

AMERICAN AIRLINES, INC. AND CONSOLIDATED SUBSIDIARY

FINANCIAL STATEMENTS

DIRECTORS' MEETING JANUARY 17, 1945

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Statement of expenditures for capital projects which were completed during the period January 1, 1944 through November 30, 1944

| <u>Authorization<br/>Number</u> | <u>Description</u>  | <u>Prior to<br/>Jan. 1, 1944</u> | <u>Current<br/>Year</u> | <u>Total</u>        |
|---------------------------------|---|----------------------------------|-------------------------|---------------------|
| C844, -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- NYMA | \$ 6,445.27                      | \$ 1,128.00             | \$ 7,573.27         |
| C1264                           | Link Trainer for Pilot Training Schools- Memphis  |                                  | 5,850.00                | 5,850.00            |
| C211                            | 126 Flight analyzers for Flagships and spares   | 18,571.25                        |                         | 18,571.25           |
| C2011                           | Reconstruction of 17th floor in Pershing Square Building- NYC   | 7,364.74                         | 382.41                  | 7,747.15            |
| C1288                           | 2 Chevrolet panel trucks for handling mail and express in Station Operations- NYMA  |                                  | 3,344.56                | 3,344.56            |
| C792                            | Shop equipment for new west wing addition- NYMA   | 7,815.07                         | 306.60                  | 8,121.67            |
| C737                            | 136 Model 4010 governors for 33D50 propellers   | 26,806.40                        | 971.40                  | 25,835.00           |
| C1247                           | 80 Typewriters to replace rentals in system use   |                                  | 10,368.49               | 10,368.49           |
| C2009                           | Alterations necessary in Terminal Building, Flushing, to provide space for departments transferred from the airport- N.Y.   |                                  | 8,141.57                | 8,141.57            |
| C1189                           | Alterations and furniture for new ticket office- Washington   | 8.50                             | 5,426.25                | 5,434.75            |
| C1215                           | 1 Pair wings for Flagship spare   |                                  | 18,954.83               | 18,954.83           |
| C1029, -1                       | 2 Diesel electric plants, house furnishings at Dryden, Texas to complete the El Paso-Laredo instrument airway   | 12,668.66                        | 306.13                  | 12,974.79           |
| C1303                           | 1 Caterpillar motograder for the Mexican Company  |                                  | 7,585.51                | 7,585.51            |
| C1311                           | Water softener system- Monterrey  |                                  | 7,692.25                | 7,692.25            |
|                                 | 648 Authorizations each less than \$5,000.00  | <u>31,694.19</u>                 | <u>122,101.60</u>       | <u>153,795.79</u>   |
|                                 |   | <u>\$111,374.08</u>              | <u>\$190,616.80</u>     | <u>\$301,990.88</u> |

| <u>Amount Authorized</u> | <u>Prior to Jan. 1, 1944</u> | <u>Amount Expended</u> |                       | <u>Unexpended Balance</u> | <u>Over Expended</u> |
|--------------------------|------------------------------|------------------------|-----------------------|---------------------------|----------------------|
|                          |                              | <u>Current Year</u>    | <u>Total</u>          |                           |                      |
| \$ 6,494.40              | \$                           | \$ 1,848.26            | \$ 1,848.26           | \$ 4,646.14               | \$                   |
| 159,998.80               |                              | 2,685.99               | 2,685.99              | 157,312.81                |                      |
| 5,679.60                 |                              | 985.35                 | 985.35                | 4,694.25                  |                      |
| 5,685.60                 |                              | 349.47                 | 349.47                | 5,336.13                  |                      |
| 14,000.00                |                              | 77.40                  | 77.40                 | 13,922.60                 |                      |
| 10,235.94                |                              | 1,130.75               | 1,130.75              | 9,105.19                  |                      |
| 8,343.00                 |                              |                        |                       | 8,343.00                  |                      |
| 110,000.00               | 113,523.17                   |                        | 113,523.17            |                           | 3,523.17             |
| <u>250,411.23</u>        | <u>17,632.32</u>             | <u>67,524.81</u>       | <u>85,157.13</u>      | <u>165,254.10</u>         |                      |
| <u>\$ 1,985,133.86</u>   | <u>\$634,354.29</u>          | <u>\$ 270,487.43</u>   | <u>\$ 904,841.72</u>  | <u>\$ 1,107,940.99</u>    | <u>\$27,648.85</u>   |
| \$ 2,571,813.79          | \$                           | \$1,640,253.32         | \$1,640,253.32        | \$ 931,560.47             | \$                   |
| 3,332,000.00             |                              |                        |                       | 3,332,000.00              |                      |
| 13,500,000.00            |                              |                        |                       | 13,500,000.00             |                      |
| 16,500,000.00            |                              |                        |                       | 16,500,000.00             |                      |
| 3,000,000.00             |                              |                        |                       | 3,000,000.00              |                      |
| 230,000.00               |                              |                        |                       | 230,000.00                |                      |
| <u>\$39,133,813.79</u>   | <u>\$ -</u>                  | <u>\$1,640,253.32</u>  | <u>\$1,640,253.32</u> | <u>\$37,493,560.47</u>    | <u>\$ -</u>          |
| <u>\$41,118,947.65</u>   | <u>\$634,354.29</u>          | <u>\$1,910,740.75</u>  | <u>\$2,545,095.04</u> | <u>\$38,601,501.46</u>    | <u>\$27,648.85</u>   |

