 58 Boeing 787-9 aircraft.

Bombardier Letter of Intent

AMR Eagle signed a letter of intent with Bombardier, Inc. to exercise options for the purchase of 22 additional CRJ-700 aircraft for delivery beginning in the middle of 2010. Subject to reaching agreement on acceptable terms with Bombardier, Inc. and certain third party lenders, we expect the purchase of the CRJ-700 aircraft to be fully financed. We expect that these financing arrangements will involve the pledge of 10 owned CRJ-700 aircraft.

Discussions with Japan Airlines

We are in discussions with The Japan Airlines Group *(JAL),* a member of the **one**world alliance, about ways to broaden and deepen our relationship. We are discussing various options, including a joint business relationship with JAL and possible capital or financing arrangements. We cannot give any prediction as to the timing or outcome of these discussions.

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The Notes

The following is a brief summary of the terms of the notes. For a more complete description of the notes, see Description of the Notes in this prospectus supplement.

Issuer	AMR Corporation.
Notes offered	$400,000,000 aggregate principal amount ($460,000,000 aggregate principal amount if the underwriters exercise in full their option to purchase additional notes to cover over-allotments) of 6.25% Convertible Senior Notes due 2014.
Maturity	October 15, 2014.
Interest	6.25% per year, payable semiannually in arrears on April 15 and October 15 of each year, beginning April 15, 2010. The amount of interest payable will be calculated using a 360-day year comprised of twelve 30-day months.
Guarantee	The notes will be unconditionally guaranteed by American.
Ranking	The notes will be our unsecured senior obligations and will rank equal in right of payment with all of our other existing and future unsecured and unsubordinated indebtedness. The American guarantee will be an unsecured senior obligation of American and will rank equal in right of payment with all existing and future unsecured and unsubordinated indebtedness of American. The notes and the guarantee will be effectively subordinated to all existing and future secured debt of AMR and American respectively, to the extent of the security for such secured debt. As of June 30, 2009, there was approximately $10.1 billion of long-term debt (including current maturities) and obligations under capital leases (including current obligations) of AMR, American and their consolidated subsidiaries, or approximately $10.5 billion on a pro forma basis after giving effect to the offering of the notes (assuming the underwriters option to purchase additional notes is not exercised). As of June 30, 2009, approximately $9.2 billion of the long-term debt (including current maturities) and obligations under capital leases (including current obligations) of AMR, American and their consolidated subsidiaries was secured. AMR, American and their respective subsidiaries may incur substantial additional debt, including secured debt, in the future. Since June 30, 2009, we have incurred additional indebtedness. See Capitalization. In addition, the notes and the American guarantee will be structurally subordinated to all existing and future liabilities (including debt and trade payables) of the existing and future subsidiaries of AMR (other than

	American but only to the extent of the American guarantee) and American, respectively.
Conversion rights	Holders may convert notes into shares of our common stock at the initial conversion rate of 101.0101 shares per $1,000 principal amount of the notes, subject to adjustment upon the occurrence of certain events, which represents an initial conversion price of approximately $9.90 per share, at any time prior to the close of

	business on the business day immediately preceding the maturity date of the notes.
	The conversion rate will not be adjusted for accrued and unpaid interest. Upon conversion, a holder will not receive any payment representing any accrued and unpaid interest. Instead, accrued and unpaid interest will be deemed paid in full by the shares of common stock received by the holder on conversion. See Description of the Notes Conversion Rights.
Make whole premium	If a holder elects to convert its notes in connection with certain transactions that constitute a make whole change of control, as defined under Description of the Notes Adjustment to Shares Delivered Upon Conversion in Connection with a Make Whole Change of Control, we will be obligated to pay, as and to the extent described in this prospectus supplement, a make whole premium on the notes converted in connection with such transactions by increasing the conversion rate for the notes surrendered for conversion.
Purchase of notes by us for cash at the option of the holder upon a fundamental change	Upon specified fundamental change events, each holder will have the right, at the holder s option, subject to the terms and conditions of the indenture, to require us to purchase for cash all or a portion of its notes at a price equal to 100% of the principal amount of the notes being purchased, plus (subject to certain exceptions) any accrued and unpaid interest to, but excluding, the fundamental change purchase date. See Description of the Notes Purchase of Notes by Us for Cash at the Option of Holders Upon a Fundamental Change.
DTC eligibility	The notes will be issued in fully registered book-entry form and will be represented by one or more permanent global notes without coupons. Global notes will be deposited with a custodian for and registered in the name of a nominee of DTC. Beneficial interests in global notes will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its direct and indirect participants, and your interest in any global note may not be exchanged for certificated notes, except in limited circumstances described herein. See Description of the Notes Book-Entry System.
Sinking fund	None.
Trading	We do not intend to list the notes on any national securities exchange. The notes are new securities for which there is currently no public market.
Common stock	Our common stock is traded on the New York Stock Exchange under the symbol AMR.
Use of proceeds	We estimate that the net proceeds from the offering of the notes will be approximately $388 million (approximately $447 million if the underwriters exercise their overallotment option in full), after deducting the underwriters discount and estimated expenses of the offering payable

