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CONFIDENTIAL

AMERICAN AIRLINES, INC.

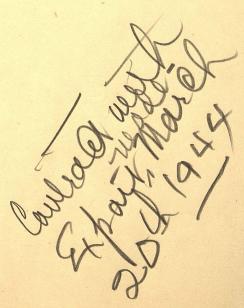
FINANCIAL STATEMENTS
FOR
DIRECTORS' MEETING OF APRIL 20, 1944

AMERICAN AIRLINES, INC. AND CONSOLIDATED SUBSIDIARY

FINANCIAL STATEMENTS

DIRECTORS MEETING APRIL 20, 1944

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CONSOLIDATED BALANCE SHEET

AS AT FEBRUART 29, 1944

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ASSETS		
CURRENT ASSETS:		
Cash on hand and demand deposits		\$ 8,983,029.71
Marketable Securities, at cost (approximately market)-		
U.S. Treasury bonds and certificates	\$4,109,527.50	
U.S. Treasury tax notes	6,226,000.00	
Canadian Government bonds	90,900,00	10,426,427.50
	and activities and a second of the second of	
Accounts receivable -		
V.S. Government -		
For the transportation of air mail	\$1,477,398.10	
For services performed at cost under war contracts	\$5, 351, 205.95	
Less Advance payments received	o 585 000 78	
adde matitude helmonse leterion	2,585,222.78	
Non win tracerol sto	1,388,237.64	
For air travel, etc.	733, 343, 60	
Air travel plan subscribers	177,777,44	
Other airline companies and agents - traffic and	3 600 760 77	
express balances	1,620,762.31	
Other trade accounts	590, 205, 62	
Indebtsdness of employees	60,808.36	
	\$8,636,738,80	a hon alm of
Less: Reserve for doubtful accounts receivable	143,693.64	8,493,045.16
Inventories - parts and supplies (at the lower of cost		who are my
or market)		849,089.78
Total Current Assets		\$28,751,592.15
A 77-100 to 600 mm - 19/30 C. menoral data a ser companyon a contract a 37 mm - 100		a line of
ADVANCE IN SPECIAL CONTRACT ADVANCE PAYMENT ACCOUNT		1,415,74
INVESTMENTS AND SPECIAL FUNDS:		
Investment in wholly-owned subsidiary not consolidated	d has one ha	
at cost (less reserve of \$14,096.51 at Dec. 31, 1943)	\$ 485,903.49	
Miscellaneous investments in connection with operations.	22 [02 0]	
at cost	31,609.96	man are he
Special cash deposits .	65,540.00	583,053.45
The 21th TEACH TRANSFERM 4 PR (MAC) PR	to liet out to	
FLIGHT EQUIPMENT, AT COST	\$7,456,096.63	a also son de
Less: Reserve for obsolescence and depreciation	6,212,790.78	1,243,305.85
LAND, BUILDINGS AND OTHER EQUIPMENT, AT COST	\$5,063,701.16	
Less Reserve for depreciation	2,159,060.24	2,904,640.92
	ethite annual convenion convenion and convenion of the convenient of the convenien	20034 104 10032
NON-OPERATING PROPERTY AND EQUIPMENT, AT ESTIMATED		
REALIZABLE VALUE		26,320.00
1 AM AND AND ARENO PROPERTY OF THE THE THE AMOUNTS AREAS	-	
LONG TERM OPERATING PROPERTY PREPAYMENTS, LESS AMORTIZATION		521,835.72
DEFERRED CHARGES;		
Frenaid rents and insurance	\$ 67,114.59	
Other deferred charges	122,944.20	190,058.79
	experient married by montant warmers	engling-reportingshouse engine abstraction should
		\$34,222,222.62
		CONTRACTOR OF SECURIOR POLICY OF THE PROPERTY

AMERICAN AIRLINES, INC.	AND	CONSOLIDATED	SUBSIDIARY	
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Page 2