Statement showing the status of uncompleted capital project authorizations  
based upon recorded expenditures as of November 30, 1944

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| <u>Executive<br/>Authorization<br/>Number</u> | <u>Description</u>  |
|---|---|
| C1358, -1                                     | Furniture and office equipment for eight air freight offices- System  |
| C1321, -1                                     | Purchase of Very High Frequency receiving equipment for installation<br>in 76 DC-3 type aircraft and complete sets of transmitting, re-<br>ceiving and radio navigational equipment for the 77th to 100th<br>DC-3 type aircraft |
| C1341   | Radio communication and station equipment- Albany   |
| C1342   | Radio communication and station equipment- Lynchburg  |
| C1344   | Engineering, construction and installation of electrical Televisor<br>board for visual reservations control   |
| C1345   | Reservations and ticket office equipment for system use   |
| C1382   | Alterations and furnishings for new city ticket office- Cleveland   |
| C1940   | Acquisition of land   |

487 Authorizations each less than \$5,000.00

|               |   |   |
|---------------|---|---|
| C1291         | ) |   |
| C1293, -1     | ) | Repurchase or lease, Overhaul and conversion of 24 DC-3 aircraft                                    |
| C1300, -1, -2 | ) |   |
| C1319         |   | Purchase or lease from the Army and the conversion and overhaul of<br>38 type C-53 Douglas aircraft |
| C1353         |   | Purchase of 30 Douglas DC-4 aircraft  |
| C1354         |   | Purchase of 30 Douglas DC-6 aircraft  |
| C1355         |   | Spare engines, propellers and other equipment for DC-4 and DC-6<br>aircraft                         |
| C1360         |   | Purchase of 3 Beechcraft aircraft and spare equipment   |

| Amount Authorized | Amount Expended       |              |              | Unexpended Balance | Over Expended |
|-------------------|-----------------------|--------------|--------------|--------------------|---------------|
|                   | Prior to Jan. 1, 1944 | Current Year | Total        |                    |               |
| \$ 32,500.00      | \$ 885.61             | \$ 22,918.36 | \$ 23,803.97 | \$ 8,696.03        | \$            |
| 33,215.37         |                       | 26,827.54    | 26,827.54    | 6,387.83           |               |
| 12,923.19         |                       |              |              | 12,923.19          |               |
| 25,200.00         |                       |              |              | 25,200.00          |               |
| 270,685.48        |                       | 25,738.44    | 25,738.44    | 244,947.04         |               |
| 15,000.00         |                       | 5,717.14     | 5,717.14     | 9,282.86           |               |
| 10,251.00         |                       |              |              | 10,251.00          |               |
| 495,300.00        | 482,144.63            | 34,135.63    | 516,280.26   |                    | 20,980.26     |
| 26,851.00         | 20,168.56             | 9,827.86     | 29,996.42    |                    | 3,145.42      |
| 5,500.00          |                       | 5,244.51     | 5,244.51     | 255.49             |               |
| 5,000.00          |                       | 2,700.00     | 2,700.00     | 2,300.00           |               |
| 10,400.00         |                       | 9,928.00     | 9,928.00     | 472.00             |               |
| 70,500.00         |                       | 1,718.70     | 1,718.70     | 68,781.30          |               |
| 18,175.00         |                       |              |              | 18,175.00          |               |
| 82,280.00         |                       | 1,400.00     | 1,400.00     | 80,880.00          |               |
| 29,893.00         |                       |              |              | 29,893.00          |               |
| 6,000.00          |                       |              |              | 6,000.00           |               |
| 17,562.50         |                       |              |              | 17,562.50          |               |
| 72,260.00         |                       |              |              | 72,260.00          |               |
| 16,199.00         |                       |              |              | 16,199.00          |               |
| 10,702.00         |                       | 8,521.71     | 8,521.71     | 2,180.29           |               |
| 30,500.00         |                       | 14,876.71    | 14,876.71    | 15,623.29          |               |
| 5,480.00          |                       | 3,974.24     | 3,974.24     | 1,505.76           |               |
| 26,470.00         |                       | 9,671.24     | 9,671.24     | 16,798.76          |               |
| 5,187.75          |                       |              |              | 5,187.75           |               |
| 10,200.00         |                       |              |              | 10,200.00          |               |
| 6,415.00          |                       |              |              | 6,415.00           |               |
| 40,000.00         |                       | 3,000.00     | 3,000.00     | 37,000.00          |               |
| 5,000.00          |                       |              |              | 5,000.00           |               |
| 12,200.00         |                       | 9,685.32     | 9,685.32     | 2,514.68           |               |
| 6,435.00          |                       |              |              | 6,435.00           |               |

