

American Airlines

Perspective

Captain Brent Blackwell



Integrated CNS Technologies

30 April 2002

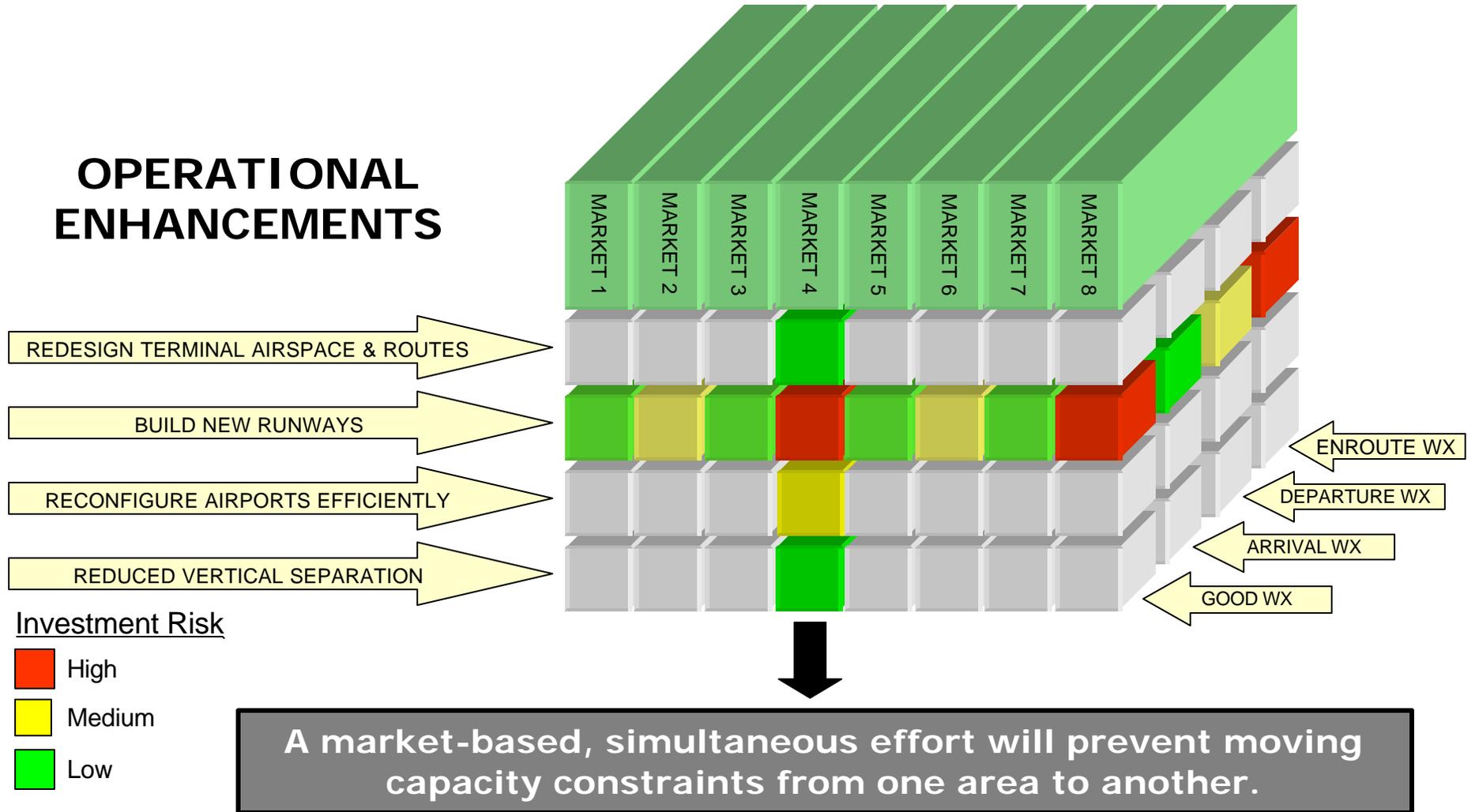
A Market-Based Approach

Establish NAS Priorities Based on Market Need

- The plan should relate modernization programs such that the capacity problem is not just moved from one area to another.
- Prioritizing by market need will best address the problems that “trigger” rapid spreading of delay through the system.

