

AMR CORP  
Form 424B3  
June 12, 2013  
Table of Contents

Filed Pursuant to Rule 424(b)(3)  
File No. 333-187933

**MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT**

To Our Stockholders:

On behalf of the board of directors of US Airways Group, Inc., we invite you to attend the 2013 annual meeting of stockholders to be held at the offices of Latham & Watkins LLP, located at 885 Third Avenue, New York, New York 10022, on Friday, July 12, 2013 at 9:00 a.m., local time.

As previously announced, the board of directors of US Airways Group has unanimously approved the merger of US Airways Group with AMR Merger Sub, Inc., a wholly-owned subsidiary of AMR Corporation, pursuant to the terms and conditions of that certain Agreement and Plan of Merger, dated as of February 13, 2013, as amended, by and among AMR, US Airways Group, and AMR Merger Sub. The merger will create a premier global airline that our board believes will have the scale, breadth, and capabilities to compete more effectively and profitably in the global marketplace. AMR, as reorganized following emergence from its Chapter 11 proceedings currently pending in the U.S. Bankruptcy Court for the Southern District of New York, will be the ultimate parent of the combined airline and will be renamed American Airlines Group Inc., or AAG. The combined airline will present a single brand name to consumers American Airline®.

The merger cannot be completed unless US Airways Group stockholders vote in favor of the adoption of the merger agreement. The obligations of US Airways Group and AMR to complete the merger are also subject to the satisfaction or waiver of other conditions, including clearance from regulatory agencies. The merger is to be effected pursuant to a plan of reorganization of AMR and certain of its subsidiaries in connection with their Chapter 11 proceedings. The plan of reorganization is subject to confirmation and consummation in accordance with the requirements of the Bankruptcy Code.

If the merger is completed, holders of US Airways Group common stock will receive one share of newly issued common stock of AAG for each share of US Airways Group common stock they own, subject to the terms and conditions of the merger agreement. The aggregate number of shares of AAG common stock issuable to holders of US Airways Group equity instruments (including stockholders, holders of convertible notes, optionees, and holders of restricted stock units) will represent 28% of the diluted equity ownership of AAG. The remaining 72% diluted equity ownership in AAG will be distributable, pursuant to the plan of reorganization, to stakeholders, labor unions, and certain employees of AMR and its debtor subsidiaries.

US Airways Group common stock currently trades on the NYSE under the symbol LCC. It is a condition to the completion of the merger that the shares of AAG common stock to be issued to US Airways Group equity holders pursuant to the merger be authorized for listing on the NYSE or NASDAQ.

We intend for the merger to qualify as a reorganization for U.S. federal income tax purposes, and the completion of the merger is conditioned on the receipt by each of US Airways Group and AMR of an opinion from its outside counsel to the effect that the merger will qualify as such a reorganization. Assuming the merger qualifies as a reorganization, US Airways Group stockholders generally will not recognize any gain or loss for U.S. federal income tax purposes upon the exchange of shares of US Airways Group common stock for shares of newly issued common stock of AAG in connection with the merger.

The board of directors of US Airways Group has determined that the merger agreement and the merger are advisable and in the best interests of US Airways Group and its stockholders and has unanimously approved the merger agreement and the merger.

We are asking you to vote to adopt the merger agreement at the 2013 annual meeting of stockholders. At the 2013 annual meeting of stockholders, you will also be asked to vote on the election of US Airways Group directors and other matters.

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**Table of Contents**

The accompanying proxy statement/prospectus is the proxy statement of US Airways Group for the 2013 annual meeting of stockholders and also the prospectus of AMR for the common stock of AAG that will be issued to US Airways Group equity holders in connection with the merger. More information about US Airways Group, AMR, AAG, the merger agreement, the merger, the plan of reorganization, the business to be conducted at the meeting, and the procedures to be followed at the meeting is contained in the accompanying proxy statement/prospectus. **We encourage you to read the accompanying proxy statement/prospectus carefully before voting, including the section entitled Risk Factors beginning on page 44.**

The board of directors of US Airways Group unanimously recommends that US Airways Group's stockholders vote **FOR** the proposal to adopt the merger agreement, **FOR** the proposal to approve, on a non-binding, advisory basis, the merger-related compensation of US Airways Group's named executive officers as disclosed in the attached proxy statement/prospectus, **FOR** the adjournment of the 2013 annual meeting of stockholders, if necessary, to solicit additional proxies in favor of the proposal to adopt the merger agreement if there are not sufficient votes at the time of such adjournment to adopt the merger agreement, and **FOR** each of the other proposals described in the accompanying proxy statement/prospectus.

We cannot complete the merger unless the stockholders of US Airways Group vote to adopt the merger agreement. Your vote is very important, regardless of the number of shares you own. Whether or not you plan to attend the 2013 annual meeting of stockholders in person, we request that you complete, date, sign, and return the enclosed proxy card (if you received US Airways Group's proxy materials by mail), or, if your proxy card includes instructions for using these methods, vote by telephone or over the Internet as directed by the instructions provided on your proxy card. Of course, returning your proxy does not prevent you from attending the 2013 annual meeting of stockholders and voting your shares in person. If you choose to attend the 2013 annual meeting of stockholders in person, you may revoke your proxy and cast your vote at the meeting.

If you plan to attend the 2013 annual meeting of stockholders in person, are a stockholder of record and received US Airways Group's proxy materials by mail, please mark your proxy card in the space provided for that purpose. An admission ticket is included with the proxy card for each stockholder of record. If your shares are not registered in your own name but rather held in street name and you would like to attend the 2013 annual meeting of stockholders in person, please ask the broker, bank, or other nominee that holds the shares to provide you with evidence of your share ownership. Please be sure to bring the admission ticket or evidence of your share ownership to the meeting.

Sincerely,

W. Douglas Parker

Chairman of the Board and

Chief Executive Officer

*The accompanying proxy statement/prospectus is dated June 10, 2013, and is first being mailed to stockholders of US Airways Group on or about June 11, 2013.*

**Table of Contents**

**US AIRWAYS GROUP, INC.**

**111 WEST RIO SALADO PARKWAY**

**TEMPE, ARIZONA 85281**

**NOTICE OF 2013 ANNUAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON FRIDAY, JULY 12, 2013**

June 10, 2013

NOTICE IS HEREBY GIVEN that the 2013 annual meeting of stockholders of US Airways Group, Inc., a Delaware corporation ( "US Airways Group" ), will be held at the offices of Latham & Watkins LLP, located at 885 Third Avenue, New York, New York 10022, on Friday, July 12, 2013 at 9:00 a.m., local time, for the purposes of considering and acting upon:

a proposal to adopt the Agreement and Plan of Merger, as amended (the "Merger Agreement" ), dated as of February 13, 2013, by and among US Airways Group, AMR Corporation ( "AMR" ), and AMR Merger Sub, Inc., a wholly-owned subsidiary of AMR ( "AMR Merger Sub" );

a proposal to consider and approve, on a non-binding, advisory basis, the merger-related compensation of US Airways Group's named executive officers as disclosed in the attached proxy statement/prospectus;

a proposal to approve the adjournment of the 2013 annual meeting of stockholders, if necessary, to solicit additional proxies in favor of the proposal to adopt the Merger Agreement if there are not sufficient votes at the time of such adjournment to adopt the Merger Agreement;

a proposal to elect two directors in Class II to the board of directors of US Airways Group to serve until the 2016 annual meeting of stockholders of US Airways Group and until their respective successors have been duly elected and qualified;

a proposal to ratify the appointment of KPMG LLP as the independent registered public accounting firm of US Airways Group for the fiscal year ending December 31, 2013;

a proposal to consider and approve, on a non-binding, advisory basis, the compensation of US Airways Group's named executive officers as disclosed in the attached proxy statement/prospectus; and

such other business as properly may come before the 2013 annual meeting of stockholders or any adjournments or postponement thereof the board of directors of US Airways Group is not aware of any other business to be presented to a vote of the stockholders at the 2013 annual meeting of stockholders.

Information relating to the above matters is set forth in the attached proxy statement/prospectus, which is incorporated into this notice by reference. The board of directors of US Airways Group has fixed the close of business on May 30, 2013 as the record date for determination of US Airways Group stockholders entitled to receive notice of, and to vote at, the 2013 annual meeting of stockholders or any adjournments or postponement thereof. A list of the names of US Airways Group stockholders of record will be available for ten days prior to the 2013 annual meeting of stockholders for any purpose germane to the 2013 annual meeting of stockholders between the hours of 9:00 a.m. and 5:00 p.m., local time, at US Airways Group's headquarters, 111 West Rio Salado Parkway, Tempe, Arizona 85281. The US Airways Group stockholder list will also be available at the 2013 annual meeting of stockholders for examination by any stockholder present at the 2013 annual meeting of

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stockholders.

If you do not expect to attend the 2013 annual meeting of stockholders in person, you are requested to vote by submitting a proxy for your shares using the toll-free number or the website provided on your proxy card, if your proxy card includes instructions for using these quick, cost-effective, and easy methods for submitting proxies or if you received US Airways Group's proxy materials by mail, completing, signing, and dating the enclosed proxy card and returning it without delay in the enclosed envelope, which requires no postage stamp if mailed in the U.S.

**Table of Contents**

Voting by phone, Internet, or mail will not prevent you from later revoking your proxy and voting in person at the 2013 annual meeting of stockholders. If you want to vote at the 2013 annual meeting of stockholders, but your shares are held in street name by a broker, bank, or other nominee, you will need to obtain proof of ownership as of May 30, 2013 and a proxy to vote the shares from your broker, bank, or other nominee.

By Order of the Board of Directors of US Airways Group,

Caroline B. Ray

Corporate Secretary

Tempe, Arizona

June 10, 2013

The accompanying proxy statement/prospectus provides a detailed description of the Merger Agreement, the merger, and the other matters to be considered at the 2013 annual meeting of stockholders. We urge you to read the accompanying proxy statement/prospectus, including any documents incorporated by reference into the accompanying proxy statement/prospectus, and its annexes carefully and in their entirety, including the section entitled "Risk Factors" beginning on page 44. If you have any questions concerning the Merger Agreement, the other proposals, or the accompanying proxy statement/prospectus, would like additional copies of the accompanying proxy statement/prospectus, or need help voting your shares, please contact US Airways Group's proxy solicitor:

**MacKenzie Partners, Inc.**

105 Madison Avenue

New York, NY 10016

(800) 322-2885

**Important notice regarding the Internet availability of proxy materials for the 2013 annual meeting of stockholders to be held on July 12, 2013:** This notice of 2013 annual meeting of stockholders, the accompanying proxy statement/prospectus, and US Airways Group's Annual Report on Form 10-K for the fiscal year ended December 31, 2012 are available at [www.proxyvote.com](http://www.proxyvote.com).

**PLEASE READ THE ACCOMPANYING PROXY STATEMENT/PROSPECTUS CAREFULLY AND THEN PROMPTLY INDICATE YOUR VOTING INSTRUCTIONS BY: (i) SUBMITTING A PROXY FOR YOUR SHARES BY USING THE TOLL-FREE NUMBER OR WEBSITE INDICATED ON YOUR PROXY CARD, IF YOUR PROXY CARD INCLUDES INSTRUCTIONS FOR USING THESE METHODS, OR (ii) SUBMITTING A PROXY IN WRITING BY FILLING OUT, SIGNING, AND DATING YOUR PROXY CARD AND MAILING IT IN THE PREPAID ENVELOPE INCLUDED IN THESE PROXY MATERIALS.**

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**Table of Contents**

**ABOUT THIS PROXY STATEMENT/PROSPECTUS**

***Glossary of Terms***

For the convenience of the reader, certain capitalized terms used in this proxy statement/prospectus have been consolidated into a Glossary beginning on page 35.