Statement showing the status of uncompleted capital project authorizations based upon recorded expenditures as of November 30, 1944

| Executive<br>Authorization<br>Number | Description   |
|--------------------------------------|---|
| C1290)                               | Install 50 sets new type carburetor pre-heat muffs on Flagships and   |
| C1291)                               | provide additional 50 sets for spares   |
| C1303                                | 47 Sets of propeller blades for Flagship replacement  |
| C1304,-1                             | 1314 Blankets for Flagship replacement  |
| C1323                                | 3 Gasoline trucks for Dallas, Memphis and Nashville   |
| C1320,-1,-2                          | Spare engines, accessories, parts, special tools and equipment necessary to perform standard overhaul and Line Maintenance servicing of Pratt and Whitney 1830C engines |
| C1325                                | Shop equipment for use under conversion program - NYMA  |
| C1370                                | 19 Working stands and 12 mobile ladders for System use  |
| C500                                 | Building for additional facilities- NYMA  |
| C995,-1                              | Building and furnishings for Customs House- Ft. Worth   |
| C962                                 | 1 Low Temperature, High Temperature Humidity Test Cabinet- NYMA   |
| C1278                                | 10 Sets of Gyro-flight instruments for installation in Flagships for test purposes  |
| C1296                                | 80 each Tachometer indicators and generators for standardization of Flagships and provide spares  |
| C1292,-1                             | Improve by revision the alcohol deicer system on Flagships  |
| C1297,-1                             | Replace brass steam radiators with aluminum radiators on Flagships and provide spares   |
| C1313,-1,-2                          | Replace automatic pilot units with gyro flight instruments in Flagships and improve by revision the complete instrument panel   |
| C1322                                | Installation of oil and hydraulic line Firewall shut-off valves and necessary control systems in 100 DC-3 type aircraft plus 15% spare parts                            |
| C1326                                | Modification of generator control boxes on Flagships  |
| C1363                                | Material and labor to make automatic the control of cabin temperature on 100 Flagships plus 50 spares   |
| C1369                                | Installation of dual fuel system with electric fuel booster pumps in 100 DC-3 aircraft  |
| C1375                                | Replace fuel quantity guages in 100 DC-3 aircraft   |
| C1306,-1                             | Alterations and furnishings to provide additional consolidated offices for Traffic and Properties Departments- Washington   |
| C1309                                | Construction of 2- 6 inch gasoline pipe lines from the barge unloading dock to our bulk storage tanks at LaGuardia Field  |
| C1307                                | Alterations and ticket counter for city ticket office- San Antonio  |
| C1316,-1                             | Construct addition to passenger loading ramp to provide space for ramp activities and waiting room - NYMA   |
| C1328,-1                             | Purchase and installation of 3 gasoline storage tanks- El Paso  |
| C1332                                | Frame building for air freight terminal - NYMA  |
| C1335                                | Frame building for air freight terminal - Chicago   |
| C1361                                | Alterations to provide adequate regional, ticket and reservations offices - Los Angeles   |
| C1379                                | Gasoline storage and dispensing equipment - Big Spring  |
| C1308)                               | Ramp equipment consisting of 27 baggage carts, 16 passenger ramps and   |
| C1339)                               | 13 front-end loading platforms for various stations   |
| C1338                                | 300 Stainless steel vacuum jugs for Flagship replacement  |

