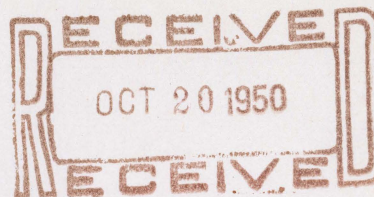




from **AMERICAN AIRLINES**



FOR RELEASE AM's of Thursday,
Oct. 19, 1950

American Airlines reported a net profit of \$7,283,540 after provision for income taxes for the nine months ending September 30, 1950, as compared with \$5,934,730 for the comparable period in 1949.

The Federal income tax provision for the 1950 period, amounting to \$6,140,000, has been computed at the increased rate imposed by the recently enacted Revenue Act of 1950. During the corresponding period in 1949, the Federal income tax provision was \$1,320,000. The 1949 provision reflected substantial benefit from the carry-forward provisions of the tax law.

For the nine months ended September 30, 1950, revenues totaled \$85,010,631, an increase of 10%, and expenses, exclusive of Federal income tax, were \$71,587,091, an increase of 1.8%. Traffic volume increased 10.3%. The passenger load factor was 68.4% as compared with 65.9%.

The data available indicates that American continues to be the lowest cost operator in the industry. Operating expenses per revenue ton mile were 43¢ as compared with 46.3¢ for the first nine months of 1949.

Third quarter results were especially encouraging. Net earnings, after providing \$215,000 of retroactive Federal income tax increase for the first half of the year, were \$4,856,995 compared with \$2,398,821 for the third quarter of 1949. Increase in revenue over the comparable quarter of last year was 19.5% and expenses, exclusive of Federal income taxes, increased only 1.1%.

The Earned Surplus balance as of September 30, 1950, was \$14,151,812 after giving effect to provision of \$1,100,000 for loss on the liquidation of the company's investment in American Overseas Airlines. The assets and liabilities of American Overseas Airlines were transferred to Pan American World Airways on September 25.

AMERICAN AIRLINES, INC. AND CONSOLIDATED SUBSIDIARY

STATEMENTS OF CONSOLIDATED INCOME

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1950

AND THE NINE MONTHS ENDED SEPTEMBER 30, 1949

	Nine Months Ended <u>Sept. 30, 1950</u>	Nine Months Ended <u>Sept. 30, 1949</u>
OPERATING REVENUES:		
Passenger	\$72,645,308	\$66,998,516
Mail	4,191,918	4,026,709
Express and Freight	6,761,292	5,571,368
Other	<u>1,412,113</u>	<u>958,209</u>
Total Operating Revenue	<u>\$85,010,631</u>	<u>\$77,554,802</u>
EXPENSES:		
Direct Flight Expenses	\$34,497,760	\$32,895,016
Ground Expenses	36,341,506	36,254,852
Interest and Miscellaneous (net)	747,825	1,150,204
Provision for Federal Income Taxes	<u>6,140,000</u>	<u>1,320,000</u>
Total Expenses	<u>\$77,727,091</u>	<u>\$71,620,072</u>
NET INCOME FOR PERIOD	<u>\$ 7,283,540</u>	<u>\$ 5,934,730</u>
Revenue Passenger Miles	1,311,068,259	1,193,507,385
Passenger Load Factor	68.4%	65.9%

101850

1400(1)-03(1)-05-10-15-50-95-97