***General Content of this Proxy Statement/Prospectus***

This proxy statement/prospectus is for the principal purpose of soliciting the approval of the stockholders of US Airways Group of the adoption of the Agreement and Plan of Merger, dated as of February 13, 2013, by and among AMR, AMR Merger Sub, and US Airways Group, as amended by the Amendment to Agreement and Plan of Merger (the *Amendment* ), dated as of May 15, 2013, by and among AMR, AMR Merger Sub, and US Airways Group and the Second Amendment to Agreement and Plan of Merger (the *Second Amendment* ), dated as of June 7, 2013, by and among AMR, AMR Merger Sub, and US Airways Group (as amended, the *Merger Agreement* ). However, because US Airways Group would ordinarily hold its annual meeting of stockholders in mid-June, in order to avoid the expense and inconvenience of holding two stockholders meetings in a short period of time, a single stockholders meeting will be held to act on the matters customarily placed before stockholders at the annual meeting as well as the matters to be placed before stockholders in connection with the adoption of the Merger Agreement and the approval of certain related items. Accordingly, this proxy statement/prospectus includes information related to all such matters.

***Registration Statement, Prospectus, and Proxy Statement under the Federal Securities Laws***

This proxy statement/prospectus, which forms part of a registration statement on Form S-4 filed with the U.S. Securities and Exchange Commission (the *SEC* ) by AMR, constitutes a prospectus of AMR under Section 5 of the Securities Act of 1933, as amended (the *Securities Act* ), with respect to the shares of AMR, which will be subsequently renamed American Airlines Group Inc. ( *AAG* ), to be issued to US Airways Group equity holders in connection with the merger of AMR Merger Sub with and into US Airways Group, with US Airways Group continuing as the surviving entity in such merger as a direct wholly-owned subsidiary of AMR pursuant to the Merger Agreement (the *Merger* ). This proxy statement/prospectus also constitutes a proxy statement under Section 14(a) of the Securities and Exchange Act of 1934, as amended (the *Exchange Act* ), and a notice of meeting with respect to the 2013 annual meeting of stockholders of US Airways Group (the *2013 Annual Meeting of Stockholders* ) to consider and vote upon the proposal to adopt the Merger Agreement and the other matters specified herein.

**This proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation. Information contained in this proxy statement/prospectus regarding US Airways Group and its subsidiaries has been provided by US Airways Group, information contained in this proxy statement/prospectus regarding AMR and its subsidiaries has been provided by AMR, and information contained in this proxy statement/prospectus regarding AAG has been provided by both US Airways Group and AMR.**

**Neither the SEC nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this proxy statement/prospectus. Any representation to the contrary is a criminal offense.**

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**Table of Contents**

**THIS PROXY STATEMENT/PROSPECTUS INCORPORATES ADDITIONAL INFORMATION**

This proxy statement/prospectus incorporates by reference important business and financial information about US Airways Group from documents that are not included in or delivered with this proxy statement/prospectus. This information is available to you without charge upon request. For a more detailed description of the information incorporated by reference into this proxy statement/prospectus and how you may obtain it, see the section entitled "Additional Information" beginning on page 347.

You can obtain any of the documents of US Airways Group incorporated by reference into this proxy statement/prospectus from the SEC through the SEC's website at [www.sec.gov](http://www.sec.gov). Documents of US Airways Group that are incorporated by reference are also available from US Airways Group without charge, excluding any exhibits to those documents that are not specifically incorporated by reference as an exhibit in this proxy statement/prospectus. US Airways Group stockholders may request a copy of those documents in writing or by telephone by contacting:

**US Airways Group, Inc.**

111 West Rio Salado Parkway

Tempe, Arizona 85281

Telephone number: (480) 693-0800

Attn: Investor Relations

or

**MacKenzie Partners, Inc.**

105 Madison Avenue

New York, New York 10016

Telephone number: (800) 322-2885

**In order for you to receive timely delivery of the documents in advance of the 2013 Annual Meeting of Stockholders, US Airways Group or MacKenzie should receive your request no later than July 9, 2013.**

AMR is not currently eligible under the SEC's rules to avail itself of the ability to incorporate by reference documents into this proxy statement/prospectus. Accordingly, much of the information that US Airways Group has incorporated by reference, such as the description of its business, management's discussion and analysis of financial condition and results of operations, and its consolidated financial statements, is, with respect to AMR, fully set forth in this proxy statement/prospectus, principally in Part III beginning on page 206, the AMR 2012 consolidated financial statements beginning on page F-31, and the AMR unaudited interim condensed consolidated financial statements for the three months ended March 31, 2013 beginning on page F-2.

Investors may also consult US Airways Group's or AMR's respective websites for more information concerning the Merger. AMR's website is [www.aa.com](http://www.aa.com). US Airways Group's website is [www.usairways.com](http://www.usairways.com). Information included on AMR's website and on US Airways Group's website is not incorporated by reference into this proxy statement/prospectus. In addition, for information regarding the voluntary cases commenced by AMR and certain of its direct and indirect subsidiaries under chapter 11 of the Bankruptcy Code (the "Chapter 11 Cases"), investors may access filings made in those proceedings, including the Plan and Disclosure Statement filed by AMR and certain of its direct and indirect subsidiaries that filed the Chapter 11 Cases (the "Debtors"), at [www.amrcaseinfo.com](http://www.amrcaseinfo.com). Information on the website identified in the preceding sentence is not incorporated by reference into this proxy statement/prospectus. As used herein, "Plan" means the plan of reorganization proposed by the Debtors under chapter 11 of the Bankruptcy Code and "Disclosure Statement" means a disclosure statement filed by the Debtors under Section 1125 of the Bankruptcy Code. As used herein, "Bankruptcy Code" means title 11 of the U.S. Code.

**Table of Contents**

**TABLE OF CONTENTS**

	Page
<b><u>PART I SUMMARY AND GENERAL INFORMATION</u></b>	
<b><u>QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE US AIRWAYS GROUP 2013 ANNUAL MEETING OF STOCKHOLDERS</u></b>	1
<b><u>SUMMARY</u></b>	12
<b><u>The Companies</u></b>	12
<b><u>The Merger</u></b>	13
<b><u>Effectiveness of the Merger Agreement</u></b>	14
<b><u>Termination of the Merger Agreement</u></b>	14
<b><u>The Combined Company after the Merger</u></b>	15
<b><u>Board of Directors and Management of AAG after the Merger</u></b>	16
<b><u>Recommendation of US Airways Group's Board of Directors</u></b>	18
<b><u>US Airways Group Stockholders Entitled to Vote</u></b>	18
<b><u>Vote Required</u></b>	18
<b><u>Voting by US Airways Group Directors and Executive Officers</u></b>	18
<b><u>Opinion of US Airways Group's Financial Adviser</u></b>	19
<b><u>Interests of US Airways Group's Directors and Executive Officers in the Merger</u></b>	19
<b><u>Treatment of US Airways Group Equity Awards</u></b>	19
<b><u>Listing of AAG Common Stock and Delisting of US Airways Group Common Stock</u></b>	20
<b><u>No Dissenters' Rights</u></b>	20
<b><u>Comparison of Stockholder Rights and Corporate Governance Matters</u></b>	20
<b><u>The Plan of Reorganization</u></b>	20
<b><u>Regulatory Approvals Required for the Merger</u></b>	21
<b><u>Conditions to the Merger</u></b>	21
<b><u>Expected Timing of the Merger</u></b>	24
<b><u>Non-Solicitation of Acquisition Proposals</u></b>	24
<b><u>Termination Fees and Expenses</u></b>	24
<b><u>Material U.S. Federal Income Tax Consequences of the Merger</u></b>	24
<b><u>Accounting Treatment</u></b>	25
<b><u>Risk Factors</u></b>	25
<b><u>Comparative Per Share Market Price Data</u></b>	25
<b><u>Selected Consolidated Financial Data</u></b>	27
<b><u>Supplementary Financial Data</u></b>	32
<b><u>Selected Unaudited Pro Forma Condensed Combined Financial Data of AMR and US Airways Group</u></b>	33
<b><u>GLOSSARY</u></b>	35
<b><u>RISK FACTORS</u></b>	44
<b><u>Risk Factors Relating to the Merger</u></b>	44



**Table of Contents**

	Page
<u>Common Stock Risks</u>	49
<u>Liquidity Risks</u>	52
<u>Business Risks</u>	54
<u>CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS</u>	66
<u>THE US AIRWAYS GROUP ANNUAL MEETING</u>	68
<u>Purpose, Place, Date, and Time</u>	68
<u>Record Date; Outstanding Shares; Stockholders Entitled to Vote</u>	68
<u>Quorum; Broker Non-Votes</u>	68
<u>Vote Required for Proposal 1: The Merger</u>	69
<u>Vote Required for Proposal 2: Non-Binding Advisory Vote on the Merger-Related Compensation for Named Executive Officers</u>	69
<u>Vote Required for Proposal 3: Adjournment If Votes Are Insufficient to Adopt the Merger Agreement</u>	69
<u>Vote Required for Proposal 4: Election of Directors</u>	70
<u>Vote Required for Proposal 5: Ratification of Appointment of Independent Registered Public Accounting Firm</u>	71
<u>Vote Required for Proposal 6: Non-Binding Advisory Vote to Approve the Compensation of Named Executive Officers</u>	71
<u>Voting of Proxies</u>	71
<u>Revocation of Proxies</u>	72
<u>Solicitation of Proxies</u>	73
<u>Inspector of Election</u>	73
<u>Electronic Delivery of Proxy Materials</u>	73
<u>Householding of Proxy Materials</u>	73
<u>Voting by US Airways Group Directors and Executive Officers</u>	74
<u>Special Assistance with Attendance at the 2013 Annual Meeting of Stockholders</u>	74
<u>Recommendation of US Airways Group's Board of Directors</u>	74
<b><u>PART II THE MERGER AND THE COMBINED COMPANY</u></b>	
<u>PROPOSAL 1: THE MERGER</u>	75
<u>THE MERGER</u>	76
<u>General</u>	76
<u>Background of the Merger</u>	76
<u>Recommendation of US Airways Group's Board of Directors with Respect to the Merger Agreement and Its Reasons for the Merger</u>	87
<u>AMR's Board of Directors' Reasons for the Merger</u>	91
<u>Opinion of US Airways Group's Financial Adviser</u>	93
<u>General Information regarding Forecasts and Expected Synergies</u>	100
<u>Regulatory Approvals Required for the Merger</u>	105
<u>Material U.S. Federal Income Tax Consequences</u>	106
<u>Accounting Treatment</u>	108