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Statement of capital expenditures which have been authorized by the management since the last meeting of the Board of Directors on January 8, 1945 and which are herewith submitted for approval by the Directors

| <u>Executive<br/>Authorization<br/>Number</u> | <u>Description</u>  | <u>Amount<br/>Authorized</u> |
|---|---|------------------------------|
| C1385   | Conveyor type cargo loader, gasoline powered-<br>Chicago  | \$ 2,700.00                  |
| C1386   | 2 Hydraulic lift gates for installation on<br>stake-body trucks for Supply Dept.- NYMA  | 1,000.00                     |
|   | <u>31</u> Authorizations each for an amount less than<br>\$1,000.00 for the purchase of furniture, shop<br>and ramp equipment | <u>5,740.94</u>              |
|   |   | <u>\$ 9,440.94</u>           |

| <u>Nov. 1944</u>    | <u>Oct. 1944</u>    | <u>Nov. 1943</u>    | <u>Eleven Months Ended<br/>Nov. 30, 1944</u> | <u>Eleven Months Ended<br/>Nov. 30, 1943</u> |
|---------------------|---------------------|---------------------|--|--|
| \$133,381.73        | \$127,414.40        | \$ 85,901.24        | \$1,274,235.22                               | \$1,047,770.89                               |
| 2,250.92            | 2,956.20            | 307.22              | 17,029.50                                    | 3,126.75                                     |
| 12,667.17           | 11,752.14           | 4,840.00            | 100,979.24                                   | 41,102.53                                    |
| 2,206.51            | 3,308.09            | 1,987.17            | 26,472.66                                    | 18,261.38                                    |
| 4,933.76            | 4,922.89            | 3,752.11            | 44,872.83                                    | 16,916.57                                    |
| <u>\$155,440.09</u> | <u>\$150,353.72</u> | <u>\$ 96,787.74</u> | <u>\$1,463,589.45</u>                        | <u>\$1,127,178.12</u>                        |
| \$ 35,121.75        | \$ 27,258.94        | \$ 25,549.48        | \$ 322,791.86                                | \$ 286,212.34                                |
| 12,685.63           | 23,752.38           | 8,354.34            | 129,069.72                                   | 98,355.21                                    |
| 3,515.43            | 4,100.62            | 3,378.95            | 33,924.19                                    | 34,942.47                                    |
| <u>\$ 51,322.81</u> | <u>\$ 55,111.94</u> | <u>\$ 37,282.77</u> | <u>\$ 485,785.77</u>                         | <u>\$ 419,510.02</u>                         |
| 25,237.28           | 22,907.18           | 15,770.46           | 204,185.56                                   | 191,008.59                                   |
| 4,532.57            | 2,752.02            | 1,431.73            | 34,353.29                                    | 12,271.87                                    |
| 5,741.70            | 5,366.35            | 5,824.60            | 54,473.71                                    | 62,274.32                                    |
| 14,534.47           | 17,572.59           | 10,729.92           | 132,662.59                                   | 85,909.80                                    |
| 13,788.42           | 13,784.36           | 11,394.35           | 144,448.18                                   | 116,663.84                                   |
| 4,349.71            | 5,587.32            | 4,799.73            | 56,560.16                                    | 57,570.38                                    |
| 11,175.79           | 11,633.69           | 10,101.17           | 123,251.26                                   | 101,346.56                                   |
| 15,072.00           | 33,852.80           | 7,804.52            | 162,436.79                                   | 80,499.88                                    |
| <u>\$145,754.75</u> | <u>\$168,568.25</u> | <u>\$105,139.25</u> | <u>\$1,398,157.31</u>                        | <u>\$1,127,055.26</u>                        |
| \$ 9,685.34         | \$ 18,214.53        | \$ 8,351.51         | \$ 65,432.14                                 | \$ 122.86                                    |
| .57                 | -                   | -                   | 2,176.96                                     | -  |
| <u>\$ 9,685.91</u>  | <u>\$ 18,214.53</u> | <u>\$ 8,351.51</u>  | <u>\$ 67,609.10</u>                          | <u>\$ 122.86</u>                             |
| 653.74              | 893.60              | 2,310.06            | 8,139.73                                     | 7,698.90                                     |
| <u>\$ 9,032.17</u>  | <u>\$ 19,108.13</u> | <u>\$ 10,661.57</u> | <u>\$ 59,469.37</u>                          | <u>\$ 7,576.04</u>                           |
| 2,875.00            | 4,500.00            | -                   | 18,700.00                                    | -  |
| <u>\$ 6,157.17</u>  | <u>\$ 14,608.13</u> | <u>\$ 10,661.57</u> | <u>\$ 40,769.37</u>                          | <u>\$ 7,576.04</u>                           |
| 178,419             | 200,733             | 126,446             | 1,686,501                                    | 1,421,210                                    |
| 2,518,745           | 2,760,636           | 1,740,712           | 25,120,098                                   | 18,965,676                                   |
| 2,853               | 3,184               | 1,768               | 25,421                                       | 19,943                                       |