A Market-Based Approach

Establish NAS Priorities Based on Market Need



AMR CORPORATION

2001 Financial Results (Unaudited)

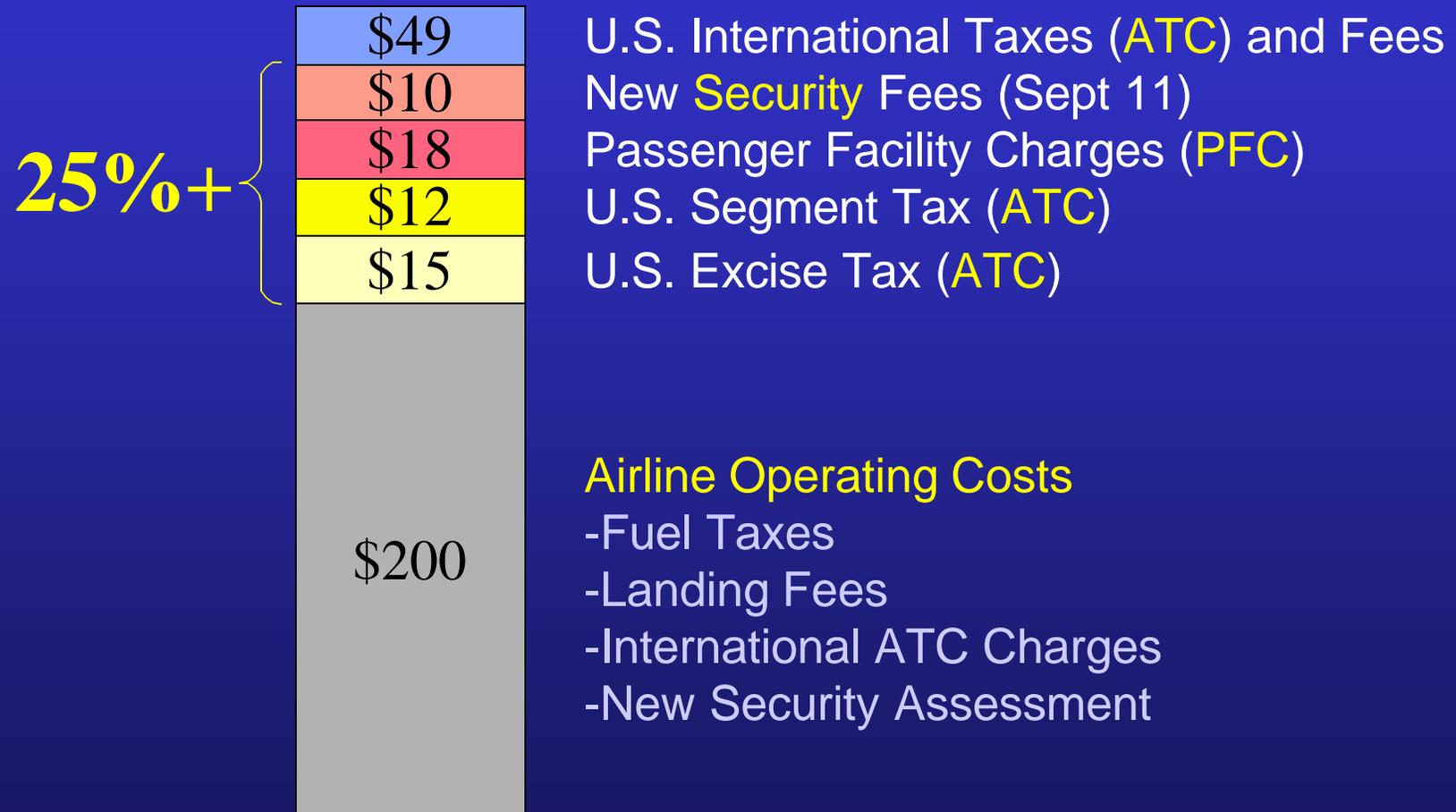
<u>AA OPERATING STATISTICS</u>	<u>2001</u>	<u>2000</u>	<u>%CHG</u>
Revenue (000's)	\$ 18,963	\$ 19,703	(3.8)
Available Seat Miles (millions)	153,035	161,030	(5.0)
Revenue/ASM (cents)	9.22	10.18	(9.4)
Operating Cost/ASM* (cents)	11.14	10.45	6.6
Passenger Load Factor	69.4	72.4	(3.0)

