

UPDATE



AMERICAN AIRLINES CELEBRATES 20 YEARS OF SERVICE TO TOKYO



2007 marks the 20th anniversary of American Airlines transpacific operations. American inaugurated service from Japan on May 22, 1987, with a flight between Tokyo's Narita International Airport and Dallas/Fort Worth International Airport. The Boeing 747SP, one of the most spacious and luxurious passenger aircraft of its time,

carried 185 passengers from Japan. Especially designed for service from Tokyo, the 747SP included 29 seats in First Class, 78 in Business Class with two distinctive "stand-up bars" for Premium Class passengers and 78 seats in Economy Class.

Over the last two decades, American Airlines has grown and expanded its services across Asia/Pacific with five daily flights from Japan, one daily flight from China and one daily flight from India to key gateway cities in the United States including Dallas/Fort Worth, Chicago, Los Angeles, and New York. In addition to these American Airlines' operated services, American Airlines, in conjunction with its oneworld® alliance and codeshare partners, serves all major cities across the Asia/Pacific region.

As a reflection of our long-term commitment to Asia and the Pacific, American Airlines relocated to Terminal 2 at Narita International Airport in January, 2007, the home of operations for new oneworld

alliance carrier, Japan Airlines. Cathay Pacific and Qantas Airways also operate from the same terminal facility, hence, significantly enhancing customer convenience and transit efficiency when connecting to/from other countries in Asia/Pacific. In conjunction with the terminal relocation, American also invested over \$5M in a new state-of-the-art Admirals Club lounge. Finally, this year American Airlines completes the installation of the popular Flagship Suites in First Class across the entire B777 fleet and commences the introduction of the Next Generation Business Class product featuring innovative lie-flat seats and personal in-flight entertainment systems.

As travelers expand their range of destinations and travel options to more countries globally, American remains dedicated to enhance services and the overall customer experience with a keen focus on Japan and Asia Pacific.

On behalf of American Airlines, I would like to take this opportunity to express my sincere gratitude to our customers for their unwavering support over the last 20 years and look forward to welcoming you onboard in the very near future.

Theo Panagiotoulas
Managing Director – Pacific
American Airlines

CORPORATE REPORT

AMR CORPORATION REPORTS A FIRST QUARTER PROFIT OF \$81 MILLION, A \$173 MILLION IMPROVEMENT YEAR OVER YEAR

AMR Corporation, the parent company of American Airlines, Inc. reported a net profit of \$81 million for the first quarter of 2007. The current quarter results compare to a net loss of \$92 million in the first quarter of 2006. "In spite of significant weather challenges, we continued to build on our momentum by generating a profit in the first quarter. This is our fourth consecutive profitable quarter and the first time we have

generated a profit in the first quarter since 2000," said AMR Chairman and CEO Gerard Arpey. "We strengthened our balance sheet and liquidity, took a key step in our fleet renewal plan and reinvested in our products and services. While we must continue to improve our financial performance, we believe our results show that we have started 2007 on the right track."

First Quarter Highlight

International Growth Continues—Pacific Particularly Strong

First-quarter international unit revenue increased 11.3 percent vs. the same period last year on a capacity decrease of 1.4 percent while load factor rose 1.8 points and yield improved 8.7 percent. In 2006, American derived approximately 36 percent of its passenger revenue from international operations.

While American saw unit revenue increases between nearly 10 and 20 percent in all regions, the Pacific region grew the most – 19.3 percent – and was aided by the relocation Jan. 17 of American's operations at Tokyo Narita to Terminal 2, reducing connection time nearly in half to oneworld partners, including Japan Airlines, which joined the alliance April 1, and closer to the larger, new state-of-the-art Admirals Club lounge. For American, which effectively uses Narita as its hub for the Asia-Pacific region and has more than 90 percent of its connecting customers connecting to oneworld airlines at that airport, the co-location with the alliance airlines and the new Admirals Club lounge provide customers with a greatly improved travel experience.