COMPARATIVE STATEMENT OF PROFIT AND TOSS LIABILITIES, CAPITAL STOCK AND SURPLUS

	LIABILITIES, CAPITAL STOCK AND SURPLUS	
	CURRENT LIABILITIES: Accounts payable Other airline companies - traffic balances payable Air travel plan subscribers' deposits Dividends declared on preferred stock Accrued salaries and wages Provision for Federal income taxes Other accrued taxes Other accrued liabilities Total Current Liabilities LIABILITY FOR ADVANCE PAYMENTS ON GOVERNMENT CONTRACT OPERATIONS	\$ 1,762,241,29 1,879,665,12 2,732,281.50 53,126.74 868,118.95 3,785,442.16 346,733.98 446,024,30 \$11,873,634,04 1,415.74
	UNEARNED TRANSPORTATION REVENUE	107.351.27
	RESERVE FOR TRANSITION TO PEACETIME OPERATIONS	1,750,000.00
	CAPITAL STOCK: Preferred stock- Authorized = 100,000 shares without par value Issued and outstanding = 50,000 shares of \$4,25 Cumulative Convertible Preferred Stock (preference on liquidation = \$100 per share plus accrued dividends) Common stock = Authorized = 1,000,000 shares par value \$10 per share Issued and outstanding = 574,848 shares	5,100,000.00 5,748,480.00
	Reserved for conversion of \$4.25 Cumulative Convertible Preferred Stock (basic conversion ratio - 1 3/7 shares of common stock for each share of preferred stock) - 71,429 shares	
,	SURPLUS: Paid-in surplus Earned surplus \$1,942,682.50	
;	Balance at December 31, 1943 \$7,411,970.86 Net profit for the two months ended February 29, 1944 339,814,95	
	Less: dividends declared on preferred stock 53,126.74 7.698,659.07	9,641,341.57

