



For American Airlines, International Service Continues to Be a Strength

Overview

American Airlines has always recognized the importance of its business and leisure travelers having access to a comprehensive global network, bolstered by first-rate products and services. That is why American Airlines and the **oneworld** Alliance continue to adapt to the ever-changing needs of international travelers and maintain a competitive global position within the airline industry.

For travelers flying abroad, **oneworld** offers benefits that are beyond the reach of any individual airline, including earning frequent flyer miles with alliance airlines, smooth transfers from one alliance airline to another, access to 550 worldwide airline lounges of alliance members and special fares that simplify planning regional or around-the-world itineraries from nearly 700 destinations.

As **oneworld** begins its second decade, the alliance and its transatlantic airlines are working on plans to enable them to unlock even more of **oneworld's** potential with further benefits and services for travelers, in anticipation in fall 2009 of gaining trans-Atlantic antitrust immunity from the U.S. government for American Airlines, British Airways and Iberia Airlines. This would level the playing field with the other two global airline alliances and enable **oneworld** to provide even more benefits for travelers.

A decade ago, American was among five airlines that joined to form what would eventually become **oneworld**. With multibillion-dollar revenue and ground-breaking industry initiatives, **oneworld** now consists of 10 of the world's best quality carriers (soon to be 11 when Mexicana Airlines is added later this year) from their respective regions. American Airlines Chairman and CEO, Gerard Arpey, is also Chairman of the **oneworld** Governing Board, positioning American as a leader in the alliance's global presence.

In 2009, as it celebrates its 10th anniversary, **oneworld** members generated a net profit of \$11.3 billion in its first decade, continuing to maintain a stronger financial position than competitor alliances. **oneworld** also remains the only alliance without any members having declared bankruptcy.

While **oneworld** and all of its initiatives play a major role in American's international focus, the airline also continues to participate in a variety of other activities to solidify its global presence and enhance its network, such as launching a new route from Dallas-Fort Worth to Madrid and maintaining a strong position in Latin America. American, American Eagle and AmericanConnection serve 250 cities in 40 countries with, on average, more than 3,400 daily flights. The combined network fleet numbers more than 900 aircraft.

Here's a closer look at **oneworld** and the other areas that reflect American's international presence:

The oneworld Alliance: **oneworld**, of which American is a founding member, in 2007, completed its biggest expansion since its launch 10 years ago. Japan Airlines (JAL), Malév Hungarian Airlines and Royal Jordanian Airlines joined the alliance in April 2007, along with five of JAL's affiliates and LAN affiliates LAN Argentina and LAN Ecuador. They joined existing members British Airways, Cathay Pacific Airways, Qantas, Iberia, LAN, Finnair and American, plus nearly 20 affiliate airlines. **oneworld** gained access to many more points in China and other points in Asia when Dragonair, an affiliate of Cathay Pacific, joined the alliance on Nov. 1, 2007. In April 2008, Mexicana Airlines accepted an invitation to join **oneworld**. Its entry, along with its affiliate Click Mexicana, will take effect during 2009 and will add another 24 destinations to the network, 20 of them in Mexico. In addition Russia's leading domestic airline, S7 Airlines, is scheduled to become part of **oneworld** in 2010, offering the alliance's full range of services, benefits and fares.

In early 2007, American moved its operations, along with Cathay Pacific and Finnair, to Terminal 2 at Tokyo's Narita International Airport, where Japan Airlines and Qantas were already based. The move provides greater convenience for American Airlines passengers at this key **oneworld** Tokyo hub, with closer proximity for customers to check in for flights, go through immigration, enter the new Admirals Club lounge or access American's gates. With five **oneworld** partners now operating alongside one another, it creates convenient, easy connections for the millions of travelers whose journeys take them into and through Tokyo. It represents a major competitive move by American, which uses Narita as its hub for the Asia-Pacific region and has more than 90

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percent of its connecting customers transferring to **oneworld** airlines at that airport. The relocation reduced connection time to American's fellow **oneworld** partners by nearly half.