AMERICAN AIRLINES, INC.COMPARATIVE STATEMENT OF PROFIT AND LOSS ON ROUTE F.A.M. 26FORT WORTH-DALLAS-MEXICO CITY-EL PASO-MEXICO CITYFOR THE MONTHS OF NOVEMBER 1944, OCTOBER 1944 AND NOVEMBER 1943AND THE ELEVEN MONTHS ENDED NOVEMBER 30, 1944 AND NOVEMBER 30, 1943

## OPERATING REVENUE

Passenger  
 Mail  
 Express  
 Excess baggage  
 Incidental revenue

Total Operating Revenue

| Expense Incurred In Mexico | Division of Expenses |  |
|----------------------------|----------------------|--|
|                            | Direct Charges       | Supervision and Allocation of Joint Operations |

## 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 ground equipment

Total Operating Expenses

|                    |                    |
|--------------------|--------------------|
| \$ 7,642.63        | \$27,479.12        |
| 476.70             | 12,208.93          |
| -                  | 3,515.43           |
| <u>\$ 8,119.33</u> | <u>\$43,203.48</u> |
| 13,705.64          | 11,531.64          |
| 4,257.46           | 275.11             |
| 2,623.57           | 3,118.13           |
| 5,880.11           | 8,654.36           |
| 8,574.66           | 5,213.76           |
| 4,349.71           | -                  |
| 9,908.77           | 1,267.02           |
| <u>14,901.16</u>   | <u>170.84</u>      |
| <u>\$72,320.41</u> | <u>\$73,434.34</u> |

Net operating income  
 Profit on sale of equipment

\$ .57

Deductions from income

\$ 653.74

Net income before Federal income taxes  
 Pro-rata share of Federal income taxes

## NET PROFIT OR LOSS

REVENUE MILES FLOWN

REVENUE PASSENGER MILES

REVENUE PASSENGERS CARRIED

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AMERICAN AIRLINES, INC. AND CONSOLIDATED SUBSIDIARY

NOTES TO FINANCIAL STATEMENTS

NOTE 1: Due to the conversion of Preferred Stock between December 1, 1944 and December 12, 1944, the actual dividend paid to stockholders of record as of December 12, 1944 amounted to \$1,271,896.00 which is \$77,828.00 in excess of the amount accrued at November 30, 1944.

NOTE 2: The net profit shown for the eleven months ended November 30, 1943 is \$2,340,000 greater than (and the provision for Federal income taxes is correspondingly less than) was reported last year for such period, this revision resulting from elimination of the provision made during such period for Federal excess profits taxes from which the Company is now believed to be exempt for the year 1943.

No provision has been made for Federal excess profits tax for the eleven months ended November 30, 1944 as such provision is not considered necessary based on the Company's earnings for such period. However, the ultimate determination of the Company's excess profits tax liability, if any, for the year 1944 is dependent upon the final determination of the full years earnings. In the event the Company's earnings should be sufficiently high to subject it to excess profits tax for the year 1944, the portion of such tax applicable to the earnings for the eleven months ended November 30, 1944 would increase the Company's Federal income and excess profits taxes (after deduction of \$550,000 post-war refund of excess profits tax) and decrease its net profit for such period by approximately \$2,630,000.

NOTE 3: Services performed by the Company under war contracts have been charged to the U. S. Government without fee or profit. The applicable costs are not included in the profit and loss statements.

The charges to war contracts for the year 1942 have been reviewed in renegotiation proceedings by the War Department which has made a final determination that no renegotiation refund was required for such year. The Company believes that renegotiation proceedings for the years 1943 and 1944 will likewise result in no refund being required.