<u>CONSOLIDATED</u>	<u>2001</u>	<u>2000</u>
Net Earnings (Loss)	\$ (1,762)	\$ 813
Number of Employees	118,400	106,400

(*) Excludes special charges, net

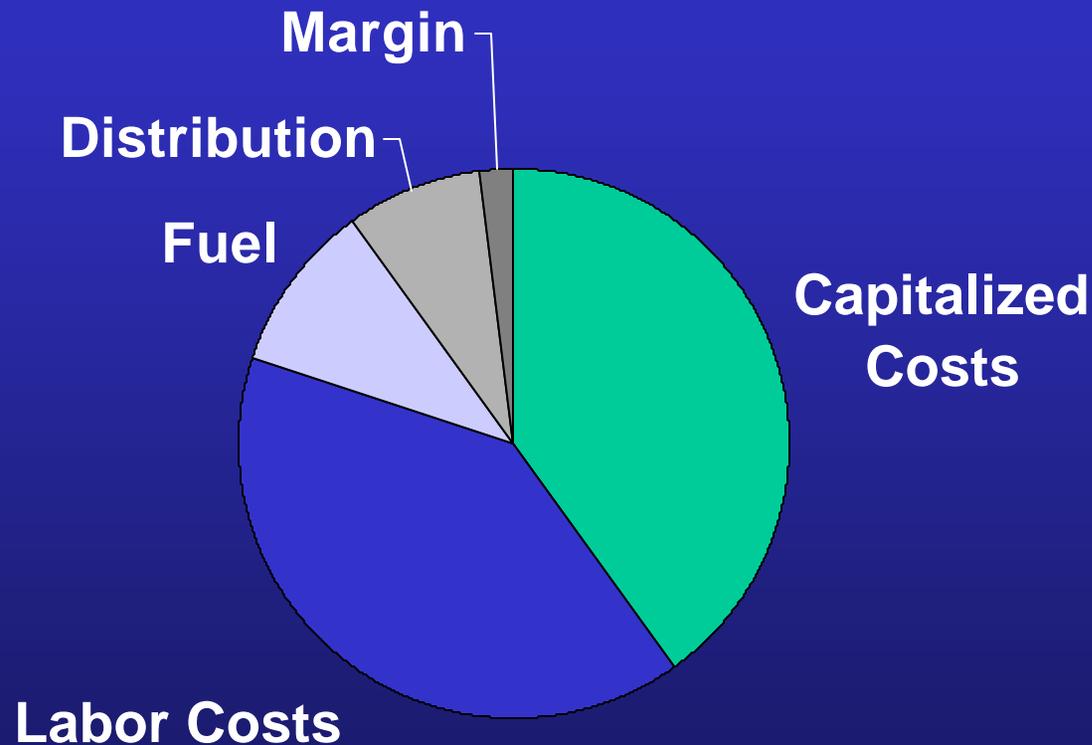
Airline Business Recovery

Markets Respond to TOTAL Cost



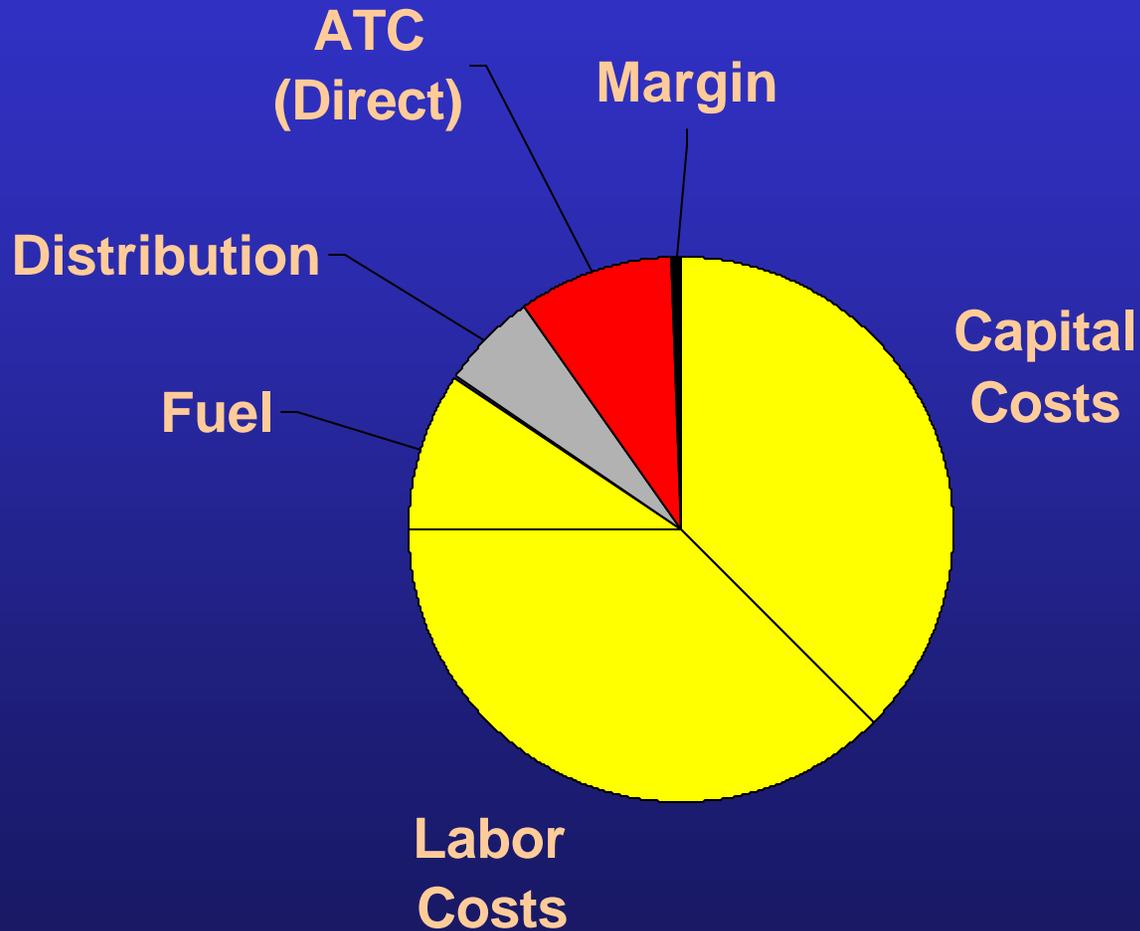
Typical Airline Cost Drivers

Percent of PUBLISHED Air Fare

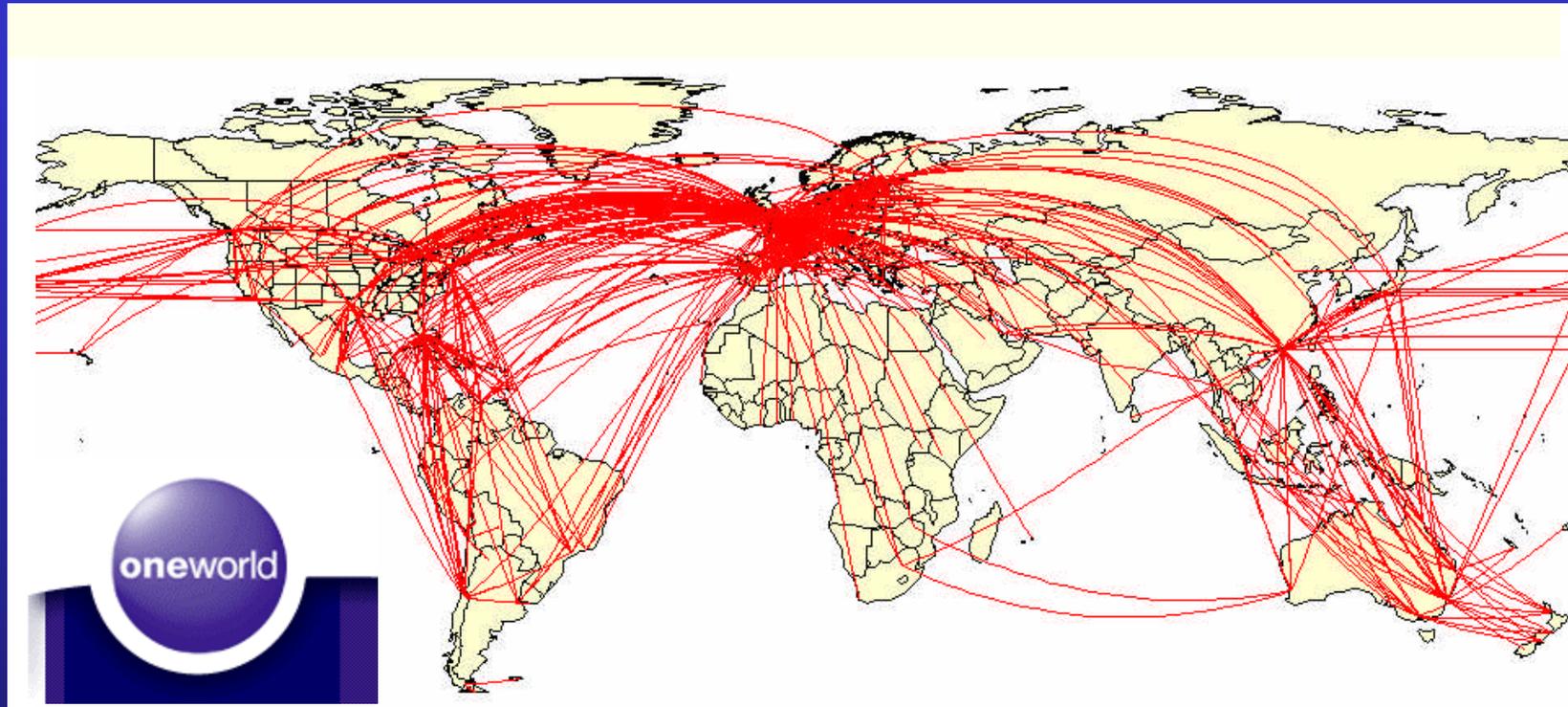


CNS/ATM

Can Reduce Operating Costs



Operations and Communications



Data Communications has become an essential part of centrally managing a complex global **SYSTEM** of people, aircraft, equipment, and facilities that are in constant state of change.

AA Programs