Also this year, **oneworld's** biggest airport co-location project to date will be completed, with all of its airlines at London Heathrow, completing their moves from across all five of the airport's terminals into just two – Terminals 3 and 5. This move will ease transfers between flights operated by **oneworld's** carriers at its biggest European hub.

On Feb. 3, 2009, **oneworld** celebrated its 10th anniversary by announcing online enhancements that make booking flights on all member airlines easier than ever – whether they are frequent flyer award redemption flights or regular tickets. This puts **oneworld** on track to be the first alliance to enable its airlines' frequent flyer program members to book online award flights on all **oneworld** airlines, and the first to enable customers to buy online through their own airline Web site flights to destinations not just served by their own airline, but by their alliance partners.

oneworld, the only alliance with member airlines based in South America, Australia or the Middle East, recently became the first to sell any alliance public fare online – and the first in the travel industry to enable customers to book and pay for any multi-airline round-the-world ticket through the Internet – with the launch of its **oneworld** Explorer booking engine on **oneworld.com**.

oneworld's net profit of \$11.3 billion in the alliance's first decade compares to \$9.3 billion by the many more members in the Star Alliance and collective losses of \$19.5 billion by SkyTeam carriers.

Joint Business Agreement: American, British Airways and Iberia Airlines, along with fellow **oneworld** members Finnair and Royal Jordanian Airlines, applied on Aug. 14, 2008, to the U.S. Department of Transportation (DOT) for antitrust immunity (ATI) to expand their cooperation and more tightly integrate their services.

Antitrust immunity will be a great benefit to travelers by allowing the airlines to coordinate their service, schedules, connections and fares on international routes. The combined route networks will offer travelers seamless service to approximately 443 destinations in 106 countries, with 6,277 daily worldwide departures. Under a separate joint business agreement, American, British Airways and Iberia would enjoy trans-Atlantic immunity, cooperating commercially on flights between the United States, Mexico and Canada, and the European Union, Switzerland and Norway while continuing to operate as separate legal entities. They would expand their codeshare arrangements on flights within and beyond the European Union and the United States, significantly increasing the number of destinations the airlines can offer travelers.

The Department of Transportation is reviewing the antitrust immunity proposal and a decision is expected in fall 2009.

Fleet Renewal: American has taken steps to continue investing in its future by updating its fleet, accelerating orders for 84 new 737s to replace MD-80s, beginning in April 2009, and in 2008 entered into a purchase agreement with Boeing to acquire an initial 42 Boeing 787-9 Dreamliner aircraft. The first 787 aircraft is scheduled for delivery beginning in the second half of 2013. The agreement includes the right to purchase up to 58 additional 787 aircraft that may be scheduled for delivery beginning in the second half of 2016.

The agreement for the 787s helps to position American for growth that is expected after American, British Airways and Iberia achieve antitrust immunity and implement a joint business agreement for flights between North America and Europe.

By replacing aircraft with the new 737s and 787s, American is planning for long-term growth, while reducing fuel and maintenance costs. For example, the 737s are 35 percent more fuel efficient per seat mile than the MD-80s, and according to Boeing, the technologically advanced 787 will use 20 percent less fuel than today's airplanes of comparable size.

New Route to Madrid: On May 1, 2009, American expanded its international network with the launch of nonstop service between Dallas-Fort Worth International Airport (DFW) and Madrid-Barajas International Airport

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(MAD). With this flight, Dallas Fort Worth International Airport became the westernmost U.S. airport with nonstop service to Madrid.

The new route was launched with the expectation that American's joint business agreement and antitrust immunity application with British Airways and Iberia will be approved. The route to Madrid is the first of many opportunities to enhance and expand connections between the United States and Europe through the joint business agreement between the airlines.

Madrid is the 34th international destination served by American and American Eagle from its Dallas/Fort Worth hub, depending on the season. With its **oneworld** partners, the new service provides convenient and seamless travel to 87 destinations served nonstop beyond Madrid into Europe, Africa and Asia.