\$34, 222, 222.6

COMPARATIVE STATEMENT OF PROFIT AND LOSS ON ROUTE F.A.M. 26

COMPARATIVE STATEMENT OF PROFIT AND LOSS

FOR THE MONTHS OF FEBRUARY 1944, JANUARY 1944 AND FEBEUARY 1943

AND THE TWO MONTHS ENDED FEBRUARY 29, 1944 AND FEBRUARY 28, 1943

	February 1944	Cents Per Rev. Mile	January 1944	Cents Por Rev. Mile	February 1943	Cents Per Rev. Mile	Two Months Ended Feb. 29., 1944	Cents Per Rev.	Two Months Ended Feb. 25, 1943	Cents Per Rev. Mile
OPERATING REVENUES		and despressions of the property and extra	A COMPANY OF MANAGEMENT OF STREET		emplanatures of confess of profession resemble, in control grad.	AT CAST AND SECURE SECURITY AND	Charles Cont. London Stranger Line Cont.	Rocalica into vivani, midiroda interamicado que	\$100 per selection of the contract of the cont	
Passenger	\$1,621,096.82	78.7	\$1,824,656.70	81.5	\$1,691,522.33	84.8	\$3,445,753.52	80.1	\$3,346,522.48	83.6
Mail France and Spaint	442,428.53	21.5	463, 654, 48	20.7	331,342.27	16.6	906,083.01	21.1	645,773.24	16.1
Express and freight Excess beggage	156,712.22 51,658.55	7.6 2.5	202, 442, 28 46, 335, 88	9.0 2.1	195,649.08 45,766.87	2.3	359, 154, 50 97, 994, 43	8.4 2.3	376,848.70	9.4 2.3
Charter and special	72,000,00	5. c J	70,777.00	E 0 de	7), 100,01	507	216227042	20)	90,839.63	20)
Incidental revenue	1,759.51	The second secon	13,105.81	.6	8,663.01	CONTRACTOR OF THE PROPERTY OF	14,865.32	emporuminaristico	18,503.28	-6
Total Operating Revenue	\$2,273,655.63	110.4	\$2,550,195.15	113.9	\$2,272,943.56	113.9 stage representation	\$4,823,850.78	11202	\$4,478,487.33	112.0
· · · · · · · · · · · · · · · · · · ·	proposed manages manufactures and an assessment and an assessment and assessment as a second assessment as a second assessment as a second asset as a second assessment as a second asset as a second as a second asset as a second as a second asset as a second as a s	to again and controls	Construction of the second sec	NATIONAL SANDARDS	states and other appropriate investigation where the outside is	and the second	distribution of the second sec	eth son tour O Bour offstamussiatelensparese	entral anti-department of the property of the	APPLICATION AND VIOLENCE AND VIOLENCE AND CORE A
OPERATING EXPENSES										
Flying operations	\$ 412,748.48	20.0	\$ 421.955.44	18.9	\$ 369,828.00	18.5	\$ 834,703.92	19.4	\$ 740,440.71	18.5
Flight equipment maintenance-direct	200,880.31	9.7	211.048.71	9.4	144,654.78	7.3	471,929.05	9.6	251,345.15	6.3
Depreciation-flight equipment	67.394.07	manada Laba	73.083.21	and the second second	<u> </u>	4.0	140,477.28	3.3	160, 312.91	A TO O
Total Flying Expenses	\$ 681,022.86	33.0	\$ 706,087.36	31.6	\$ 593.762.73	29.8	\$1,387,110.22	32.3	\$1,152,098.77	28.8
Ground operations	443,938.54	21.6	437,214.27	19.5	333,363.15	16.7	881,152.81	20.5	691,995.17	17.3
Ground equipment maintenance-direct Equipment maintenance-indirect	2 ¹ 4,821.55 13 ¹ 4,576,40	1.2	22,423.81	1.0	12,935.16 86,707.94	1 7	47, 245, 36	1.1	26,719.11	4.7
Passenger service	167, 177, 84	8.1	177, 317.82	7.1 7.9	127,687.38	4.3	294, 124, 40 344, 495, 66	8.0	189,062,67	6.2
Traffic and sales	266, 503.39	12.9	261, 732, 57	11.7	200, 753.62	10.1	528, 235.96	12.3	402,089.73	10.1
Advertising and publicity	116,980.39	5.7	128,002.77	5.7	144,244,12	7.2	244,983.16	5.7	229,987.31	5.8
General and administrative	200,643.19	9.8.	266,185,84	11.9	153,006.37	7.7	466,829.03	10.9	303,588.97	7.6
Depreciation-property and ground equipment	36,917.88	1.8	36,855.05	1.6	30,912.22	2.5	73.772.93.	J. t. 7	61,090.94	1.5
Total Operating Expenses	\$2,072,582.04	100.6	\$2,195,367.49	98.0	\$1,683,372.69	图排。其	\$4, 267, 949, 53	99.3	\$3,305,857.27	82.7
Not operating income	\$ 201,073.59	9.8	\$ 354,827.66	15.9	\$ 589,570.87	29.5	\$ 555,901.25	12.9	\$1,172,630.06	29.3
Mon-operating income	14,648,30	T	14,898,04	6	7,858,46	SECRETARION OF THE PROPERTY OF	29,546.34	ideasonaperospens distr	17,244,23	production in 12 14
Gross income	\$ 215,721.89	10.5	\$ 369,725.70	16.5	\$ 597,429.33	29.9	\$ 585,447.59	13.6	\$1,189,874.29	29.7
Deductions from gross income	25, 199, 13	1.2	30,831.77	2.4	4,180.27	0.8	5,632,64	L a	6,470.17	Manufactura Transport
Net income before Federal Income taxes	\$ 2140,921.02	770	\$ 338,893.93	15.1	\$ 593,249.06	29.7	\$ 579,814.95	13.5	\$1,183,404,12	29.6
Provision for Federal income taxes	100,000.00	4.9	140,000.00	6.3	277,900.00	13.9	240,000.00	5.6	557,600.00	13.9
			and control of the co		\$2500 of digital and and only settlement and interest and and					
NET PROFIT CARRIED TO SURPLUS	\$ 140,921.02	6.8	\$ 198,893.93	8.8	\$ 315,349.06	15.8	9 339,814.95	7 o 9 Compression of the second	\$ 625,804,12	15.7
REVENUE MILES FLOWN	2,060,318		2, 238, 021		1,995,114		4, 295, 339		3,999,770	
REVENUE PASSENGER MILES FLOWN	31,198,791		34, 925, 683		30,968,056		. 66, 124, 474		60,025,926	
REVENUE PASSENGERS CARRIED	53, 516		58,562		54, 823		112,078		104, 294	

