

American Airlines

Thomas W. Horton
Chairman and Chief Executive Officer

July 10, 2012

Dear American Team:

Thanks to the efforts of each of you, American is well down the path to a successful restructuring to restore our company to industry leadership. Our strategy for the new American is strong and is rapidly gaining altitude. We have hubs in the most important markets, the best international alliance partners, and a pipeline of industry leading products and services, including plans for the most modern, growing fleet in the industry. And, of course, we have the finest team of people in the business.

Seven months into the restructuring, our performance has been strong. Our hub and alliance strategy, fortified by our international joint ventures, is producing the biggest unit revenue gains in the industry, a trend that continued with our June results released yesterday. Our operating and customer service performance is the best it has been in many years. And in the last few weeks we have achieved a number of important milestones, injecting new momentum into our restructuring. I believe our recent tentative agreement with the APA, and agreements with the TWU, will prove to be an important turning point in our mission to put American back in the lead.

We are approaching the point where we have greater clarity on our revenue outlook and cost structure and can begin to accelerate the plan for the new American. And it is at this juncture that it now makes sense to carefully evaluate a range of strategic options, including potential mergers, which could make the new American even stronger. This evaluation is being conducted by our leadership team and our Board of Directors in collaboration with the creditors committee. As part of this initiative, we are examining the strategic fit of possible combinations including a thorough economic analysis of synergies, costs, and tax and capital structure implications. In fact, today we had a good meeting with the creditors committee at which we discussed our preliminary view of the multiple options available to us for consideration. We will also be reaching out to interested parties to inform them of how we intend to proceed. While we do not plan to comment on these conversations publicly, be assured we are committed to building the strongest company creating the most value for our stakeholders and the best outcome for our people.

As I have been out and about meeting with so many of our folks, I'm often asked about my views of a potential merger. For many years, I have publicly been a proponent of consolidation as one path to a healthier US airline industry. We have assessed many possible combinations in the past, including, of course, an acquisition of US Airways. In fact, last year, I approached my counterparts at other airlines about the merits of possible combinations. Since that time, as we embarked on the restructuring journey, I have held the view that it is best that we first put our own house in order before considering a complex and challenging airline acquisition. That is just common sense. But it is also prudent merger strategy, should we take that path, to assure that we begin from a position of greatest strength and stability. That has been our steadfast approach. It is no surprise that others have sought to disrupt our restructuring for their own

benefit and contrary to the best interests of our company. This has not, however, distracted us from proceeding with a successful restructuring of American, and we are arriving at the appropriate point to carefully and objectively evaluate the range of strategic alternatives available.

You will undoubtedly hear plenty of rumors and speculation as our work continues. This exploratory process will take time but the objective is clear. Our obligation is to achieve the very best outcome for the financial and other stakeholders of American and that is what we will do. We are on course to rebuild the new American as a profitable, world-class industry leader, creating value for our stakeholders and the communities we serve, as well as security and opportunity for our people.

You have continued to do an outstanding job for our customers throughout this journey, and that is where our focus must remain. This, above all, is what will ensure we put the new American back on top.

Thanks for all you do!

Sincerely,
A handwritten signature consisting of a long, sweeping horizontal line that curves slightly upwards at the right end, with the letters 'SM' written in a cursive style below it.