| Cents Per Rev. Mile | November 1943         | Cents Per Rev. Mile | Eleven Months Ended Nov. 30, 1944 | Cents Per Rev. Mile | Eleven Months Ended Nov. 30, 1943 | Cents Per Rev. Mile |
|---------------------|-----------------------|---------------------|-----------------------------------|---------------------|-----------------------------------|---------------------|
| 85.8                | \$1,889,194.85        | 83.7                | \$26,770,201.07                   | 85.6                | \$21,592,720.19                   | 89.3                |
| 17.8                | 445,078.15            | 19.7                | 5,967,129.31                      | 19.1                | 4,387,195.83                      | 18.1                |
| 7.6                 | 162,792.67            | 7.2                 | 2,270,505.74                      | 7.3                 | 2,424,190.01                      | 10.0                |
| 1.5                 | 41,721.54             | 1.8                 | 542,132.33                        | 1.7                 | 487,972.45                        | 2.0                 |
| -                   | -                     | -                   | 1,298.70                          | -                   | -                                 | -                   |
| .3                  | 7,050.05              | .3                  | 97,848.42                         | .3                  | 74,552.43                         | .3                  |
| <u>113.0</u>        | <u>\$2,545,837.26</u> | <u>112.7</u>        | <u>\$35,649,115.57</u>            | <u>114.0</u>        | <u>\$28,966,630.91</u>            | <u>119.7</u>        |

|             |                       |             |                        |             |                        |             |
|-------------|-----------------------|-------------|------------------------|-------------|------------------------|-------------|
| 19.5        | \$ 424,450.40         | 18.8        | \$ 6,141,578.86        | 19.6        | \$ 4,529,880.05        | 18.7        |
| 12.0        | 153,364.60            | 6.8         | 2,474,960.84           | 7.9         | 1,788,277.33           | 7.4         |
| 2.1         | 80,244.46             | 3.5         | 677,325.73             | 2.2         | 941,981.75             | 3.9         |
| 33.6        | \$ 658,059.46         | 29.1        | \$ 9,293,865.43        | 29.7        | \$ 7,260,139.13        | 30.0        |
| 13.6        | 405,279.46            | 17.9        | 4,892,129.32           | 15.6        | 4,103,194.10           | 17.0        |
| 1.0         | 20,176.28             | .9          | 330,194.05             | 1.1         | 188,328.12             | .8          |
| 5.5         | 145,757.50            | 6.5         | 1,910,329.27           | 6.1         | 1,198,102.03           | 5.0         |
| 6.9         | 162,369.40            | 7.2         | 2,216,929.45           | 7.1         | 1,699,140.25           | 6.9         |
| 8.4         | 234,162.74            | 10.4        | 2,950,810.85           | 9.4         | 2,469,182.68           | 10.2        |
| 5.1         | 70,539.31             | 3.1         | 1,285,924.37           | 4.1         | 942,482.52             | 3.9         |
| 11.8        | 246,560.98            | 11.0        | 3,281,170.88           | 10.5        | 2,303,436.32           | 9.5         |
| 1.6         | 32,569.84             | 1.4         | 422,698.32             | 1.4         | 335,121.02             | 1.4         |
| <u>87.5</u> | <u>\$1,975,474.97</u> | <u>87.5</u> | <u>\$26,584,051.94</u> | <u>85.0</u> | <u>\$20,499,126.17</u> | <u>84.7</u> |
| 25.5        | \$ 570,362.29         | 25.2        | \$ 9,065,063.63        | 29.0        | \$ 8,467,504.74        | 35.0        |
| .4          | 10,421.26             | .5          | 177,353.55             | .5          | 177,906.06             | .7          |
| 25.9        | \$ 580,783.55         | 25.7        | \$ 9,242,417.18        | 29.5        | \$ 8,645,410.80        | 35.7        |
| 2.9         | 156,639.84            | 6.9         | 558,981.24             | 1.8         | 634,813.03             | 2.6         |
| 23.0        | \$ 424,143.71         | 18.8        | \$ 8,683,435.94        | 27.7        | \$ 8,010,597.77        | 33.1        |
| 9.6         | 190,000.00            | 8.4         | 3,695,000.00           | 11.8        | 3,310,000.00           | 13.7        |
| <u>13.4</u> | <u>\$ 234,143.71</u>  | <u>10.4</u> | <u>\$ 4,988,435.94</u> | <u>15.9</u> | <u>\$ 4,700,597.77</u> | <u>19.4</u> |

|            |             |             |
|------------|-------------|-------------|
| 2,258,431  | 31,278,980  | 24,189,569  |
| 36,291,458 | 519,787,616 | 401,894,595 |
| 63,580     | 847,969     | 728,828     |