by us. We intend to use the net proceeds from this

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	offering, as well as the proceeds from the concurrent common stock offering, for general corporate purposes. See Use of Proceeds and Capitalization.
Certain United States Federal Income Tax Considerations	For a discussion of certain U.S. federal income tax consequences of the ownership, disposition and conversion of the notes, and the ownership and disposition of shares of our common stock received upon conversion of the notes, see Certain United States Federal Income Tax Considerations.
Certain ERISA Considerations	Each purchaser and subsequent transferee who acquires the notes will be deemed to have made certain representations. See Certain ERISA Considerations.
Risk Factors	You should carefully consider the information set forth in this prospectus supplement entitled Risk Factors as well as other information included in or incorporated by reference in this prospectus supplement, the accompanying prospectus, any company free writing prospectus and the documents incorporated by reference before deciding whether to invest in the notes or our common stock.

Concurrent Offering

Concurrently with this offering, we are offering 48,484,849 shares of our common stock (or a total of 55,757,576 shares if the underwriters in that offering exercise their option to purchase additional shares in full) in an underwritten offering pursuant to a separate prospectus supplement. The consummation of this offering is not contingent upon the consummation of the concurrent common stock offering, and the consummation of the concurrent common stock offering is not contingent upon the consummation of this offering. We cannot assure you that we will consummate the concurrent common stock offering.

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Summary Historical Consolidated Financial and Operating Data

The following table presents summary historical consolidated financial data and certain operating data of AMR. We derived the annual historical financial data from AMR s audited consolidated financial statements and notes thereto. These audited consolidated financial statements are incorporated by reference in this prospectus supplement and should be read in conjunction therewith. We derived the consolidated financial data for the interim periods ended June 30, 2009 and 2008 from AMR s unaudited condensed consolidated financial statements. These unaudited condensed consolidated financial statements are also incorporated by reference in this prospectus supplement and should be read in conjunction therewith. The data for such interim periods may not be indicative of results for the year as a whole. See Where You Can Find More Information in this prospectus supplement.

	Six Months Ended June 30,		**Year Ended December 31,**				
	2009	**2008**	**2008**	**2007**	**2006**	**2005**	**2004**
Statement of Operations Data (in millions):							
Revenues:							
Passenger(1)	7,357	9,114	18,234	17,651	17,291	16,614	15,021
Regional Affiliates(2)	970	1,264	2,486	2,470	2,502	2,148	1,876
Cargo	278	448	874	825	827	784	738
Other(1)	1,123	1,050	2,172	1,989	1,943	1,166	1,010
Operating expense(3)	10,148	13,353	25,655	21,970	21,503	20,801	18,779
Operating income (loss)(3)	(420)	(1,477)	(1,889)	965	1,060	(89)	(134)
Other income (expense), net	(345)	(325)	(229)	(509)	(871)	(804)	(647)
Earnings (loss) before income taxes	(765)	(1,802)	(2,118)	456	189	(893)	(781)
Net earnings (loss)(3)	(765)	(1,802)	(2,118)	456	189	(893)	(781)
Other Data							
Ratio of earnings to fixed charges(4)				1.23	1.08		
Operating Statistics							
Scheduled Service							
Available seat miles (millions)(5)	76,348	82,770	163,532	169,906	174,021	176,112	174,015
Revenue passenger miles (millions)(6)	60,158	66,887	131,757	138,453	139,454	138,374	130,164
Passenger load factor(%)(7)	78.8%	80.8%	80.6%	81.5%	80.1%	78.6%	74.8%
Passenger revenue yield per passenger mile (cents)(8)	12.23	13.63	13.84	12.75	12.40	11.6	11.19
Passenger revenue per available seat mile (cents)(9)	9.64	11.01	11.15 &nb				