**Table of Contents**

	Page
<u>Listing of AAG Common Stock and Delisting of US Airways Group Common Stock</u>	109
<u>No Dissenters' Rights</u>	109
<u>Restrictions on Sales of Shares of AAG Common Stock Received by Affiliates in the Merger</u>	109
<u>Interests of US Airways Group's Directors and Executive Officers in the Merger</u>	110
<u>Treatment of US Airways Group Equity Awards</u>	113
<u>Treatment of AMR Equity Awards</u>	114
<u>New AAG Compensation Plan and Certain Equity Awards</u>	114
<u>Horton Letter Agreement</u>	115
<u>Exchange of Shares</u>	115
<u>Litigation Related to the Merger</u>	115
<b><u>THE MERGER AGREEMENT</u></b>	117
<u>Structure of the Merger</u>	117
<u>Effectiveness of the Merger Agreement</u>	117
<u>Closing and Effective Time of the Merger</u>	117
<u>Post-Merger Governing Documents, Directors and Officers, Corporate Name, and Headquarters</u>	117
<u>The Merger Consideration and the Plan Shares</u>	119
<u>Representations and Warranties</u>	121
<u>Conduct of Business pending the Merger</u>	123
<u>Bankruptcy Matters</u>	126
<u>Acquisition Proposals</u>	128
<u>US Airways Group Stockholders Meeting</u>	132
<u>Publicity</u>	132
<u>Employee Matters</u>	132
<u>Conditions to the Merger</u>	135
<u>Termination of the Merger Agreement</u>	138
<u>Effect of Termination</u>	139
<u>Termination Fees and Expenses</u>	140
<u>Amendment and Waiver</u>	142
<u>SEC Filings</u>	142
<u>Reasonable Best Efforts and Regulatory Matters</u>	143
<u>Treatment of US Airways Group Convertible Debt</u>	143
<u>Fees and Expenses</u>	144
<u>Director Flight Benefits</u>	144
<u>Indemnification; Directors' and Officers' Insurance</u>	144
<u>Transition Committee</u>	145
<u>Specific Performance</u>	145
<u>US Airways Group Tax Plan</u>	146

**Table of Contents**

	Page
<u>COMPARATIVE PER SHARE MARKET PRICE DATA</u>	149
<u>THE COMBINED COMPANY AFTER THE MERGER</u>	150
<u>General</u>	150
<u>Board of Directors and Management of AAG after the Merger</u>	151
<u>THE PLAN OF REORGANIZATION</u>	155
<u>The Plan</u>	155
<u>Plan Approval Process</u>	156
<u>The Support and Settlement Agreement</u>	156
<u>AAG Convertible Preferred Stock</u>	157
<u>UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS</u>	160
<u>UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET MARCH 31, 2013</u>	162
<u>UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 2013</u>	163
<u>UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2012</u>	164
<u>Notes to Unaudited Pro Forma Condensed Combined Financial Statements</u>	165
<u>Acquisition Accounting Adjustments</u>	165
<u>Other Merger Adjustments</u>	166
<u>Items Excluded from the Unaudited Pro Forma Condensed Combined Financial Statements</u>	167
<u>DESCRIPTION OF CAPITAL STOCK OF AAG</u>	177
<u>Common Stock</u>	177
<u>Preferred Stock</u>	178
<u>AAG Convertible Preferred Stock</u>	178
<u>Certain Anti-takeover Provisions of AAG's Certificate of Incorporation and Bylaws</u>	178
<u>Other Provisions Restricting Transfer and Ownership</u>	179
<u>COMPARISON OF STOCKHOLDER RIGHTS AND CORPORATE GOVERNANCE MATTERS</u>	180
<u>AAG EQUITY COMPENSATION PLAN</u>	196
<u>Administration: Eligibility</u>	196
<u>Limitation on Awards and Shares Available</u>	196
<u>Awards</u>	196
<u>Performance Awards</u>	197
<u>Certain Transactions</u>	198
<u>Transferability: Participant Payments</u>	198
<u>Plan Amendment and Termination</u>	199
<u>Certain Equity Awards</u>	199
<u>PROPOSAL 2: ADVISORY VOTE ON MERGER-RELATED COMPENSATION</u>	200
<u>Merger-Related Compensation</u>	200
<u>Narrative Disclosure to Merger-Related Compensation Table</u>	204
<u>PROPOSAL 3: ADJOURNMENT IF VOTES ARE INSUFFICIENT TO ADOPT MERGER AGREEMENT</u>	205

**Table of Contents**

	Page
<b><u>PART III AMR</u></b>	
<b><u>DESCRIPTION OF AMR'S BUSINESS</u></b>	206
<u>Chapter 11 Proceedings</u>	206
<u>General Description</u>	206
<u>Competition</u>	207
<u>Regulation</u>	209
<u>Labor</u>	211
<u>Fuel</u>	212
<u>Frequent Flyer Program</u>	213
<u>Cargo</u>	213
<u>Other Revenues</u>	213
<u>Other Matters</u>	213
<u>Legal Proceedings</u>	214
<u>Description of Property</u>	216
<b><u>SUPPLEMENTARY FINANCIAL INFORMATION</u></b>	219
<u>Supplementary Financial Data</u>	219
<b><u>AMR MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u></b>	220
<u>Chapter 11 Progress</u>	220
<u>Other Recent Events</u>	221
<u>Contingencies</u>	223
<u>Financial Highlights</u>	223
<u>Liquidity and Capital Resources</u>	225
<u>Contractual Obligations</u>	229
<u>Results of Operations</u>	230
<u>Other Information</u>	238
<b><u>AMR'S QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u></b>	243
<u>Market Risk Sensitive Instruments and Positions</u>	243
<b><u>AMR BOARD OF DIRECTORS AND CORPORATE GOVERNANCE INFORMATION</u></b>	245
<u>Directors, Executive Officers, and Corporate Governance</u>	245
<b><u>AMR'S COMPENSATION DISCUSSION AND ANALYSIS</u></b>	251
<u>Executive Summary</u>	251
<u>AMR's Compensation Objectives and Philosophy</u>	252
<u>The Process AMR Uses to Determine Compensation</u>	252
<u>The Primary Components of AMR's Compensation Program</u>	252
<u>Compensation Committee Report</u>	258
<u>Executive Compensation</u>	260
<u>Change In Control</u>	272
<u>Director Compensation</u>	274
<u>Merger-Related Compensation</u>	277

**Table of Contents**

	Page
<u>Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u>	278
<u>Director Independence and Transactions with Related Persons</u>	280
<u>Principal Accounting Fees and Services</u>	281
<u>AMR AUDIT COMMITTEE REPORT</u>	282
<b><u>PART IV US AIRWAYS GROUP ANNUAL MEETING PROPOSALS</u></b>	
<u>PROPOSAL 4: ELECTION OF DIRECTORS</u>	283
<u>Directors and Director Nominees</u>	283
<u>Director Nominees</u>	284
<u>Continuing Directors</u>	284
<u>INFORMATION ABOUT US AIRWAYS GROUP S BOARD OF DIRECTORS AND CORPORATE GOVERNANCE</u>	287
<u>Corporate Governance Guidelines</u>	287
<u>Director Independence</u>	287
<u>Board Meetings</u>	287
<u>Board Committees</u>	288
<u>Director Nominees</u>	290
<u>Board Leadership and Structure</u>	292
<u>Board Self-Evaluation</u>	293
<u>Code of Ethics</u>	293
<u>Board of Directors Role in Risk Oversight</u>	293
<u>Risk Assessment with Respect to Compensation Practices</u>	295
<u>Annual Meeting Attendance</u>	296
<u>Communications with the Board and Non-Management Directors</u>	296
<u>US AIRWAYS GROUP DIRECTOR COMPENSATION</u>	297
<u>Board of Directors Fees</u>	297
<u>Equity Compensation Awards</u>	298
<u>Flight Benefits</u>	298
<u>Stock Ownership Guidelines</u>	298
<u>Directors Charitable Contribution Program</u>	298
<u>SECURITY OWNERSHIP OF CERTAIN US AIRWAYS GROUP BENEFICIAL OWNERS AND MANAGEMENT</u>	300
<u>PROPOSAL 5: US AIRWAYS GROUP AUDITOR RATIFICATION</u>	305
<u>Independent Registered Public Accounting Firm Fees</u>	305
<u>Audit Committee Disclosure</u>	305
<u>Policy on Audit Committee Pre-Approval</u>	306
<u>US AIRWAYS GROUP AUDIT COMMITTEE REPORT</u>	307
<u>PROPOSAL 6: US AIRWAYS GROUP SAY-ON-PAY ADVISORY VOTE</u>	308
<u>US AIRWAYS GROUP COMPENSATION DISCUSSION AND ANALYSIS</u>	310
<u>General</u>	310
<u>Total Realized Compensation</u>	312
<u>Determination of Compensation</u>	313
<u>Compensation Policies and Objectives</u>	314



**Table of Contents**

	Page
<u>Executive Compensation Mix with an Emphasis on Performance-Based Pay</u>	314
<u>Base Salary</u>	315
<u>Annual Incentive Program</u>	315
<u>Long-Term Incentive Performance Program</u>	316
<u>Stock-Based Compensation</u>	319
<u>Other Benefits and Perquisites</u>	320
<u>Continuing Focus on Leading Practices</u>	322
<u>US AIRWAYS GROUP COMPENSATION AND HUMAN RESOURCES COMMITTEE REPORT</u>	323
<u>US AIRWAYS GROUP EXECUTIVE OFFICERS</u>	324
<u>US AIRWAYS GROUP EXECUTIVE COMPENSATION</u>	326
<u>Summary Compensation Table</u>	326
<u>Grants of Plan-Based Awards in 2012</u>	327
<u>Outstanding Equity Awards at 2012 Fiscal Year-End</u>	328
<u>Option Exercises and Stock Vested</u>	329
<u>Pension Benefits and Nonqualified Deferred Compensation</u>	329
<u>Employment and Other Executive Agreements</u>	329
<u>Potential Payments upon Termination or Change in Control</u>	330
<u>US AIRWAYS GROUP RELATED PARTY TRANSACTIONS</u>	341
<u>Policies and Procedures for Review and Approval of Related Person Transactions</u>	341
<u>US AIRWAYS GROUP EQUITY COMPENSATION PLAN INFORMATION</u>	342
<u>US AIRWAYS GROUP SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	343
<u>OTHER MATTERS</u>	344
<u>Stockholder Proposals</u>	344
<b><u>PART V OTHER INFORMATION</u></b>	
<u>LEGAL MATTERS</u>	345
<u>EXPERTS</u>	346
<u>AMR</u>	346
<u>US Airways Group</u>	346
<u>ADDITIONAL INFORMATION</u>	347
<u>INDEX TO AMR CONSOLIDATED FINANCIAL STATEMENTS</u>	F-1
<b><u>Annexes</u></b>	
<u>Annex A</u>	<u>Agreement and Plan of Merger and the Amendment and the Second Amendment thereto</u>
<u>Annex B</u>	<u>Form of Amended and Restated Certificate of Incorporation of AMR</u>
<u>Annex C</u>	<u>Form of Certificate of Designations for Series A Convertible Preferred Stock</u>
<u>Annex D</u>	<u>Form of Amended and Restated Bylaws of AMR</u>
<u>Annex E</u>	<u>Opinion of Barclays Capital Inc.</u>

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**Table of Contents**

**PART I SUMMARY AND GENERAL INFORMATION**

**QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE US AIRWAYS GROUP 2013 ANNUAL MEETING OF STOCKHOLDERS**

The following are some questions that you, as a stockholder of US Airways Group, may have regarding the Merger and other matters being considered at the 2013 Annual Meeting of Stockholders and brief answers to those questions. You should carefully read this proxy statement/prospectus, including its annexes and any documents incorporated by reference into this proxy statement/prospectus, because this proxy statement/prospectus and its annexes contain important information about the Merger, the Merger Agreement, and the other matters to be voted on at the 2013 Annual Meeting of Stockholders, and because the information in this section may not provide all the information that might be important to you.