Statement of capital expenditures which have

since the last meeting of the Board of Directare herewith submitted for approval by the D

COMPARATIVE STATEMENT OF PROFIT AND LOSS ON ROUTE F.A.M. 26

FORT WORTH-DALLAS-MEXICO CITY-EL PASE-MEXICO CITY

FOR THE MONTHS OF FEBRUARY 1944, JANUARY 1944 AND FEBRUARY 1943

AND THE TWO MONTHS ENDED FEBRUARY 29, 1944 AND FEBRUARY 28,1943

	February 1944	January 1944	February	Two Months Ended Feb. 29, 1944	Two Months Ended Feb. 28, 1943
OPERATING REVENUE Passenger Mail	\$101,983.09 542.92	\$100,094,47 511,35	\$72,052.57 353.64	\$202,077.56 1,05 ¹ ,27	\$135,384.30 713.65
Express Excess baggage Incidental revenue	5,612.43 2,294.52 2,320.38	4,716.04 1,901.27 7,773.58	1,296.74	10,328.47 4,195.79 10,093.96	2, 366.06 2, 494.62
Total Operating Revenue	\$112,753.34	\$1.14,996.71	\$75,062,26	\$227,750.05	\$140,958.63
OPERATING EXPENSES Flying operations Flight equipment maintenance—direct Depreciation—flight equipment Total Flying Expenses Ground operations Ground equipment maintenance—direct Equipment maintenance—indirect Passenger service Traffic and sales Advertising and publicity General and administrative Depreciation—property and ground equip. Total Operating Expenses	\$ 23,650.55 10,995.32 3,630.51 \$ 38,276.38 15,647.02 1,478.21 4,546.20 10,013.59 15,955.56 5,532.31 10,059.54 12,630.69 \$114,139.50	\$ 27,140.96 12,284.96 12,202.28 \$ 13,628.20 16,453.19 2,126.77 6,518.32 8,958.88 14,097.84 14,601.99 11,657.00 12,624.35	\$24,460.32 8,100.67 3,267.71 \$35,828.70 19,242.02 105.85 3,732.98 6,935.46 8,291.12 5,183.06 8,957.37 6,821.29	\$ 50,791.51 23,280.28 7,832.79 \$ 81,904.58 32,100.21 3,604.98 11.064.52 18,972.47 30,053.40 10,134.30 21,716.54 25,255.04	\$ 49.532.23 14.331.38 6.787.17 \$ 70,650.78 38.032.15 273.98 7.984.57 11,950.52 15,700.29 9.839.99 17.319.23 13.747.99 \$185.499.50
n	with which the color of the first colories for the colori	distribution of the control of the c	desirance applications, recommendency of introducing agreement days can be	emphysical growned as a paralleless to be operated as a second se	(2) できたい (利用の表表のであるのものものである。 (2) できたい (2) で
NET OPERATING INCOME DEDUCTIONS FROM INCOME	\$ 1,786.16	\$ 5,669,83	\$20,035.61	\$ 7.055.99	\$ 144,540.87
NET PROFIT OR LOSS	\$ 2,308,29	\$ 6,340.79	\$22,300,44	\$ 0.0 MAS 108	\$ 45, 644, 30
REVENUE MILES FLOWN	118,213	136,110	121,063	254, 323	246,627
REVENUE PASSENGER MILES	1,867.774	1,993,900	1,279,695	3,861,674	2,349,646
REVENUE PASSENGERS CAFRIED	1,889	1,867	1, 140	3,756	2,550

Statement of capital expenditures which have been authorized by the management since the last meeting of the Board of Directors on March 15, 1944 and which are herewith submitted for approval by the Directors.

