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STOCK COMMENT NO. 171 (File: Airlines)

AMERICAN AIRLINES, INCORPORATED (Supplementing Wire Flash No. 384)

Industry-wide growth combines with a strong basic competitive position to produce strong volume gains, while ability to increase net income reflects efficiency in internal control. Net profit in the first 1953 quarter was about double results for the same 1952 period, and was more than double on a per-share basis (\$0.24 per share against \$0.10 per share). Stock carried in Selected Issues under Good Quality: Wider Price Movement category.

Total operating revenues have doubled since 1948 and have quadrupled since 1945. Despite extremely strong industry-wide growth in this period, the company has maintained its competitive position, as is shown in the following table:

TOTAL OPERATING REVENUES

	All Scheduled Domestic Trunk Airlines -----(\$1,000)-----	American	% American of Total
1945	\$214,743	\$ 47,416	22.1%
1946	311,893	68,083	21.8%
1947	352,490	81,731	23.2%
1948	413,353	89,286	21.6%
1949	459,783	103,206	22.4%
1950	524,109	118,685	22.6%
1951	658,521	162,971	24.7%
1952	765,031	187,345	24.6%

American's air fleet is one of the most modern in the industry, and expected delivery of new craft in 1953 and 1954 will substantially increase capacity. At December 31, 1952, the company had 78 Convairs, 66 DC-6, and 14 DC-4 craft, of which 13 were in cargo service. An additional 12 DC-6 craft will have been placed in operation by mid-year 1953, and 25 DC-7 craft will be placed in operation in 1953 and 1954.

As an illustration, the capacity of the 25 DC-7 craft alone is estimated to equal that of the fleet of 78 Convairs now in operation. It is expected that American's competitive position will continue to improve, both in respect to service and to cost; as a result of what will be a strongly-integrated and efficient plant.

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(American Airlines, Inc. - 171)