**Q: Why am I, as a US Airways Group stockholder, receiving this proxy statement/prospectus?**

A: AMR and US Airways Group have agreed to a business combination of AMR and US Airways Group under the terms of the Merger Agreement that is described in this proxy statement/prospectus. A copy of the Merger Agreement is attached to this proxy statement/prospectus as Annex A. In addition, several other matters to be considered and acted on by the stockholders of US Airways Group at the 2013 Annual Meeting of Stockholders are set forth in the notice of the 2013 Annual Meeting of Stockholders and described in this proxy statement/prospectus.

The Merger cannot be completed unless US Airways Group stockholders vote to adopt the Merger Agreement. US Airways Group is asking its stockholders to vote on the adoption of the Merger Agreement at the 2013 Annual Meeting of Stockholders. **The US Airways Group board of directors recommends that you vote FOR the adoption of the Merger Agreement at the 2013 Annual Meeting of Stockholders.**

This proxy statement/prospectus is a proxy statement of US Airways Group and a prospectus of AMR. This proxy statement/prospectus is a proxy statement because the US Airways Group board of directors is soliciting proxies from its stockholders to vote at the 2013 Annual Meeting of Stockholders on the adoption of the Merger Agreement and the other matters set forth in the notice of the 2013 Annual Meeting of Stockholders and described in this proxy statement/prospectus to be considered and acted on by the stockholders of US Airways Group at the 2013 Annual Meeting of Stockholders. Your proxy will be used to vote your shares at the 2013 Annual Meeting of Stockholders or at any adjournment or postponement thereof. It is a prospectus because AAG will issue shares of AAG common stock to the stockholders of US Airways Group in the Merger.

A proxy is a legal designation of another person to vote your shares on your behalf. You may submit a proxy for your shares by using the toll-free number or the website provided on your proxy card, if your proxy card includes instructions for using these quick, cost-effective, and easy methods for submitting proxies. You also may submit a proxy in writing by simply filling out, signing, and dating your proxy card and mailing it in the prepaid envelope included with these proxy materials. If you submit a proxy by telephone or over the Internet, please do not return your proxy card by mail. You will need to follow the instructions when you submit a proxy using any of these methods to make sure your shares will be voted at the 2013 Annual Meeting of Stockholders. You also may vote by submitting a ballot in person if you attend the 2013 Annual Meeting of Stockholders. However, we encourage you to submit a proxy by mail by completing your proxy card, by telephone, or over the Internet, even if you plan to attend the 2013 Annual Meeting of Stockholders.

You must have been a stockholder of record at the close of business on May 30, 2013 to vote at the 2013 Annual Meeting of Stockholders.

Your vote is very important. You are encouraged to vote as soon as possible.



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**Table of Contents**

**Q: Why are AMR and US Airways Group proposing the Merger?**

A: AMR and US Airways Group believe that the Merger will create a premier global airline. AMR and US Airways Group also believe that the combined global airline will have the scale, breadth, and capabilities to compete more effectively and profitably in the global marketplace. While there can be no assurance that it will be the case, the combined airline is expected to be a stronger airline than either American Airlines, Inc. ( American ) or US Airways, Inc. ( US Airways ), individually.

To review AMR's and US Airways Group's boards of directors' reasons for the Merger in greater detail, including the potential adverse impact of the Merger, see the sections entitled The Merger Recommendation of US Airways Group's Board of Directors with Respect to the Merger Agreement and Its Reasons for the Merger beginning on page 87 and The Merger AMR's Board of Directors' Reasons for the Merger beginning on page 91.

**Q: How will the Merger be accomplished?**

A: Under the terms of the Merger Agreement, AMR Merger Sub, a wholly-owned subsidiary of AMR, will merge with and into US Airways Group, with US Airways Group surviving as a wholly-owned subsidiary of AMR. Immediately following the Closing, AMR will change its name to American Airlines Group Inc., which will be the name of the combined company.

AAG will present a single brand name to consumers American Airline® while it transitions to a unified route structure and frequent flyer program, while maintaining separate operating certificates for American and US Airways until operations and workforces are combined. AMR's American Eagle Airlines, Inc. ( American Eagle ) and US Airways Group's Piedmont Airlines, Inc. ( Piedmont ) and PSA Airlines, Inc. ( PSA ) will continue to operate as distinct entities following the Closing.

**Q: What will holders of shares of US Airways Group common stock receive in the Merger?**

A: Holders of US Airways Group common stock will receive one share of AAG common stock for each share of US Airways Group common stock they own, subject to the terms and conditions of the Merger Agreement. The aggregate number of shares of AAG common stock issuable in the Merger to holders of US Airways Group equity instruments (including stockholders, holders of convertible notes, optionees, and holders of restricted stock units ( RSUs )) will represent 28% of the diluted equity ownership of AAG. The remaining 72% diluted equity ownership of AAG will be distributable, pursuant to the Plan, to stakeholders, labor unions, and certain employees of AMR and the other Debtors and such 72% of the diluted equity ownership of AAG includes all shares of AAG common stock that are or may become issuable upon conversion of shares of the series of preferred stock, par value \$0.01 per share, of AAG, designated as Series A Convertible Preferred Stock (the AAG Convertible Preferred Stock ). As a result, the 28% diluted equity ownership of AAG that will be distributed to the holders of US Airways Group equity instruments will not be diluted by the conversion of the AAG Convertible Preferred Stock or by the issuance of shares of AAG common stock pursuant to the Plan. The determination of the 28% diluted equity ownership of AAG that will be distributed to the holders of US Airways Group equity instruments takes into account the outstanding options, stock-settled RSUs, stock-settled stock appreciation rights ( SARs ), US Airways Group's 7% Senior Convertible Notes due 2020 (the US Airways 7% Convertible Notes ), and US Airways Group's 7.25% Convertible Notes due 2014 (the US Airways 7.25% Convertible Notes ), though it does not take into account future issuances of common stock following the Closing, which would be dilutive to all holders of AAG common stock. As of the date of this proxy statement/prospectus, there are no current plans to issue additional shares of AAG common stock at or following the Closing, except as contemplated by the Plan or the Merger Agreement and except for shares of AAG common stock underlying equity awards granted for compensatory purposes in the ordinary course of business.

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**Table of Contents**

**Q: Will the shares of AAG common stock be publicly traded?**

A: It is a condition to Closing that the shares of AAG common stock to be issued to US Airways Group equity holders pursuant to the Merger be authorized for listing on the New York Stock Exchange ( NYSE ) or the NASDAQ Stock Market ( NASDAQ ) prior to the date and time at which AMR and US Airways Group cause an executed and acknowledged certificate of merger to be filed with the Secretary of State of the State of Delaware (the Effective Time ). AMR will use its reasonable best efforts to cause the shares of AAG common stock to be authorized for listing on the NYSE or NASDAQ upon official notice of issuance, prior to the date on which the Closing occurs (the Closing Date ). Upon the Closing, shares of US Airways Group common stock currently listed on the NYSE will be delisted and will be deregistered under the Exchange Act.

**Q: How much is a share of AAG common stock worth?**

A: AAG common stock will be different from the US Airways Group common stock and AMR common stock currently outstanding. AAG common stock will be governed by the terms of the amended and restated certificate of incorporation of AMR to be effective immediately prior to the Effective Time (the AAG Certificate of Incorporation ). For a description of the rights of holders of AAG common stock, see the sections entitled Description of Capital Stock of AAG beginning on page 177 and Comparison of Stockholder Rights and Corporate Governance Matters beginning on page 180.

The historical price information of US Airways Group common stock does not necessarily reflect, and the historical price information of AMR common stock does not reflect, the price at which AAG common stock will trade following the Closing. Further, all existing shares of AMR common stock will be cancelled pursuant to the Plan. Therefore, it is not meaningful to determine the value of the Merger consideration to be received by holders of US Airways Group common stock by reference to current trading values of US Airways Group common stock or AMR common stock. Neither AMR nor US Airways Group can anticipate the price at which AAG common stock will trade following the Closing.

**Q: What is the AAG Convertible Preferred Stock and how will it affect holders of US Airways Group equity instruments who receive AAG common stock?**

A: The Plan provides that all allowed prepetition general unsecured claims against the Debtors (other than intercompany claims), all equity interests in AMR, and all rights of labor groups of the Debtors to receive AAG common stock in connection with the Plan will be satisfied solely with Plan Shares, consisting of newly issued AAG common stock and AAG Convertible Preferred Stock. Holders of equity interests in AMR and labor-related claims will receive AAG common stock, and holders of allowed prepetition general unsecured claims against the Debtors will receive either AAG Convertible Preferred Stock or a combination of AAG Convertible Preferred Stock and AAG common stock, in each case, as set forth in the Plan. The AAG Convertible Preferred Stock will be a newly designated series of preferred stock of AAG that will be mandatorily convertible into AAG common stock in four installments on the 30th, 60th, 90th, and 120th days following the Effective Date. The issuance of the AAG Convertible Preferred Stock will provide a mechanism for holders of allowed prepetition general unsecured claims of the Debtors to receive a distribution based on the market value of AAG common stock. The aggregate number of shares of AAG common stock issuable under the Plan, whether directly or upon the conversion of AAG Convertible Preferred Stock, will not exceed 72% of the diluted equity ownership of AAG as of the time of the Merger. Accordingly, the 28% diluted equity ownership of AAG that will be distributed to the holders of US Airways Group equity instruments will not be diluted by the conversion of the AAG Convertible Preferred Stock or by the issuance of shares of AAG common stock pursuant to the Plan.

However, it is possible that the AAG common stock may experience significantly elevated volatility in price and trading volume until all shares of AAG Convertible Preferred Stock are converted and the underlying AAG common stock has been distributed. For further information, see the section entitled The Plan of

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**Table of Contents**

Reorganization beginning on page 155, and the section entitled Risk Factors. The shares of AAG Convertible Preferred Stock that are to be distributed pursuant to the Plan will be fully converted into AAG common stock over a period of 120 days following the Effective Date. The issuance of shares of AAG common stock under the Plan (including upon conversion of the AAG Convertible Preferred Stock) could contribute to significantly elevated volatility in the price of AAG common stock until all such shares of AAG Convertible Preferred Stock are converted and all of the shares of AAG common stock to be issued under the Plan have been distributed fully beginning on page 51.

**Q: When do AMR and US Airways Group expect the Merger to be completed?**

A: AMR and US Airways Group plan to complete the Merger as soon as reasonably practicable and presently expect the Closing to occur in the third quarter of 2013. However, neither AMR nor US Airways Group can predict the exact timing of the Closing, because it is subject to approval of the U.S. Bankruptcy Court for the Southern District of New York (the Bankruptcy Court) as part of the Plan, regulatory approvals, and other conditions. See the sections entitled Summary Conditions to the Merger beginning on page 21 and Summary Regulatory Approvals Required for the Merger beginning on page 21.