History

- May 1987 Narita - Dallas/Fort Worth service begins, marking American Airlines' first Asia Pacific route
- May 1998 Narita - Chicago service begins
- April 2002 Narita - New York JFK service begins
- April 2004 Narita - Los Angeles service begins
- April 2006 Shanghai - Chicago service begins
- January 2007 American Airlines operations relocate to Terminal 2 at Narita International Airport, new state-of-the-art Admirals Club opens

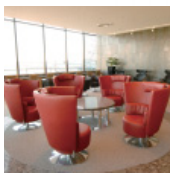
~ Now and Then ~

2007

Lounge

New Narita ADMIRALS CLUB Lounge

In January 2007, a new state-of-the-art "Admirals Club" lounge opened at Narita International Airport Terminal 2. With floor space of 1,234 square meters and 265 seats, the new lounge is spacious with high ceilings and technology options including wireless LAN.



AAdvantage

A World of Choice – AAdvantage Program Grows To 56 Million Members

American Airlines was the first airline in the world to introduce a mileage reward program known as "AAdvantage." Earn and redeem miles through our various partners when you travel, shop, dine and much more. As of 2007, the AAdvantage boasts 56 million members worldwide!



Women

First Airline Offering Women Travelers Online Content

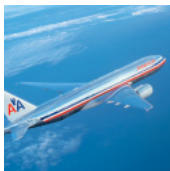
In April 2007, American Airlines launched AA.com/women, becoming the first airline in the industry to introduce a convenient online informational resource specifically designed for its female customers.



Flights

US-Asia Pacific Flights Expand to 6 Daily

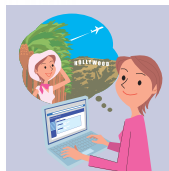
Since 1987, American Airlines expanded its services from one flight to Dallas/Fort Worth to five daily from Japan to US gateway cities including Dallas/Fort Worth, Chicago, Los Angeles, New York and one daily flight from Shanghai to Chicago.



Fares

Great Value Discount Fares Available

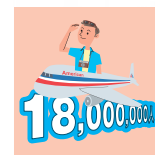
In 1987, normal or GIT fares dominated the market, but now AA offers a wide range of fares to meet every customer's needs and expectations including convenient online web fares.



International Travel

Japanese Overseas Travelers Up 10 Million in 20 Years

In 1987, the number of Japanese traveling overseas was 6,829,338. That number reached 10 million in 1990 before hitting a record of 17.82 million in 2000. In 2007, it could go over 18 million for the first time.



1987

Aircraft

B747SP

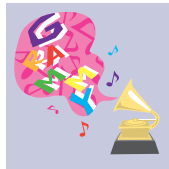
AA launched its first transpacific flight with two Boeing "special performance" 747s, one of the most spacious and luxurious passenger aircraft of its time carrying up to 185 passengers including 29 in First Class, 78 in Business, and 78 in Economy Class.



Music

Paul Simon and U2 Winners at the 30th Grammy Awards

The Record of the Year: Paul Simon's, "Graceland"
The Album of the Year: U2's, "Joshua Tree"
The Song of the Year: Linda Ronstadt & James Ingram's, "Somewhere Out There"
The Best New Artist: Jody Watley, "Jody Watley"



Movies

The 60th Academy Awards - Oscars Went To...

● The Best Picture: "Last Emperor" ● The Best Director: Bernardo Bertolucci
● The Best Actor: Michael Douglas "Wall Street" ● The Best Actress: Cher "Moonstruck"
● The Best Supporting Actor: Sean Connery ● The Best Supporting Actress: Olympia Dukakis



Sports

"Dice" Matsuzaka To Top Mark McGwire?

Prominent former major leaguer Mark McGwire won the Home Run King and the Rookie of the Year awards right after his Major League debut in 1987. While he may not be a hitter, Japan proudly awaits what this year's rookie, "Dice" Matsuzaka, will achieve.



Books

International Business Book Became a Bestseller

The 1987 bestseller in Japan was, "Letters of a Businessman to His Son" (by G. Kingsley Ward)



China

Kentucky Fried Chicken

The first KFC branch opened in Beijing (QianMen) in 1987. Its popularity and success led to huge debates on acceptance of "foreign" fast foods vs traditional Chinese. Today, with more than 1,000 KFC branches in 200 cities, China has fully accepted its existence.

