

AMERICAN AIRLINES, INC. AND CONSOLIDATED SUBSIDIARY

FINANCIAL STATEMENTS

FEBRUARY 29, 1952

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CONSOLIDATED BALANCE SHEETS

AT FEBRUARY 29, 1952 AND JANUARY 31, 1952

<u>ASSETS</u>	<u>Feb. 29, 1952</u>	<u>Jan. 31, 1952</u>
CURRENT ASSETS:		
Cash	\$ 13,064,049	\$ 13,927,944
U. S. Government securities (short term), at cost	20,169,102	21,580,130
Accounts receivable, less reserve	21,826,634	20,836,155
Inventories of materials and supplies, at the lower of cost or market	1,411,094	1,398,608
Prepaid expenses	763,163	613,782
Total current assets	<u>\$ 57,234,044</u>	<u>\$ 58,356,621</u>
INVESTMENTS AND SPECIAL FUNDS, AT COST:		
Funds for equipment additions and replacements		
Deposits with manufacturers	\$ 5,501,735	\$ 5,520,245
U. S. Government securities & short term commercial notes	11,000,000	9,600,000
	<u>\$ 16,501,735</u>	<u>\$ 15,120,245</u>
Investment in & advance to subsidiary not consolidated	900,000	900,000
Special deposits	116,078	117,655
Miscellaneous investments in connection with operations	517,009	515,580
	<u>\$ 18,034,824</u>	<u>\$ 16,653,481</u>
FLIGHT EQUIPMENT, AT COST	<u>\$ 92,535,581</u>	<u>\$ 92,296,522</u>
Less: Reserve for obsolescence and depreciation	38,491,067	37,382,278
	<u>\$ 54,044,513</u>	<u>\$ 54,914,243</u>
LAND, BUILDINGS AND OTHER EQUIPMENT, AT COST	<u>\$ 20,734,363</u>	<u>\$ 20,612,297</u>
Less: Reserve for depreciation	9,830,002	9,711,783
	<u>\$ 10,904,360</u>	<u>\$ 10,900,513</u>
DEFERRED CHARGES:		
Long-term prepayments, less amortization	\$ 2,139,742	\$ 2,147,490
Other deferred charges	194,843	490,865
	<u>\$ 2,634,585</u>	<u>\$ 2,638,355</u>
	<u>\$142,852,329</u>	<u>\$143,463,216</u>

<u>LIABILITIES, CAPITAL STOCK AND SURPLUS</u>	<u>Feb. 29, 1952</u>	<u>Jan. 31, 1952</u>
CURRENT LIABILITIES:		
Accounts payable	\$ 18,084,912	\$ 17,744,591
Dividends declared	-	350,000
Accrued salaries and wages	4,662,619	5,318,878
Accrued Federal taxes on income (less U. S. Government Tax Notes: February- \$15,981,273; January- \$15,976,150)	2,782,565	2,747,688
Other accrued liabilities	2,201,205	2,104,259
Air travel plan subscribers' deposits	6,179,925	6,121,700
Unearned transportation revenue	2,500,781	2,667,131
Total current liabilities	<u>\$ 36,412,008</u>	<u>\$ 37,054,250</u>
3% SINKING FUND DEBENTURES, DUE JUNE 1, 1966 (less debentures repurchased and held in Treasury - \$5,950,000) (Sinking fund requirements, after application of debentures repurchased - \$800,000 on June 1, 1958 and \$1,350,000 annually thereafter)	30,000,000	30,000,000
CAPITAL STOCK:	<u>Number</u>	
	<u>Of Shares</u>	
Preferred stock, par value \$100 per share:		
Authorized	600,000	
Issued and outstanding (3½% cumulative convertible)	400,000	40,000,000
Common stock, par value \$1 per share:		
Authorized	12,000,000	
Issued and outstanding	6,460,085	6,460,085
Reserved:		
For conversion of 3½% cumulative convertible preferred stock	1,904,762	
For options	742,750	
SURPLUS:		
Paid-in		6,237,228
Earned (per accompanying statement - page 1A)		23,743,006
		<u>\$142,852,329</u>
		<u>\$143,463,216</u>