## AMERICAN AIRLINES, INC. AND CONSOLIDATED SUBSIDIARY

## COMPARATIVE STATEMENT OF PROFIT AND LOSS

FOR THE MONTHS OF NOVEMBER 1944, OCTOBER 1944 AND NOVEMBER 1943 AND

FOR THE ELEVEN MONTHS ENDED NOVEMBER 30, 1944 AND NOVEMBER 30, 1943

|   | November 1944         | Cents<br>Per Rev.<br>Mile | October 1944          |
|---|-----------------------|---------------------------|-----------------------|
| <b>OPERATING REVENUES</b>                     |                       |                           |                       |
| Passenger                                     | \$2,809,199.16        | 84.0                      | \$3,032,292.96        |
| Mail  | 660,614.88            | 19.8                      | 627,911.38            |
| Express and freight                           | 230,880.77            | 6.9                       | 267,968.28            |
| Excess baggage                                | 45,467.93             | 1.4                       | 54,609.81             |
| Charter and special                           | -                     | -                         | -                     |
| Incidental revenue                            | 7,792.66              | .2                        | 11,613.90             |
| <b>Total Operating Revenue</b>                | <b>\$3,753,955.40</b> | <b>112.3</b>              | <b>\$3,994,396.33</b> |
| <b>OPERATING EXPENSES</b>                     |                       |                           |                       |
| Flying operations                             | \$ 680,125.16         | 20.3                      | \$ 689,586.89         |
| Flight equipment maintenance- direct          | 263,048.25            | 7.9                       | 424,924.16            |
| Depreciation- flight equipment                | 75,600.58             | 2.3                       | 75,070.27             |
| <b>Total flying expenses</b>                  | <b>\$1,018,773.99</b> | <b>30.5</b>               | <b>\$1,189,581.32</b> |
| Ground operations                             | 456,670.76            | 13.7                      | 482,202.29            |
| Ground equipment maintenance- direct          | 31,383.88             | .9                        | 34,940.42             |
| Equipment maintenance- indirect               | 172,760.48            | 5.2                       | 196,199.66            |
| Passenger service                             | 233,298.15            | 7.0                       | 245,090.39            |
| Traffic and sales                             | 290,895.01            | 8.7                       | 297,975.76            |
| Advertising and publicity                     | 105,107.23            | 3.1                       | 178,711.40            |
| General and administrative                    | 422,283.20            | 12.6                      | 413,325.49            |
| Depreciation- property and ground equipment   | 38,949.74             | 1.2                       | 57,244.12             |
| <b>Total operating expenses</b>               | <b>\$2,770,122.44</b> | <b>82.9</b>               | <b>\$3,095,270.85</b> |
| Net operating income                          | \$ 983,832.96         | 29.4                      | \$ 899,125.48         |
| Non-operating income                          | 20,615.29             | .6                        | 15,598.35             |
| <b>Gross income</b>                           | <b>\$1,004,448.25</b> | <b>30.0</b>               | <b>\$ 914,723.83</b>  |
| Deductions from gross income                  | 82,573.31             | 2.4                       | 104,851.10            |
| <b>Net income before Federal income taxes</b> | <b>\$ 921,874.94</b>  | <b>27.6</b>               | <b>\$ 809,872.73</b>  |
| Provision for Federal income taxes            | 395,000.00            | 11.8                      | 340,000.00            |
| <b>NET PROFIT CARRIED TO SURPLUS</b>          | <b>\$ 526,874.94</b>  | <b>15.8</b>               | <b>\$ 469,872.73</b>  |
| <b>REVENUE MILES FLOWN</b>                    | <b>3,341,996</b>      |                           | <b>3,536,155</b>      |
| <b>REVENUE PASSENGER MILES FLOWN</b>          | <b>53,118,435</b>     |                           | <b>60,108,964</b>     |
| <b>REVENUE PASSENGERS CARRIED</b>             | <b>85,654</b>         |                           | <b>95,720</b>         |

LIABILITIES, CAPITAL STOCK AND SURPLUS

CURRENT LIABILITIES:

|   |                        |
|---|------------------------|
| Accounts payable                                  | \$ 2,230,408.18        |
| Other airline companies- traffic balances payable | 1,749,331.82           |
| Air travel plan subscribers' deposits             | 3,077,149.46           |
| Dividends declared on common stock (see Note #1)  | 1,194,068.00           |
| Accrued salaries and wages                        | 675,474.87             |
| Provision for Federal income taxes                | 4,650,812.84           |
| Other accrued taxes                               | 303,402.67             |
| Other accrued liabilities                         | 877,214.12             |
| Total Current Liabilities                         | <u>\$14,757,861.96</u> |