**Q: What are the expected cash costs and capital expenditures associated with the Merger and AMR's emergence from Chapter 11?**

A: AMR and US Airways Group expect to incur transition costs of approximately \$1.2 billion in connection with the Merger and the integration of the businesses of AMR and US Airways Group. In addition, AMR will pay approximately \$1.4 billion in cash at emergence to settle certain obligations in connection with the Plan. The estimated planned aggregate capital expenditures for AAG on a consolidated basis for calendar years 2013-2017 are anticipated to be approximately \$20 billion.

**Q: Who will manage AAG after the Merger?**

A: Following the Closing, the board of directors of AAG will consist of 12 members. Five of these directors have been designated by the Search Committee appointed by the Official Committee of Unsecured Creditors of AMR (the UCC) and a majority of those holders of certain prepetition claims against one or more of the Debtors that entered into the Support and Settlement Agreement with the Debtors (the Consenting Creditors) (and one of such directors will be the lead Independent Director); two of these directors have been designated by AMR and have been determined to be reasonably acceptable to the Search Committee; three of these directors have been designated by US Airways Group; and the two remaining directors will be Thomas W. Horton, the current chairman and chief executive officer of AMR, who will also serve as chairman of the board of directors of AAG, and W. Douglas Parker, the current chairman and chief executive officer of US Airways Group, who will also serve as chief executive officer of AAG.

The Search Committee has designated James F. Albaugh, Jeffrey D. Benjamin, John T. Cahill, Michael J. Embler, and Richard P. Schifter as members of the board of directors of AAG following the Closing, with Mr. Cahill to serve as lead independent director. For more information about these individuals, see the section entitled The Combined Company After the Merger Board of Directors and Management of AAG after the Merger Board of Directors beginning on page 151. AMR has designated Alberto Ibarguen and Ray M. Robinson, current members of the AMR board of directors, as members of the board of directors of AAG following the Closing. For more information about these individuals, see the section entitled AMR Board of Directors and Corporate Governance Information Directors, Executive Officers, and Corporate Governance beginning on page 245 and AMR's Compensation Discussion and Analysis beginning on page 257. US Airways Group has designated Matthew J. Hart, Richard C. Kraemer, and Denise M. O'Leary, current members of the US Airways Group board of directors, as members of the board of directors of AAG following the Closing. For more information about these individuals, see the section entitled Proposal 4: Election of Directors beginning on page 283 and US Airways Group Director Compensation beginning on page 297. If, prior to the Closing, any of these prospective directors becomes unavailable for any reason to serve as a

**Table of Contents**

member of the board of directors of AAG following the Closing (which is not anticipated), a substitute will be designated in accordance with the Merger Agreement.

Each of AMR and US Airways Group believes that these prospective directors are independent within the meaning of the relevant NYSE and NASDAQ rules. In accordance with stock exchange rules, a formal independence determination with respect to each such individual will be made following the Closing by the board of directors of AAG.

As of the date of this proxy statement/prospectus, the compensation to be paid to the non-employee directors of AAG has not yet been determined, nor has any determination been made as to committee memberships.

Mr. Horton will serve as chairman of the board of AAG until the earliest of:

the date that is the first anniversary of the Closing Date;

the day prior to the date of the first annual meeting of the stockholders of AAG following the Closing Date (provided it does not occur prior to May 1, 2014); and

the election of a new chairman by the affirmative vote of at least 75% of the members of the board of directors (rounded up to the next full director), which must include at least one director who was nominated as a director by AMR pursuant to the Merger Agreement.

Following the earliest of such dates, Mr. Parker will serve as chairman of the board of directors of AAG until the election of a new chairman by the affirmative vote of the board of directors of AAG, which, prior to the date that is the 18 month anniversary of the Closing Date, will require the affirmative vote of at least 75% of the members of the board of directors of AAG (rounded up to the next full director), which must include at least one director who was designated as a director by US Airways Group pursuant to the Merger Agreement.

On June 10, 2013, AMR and US Airways Group jointly announced their intention to retain the following individuals, subject to the approval of the board of directors of AAG, as the senior leadership team of AAG or its principal operating subsidiaries following the Closing (in addition to Mr. Parker):

J. Scott Kirby, as president (currently president of US Airways Group);

Elise R. Eberwein, as executive vice president people and communications (currently executive vice president people, communications and public affairs of US Airways Group);

Beverly K. Goulet, as chief integration officer (currently senior vice president and chief integration officer of AMR);

Robert D. Isom, Jr., as chief operating officer and as chief executive officer of US Airways (currently executive vice president and chief operating officer of US Airways Group);

Stephen L. Johnson, as executive vice president, corporate affairs (currently executive vice president corporate and government affairs of US Airways Group);

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Derek J. Kerr, as chief financial officer (currently chief financial officer of US Airways Group);

Maya Leibman, as chief information officer (currently senior vice president technology and chief information officer of AMR); and

William K. Ris, Jr., as senior vice president, government affairs (currently senior vice president government and regulatory affairs of AMR).

The designation of the executive officers of AAG will be determined by the board of directors of AAG after the Closing and is expected to be drawn from the executives identified above. As of the date of this proxy statement/prospectus, AAG had not entered into any new plan, contract, or arrangement with any of these

**Table of Contents**

individuals with respect to compensation and benefits following the Closing. The compensation programs and policies for AAG are expected to be established by the board of directors of AAG following the Closing. For more information with respect to the foregoing individuals who are current US Airways executive officers, see the sections entitled "US Airways Group Compensation Discussion and Analysis" beginning on page 310 and "US Airways Group Executive Officers" beginning on page 324.

As used herein, "Search Committee" means the committee established by the UCC, consisting of four designees from the UCC and four members designated by a majority of the initial Consenting Creditors under the Support and Settlement Agreement to select director designees for the board of directors of AAG; "Independent Director" means a person who satisfies the requirements for independence under Rule 303A of the NYSE as then in effect; and "Support and Settlement Agreement" means that certain Support and Settlement Agreement, dated as of February 13, 2013, by and among AMR and certain holders of prepetition unsecured claims against one or more of the Debtors, as amended.

**Q: What are some of the U.S. federal income tax consequences of the Merger for US Airways Group stockholders?**

A: The Merger in conjunction with the Plan is intended to qualify as a reorganization for U.S. federal income tax purposes, and the Closing is conditioned on the receipt by each of US Airways Group and AMR of an opinion from its outside counsel to the effect that the Merger so qualifies. Assuming the Merger in conjunction with the Plan qualifies as such a reorganization, US Airways Group stockholders generally will not recognize any gain or loss for U.S. federal income tax purposes upon the exchange of shares of US Airways Group common stock for shares of newly issued AAG common stock pursuant to the Merger. US Airways Group stockholders are urged to read the discussion in the section entitled "The Merger Material U.S. Federal Income Tax Consequences" beginning on page 106 of this proxy statement/prospectus and to consult their tax advisers as to the U.S. federal income tax consequences of the Merger, as well as the effects of other federal, state, local, and non-U.S. tax laws.

**Q: How will US Airways 7.25% Convertible Notes and US Airways 7% Convertible Notes be treated in connection with the Merger?**

A: If any such notes remain outstanding at the Effective Time, AMR and US Airways Group, and, if advisable, AMR Merger Sub, will enter into supplemental indentures regarding the US Airways 7.25% Convertible Notes and the US Airways 7% Convertible Notes. Such supplemental indentures are expected to (i) include certain provisions required by that certain Indenture, dated as of May 13, 2009, between US Airways Group and The Bank of New York Mellon Trust Company, N.A., as trustee, as supplemented by the First Supplemental Indenture, dated as of May 13, 2009, between US Airways Group and The Bank of New York Mellon Trust Company, N.A., as trustee (the "7.25% Convertible Note Indenture") and that certain Indenture, dated as of September 30, 2005, between US Airways Group and U.S. Bank National Association, as trustee (the "7% Convertible Note Indenture"), respectively, as a result of the Merger, including a provision causing each outstanding US Airways 7.25% Convertible Note and US Airways 7% Convertible Note, respectively, to be convertible into the number of shares of AAG common stock that the holder would have received pursuant to the Merger if such holder had converted its US Airways 7.25% Convertible Notes and US Airways 7% Convertible Notes, respectively, into shares of US Airways Group common stock immediately prior to the Effective Time and (ii) provide for the guarantee by AAG of US Airways Group's obligations under the 7.25% Convertible Note Indenture and the US Airways 7.25% Convertible Notes and the 7% Convertible Note Indenture and the US Airways 7% Convertible Notes, respectively, following the Effective Time. For more information, see the section entitled "Merger Agreement Treatment of US Airways Group Convertible Debt" beginning on page 143.

**Q: Am I entitled to appraisal rights?**

A: No. Under the General Corporation Law of the State of Delaware, as amended (the "DGCL"), the stockholders of US Airways Group are not entitled to appraisal rights in connection with the Merger.

**Table of Contents**

**Q: What am I being asked to vote on?**

A: US Airways Group stockholders are being asked to vote on the following proposals at the 2013 Annual Meeting of Stockholders:

to adopt the Merger Agreement;

to approve, on a non-binding, advisory basis, certain compensation that may be paid or become payable to US Airways Group's named executive officers in connection with the Closing;

to approve the adjournment of the 2013 Annual Meeting of Stockholders, if necessary, to solicit additional proxies if there are not sufficient votes to adopt the Merger Agreement;

to elect to the US Airways Group board of directors each of the nominees for director named in this proxy statement/prospectus;

to ratify the appointment of KPMG LLP as US Airways Group's independent registered public accounting firm for 2013; and

to approve, on a non-binding, advisory basis, the compensation of US Airways Group's named executive officers.

**Q: Are there any other matters to be addressed at the 2013 Annual Meeting of Stockholders?**

A: US Airways Group knows of no other matters to be brought before the 2013 Annual Meeting of Stockholders, but if other matters are properly brought before the 2013 Annual Meeting of Stockholders or at any adjournment or postponement thereof, the officers named in the proxy intend to take such action as in their judgment is in the best interests of US Airways Group and its stockholders.

**Q: What vote of US Airways Group stockholders is required to approve each item?**

A: Assuming a quorum is present, the vote requirements for the various proposals are as follows:

*Adoption of the Merger Agreement:* Approval of the proposal to adopt the Merger Agreement requires the affirmative vote of a majority of the outstanding shares of US Airways Group common stock that are entitled to vote at the 2013 Annual Meeting of Stockholders.

*Election of Directors:* Each director must be elected by the affirmative vote of a majority of the votes cast with respect to such director by the shares represented, in person or by proxy, and entitled to vote therefor at the 2013 Annual Meeting of Stockholders. A majority of the votes cast means that the number of votes cast for a nominee exceeds the number of votes cast against that nominee.

*All Other Matters:* All other matters on the agenda will be decided by the affirmative vote of a majority of the shares of US Airways Group common stock represented, in person or by proxy, and entitled to vote at the 2013 Annual Meeting of Stockholders (and

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provided that a quorum need not be present to approve the proposal to adjourn the stockholder meeting to solicit additional proxies if there are not sufficient votes to adopt the Merger Agreement).

