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FOR RELEASE: Thursday, March 29, 2007

**AMR TO INVEST UP TO \$100 MILLION IN AMERICAN AIRLINES  
MAINTENANCE SERVICES**

**Funds Will Help Build Long-Term Maintenance Business, Attract Third-Party  
Work; Company Cites Commitment as Latest Example of Prudent and Strategic  
Reinvestment in the Business**

FORT WORTH, Texas – AMR Corp. today announced it is planning to invest up to \$100 million in its American Airlines Maintenance Services group as part of an ongoing effort to grow its third-party aircraft maintenance business.

The investment, which was approved by AMR's Board of Directors this week, will provide the basis for a strategic and competitive advantage as American seeks to attract additional aircraft maintenance contracts. American and the Transport Workers Union, representing the airline's maintenance workers, will target a portion of the funds to update and potentially augment American's maintenance facilities, invest in new technology, make process improvements, and increase efficiencies while continuing to look for ways to reduce overall costs for customers.

American officials cited today's announcement as another example of prudent and strategic reinvestment in the business to develop additional sources of revenue, made possible by the company's improved financial performance and execution on its Turnaround Plan. The company said that its commitment to its Maintenance, Repair and Overhaul (MRO) business shows that it is achieving the right balance between reinvestment and the need for continued financial improvement, both in terms of revenue growth and cost reduction.

"We have an extraordinary opportunity to take our maintenance services to the next level," said Bob Reding, American's Senior Vice President - Technical Operations. "In the last three years, we have worked with our TWU partners to reduce costs, streamline processes, and keep the vast majority of our own aircraft maintenance work

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in-house. We have the technical expertise and depth of service to become the premier North American MRO provider. This investment will enable us to further unlock the value in our MRO business and open the door for even more customers to experience our world-class, state-of-the-art technical services in a very competitive environment."

American and the TWU will use these funds to continue the process of transforming the maintenance organization into a world-class MRO business that offers customers a one-stop shop for all their aircraft maintenance needs. American and the TWU will jointly conduct due diligence on all potential expenditures associated with the funds to ensure these investments will help American move forward as a third-party MRO provider.

Earlier this year, American and the TWU announced a goal of obtaining \$175 million in customer revenue by the end of 2007. Customers receive maintenance and engineering services throughout American's domestic and international network and at its three maintenance bases in Fort Worth, Texas; Kansas City, Mo.; and Tulsa, Okla.

"By making this investment, we are sending a clear message to our existing and prospective customers that American Airlines is very serious about providing long-term maintenance services," said Don Videtich, Air Transport Division Maintenance Representative, TWU. "While other airlines have abandoned keeping their work in-house, American is banking on its greatest asset – the creative and innovative minds of our TWU members. This initial investment in advanced technology, tooling equipment and facilities will provide an edge in realizing the joint vision of becoming an industry-leading MRO that provides value to employees, customers and shareholders of American Airlines."

For the past three years, American and the TWU have been working together as business partners to transform the airline's maintenance organization from a cost center to a profit center. Using the principles of Continuous Improvement, the maintenance team has increased efficiencies, reduced costs, and significantly enhanced operations. These changes have helped American to successfully compete for third-party work and establish itself as a long-term player in the lucrative and competitive MRO industry.

American generated almost \$95 million in third-party revenue in 2006 and hopes to achieve its goal of \$175 million by the end of 2007, not including \$225 million of

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engine overhaul work performed for customer airlines by Texas Aero Engine Services Limited (TAESL), a joint venture between American and Rolls-Royce.

American Airlines Maintenance Services offers a full line of airframe, engine and component, and line maintenance services, customizing those services to meet the specific needs of the client. American's MRO business has a growing customer base of more than 70 different entities ranging from numerous domestic and international airlines to Original Equipment Manufacturer (OEM) to the U.S. military.

Learn more about American Airlines Maintenance Services by visiting [www.mroaa.com](http://www.mroaa.com).

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