AMERICAN AIRLINES, INC. AND CONSOLIDATED SUBSIDIARY

Page 1A

STATEMENT OF EARNED SURPLUS

AT FEBRUARY 29, 1952

Balance at beginning of year	\$23,637,780
Add: Net profit - year to date	<u>455,226</u>
	\$24,093,006
Deduct: Dividends paid on preferred stock	<u>350,000</u>
	<u>\$23,743,006</u>

3/18/52

COMPARATIVE STATEMENT OF PROFIT AND LOSS

FOR THE MONTHS OF FEBRUARY 1952 AND FEBRUARY 1951

AND THE TWO MONTHS ENDED FEBRUARY 29, 1952 AND FEBRUARY 28, 1951

	Cents Per Rev. Ton Mile		Cents Per Rev. Ton Mile		Cents Per Rev. Ton Mile		Cents Per Rev. Ton Mile	
	Feb. 1952	Feb. 1951	Feb. 29, 1952	Feb. 28, 1951	Feb. 29, 1952	Feb. 28, 1951	Feb. 29, 1952	Feb. 28, 1951
OPERATING REVENUE:								
Passenger	\$10,016,213	55.7	\$ 8,511,385	56.9	\$21,392,840	56.0	\$18,031,556	56.9
Mail	638,877	46.2	650,557	56.7	1,327,316	46.0	1,302,087	58.0
Express	314,085	43.5	306,044	35.3	626,367	40.3	599,549	35.7
Freight	692,420	20.4	609,609	19.0	1,380,449	20.6	1,195,788	19.5
Excess baggage	119,951	54.6	103,499	56.2	247,135	56.6	213,730	56.2
Charter and special- passenger	57,454	28.9	734	28.3	122,087	30.1	45,889	35.3
Incidental revenue	130,486	-	109,387	-	283,821	-	249,683	-
Total Operating Revenue	\$11,969,486	50.1	\$10,331,275	50.6	\$25,380,015	50.6	\$21,638,282	51.2
OPERATING EXPENSES:								
Flying operations	\$ 3,128,140	13.1	\$ 2,308,876	11.3	\$ 6,564,517	13.1	\$ 4,556,035	10.8
Flight equipment maintenance- direct	1,687,461	7.1	956,999	4.7	3,571,440	7.1	1,993,662	4.7
Depreciation- flight equipment	1,084,370	4.5	786,028	3.8	2,158,378	4.3	1,581,131	3.8
Total Flying Expenses	\$ 5,899,971	24.7	\$ 4,051,903	19.8	\$12,294,335	24.5	\$ 8,130,828	19.3
Ground operations	\$ 1,828,779	7.7	\$ 1,265,305	6.2	\$ 3,659,751	7.3	\$ 2,589,833	6.1
Ground and indirect maintenance	978,522	4.1	693,013	3.4	1,893,284	3.8	1,369,539	3.3
Passenger service	761,742	3.2	591,259	2.9	1,530,845	3.1	1,199,215	2.8
Traffic and sales	1,148,793	4.8	882,839	4.2	2,316,378	4.6	1,747,300	4.1
Advertising and publicity	250,141	1.1	230,721	1.1	618,454	1.2	554,267	1.3
Social security taxes, retirement benefit plan, etc.	345,936	1.4	238,869	1.2	720,307	1.4	455,278	1.1
General and administrative	552,952	2.3	421,939	2.1	1,102,675	2.2	842,198	2.0
Depreciation- ground property and equipment	126,654	.5	123,874	.6	250,800	.5	253,847	.6
Total Ground Expenses	\$ 5,973,519	25.1	\$ 4,423,824	21.7	\$12,092,494	24.1	\$ 9,011,477	21.3
Total Operating Expenses	\$11,873,490	49.8	\$ 8,475,727	41.5	\$24,386,829	48.6	\$17,142,305	40.6
Net Operating Income	\$ 75,996	.3	\$ 1,855,548	9.1	\$ 993,186	2.0	\$ 4,495,977	10.6
Income Deductions (net):								
Interest expense	\$ 75,000	.3	\$ 75,000	.4	\$ 150,000	.3	\$ 150,010	.3
Other - net	70,359	.3	86,206	.4	172,041	.3	146,835	.3
Total Income Deductions (net)	\$ 4,641	-	\$ 11,206	-	\$ 22,041	-	\$ 3,175	-
Income before Federal taxes	\$ 71,355	.3	\$ 1,866,754	9.1	\$ 1,015,227	2.0	\$ 4,492,802	10.6
Provision for Federal taxes on income	40,000	.2	1,200,000	5.9	560,000	1.1	2,830,000	6.7
NET PROFIT CARRIED TO SURPLUS	\$ 31,355	.1	\$ 666,754	3.2	\$ 455,227	.9	\$ 1,662,802	3.9
OPERATING EXPENSES PER AVAILABLE TON MILE								
REVENUE TON MILES FLOWN	31.1	30.3	30.8	29.0				
PERCENT WEIGHT LOAD FACTOR	23,880,842	20,428,162	50,138,034	42,233,254				
REVENUE PASSENGERS CARRIED	61.9	73.0	62.8	71.2				
REVENUE PASSENGER MILES FLOWN	322,358	298,739	676,420	624,153				
PERCENT PASSENGER LOAD FACTOR	183,934,835	154,243,476	390,887,336	325,506,238				
PERCENT OPERATING FACTOR	64.3	73.6	66.0	72.7				
	95.7	95.8	95.4	96.6				