**Q: What constitutes a quorum for the 2013 Annual Meeting of Stockholders?**

A: The presence, in person or by proxy, of a majority of the outstanding shares of US Airways Group's capital stock entitled to vote at a meeting of stockholders is necessary to constitute a quorum at the 2013 Annual Meeting of Stockholders.

**Q: How will abstentions be counted?**

A: Abstentions are counted as present and entitled to vote for the purpose of determining a quorum.



**Table of Contents**

For the proposal to adopt the Merger Agreement, abstentions have the same effect as a vote against the Merger. For the proposal to approve the Merger-related compensation of US Airways Group's named executive officers, the proposal to adjourn the 2013 Annual Meeting of Stockholders to solicit additional proxies, the proposal to ratify the independent registered public accounting firm, and the proposal to approve the compensation of US Airways Group's named executive officers, abstentions are treated as present and entitled to vote at the 2013 Annual Meeting of Stockholders and, therefore, have the same effect as a vote against the matter.

If you abstain from voting in the election of directors, you will effectively not vote on that matter at the 2013 Annual Meeting of Stockholders. Abstentions are not considered to be votes cast under the US Airways Group bylaws or under the DGCL, US Airways Group's state of incorporation, and will have no effect on the outcome of the vote for the election of directors.

**Q: If the vote of US Airways Group stockholders required to adopt the Merger Agreement is obtained, but the vote of US Airways Group stockholders required to adopt the remaining proposals is not obtained, will the Merger still happen?**

A: The approval of the proposal to adopt the Merger Agreement is the only approval of US Airways Group stockholders necessary to consummate the Merger. Even if US Airways Group stockholders do not approve the other proposals, including the approval, on a non-binding, advisory basis, of the Merger-related compensation of US Airways Group's named executive officers, the Merger may still be consummated in accordance with the terms of the Merger Agreement.

**Q: How does the board of directors of US Airways Group recommend that I vote?**

A: The US Airways Group board of directors recommends that you vote:

**FOR** the adoption of the Merger Agreement;

**FOR** the approval, on a non-binding, advisory basis, of the Merger-related compensation of US Airways Group's named executive officers;

**FOR** the approval of the adjournment of the 2013 Annual Meeting of Stockholders, if necessary, to solicit additional proxies if there are not sufficient votes to adopt the Merger Agreement;

**FOR** the election to the US Airways Group board of directors of each of the nominees for director named in this proxy statement/prospectus;

**FOR** the ratification of the appointment of KPMG LLP as US Airways Group's independent registered public accounting firm for 2013; and

**FOR** the approval, on a non-binding, advisory basis, of the compensation of US Airways Group's named executive officers. The US Airways Group board of directors has determined that the Merger Agreement and the Merger are advisable and in the best interests of US Airways Group and its stockholders and has unanimously approved the Merger Agreement and the Merger. For a more complete description of the recommendation of the US Airways Group board of directors, see the section entitled "The Merger Recommendation of US Airways Group's Board of Directors with Respect to the Merger Agreement and Its Reasons for the Merger" beginning on page 87.

**Q: How do US Airways Group's directors and executive officers' interests in the Merger differ from mine?**

A: Certain members of the board of directors and executive officers of US Airways Group have interests in the Merger that are different from, or are in addition to, the interests of US Airways Group stockholders generally.

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**Table of Contents**

US Airways Group's executive officers are parties to agreements with US Airways Group and US Airways that provide for certain benefits upon a change in control of US Airways Group, including the Merger, and for severance benefits if their employment is terminated under certain circumstances in connection with a change in control of US Airways Group, including the Merger. In addition, the Merger Agreement provides that, as of the Effective Time, AAG will provide certain current and former US Airways Group non-employee directors flight privileges and, in certain cases, a related tax gross-up payment.

Furthermore, US Airways Group compensation and benefit plans and arrangements provide for accelerated vesting of certain equity awards held by US Airways Group executive officers and directors upon the closing of a change in control of US Airways Group, including the Merger. Each US Airways Group executive officer has agreed to waive his or her rights to accelerated vesting of US Airways Group stock options, US Airways Group RSUs, and/or US Airways Group SARs, in each case, solely as a result of the Closing. In lieu of such rights, the US Airways Group executive officers have been provided a right to "double trigger" accelerated vesting of such equity awards, meaning the vesting of such equity awards would instead accelerate only upon a qualifying termination of such executive officers in connection with the Closing.

In addition, the current executive officers of US Airways Group are expected to serve as senior officers of AAG or its principal operating subsidiaries following the Closing, and four members of US Airways Group's current board of directors (including Mr. Parker) have been designated to serve as members of the board of directors of AAG following the Closing.

For more information, see the section entitled "The Merger - Interests of US Airways Group's Directors and Executive Officers in the Merger" beginning on page 110.

**Q: When and where will the 2013 Annual Meeting of Stockholders be held?**

A: The 2013 Annual Meeting of Stockholders will take place at the offices of Latham & Watkins LLP, located at 885 Third Avenue, New York, New York 10022, on Friday, July 12, 2013 at 9:00 a.m., local time.

**Q: Who can attend and vote at the 2013 Annual Meeting of Stockholders?**

A: All US Airways Group stockholders of record as of the close of business on May 30, 2013, the Record Date for the 2013 Annual Meeting of Stockholders, are entitled to receive notice of and to vote at the 2013 Annual Meeting of Stockholders.

**Q: How will my shares be represented at the 2013 Annual Meeting of Stockholders?**

A: At the 2013 Annual Meeting of Stockholders, the officers named in your proxy card will vote your shares in the manner you requested if you correctly submitted your proxy. If you sign your proxy card and return it without indicating how you would like to vote your shares, your proxy will be voted as the US Airways Group board of directors recommends, which is set forth above in the answer to the question "How does the board of directors of US Airways Group recommend that I vote?"

**Q: What happens if I sell my shares after the Record Date but before the 2013 Annual Meeting of Stockholders?**

A: The Record Date of the 2013 Annual Meeting of Stockholders is earlier than the date of the 2013 Annual Meeting of Stockholders and the expected Closing Date. If you transfer your shares of US Airways Group common stock after the Record Date but before the date of the 2013 Annual Meeting of Stockholders, you will retain your right to vote at the 2013 Annual Meeting of Stockholders (provided that such shares remain outstanding on the date of the 2013 Annual Meeting of Stockholders), but you will not have the right to receive the Merger consideration to be received by US Airways Group's stockholders in the Merger. In order to receive the Merger consideration, you must hold your shares through the Closing.



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**Table of Contents**

**Q: What should I do in order to vote?**

A: A proxy is a legal designation of another person to vote your shares on your behalf. You may submit a proxy for your shares by using the toll-free number or the website provided on your proxy card, if your proxy card includes instructions for using these quick, cost-effective, and easy methods for submitting proxies. You also may submit a proxy in writing by simply filling out, signing, and dating your proxy card and mailing it in the prepaid envelope included with these proxy materials. If you submit a proxy by telephone or over the Internet, please do not return your proxy card by mail. You will need to follow the instructions provided on your proxy card when you submit a proxy using any of these methods to make sure your shares will be voted at the 2013 Annual Meeting of Stockholders. You also may vote by submitting a ballot in person if you attend the 2013 Annual Meeting of Stockholders. However, we encourage you to submit a proxy by mail by completing your proxy card, by telephone, or over the Internet, even if you plan to attend the 2013 Annual Meeting of Stockholders.

If you hold shares through a broker, bank, or other nominee, you may instruct your broker, bank, or other nominee to vote your shares by following the instructions that the broker, bank, or other nominee provides to you with these materials. Most brokers offer the ability for stockholders to submit voting instructions by mail by completing a voting instruction card, by telephone, and over the Internet. If you hold shares through a broker, bank, or other nominee and wish to vote your shares at the 2013 Annual Meeting of Stockholders, you must obtain a legal proxy from your broker, bank, or other nominee and present it to the inspector of election with your ballot when you vote at the 2013 Annual Meeting of Stockholders.

**Q: Can I vote in person at the 2013 Annual Meeting of Stockholders?**

A: You may vote in person by attending the 2013 Annual Meeting of Stockholders. If you plan to attend the 2013 Annual Meeting of Stockholders and wish to vote in person, you will be given a ballot at the 2013 Annual Meeting of Stockholders. Please note, however, that, if your shares are held in street name and you wish to vote at the 2013 Annual Meeting of Stockholders, you must bring a proxy from the record holder of the shares authorizing you to vote at the 2013 Annual Meeting of Stockholders. Whether or not you plan to attend the 2013 Annual Meeting of Stockholders, you should complete your proxy as described in this proxy statement/prospectus.

**Q: If my shares are held in street name by a broker, bank, or other nominee, will my broker, bank, or other nominee vote my shares for me with respect to the adoption of the Merger Agreement?**

A: If you do not provide your broker, bank, or other nominee with instructions on how to vote your shares held in street name, your broker, bank, or other nominee will not be permitted to vote your shares with respect to the adoption of the Merger Agreement. You should, therefore, provide your broker, bank, or other nominee with instructions as to how to vote your shares. If you fail to vote or, if your shares are held in street name and you fail to instruct your broker, bank, or other nominee to vote, it will have the same effect as a vote against the Merger.

**Q: Can I change my vote after I have delivered my proxy?**

A: Yes. If you are a holder of record, you can change your vote at any time before your proxy is voted at the 2013 Annual Meeting of Stockholders by:

giving notice of revocation to Caroline B. Ray, US Airways Group's corporate secretary, at US Airways Group, Inc., 111 West Rio Salado Parkway, Tempe, Arizona 85281 (by mail or overnight delivery);

executing and delivering to US Airways Group's corporate secretary a proxy card relating to the same shares bearing a later date;



**Table of Contents**

voting again prior to the time at which the Internet and telephone voting facilities close by following the procedures applicable to those methods of voting; or

voting in person at the 2013 Annual Meeting of Stockholders.

If your shares are held in street name, you must contact your broker, bank, or other nominee to change your vote. The change must be made by the broker, bank, or other nominee before your proxy is voted at the 2013 Annual Meeting of Stockholders.

**Q: What should I do if I receive more than one set of voting materials for the 2013 Annual Meeting of Stockholders?**

A: You may receive more than one set of voting materials for the 2013 Annual Meeting of Stockholders, including multiple copies of this proxy statement/prospectus and multiple proxy cards or voting instruction cards. For example, if you hold your shares in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold shares. If you are a holder of record and your shares are registered in more than one name, you will receive more than one proxy card. Please complete, sign, date, and return each proxy card and voting instruction card that you receive or, if your proxy card includes instructions for using these methods for submitting proxies, vote by telephone using the toll-free number provided on your proxy card or over the Internet using the website provided on your proxy card.

**Q: Do I need to do anything with my shares of US Airways Group common stock other than voting for the proposals at the 2013 Annual Meeting of Stockholders?**

A: If you are a US Airways Group stockholder, after the Closing, each share of US Airways Group common stock you hold will be converted automatically into the right to receive one share of AAG common stock. You will receive instructions following the Closing regarding exchanging your shares for shares of AAG common stock. You do not need to take any action at this time. Please do not send your US Airways Group stock certificates with your proxy card. The shares of AAG stock you receive in the Merger will be issued in book-entry form, unless otherwise required by law.