Serving Moscow: American Airlines became the first U.S. airline to offer service from the nation's heartland to Russia when it flew from Chicago to Moscow on June 2, 2008. The flight operates between Chicago O'Hare International Airport (ORD) and Moscow's Domodedovo International Airport (DME),

Not only does Chicago offer passengers ideal connection capabilities, but flights from O'Hare offer a distinct time advantage. Chicago's strategic mid-continent location allows shorter travel time to the Russian capital. To illustrate this advantage, a passenger traveling from Los Angeles to Moscow saves approximately 600 miles (about one hour in the air) by connecting in Chicago rather than New York or Atlanta, both served by Delta.

The Chicago-Moscow route is operated with Boeing 767-300 airplanes that feature American's Next Generation Business Class. Flying time is approximately 10 hours eastbound and 10 hours, 45 minutes westbound, covering a round-trip distance of almost 10,000 miles. The route will operate seasonally through Sept. 30, 2009, and resume on April 6, 2010.

Asian Expansion: American Airlines launched its first flight to Shanghai, China, on April 2, 2006. The flight to the center of business and finance in the world's most populated country came 80 years after a then little-known aviator, Charles Lindbergh, flew mail in a bi-plane from Chicago to St. Louis for an outfit that grew to become American Airlines.

The flight to Shanghai arrives at Pudong Airport, the primary international airport in Shanghai, allowing passengers to easily connect to airlines flying to other Asian countries, as well as to other cities within China. American, through its codeshare relationship with China Eastern Airlines, also provides travelers easy connections to many cities within China.

On Sept. 16, 2008, the U.S. Department of Transportation approved American's request to delay the launch of nonstop service between Chicago and Beijing until April 2010, as the airline cited extraordinary adverse market and operating conditions affecting the entire airline industry.

Latin American Stronghold: Latin America continues to be a stronghold for American, offering more flights to more destinations than any other airline in the region. American continues to invest in resources, routes and – most importantly – its people. In July 2007, American, which became the first airline to fly nonstop between Miami and Montevideo, Uruguay, with seasonal service that began in 2004, upgraded the service to nonstop on a year-round basis on Dec. 13, 2007. In 2007, American added more service to Latin America with a new route from Dallas/Fort Worth International Airport to Panama City, Panama.

American added three destinations in Brazil to its route network in November 2008, further growing its presence in South America's largest country. American began serving the cities of Belo Horizonte, Salvador de Bahia and Recife in Brazil, all from American's Miami hub.

Miami is American's third largest hub, based on American and American Eagle flights, and is a gateway to the Southern Hemisphere and the Caribbean, with the Latin America/Mexico route system encompassing 40 destinations in 17 countries. Much of American's success in Latin America can be attributed to its employees – almost all of whom are nationals of the countries they work in. They are responsible for developing ties to the local communities, governments and business leaders, and for opening the marketplace to American.

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New York Presence: American's objective in New York is to maintain and build its position as a leading domestic and international air carrier, providing a great schedule, superior service, and competitive pricing for business and leisure customers. For more than 80 years, American has offered service from New York to locations throughout the United States and worldwide. American has the most flights of any U.S. airline from New York to London. American is also the only U.S. airline to fly nonstop from JFK Airport to Tokyo. American offers more direct and connecting flights from New York to the Caribbean than any other airline and serves every major island in the Caribbean. It has more flights from JFK and LaGuardia to Canada than any other U.S. airline.

New York is an important market for the **oneworld** Alliance, with all 10 current member airlines serving the city. In fall 2007, American added new nonstop service from JFK to St. Kitts and St. Lucia in the Caribbean. In 2008, American added new routes from JFK to Barcelona and Milan. Late in 2008, American began serving Rio de Janeiro directly from New York and American now serves seven destinations in Europe from JFK.