Executive Authorization Number	Description	Amount Authorized
02009-1	Alterations necessary in terminal building, Flushing to provide space for departments	
C1283	moved from the airport - N.Y. Exhaust and fire protection system for	\$ 2,820.00
G158 _f	carburetor test shop - N.Y.M.A. Construct offices for Line Maintenance foremen	1,455.00
G1285	in Hangars 1 and 3 - N.Y.M.A. Install non-skid treads and hand-rails on stair-	1,200,00
01286	ways in shop areas - N.Y.M.A. Tensile testing equipment for Materials	1,175.00
C1287	Laboratory - N.Y.M.A. 24 Electric fans for offices in Flushing, N.Y.	1,500.00
C1288	4 Chevrolet panel trucks for handling mail and express in Station Operations - N.Y.M.A.	6,400,00
C1583	Construct new remote transmitter house and install equipment - Chicago	4,497.00
C1290	50 Sets Carburetor Pre-Heat Muffs for spares	16,250.00
	72 Authorizations each for an amount less than \$1,000.00 for the purchase of furniture, shop	
	and miscellaneous equipment	10,168,14
		\$46,680.14
	Capital expenditures made by the Mexican Company	
	during January and February 1944 approved by the management and herewith submitted for approval by the Directors.	
	l - Monroe Calculating machine \$735.00 l - Columbia safe 152.12 l - Monroe Calculating machine 232.37 l - Underwood typewriter 211.34	
	Other capital expenditures of an amount less than \$100.00 each 345.28	\$ 1,0676.11

Statement showing status as of February 29, 1944 of uncompleted capital projects and extraordinary projects chargeable to expense