Supporting FAA NAS Modernization Plan

- AA NAS Modernization Projects
 - Controller-Pilot Data Link Communications (CPDLC)
 - MIA Trials in June 2002 - IDU IN September 2002
 - Although NOT part of FAA program, AA participated w/4 B767s equipped for Eurocontrol Trials in Germany in Fall 2001 as a critical technology pre-certification project to the FAA CPDLC program.
 - Required Navigation Performance (RNP) Development
 - Flight paths not restricted to location of ground navigation aids.
 - AA is supporting the FAA's GPS-based navigation programs.
 - AA in progress on preliminary non-FAA GPS arrivals/departures at Quito (Ecuador), and Tegucigalpa and San Pedro Sula (Honduras).
- AA actively participates in industry activities.

American Airlines Commitment

CPDLC Build-1 in 2002

- Required an Internal Re-assessment of our commitment to CPDLC Build-1 after September 11.
- Original commitment was based on 24 737 new deliveries that have been delayed.
- Worked to establish a way to retrofit existing aircraft.
 - Our only alternative was to increase our costs.
 - 16+ aircraft (12+ B757s and 4 B767s from PETAL-II)
- REAFFIRMED COMMITMENT to CPDLC as soon as AA could establish a new internal retrofit plan.
- Pre Cert testing is underway with excellent results
- Fly CPDLC equipped aircraft in Miami airspace to B-IA.



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