AA in Chicago – A Gateway to the World: Chicago's O'Hare International Airport is home to American's second largest hub, based on combined American and American Eagle flights. From Chicago, American and its regional partner, American Eagle, offer more than 425 daily nonstop flights to more than 100 destinations. From O'Hare, passengers can fly to Shanghai, Tokyo, Delhi, London, Dublin, Paris, Frankfurt, Brussels and seasonally to Rome and Moscow. American and American Eagle also serve five cities in Mexico, and four cities in Canada. American was awarded authority by the U.S. Department of Transportation to fly a new nonstop between O'Hare and Beijing and is scheduled to begin that service in 2010.

Dallas/Fort Worth Adds Routes: Terminal D, an impressive facility at Dallas/Fort Worth, is also seeing international expansion. American added nonstop routes on Dec. 13, 2008, to Panama City, Panama, and offers nonstop service from DFW to key international cities such as London; Paris; Madrid; Frankfurt; Sao Paulo; Santiago, Chile; Buenos Aires; Panama City, Panama; San Salvador, El Salvador; Mexico City; Montreal; and Tokyo. Terminal D serves more than 30 international destinations.

South Florida Demand Increases: American, which has more flights to more destinations from South Florida than any other airline, continues to see increased demand for service from South Florida to Latin America and the Caribbean. American began nonstop service from Miami to Santa Cruz, Bolivia, on Dec. 13, 2007. American also bolstered its Fort Lauderdale schedule on Dec. 13, 2007, when it added new service to San Jose, Costa Rica, and added nonstop service to Kingston, Jamaica, on June 1, 2008. In November 2008, American also began nonstop service from Miami to Antigua and Grenada.

Miami is a top international gateway, with American and its regional partner, American Eagle, operating the airport's largest flight schedule at nearly 250 flights a day to more than 90 destinations in the United States, Canada, the Caribbean, Bahamas and Latin America.

New Infrastructure

American continues to focus on striking the right balance between reinvesting in the business with infrastructure improvements and continuing to build a strong financial foundation. Here are some of the airline's major enhancements.

JFK Terminal Shows Commitment: Providing great service for the premium customer has high priority for American in New York. Its new JFK terminal includes two new Admirals Clubs and a Flagship Lounge. It creates new standards for architecture and customer-friendly service at JFK, the top port of air entry for international visitors to the United States. American's Terminal 8 at JFK features PriorityAAccess, an array of enhancements designed to improve the travel experience for American's top customers – AAdvantage® elite status members, First and Business Class travelers, AAirpass customers and passengers traveling on full-fare Economy Class tickets.

The investment in JFK's Terminal 8 demonstrates American's commitment to New York and its customers. Terminal 8 is built for future demand and can accommodate 12 million passengers a year. The final phase of Terminal 8 opened in August 2007. This facility, which covers more than 1.5 million square feet, includes 36 gates – 27 for jet operations, 19 of which can support international flights – and 9 for regional jets. The 10 security lanes at American's new terminal make clearing security quicker and easier.

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The terminal has 84 staffed ticketing positions, each with its own automated baggage takeaway belts that transport baggage directly to the state-of-the-art, inline security baggage system to expedite passenger processing times. There are also 44 self-service check-in machines, including those for self-service international check-in.

Terminal 8 provides a U.S. Customs and Immigration facility with 36 immigrations positions and 10 customs positions capable of processing 1,800 passengers per hour. The facility can process about twice as many passengers as before, making arrivals easier than ever for international passengers.

Dallas/Fort Worth Benefits From International Terminal: American is the largest airline flying international flights into DFW's international Terminal D, which opened in summer 2005. The terminal includes 99 ticketing positions with two major ticketing and check-in areas that are able to handle 32,000 passengers daily. The facility also includes an immigration and naturalization processing area capable of accommodating up to 2,800 passengers per hour, ranking it among the largest in the world. To aid millions of connecting passengers, DFW built Skylink, one of the world's largest airport automated people movers.