**Q: Will a proxy solicitor be used?**

A: Yes. US Airways Group has engaged MacKenzie Partners, Inc. to assist in the solicitation of proxies for the 2013 Annual Meeting of Stockholders and US Airways Group estimates it will pay MacKenzie Partners a fee of \$50,000. US Airways Group has also agreed to reimburse MacKenzie Partners for reasonable out-of-pocket expenses and disbursements incurred in connection with the proxy solicitation and to indemnify MacKenzie Partners against certain losses, costs, and expenses. In addition to soliciting proxies through the mail, US Airways Group may solicit proxies through its directors, officers, and employees in person, by email, telephone, and facsimile.

**Q: Who can help answer my questions?**

A: If you have any questions about the Merger or how to submit your proxy, or if you need additional copies of this proxy statement/prospectus, the enclosed proxy card, or voting instructions, you should contact US Airways Group's proxy solicitor:  
**MacKenzie Partners, Inc.**

105 Madison Avenue

New York, NY 10016

Edgar Filing: AMR CORP - Form 424B3

Telephone number: (800) 322-2885



**Table of Contents****SUMMARY**

*The following is a summary that highlights information contained in this proxy statement/prospectus. This summary might not contain all of the information that may be important to you. For a more complete description of the Merger Agreement and the Merger, as well as the Plan, US Airways Group and AMR encourage you to read carefully this entire proxy statement/prospectus, including the attached annexes. In addition, each of US Airways Group and AMR encourage you to read the documents incorporated by reference by US Airways Group into this proxy statement/prospectus, which have been filed with the SEC. These documents include important business and financial information about US Airways Group. You may obtain the information of US Airways Group incorporated by reference into this proxy statement/prospectus and documents of AMR filed with the SEC without charge by following the instructions in the section entitled *Additional Information* beginning on page 347. For the convenience of the reader, certain capitalized terms used in this proxy statement/prospectus have been consolidated into a Glossary beginning on page 35.*

**The Companies*****US Airways Group, Inc.***

US Airways Group, Inc., a Delaware corporation, is a holding company whose primary business activity is the operation of a major network airline through its wholly-owned subsidiaries US Airways, Inc., Piedmont Airlines, Inc., PSA Airlines, Inc., Material Services Company, Inc., and Airways Assurance Limited. Material Services Company, Inc. and Airways Assurance Limited operate in support of US Airways Group's other subsidiaries in areas such as the procurement of aviation fuel and insurance. US Airways Group was formed in 1982, and its origins trace back to the formation of All American Aviation in 1939. US Airways, Inc., a Delaware corporation, was formed in 1982. Effective upon US Airways Group's emergence from bankruptcy on September 27, 2005, US Airways Group merged with America West Holdings Corporation (America West), with US Airways Group as the surviving corporation. US Airways Group operates more than 3,100 flights per day and serves 198 communities in the U.S., Canada, Mexico, Europe, the Middle East, the Caribbean, and Central and South America.

US Airways Group's principal executive offices are located at 111 West Rio Salado Parkway, Tempe, Arizona 85281. US Airways Group's telephone number is (480) 693-0800, and its Internet address is [www.usairways.com](http://www.usairways.com). Information contained on its website is not and should not be deemed a part of this proxy statement/prospectus or any filing filed with or furnished to the SEC.

***AMR Corporation***

AMR Corporation, a Delaware corporation, was incorporated in October 1982. Virtually all of AMR's operations fall within the airline industry. AMR's principal subsidiary, American Airlines, Inc., was founded in 1934. At the end of 2012, American provided scheduled jet service to approximately 160 destinations throughout North America, the Caribbean, Latin America, Europe, and Asia.

AMR Eagle Holding Corporation, a wholly-owned subsidiary of AMR (AMR Eagle), owns a regional airline which does business as American Eagle®. American also contracts with certain independently owned regional air carriers to provide it with regional feed under the American Eagle® and American Connection® names.

American, together with the regional airlines that provide regional feed to American (American Eagle, Chautauqua Airlines, Inc., SkyWest Airlines, Inc., Republic Airlines, Inc., and ExpressJet Airlines, Inc. (collectively, the American Eagle Carriers)), American Eagle Carriers, serves more than 250 cities in approximately 50 countries with, on average, 3,400 daily flights. The combined network fleet numbers

## **Table of Contents**

approximately 900 aircraft. American is also a founding member of the **oneworld**<sup>®</sup> alliance, which enables member airlines to offer their customers more services and benefits than any member airline can provide individually. These services include a broader route network, opportunities to earn and redeem frequent flyer miles across the combined **oneworld**<sup>®</sup> network, and access to more airport lounges. Together, **oneworld**<sup>®</sup> members serve more than 800 destinations in approximately 150 countries, with about 9,000 daily departures. American is also one of the largest scheduled air freight carriers in the world, providing a wide range of freight and mail services to shippers throughout its system onboard American's passenger fleet.

AMR's principal executive offices are located at 4333 Amon Carter Blvd., Fort Worth, Texas 76155. AMR's telephone number is (817) 963-1234, and its Internet address is [www.aa.com](http://www.aa.com). Information contained on its website is not and should not be deemed a part of this proxy statement/prospectus or any filing filed with or furnished to the SEC.

### ***AMR Merger Sub, Inc.***

AMR Merger Sub, Inc., a Delaware corporation, is a wholly-owned subsidiary of AMR that was formed on February 11, 2013 for the sole purpose of effecting the Merger.

### **The Merger (see page 76)**

#### ***Form of the Merger***

Under the terms of the Merger Agreement, AMR Merger Sub, a wholly-owned subsidiary of AMR, will merge with and into US Airways Group, with US Airways Group surviving as a wholly-owned subsidiary of AMR. Immediately following the Closing, AMR will change its name to American Airlines Group Inc., which will be the name of the combined company following the Closing.

#### ***Merger Consideration and Plan Shares***

As a consequence of the Merger, US Airways Group common stockholders will receive one share of common stock of AAG in exchange for each share of common stock of US Airways Group they hold. The value of the common stock of AAG that a US Airways Group common stockholder will receive in the Merger is not fixed and will depend upon the value of AAG common stock. Pursuant to the Plan, all outstanding equity securities of AMR at the time of the Merger will be cancelled. The shares of AAG common stock to be issued in connection with the Merger will be newly issued shares. Consequently, neither the trading price of US Airways Group common stock nor the trading price of AMR common stock reflect the price at which AAG common stock will trade following the Merger.

Pursuant to and in accordance with the Plan, all allowed prepetition general unsecured claims against the Debtors (other than intercompany claims), all equity interests in AMR, and all rights of labor groups of the Debtors to receive AAG common stock in connection with the Plan will be satisfied solely with Plan Shares, consisting of newly issued AAG common stock and AAG Convertible Preferred Stock. Holders of equity interests in AMR and labor-related claims will receive AAG common stock, and holders of allowed prepetition general unsecured claims against the Debtors will receive either AAG Convertible Preferred Stock or a combination of AAG Convertible Preferred Stock and AAG common stock, in each case, as set forth in the Plan. The aggregate number of shares of AAG common stock constituting Plan Shares, when taken together with all shares of AAG common stock that are or may become issuable upon conversion or exchange of shares of AAG Convertible Preferred Stock constituting Plan Shares, will not exceed a number of shares of AAG common stock equal to the aggregate number of shares of AAG common stock equal to (i)(a) the US Airways Fully Diluted Shares, multiplied by (b) the quotient (rounded to four decimals) of 72 divided by 28 (rounded to the nearest whole share) less (ii) the number of shares of AAG common stock represented by equity-based awards to be

**Table of Contents**

issued to employees of AMR and its subsidiaries as contemplated by the Merger Agreement and the Plan, subject to certain agreed upon exceptions (the Maximum Plan Shares). As used herein, US Airways Fully Diluted Shares means the number of shares of US Airways Group common stock that would be deemed to be outstanding for purposes of calculating diluted earnings per share under U.S. generally accepted accounting principles (GAAP) using the treasury stock method, as modified by the Merger Agreement, including that the average market price used in such calculation will be equal to the average of the daily closing prices for US Airways Group common stock on the NYSE for each of the 20 trading days ending on (and including) the sixth trading day prior to the Closing.

The aggregate number of shares of AAG common stock issuable in the Merger to holders of US Airways Group equity instruments (including stockholders, holders of convertible notes, optionees, and holders of RSUs) will represent 28% of the diluted equity ownership of AAG. The remaining 72% diluted equity ownership in AAG will be distributable, pursuant to the Plan, to stakeholders, labor unions, and certain employees of AMR and the other Debtors and such 72% of the diluted equity ownership of AAG includes all shares of AAG common stock that are or may become issuable upon conversion of shares of AAG Convertible Preferred Stock. The aggregate number of shares of AAG common stock issuable under the Plan, whether directly or upon the conversion of AAG Convertible Preferred Stock, will not exceed 72% of the diluted equity ownership of AAG as of the time of the Merger. Accordingly, the 28% diluted equity ownership of AAG that will be distributed to the holders of US Airways Group equity instruments will not be diluted by the conversion of the AAG Convertible Preferred Stock or by the issuance of shares of AAG common stock pursuant to the Plan. The determination of the 28% diluted equity ownership of AAG that will be distributed to the holders of US Airways Group equity instruments takes into account the outstanding options, stock-settled RSUs, stock-settled SARs, the US Airways 7% Convertible Notes, and the US Airways 7.25% Convertible Notes, though it does not take into account future issuances of common stock following the Closing, which would be dilutive to all holders of AAG common stock. As of the date of this proxy statement/prospectus, there are no current plans to issue additional shares of AAG common stock at or following the Closing, except as contemplated by the Plan or the Merger Agreement and except for shares of AAG common stock underlying equity awards granted for compensatory purposes in the ordinary course of business.

**Effectiveness of the Merger Agreement (see page 117)**

On May 10, 2013, the Bankruptcy Court entered an order entitled Order Authorizing and Approving (i) Merger Agreement Among AMR Corporation, AMR Merger Sub, Inc., and US Airways Group, Inc., (ii) Debtors Execution of and Performance Under Merger Agreement, (iii) Certain Employee Compensation and Benefit Arrangements, (iv) Termination Fees, and (v) Related Relief (ECF No. 8096) (the Merger Support Order). In accordance with the Merger Agreement, upon entry of the Merger Support Order and execution of the Amendment, the Merger Agreement became effective and binding on, and enforceable against, each of the parties thereto retroactive to February 13, 2013. See the section entitled The Merger Agreement Effectiveness of the Merger Agreement beginning on page 117 for a discussion of the Merger Support Order and the effectiveness of the Merger Agreement.

**Termination of the Merger Agreement (see page 138)**

AMR and US Airways Group may mutually agree to terminate the Merger Agreement at any time prior to the Effective Time. Either company may also terminate the Merger Agreement if the Merger is not completed by October 14, 2013, subject to extension by either party in the event that certain regulatory clearances have not yet been obtained; provided that in no event will such extension be to a date that is later than December 13, 2013, unless a party delays its response to a request for additional information (a Second Request) from the U.S. Department of Justice (the DOJ), in which case the other party may extend the deadline beyond December 13, 2013 by the number of days so delayed. Further, the parties rights to terminate the Merger Agreement if the Merger is not completed by October 14, 2013 are subject to extension by either party in the event that certain

**Table of Contents**

conditions related to the Plan have not been satisfied or waived; provided that in no event will such extension be to a date that is later than December 13, 2013. The parties may also terminate the Merger Agreement in certain additional circumstances. See the section entitled "The Merger Agreement Termination of the Merger Agreement" beginning on page 138 for a discussion of these and other rights of each of AMR and US Airways Group to terminate the Merger Agreement.