NOTE: 1951 Federal taxes restated to give effect to the rates enacted in the Revenue Act of 1951.

COMPARATIVE STATEMENT OF PROFIT AND LOSS ON ROUTE FAM 26

FORT WORTH-DALLAS-MEXICO CITY-EL PASO-MEXICO CITY

FOR THE MONTHS OF JANUARY 1952 AND JANUARY 1951

	Division of Expenses		Jan. 1952	Jan. 1951
	Expenses Incurred in Mexico	Direct Charge Supervision & Allocation of Joint Expense		
OPERATING REVENUES:				
Passenger			\$404,222	\$375,306
Mail - U. S. Government			12,020	9,715
Mail - Foreign			9,995	6,584
Express			149	352
Freight			29,791	25,797
Excess baggage			6,397	5,754
Incidental revenue- Mexican handling, val.chgs, delivery			2,222	6,459
Incidental revenue- other			6,621	6,567
Total Operating Revenue			<u>\$471,420</u>	<u>\$436,536</u>
OPERATING EXPENSES:				
Flying operations	\$ 42,014	\$ 75,824	\$117,839	\$104,462
Flight equipment maintenance- direct	-	61,522	61,522	42,006
Depreciation- flight equipment	-	38,807	38,807	29,543
Total Flying Expenses	<u>\$ 42,014</u>	<u>\$176,154</u>	<u>\$218,168</u>	<u>\$176,011</u>
Ground operations	\$ 25,579	\$ 27,731	\$ 53,310	\$ 42,643
Ground and indirect maintenance	11,987	13,747	25,735	23,840
Passenger service	8,215	26,124	34,339	26,844
Traffic and sales	10,194	35,691	45,886	37,943
Advertising and publicity	4,728	2,155	6,884	6,205
General and administrative	19,659	12,090	31,749	25,311
Depreciation- ground property and equipment	6,936	962	7,898	10,568
Total Ground Expenses	<u>\$ 87,300</u>	<u>\$118,504</u>	<u>\$205,804</u>	<u>\$173,359</u>
Total Operating Expenses	<u>\$129,314</u>	<u>\$294,658</u>	<u>\$423,973</u>	<u>\$349,371</u>
Net Operating Income			<u>\$ 47,447</u>	<u>\$ 87,165</u>
Non-Operating Income or Expense				
Profit or Loss on Sale of Equipment			\$ -	\$ -
Foreign exchange Profit or loss			254	47
Other deductions			-	1,683
Total Deductions			<u>\$ 254</u>	<u>\$ 1,731</u>
Net Profit before Taxes			<u>\$ 47,192</u>	<u>\$ 88,897</u>
OPERATING EXPENSES PER AVAILABLE TON MILE				
REVENUE TON MILES FLOWN			24.7	22.0
PERCENT WEIGHT LOAD FACTOR			1,047,967	930,326
REVENUE PASSENGERS CARRIED			61.0	56.6
REVENUE PASSENGER MILES FLOWN			10,268	9,560
PERCENT PASSENGER LOAD FACTOR			8,199,000	7,402,491
PERCENT OPERATING FACTOR			66.1	59.7
			98.9	99.8