Central Location Aids Los Angeles Travelers: American's operations at Los Angeles International Airport (LAX), the most popular and centrally located airport in the Los Angeles area, are in the same facility – rather than split across multiple terminals, as is the case with other airlines – allowing for more convenient connections for customers. American's terminal at LAX and features a popular Admirals Club that is larger than other airline lounges.

United was the biggest airline at LAX for many years but there has been a steady shift, with American now the carrier with the largest market share at 14.73 percent versus United 13.68 percent, as of December 2008, according to Los Angeles World Airports. American has the leading domestic schedule and is growing internationally, especially to Latin America. By connecting at American hubs in Dallas/Fort Worth, Miami and JFK, Los Angeles travelers can fly to anywhere they want to go in Latin America, Asia and Europe. International service from LAX is a key part of American's operations, including destinations such as Tokyo, London, Cabo San Lucas and El Salvador.

New Services, Features

Despite current economic conditions, American Airlines has maintained its commitment to providing products and services that its customers value in an effort to enhance the travel experience. For this reason, American has continued its focus on investing in the travel experience for domestic and international premium travelers – many of whom are frequent travelers on American. These investments have spawned a number of product, service and network enhancements designed to make the travel experience more enjoyable. Combined, these investments and enhancements build on American's reputation as the airline of choice for domestic and international travel.

777 and 767-300 Upgrades: After extensive study, research and design, as well as a significant investment, American Airlines completed upgrades to the Business Class cabin on its fleet of 47 777s aircraft and 58 767-300s.

The centerpiece of the Business Class enhancements is the new, fully adjustable lie-flat seat with five independent motors that offer extensive flexibility. Passengers can individually adjust any component of the seat, including the seat bottom, seat back, head rest, leg rest and leg-rest extension. In addition, the seats track forward for added privacy and feature interlocking tray tables for added work and dining space.

The Business Class enhancements for the 767-300 include state-of-the-art cabin lighting, and sleek, ergonomically designed overhead bins. In addition, a portable media player that provides a wide selection of feature movies, current news, music, games and television shows via audio and video on-demand. The media player features an easy-to-watch 10.6-inch monitor, allowing passengers to view it hands-free in the seat back, or remove it and place it in the best location given their seat position.

The Business Class enhancements for the 777 aircraft include adjustable in-seat entertainment, offering a wide selection of feature movies, current news, music, games and television shows via audio and video on-demand.

The in-seat entertainment features a touch screen 10.6-inch tilting monitor and provides up to 47 feature movies, 75 hours of television, 50 music CDs, a variety of games, and 16 American Airlines-branded audio programs. Premium passengers using the in-seat entertainment system will have the added capability of being able to fast-forward and rewind through the program.

First Class Luxury on 777s: American made the investment to standardize the First Class cabin with the popular First Class Flagship Suite, creating a superior product across the fleet. Each Flagship Suite transforms into a fully flat six-foot, six-inch bed with drop-down armrests that allow for easier access and more sleeping space. Additionally, each suite features privacy dividers, power ports, leather headrests, two large tray tables, a swivel seat for face-to-face meetings or dining together, power ports, inflight entertainment with audio and video on-demand and a host of other comforts designed to enhance the travel experience. American's 777 fleet primarily serves routes between the United States and locations in the United Kingdom, Japan, China, India, Germany and Latin America.

Food and Beverage Enhancements: In an increasingly competitive business traveler environment, American continues to raise the bar with its latest installment of domestic and international cuisine and wine offerings.