LIABILITY FOR ADVANCE PAYMENTS ON GOVERNMENT CONTRACT OPERATIONS

3,140.90

UNEARNED TRANSPORTATION REVENUE

154,139.81

RESERVE FOR CONTINGENCIES

409,080.88

RESERVE FOR TRANSITION TO PEACETIME OPERATIONS

1,750,000.00

CAPITAL STOCK

Preferred stock

Authorized - 100,000 shares without par value

Issued and outstanding - 34,425 shares of

\$4.25 Cumulative Convertible Preferred Stock

(preference on liquidation - \$100 per share

plus accrued dividends)

3,511,350.00

Common stock -

Authorized - 1,000,000 shares par value \$10 per share

Issued and outstanding - 597,098- 13/100 shares

5,970,981.30

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) - 49,178- 87/100 shares

SURPLUS:

Paid-in surplus

\$ 3,308,831.20

Earned surplus

Balance at December 31, 1943

\$ 7,411,970.86

Net profit for the eleven months

4,988,435.94

ended November 30, 1944

\$12,400,406.80

Less: Dividends paid or declared

1,353,448.05

11,046,958.75

14,355,789.95

\$40,912,344.80

## AMERICAN AIRLINES, INC. AND CONSOLIDATED SUBSIDIARY

## CONSOLIDATED BALANCE SHEET

AT NOVEMBER 30, 1944

## ASSETS

## CURRENT ASSETS:

|  |                     |                        |
|--|---------------------|------------------------|
| Cash on hand and demand deposits   |                     | \$10,082,039.66        |
| Marketable Securities, at cost (approximately market)-   |                     |                        |
| U.S. Treasury bonds and certificates   | \$10,152,752.50     |                        |
| U.S. Treasury tax notes  | 3,643,000.00        |                        |
| Canadian Government bonds  | <u>136,350.00</u>   | 13,932,102.50          |
| Accounts receivable -  |                     |                        |
| U.S. Government -  |                     |                        |
| For the transportation of air mail   | \$ 1,299,964.35     |                        |
| For services performed at cost under war contracts   | \$ 4,815,613.56     |                        |
| Less: Advance payments received  | <u>1,119,134.72</u> |                        |
|  | \$ 3,696,478.84     |                        |
| - For air travel, etc.   | 1,262,087.17        |                        |
| Air travel plan subscribers  | 893,660.15          |                        |
| Other airline companies and agents - traffic and<br>express balances                           | 1,492,885.69        |                        |
| Other trade accounts   | 498,259.65          |                        |
| Indebtedness of employees  | <u>75,183.87</u>    |                        |
|  | \$ 9,218,519.72     |                        |
| Less: Reserve for doubtful accounts receivable   | <u>150,565.33</u>   | 9,067,954.39           |
| Inventories - parts and supplies (at the lower of cost<br>or market)                           |                     | <u>863,762.05</u>      |
| Total Current Assets   |                     | \$33,945,858.60        |
| ADVANCE IN SPECIAL CONTRACT ADVANCE PAYMENT ACCOUNT  |                     | 3,140.90               |
| INVESTMENTS AND SPECIAL FUNDS:   |                     |                        |
| Investment in wholly-owned subsidiary not consolidated<br>at cost                              | \$ 500,000.00       |                        |
| Escrow deposits to be applied against the purchase price<br>of Douglas DC-4 and DC-6 airplanes | 275,000.00          |                        |
| Miscellaneous investments in connection with operations,<br>at cost                            | 40,809.72           |                        |
| Special cash deposits  | <u>53,540.00</u>    | 869,349.72             |
| FLIGHT EQUIPMENT, AT COST  | \$ 9,215,935.61     |                        |
| Less: Reserve for obsolescence and depreciation  | <u>6,707,942.13</u> | 2,507,993.48           |
| LAND, BUILDINGS AND OTHER EQUIPMENT, AT COST   | \$ 5,298,731.55     |                        |
| Less: Reserve for depreciation   | <u>2,489,867.24</u> | 2,808,864.31           |
| NON-OPERATING PROPERTY AND EQUIPMENT, AT ESTIMATED<br>REALIZABLE VALUE                         |                     | 21,320.00              |
| LONG TERM OPERATING PROPERTY PREPAYMENTS, LESS AMORTIZATION                                    |                     | 515,386.18             |
| DEFERRED CHARGES:  |                     |                        |
| Prepaid rents and insurance  | \$ 61,857.51        |                        |
| Other deferred charges   | <u>178,574.10</u>   | 240,431.61             |
|  |                     | <u>\$40,912,741.80</u> |

1/6/45