3/17/52

Statement of Capital Expenditures which have been authorized by management since the last meeting of the Board of Directors on February 20, 1952 and which are herewith reported to the Directors.

<u>Description</u>	<u>Amount Authorized</u>
72 Authorizations less than \$10,000 each	<u>\$71,768</u>

AMERICAN AIRLINES DE MEXICO, S.A.

6 Authorizations	<u>\$ 941</u>
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3/17/52

PASSENGER, MAIL, EXPRESS AND AIRFREIGHT STATISTICS

For the months of February 1952, January 1952 and February 1951 and the Two months ended February 29, 1952 and February 28, 1951

	Feb. 1952	Jan. 1952	Feb. 1951	Two Months Ended Feb. 29, 1952	Two Months Ended Feb. 28, 1951
Revenue Miles Flown					
DC-6 Standard	2,524,999	2,599,265	2,669,227	5,124,264	5,645,362
DC-6 B	986,702	1,176,757	-	2,163,459	-
DC-6 Coach	298,344	308,074	143,109	606,418	315,029
Convair	2,484,973	2,629,196	1,886,337	5,114,169	4,035,847
DC-4 AF	183,431	244,112	214,683	427,543	419,891
DC-4 Psgr.- Coach	1,245	3,988	-	5,233	-
DC-4 Psgr.- Charter	38,105	41,426	-	79,531	-
Total Revenue Miles	6,517,799	7,002,818	4,913,356	13,520,617	10,416,129
Total Miles Flown	6,710,975	7,102,084	5,035,576	13,813,059	10,599,349
Rev. Psgrs. Carried (sched)	322,358	354,062	298,739	676,420	623,153
Rev. Psgr. Miles					
DC-6 Standard	81,824,495	91,031,591	98,415,113	172,856,086	206,481,814
DC-6 B	33,432,738	42,604,837	-	76,037,575	-
DC-6 Coach	18,000,521	17,727,364	7,871,159	35,727,885	17,753,327
Convair	50,655,916	55,405,431	47,957,204	106,061,347	101,271,097
DC-4 Coach	21,165	183,278	-	204,443	-
DC-4 Charter	1,785,744	1,915,049	-	3,700,793	-
Total	185,720,579	208,867,550	154,243,476	394,588,129	325,506,238
Seat Miles Operated					
DC-6 Standard	126,582,232	131,255,970	133,377,336	257,838,202	281,934,850
DC-6 B	50,281,598	60,125,100	-	110,406,698	-
DC-6 Coach	19,945,908	20,816,435	9,368,932	40,762,343	21,039,582
Convair	89,002,522	93,509,125	66,718,715	182,511,647	144,570,344
DC-4 Coach	80,925	258,360	-	339,285	-
Total	285,893,185	305,964,990	209,464,983	591,858,175	447,544,776
Psgr. Load Factor					
DC-6 Standard	64.6	69.4	73.8	67.0	73.2
DC-6 B	66.5	70.9	-	66.7	-
DC-6 Coach	90.2	85.2	84.0	87.6	84.4
Convair	56.9	59.3	71.9	58.1	70.0
DC-4 Coach	26.2	70.9	-	60.3	-
System	64.3	67.6	73.6	66.8	72.7
Ton Miles Flown					
Mail	1,383,654	1,502,591	1,164,846	2,886,245	2,245,532
Express	722,183	831,716	866,920	1,553,899	1,680,171
Freight	3,395,354	3,296,153	3,207,918	6,691,507	6,130,193
Payload Rev. Avg. Load Carried per mile (lbs.)	7.310	7.519	8.316	7.418	8.105
Weight Load Factor	61.9	63.7	73.0	62.8	71.2
Operating Factor	95.7	95.1	95.8	95.4	96.6
Daily Utilization	Air Borne R.R.	Air Borne R.R.	Air Borne R.R.	Air Borne R.R.	Air Borne R.R.
DC-6 Standard	9:37 9:53	9:13 9:33	8:43 9:35	9:01 9:38	9:15 10:01
DC-6 B	9:04 9:10	9:39 10:36	- -	9:22 9:54	- -
Convair	5:56 7:10	5:46 7:10	4:36 5:43	5:51 7:10	4:53 5:43
DC-4 AF	5:36 6:17	5:06 5:52	5:53 6:40	5:21 6:04	5:29 6:12
DC-4 Psgr.	7:27 7:41	7:44 8:27	- -	7:36 8:05	- -