- American Airlines offers an expanse of culinary options and overall service in First and Business Class cabins. Transcontinental flights offer a marinated cheese antipasto snack as an alternative to warm mixed nuts in First Class. In addition to silverware, warm cloth towels and individual salt and pepper shakers, First and Business cabins feature a baked on board cookie service, artisan breads, gourmet chocolates and pre-landing sparkling water service.
- In December 2008, American Airlines Premium Class customers began to see new entrée items, called *American Classics*, on transcontinental flights. *American Classics* include popular entrées from the past and new gourmet comfort foods that will appeal to consumers.
- American also introduced new First and Business Class menus on flights from Europe to the United States in November 2008, offering authentic English cuisine designed by The Royal Chef Darren McGrady. After 15 years of royal service to Queen Elizabeth II of England and Diana, Princess of Wales, Chef McGrady collaborated with the Executive Chef at Alpha Flight Services, and American Airlines flight attendants and customers to update the International Flagship Service menus with a variety of royal favorites.
- Noteworthy menu additions are included on the new flights from Chicago to Delhi, India, and Shanghai, China, along with select flights departing Brazil and southbound Latin America flights.
- First and Business Class passengers traveling between the United States and Japan can pre-select Japanese-style entrées before their flight. A free pre-order option provides added confidence and convenience to customers traveling to and from Japan who wish to dine on a Japanese-style entrée.

American's Wine Program: Fine wine is at the center of American Airlines' premium service, having won critical acclaim time after time. American selects fine wines from the major wine growing regions of the world and, at any given time, has more than 60 wines available on its flights. American's wine consultant, Ken Chase, is a classically trained wine maker and viticulturist with an international reputation. In an effort to bring customers the finest wines available in First and Business Class, American maintains 15 different wine lists, specially selected for various routes. In addition, American changes the wine list regularly and produces an online brochure describing in detail each route's selections.

Codesharing

American has bolstered international service by adding new routes and new partners via the growing **oneworld** Alliance, and by expanding codesharing and ticketing agreements with other airlines. American Airlines has codeshare agreements with selected airlines and rail systems around the world. When traveling on an American Airlines codeshare flight operated by any of American's partners, travelers earn AAdvantage miles. Eligible miles earned on American's codeshare flights will also count toward qualifying for AAdvantage Executive Platinum®, AAdvantage Platinum® and AAdvantage Gold® status. Through its codeshare agreements, American Airlines markets selected partner flights as American Airlines flights. If travelers purchase seats on these flights, their ticket will show AA flight numbers.

American has codeshare relationships with Alaska Airlines, British Airways, Brussels Airlines, Cathay Pacific, China Eastern Airlines, Deutsche Bahn German Rail, El Al, EVA Air, Finnair, Gulf Air, Hawaiian Airlines, Iberia, Japan Airlines, Jet Airways, LAN (includes LAN Argentina, LAN Ecuador and LAN Peru), Malév Hungarian

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Airlines, Mexicana, Qantas Airways, Royal Jordanian Airlines, SNCF French Rail, Etihad Airways and GOL Airlines.

On July 9, 2009, American announced a codesharing agreement with Etihad Airways, the national airline of the United Arab Emirates, and the day prior announced a reciprocal frequent flyer agreement with GOL Airlines of Brazil, with plans to enter into a codesharing agreement with GOL in the near future.

Ticket Arrangements

In addition to **oneworld**, American has established a broad network of airline and rail partners around the world, integrating services to offer convenience of a single ticket, pre-reserved seats, connecting boarding passes, reliable baggage transfers and coordinated connections wherever possible.

American has interline electronic ticketing (IET) agreements with many domestic and international airlines. Customers can use a single electronic ticket (e-ticket) when their itineraries include travel on American and these airlines, including all of American's **oneworld** partners. The list also includes the most recent addition GOL, one of Brazil's largest airlines.

Bilateral partners include Mexicana, Brussels Airlines, LAN Peru, LAN Argentina, LAN Ecuador, Gulf Air, Air Tahiti Nui, Turkish Airlines, El Al and the most recent addition – GOL, the fastest growing airline in Brazil and that country's low-cost leader. In 2004, **oneworld** became the first global alliance to offer the convenience of interline e-ticketing among all member airlines.

Many of American's customers today travel on electronic tickets, moving quickly and easily through busy airports. E-tickets are the key to using American's growing array of automated services, including the Flight Check-In feature on its award-winning Web site, AA.com, along with AA Curbside Check-In and AA Self-Service Check-in machines.

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