Statement of expenditures in connection with capital projects and

			COLUMN TO THE PROTECTION OF THE PROPERTY OF TH	Amount Expende	ed.		
Authorization Number	Description	Amount Authorized	Prior to Jan. 1, 1944	Current Year	III — А. — «В	Unexpended	Over
and the second control of the second control	meserpoten	is accompanional wife successful and the successful	CAPO TO The distributions	der the second s	поставления постав	Belence	Expended
0792	Shop equipment for new west wing addition - N.Y.M.A.		\$ 7.815.07	\$	\$ 7.815.07	\$ 158.65	\$
01215	l Pair wings for flagship spare	18,605.00 23,340.00	10 571 05		the left to the section with the	18,605.00	
0211	126 Flight analyzers for flagships and spares 136 Model UG10 governors for 33050 propellers	22,532.45	18,571.25 26,806,40		18,571.25 26,806.40	4,768.75	4, 273.95
0500,-1,-2	Building for additional facilities - N.Y.M.A.	495,300.00	482,144.63	81.99	482,062.64	13,237.36	To 21 70 27
0995,-1	Buildings and furnishings for Customs House - Ft.	and the second second					
6962	Worth Low Temperature, High Temperature Humidity Test	26,851.00	20,168.56	7,215,74	27, 284, 30		433.30
EJOS	Cabinet - N. T. N. A.	5,500.00		4,934,14	4,934,14	565.86	
02009, -1 52	Alterations necessary in terminal building, Flushing	70 7000		. 9 2 3 , 0 2 ,	(37) (8%	707000	
	to provide space for departments transferred from						
C2011	the airport, N.Y. Reconstruction of 17th floor in Pershing Square	8,177.00				8,177.00	
ASATT	Bldg., N.Y.C.	7,760.25	7,364,74	382.41	7,747.15	13.10	
01219	Install 50 sets new type carburetor pre-heat muffs	101000	167-01.	and the title Si a section	161,1045	of and the terminal of the ter	
01530	on Flagships and provide additional 50 sets for						
01278	spares	32,500.00	885.61	234.73	1,120,34	31,379.66	
ATELO	10 Sets of gyro flight instruments for installation on 6 DC 3 airplanes for test purposes	5.000.00				5,000.00	
01247	80 Typewriters to replace rentals in system use	9, 688.00		9,189.32	9,189.32	498.68	
01580	5 Sets of DC3 cabin interior fittings to provide						
	for conversion of cargo airplanes to commercial					ant wor as	
C1288	service 4 Chevrolet panel trucks for handling mail and	28, 375, 00				28,375.00	
and the films and was	express in Station Operations - N.Y.M.A.	6,400.00				6,400.00	
01029,-1	2 Diesel electric plants, house and furnishings at						
1	Dryden, Texas to complete the El Paso-Laredo instrument airway	17 021 00	12,668,66	03.00 19.03	20 753 01:	r nan al	
C1189	Alterations and furniture for new ticket office -	17,931.28	TS 000 00	82.38	12,751.04	5,180,24	
	Washington	5,403.00	8.50	2,755.68	2,764.18	2,638.82	
013/10	Acquisition of land	110,000.00	113,523.17		113,523.17		3.523.17
	421 Authorisations each less than \$5,000.00	180,766.67	70 017 77	20 063 35	60 001 08	110 de en	
	AC ANA THE MENT ARE TORR AND THE TARREST OF THE TAR	TORO LARON	39.913.73	20,987,35	60,901.08	119,865.59	NATIONAL STATE OF THE STATE OF
		\$1,012,103.37	\$729,870.32	\$45,599.76	\$775,470.08	\$244,863.71	\$8,230.42
		Outsiller (nith syntam secondy edition (and selected the site and discount of the selected to the selected and the selected a	なからない。 ないでは、これでは、これでは、これでは、これでは、これでは、これでは、これでは、これ	を対することである。 を対することは、 をはずまれることは、 をはずまれることは、 をはずまれることは、 をはずまれることは、 をはずまれることは、 をはずまれることは、 をはずまれることは、 をはずまれることは、 をはずまれることは、 をはずまれることは、 をはずまれることは、 をはずまれることは、 をはずまれることは、 をはずまれることは、 をはずまれることは、 をはずまれる。 をはずまななる。 をはずまなる。 をはずまなる。 をはずまなる。 をはずまなる。 をはずまなる。 をはずまなる。 をはずまなる。 をはずまなる。 をはずまなる。 をはずまなる。 をはずまなる。 をはずまなる。 をはずまなる。 をはずまなる。 をはずる。 をもななる。 をはずる。 をはずる。 をはなる。 をなるる。 をなる。 をなるる。 をなる。	dispose au condinue con con condinue na Ganda Color de la constitució de dispose au condinue con con condinue de la color de de la color de	enturioris de consistrações de principações de las consideras entre titos opras. Obstrutos estas estas estas de principa entre principa estas estas estas estas estas estas estas estas estas e	The Set of the Control — making the find of the Set of

Statement of expenditures in connection with capital projects and extraordinary projects chargeable to expense which were completed during the period January 1 through February 29, 1944.

		Amount Expended				
Authorization	Description	Prior to Jan. 1, 1944	Current	contemporario en en collection de management en 1922. LO CST.		
Gglil, -1, -2	Material and labor to provide additional lavatory and locker room facilities for hangar #1 and hangar #3 and to increase ventilation in Battery Charging Room - N.Y.M.A.	\$ 6°, 1171-5°. 51	\$ 1,128.00	\$ 7,573.27		
G159 ₇	Link Trainer for Pilot Training School- Memphis		5,850.00	5,850.00		
	141 Authorizations each less than \$5,000.00	9,412.78	17,205.08	26,617,86		
		\$15,858.05	\$24, 1,83,08	\$40,041.13		