Statement of Flight Equipment
Including Spare Engines, Propellers, Radio and Spares

AT FEBRUARY 29, 1952

<u>Type</u>	<u>Number</u>		<u>Cost</u>	<u>Reserve</u>	<u>Net Book Value</u>
1) DC-6	43	Passenger	\$28,350,393	\$15,059,536	\$13,290,857
		Average Value	659,311	350,222	309,089
1) DC-6	6	Coaches	\$ 4,186,285	\$ 2,201,248	\$ 1,985,037
		Average Value	697,714	366,875	330,839
1) DC-6B	17	Passenger	\$17,139,754	\$ 1,889,992	\$15,249,762
		Average Value	1,008,221	111,176	897,045
1) Convair	78	Passenger	\$22,321,995	\$ 8,235,082	\$14,086,913
		Average Value	286,179	105,578	180,601
2) DC-4	13	Airfreighters	\$ 5,607,275	\$ 5,263,533	\$ 343,742
		Average Value	431,329	404,887	26,442
2) DC-4	1	Aircoach	\$ 656,895	\$ 119,694	\$ 537,201
DC-6 and Convair		Spare engines	\$ 1,233,249	\$ 545,040	\$ 688,209
DC-6, DC-6B & Convair		Spare propellers	\$ 274,184	\$ 45,276	\$ 228,908
DC-6B		Spare engines	\$ 709,500	\$ 66,771	\$ 642,729
Repair parts and assemblies			\$11,424,297	\$ 5,041,813	\$ 6,382,484
Construction work in progress- flight			\$ 631,754	\$ 23,083	\$ 608,671
Total Flight Equipment			<u>\$92,535,581</u>	<u>\$38,491,068</u>	<u>\$54,044,513</u>

Bases of Depreciation:

- DC-6 Passenger - 7 years - 10% Residual Value
- DC-6 Coaches - 7 years - 10% Residual Value
- DC-6B Passenger - 5 years - 10% Residual Value
- Convair Passenger (73) - 7 years - 10% Residual Value
- Convair Passenger (5) - 5 years - 10% Residual Value
- DC-4 Airfreighters - 5 years - \$26,000 Residual Value
- DC-4 Aircoach - Depreciated to 12/31/52 - \$26,000 Residual Value

1) Complete airplane, exclusive of spare engines and spare propellers

2) Includes spare engines and spare propellers