**The Combined Company after the Merger (see page 150)*****American Airlines Group Inc.***

Following the Closing, AMR will change its name to American Airlines Group Inc., or AAG, and will operate its airlines under the American Airlines® brand, principally through its mainline operating subsidiaries, American and US Airways. AAG is expected to integrate American and US Airways into a single airline, under a single FAA operating certificate, within two years following the Closing, subject to receipt of FAA approval. Following the Closing, US Airways will withdraw from the Star Alliance and join the oneworld® alliance. After giving effect to the Merger, AAG is expected to offer more than 6,700 daily flights to 336 destinations in 56 countries around the world. AMR and US Airways Group expect that AAG will maintain all nine hubs currently served by American and US Airways, resulting in a significantly larger network and more travel options for customers. AMR and US Airways Group also expect that the American Eagle Carriers and the US Airways Group regional carriers will continue to operate as distinct entities, providing seamless service to customers of AAG. AAG will be headquartered in Dallas-Fort Worth and will maintain a significant corporate and operational presence in the Phoenix metropolitan area. AMR and US Airways Group expect AAG to employ approximately 100,000 people around the world. AAG will also provide customers with more choices and increased service across a larger worldwide network, including an enhanced oneworld® alliance, than either American or US Airways could offer independently. Upon integration of the American and US Airways frequent flyer programs, AMR and US Airways Group expect that AMR's AAdvantage® frequent flyer program (the AAdvantage® program) will become the industry's leading frequent flyer loyalty program based on AMR's and US Airways Group's anticipation that the AAdvantage® program will have the world's largest passenger network, the most available award destinations, and largest number of participants.

***Expansive Global Network***

AAG is expected to create a competitive alternative to Delta Air Lines and United Airlines by offering a comprehensive domestic flight network as well as a world-class global flight network that will have the scale, breadth, and capabilities to compete with the world's largest airlines. AAG will combine the flight networks of AMR and US Airways Group, which are highly complementary with few route overlaps. Out of the more than 680 domestic nonstop routes that American and US Airways fly, only 12 nonstop flights overlap. Systemwide, American serves 130 cities not served by US Airways, and US Airways serves 62 cities not served by American. By combining these complementary flight networks, AAG expects to fill gaps in the flight networks provided by each airline individually, improve traffic flows through the existing hubs of American and US Airways, and expand service from those hubs to offer increased connectivity to existing markets and service to new cities. The combination of the two networks will enhance connectivity within the oneworld® alliance including joint businesses with British Airways and Iberia across the Atlantic, to which Finnair is expected to be added, and with Japan Airlines and Qantas across the Pacific by creating more options for travel and benefits both domestically and internationally, with connecting service to 83 destinations in Latin America and the Caribbean, 21 destinations in Europe and the Middle East, and five destinations in Asia.

***Revitalized Fleet***

Including aircraft delivered or scheduled to be delivered to AMR and US Airways Group in 2013, AAG is scheduled to take delivery of more than 600 new aircraft through 2022, including 517 narrowbody aircraft and 90 widebody international aircraft. AAG's fleet is expected to feature fully lie-flat, all-aisle access premium seating

**Table of Contents**

on American's new Boeing 777-300ER aircraft similar to US Airways' Airbus A330 international Envoy service. AAG will also retrofit some of its widebody fleet to include fully lie-flat premium seating in an effort to provide a consistent experience for customers. AMR and US Airways Group expect AAG to have one of the most modern and efficient fleets in the industry with features that will be particularly appealing to business customers.

***Expected Synergies***

In considering the Merger, management of AMR and US Airways Group analyzed the potential cost and revenue synergies that could be generated by combining the companies, taking into account the benefits already achieved by AMR's restructuring. AMR and US Airways Group management have estimated that AAG will achieve more than \$1 billion in annual net synergies in 2015, including cost synergies of approximately \$150 million (after taking into account the improved compensation arrangements negotiated with employees of AAG) and revenue synergies of approximately \$900 million (the *Expected Synergies*). AMR and US Airways Group expect to realize the cost synergies principally by reducing management and administrative overhead, consolidating information technology systems, and combining facilities. AMR and US Airways Group expect to realize the revenue synergies principally from providing significantly enhanced connectivity throughout the world to permit customers, particularly corporate clients, to use AAG for more of their travel needs and from optimizing the scheduling of the combined fleet to better match aircraft size with consumer demand. AMR and US Airways Group also expect to incur transition costs in connection with the Merger and the integration of the businesses of AMR and US Airways Group of approximately \$1.2 billion. There can be no assurance that AAG will be able to achieve these cost and revenue synergies at all, or that, if achieved, they can be achieved in a timely manner. In addition to the transition costs expected to be incurred in connection with the Merger, AMR will pay approximately \$1.4 billion in cash at emergence to settle certain obligations in connection with the Plan.

**Board of Directors and Management of AAG after the Merger**

Following the Merger, the board of directors of AAG will consist of 12 members. Five of these directors have been designated by the Search Committee appointed by the UCC and a majority of the Consenting Creditors (and one of such directors will be the lead Independent Director); two of these directors have been designated by AMR and have been determined to be reasonably acceptable to the Search Committee; three of these directors have been designated by US Airways Group; and the two remaining directors will be Mr. Horton, the current chairman and chief executive officer of AMR, who will also serve as chairman of the board of directors of AAG, and Mr. Parker, the current chairman and chief executive officer of US Airways Group, who will also serve as chief executive officer of AAG. The Search Committee has designated James F. Albaugh, Jeffrey D. Benjamin, John T. Cahill, Michael J. Embler, and Richard P. Schifter as members of the board of directors of AAG following the Closing, with Mr. Cahill to serve as lead independent director. For more information about these individuals, see the section entitled *The Combined Company After the Merger Board of Directors and Management of AAG after the Merger Board of Directors* beginning on page 151. AMR has designated Alberto Ibarguen and Ray M. Robinson, current members of the AMR board of directors, as members of the board of directors of AAG following the Closing. For more information about these individuals, see the sections entitled *AMR Board of Directors and Corporate Governance Information Directors, Executive Officers, and Corporate Governance* beginning on page 245 and *AMR's Compensation Discussion and Analysis* beginning on page 251. US Airways Group has designated Matthew J. Hart, Richard C. Kraemer, and Denise M. O'Leary, current members of the US Airways Group board of directors, as members of the board of directors of AAG following the Closing. For more information about these individuals, see the sections entitled *Proposal 4: Election of Directors* beginning on page 283 and *US Airways Group Director Compensation* beginning on page 297. If, prior to the Closing, any of these prospective directors becomes unavailable for any reason to serve as a member of the board of directors of AAG following the Closing (which is not anticipated), a substitute will be designated in accordance with the Merger Agreement.

**Table of Contents**

Each of AMR and US Airways Group believes that these prospective directors are independent within the meaning of the relevant NYSE and NASDAQ rules. In accordance with stock exchange rules, a formal independence determination with respect to each such individual will be made following the Closing by the board of directors of AAG.

As of the date of this proxy statement/prospectus, the compensation to be paid to the non-employee directors of AAG has not yet been determined, nor has any determination been made as to committee memberships.

Mr. Horton will serve as chairman of the board of AAG until the earliest of:

the date that is the first anniversary of the Closing Date;

the day prior to the date of the first annual meeting of the stockholders of AAG following the Closing Date (which will not occur prior to May 1, 2014); and

the election of a new chairman by the affirmative vote of at least 75% of the members of the board of directors (rounded up to the next full director), which must include at least one director who was nominated as a director by AMR pursuant to the Merger Agreement.

Following the earliest of such dates, Mr. Parker will serve as chairman of the board of directors of AAG until the election of a new chairman by the affirmative vote of the board of directors of AAG, which, prior to the date that is the 18 month anniversary of the Closing Date, will require the affirmative vote of at least 75% of the members of the board of directors of AAG (rounded up to the next full director), which must include at least one director who was designated as a director by US Airways Group pursuant to the Merger Agreement.

On June 10, 2013, AMR and US Airways Group jointly announced their intention to retain the following individuals, subject to the approval of the board of directors of AAG, as the senior leadership team of AAG or its principal operating subsidiaries following the Closing (in addition to Mr. Parker):

J. Scott Kirby, as president (currently president of US Airways Group);

Elise R. Eberwein, as executive vice president people and communications (currently executive vice president people, communications and public affairs of US Airways Group);

Beverly K. Goulet, as chief integration officer (currently senior vice president and chief integration officer of AMR);

Robert D. Isom, Jr., as chief operating officer and as chief executive officer of US Airways (currently executive vice president and chief operating officer of US Airways Group);

Stephen L. Johnson, as executive vice president, corporate affairs (currently executive vice president corporate and government affairs of US Airways Group);

Derek J. Kerr, as chief financial officer (currently chief financial officer of US Airways Group);

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Maya Leibman, as chief information officer (currently senior vice president technology and chief information officer of AMR); and

William K. Ris, Jr., as senior vice president, government affairs (currently senior vice president government and regulatory affairs of AMR).

The designation of the executive officers of AAG will be determined by the board of directors of AAG after the Closing and is expected to be drawn from the executives identified above. As of the date of this proxy statement/prospectus, AAG had not entered into any new plan, contract, or arrangement with any of these individuals with respect to compensation and benefits following the Closing. The compensation programs and

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## **Table of Contents**

policies for AAG are expected to be established by the board of directors of AAG following the Closing. For more information with respect to the foregoing individuals who are current US Airways executive officers, see the sections entitled "US Airways Group Compensation Discussion and Analysis" beginning on page 310 and "US Airways Group Executive Officers" beginning on page 324.

### **Recommendation of US Airways Group's Board of Directors (see page 74)**

**The US Airways Group board of directors believes that the Merger Agreement and the Merger are advisable and in the best interests of US Airways Group and its stockholders and has unanimously approved the Merger Agreement and the Merger, and unanimously recommends that US Airways Group stockholders vote FOR adoption of the Merger Agreement and FOR the adoption of each of the other proposals described in this proxy statement/prospectus.**

### **US Airways Group Stockholders Entitled to Vote (see page 68)**

US Airways Group stockholders of record at the close of business on May 30, 2013, or the Record Date, are entitled to receive notice of and to vote at the 2013 Annual Meeting of Stockholders and at any adjournments or postponement thereof. On the Record Date, there were 180,577,075 shares of US Airways Group's common stock outstanding and eligible to be voted at the 2013 Annual Meeting of Stockholders. Each share of US Airways Group's common stock entitles its record holder to one vote on each matter submitted to the stockholders.

### **Vote Required**

Assuming a quorum is present, the vote requirements for the various proposals are as follows:

*Adoption of the Merger Agreement:* Approval of the proposal to adopt the Merger Agreement requires the affirmative vote of a majority of the outstanding shares of US Airways Group common stock that are entitled to vote at the 2013 Annual Meeting of Stockholders;

*Election of Directors:* Each US Airways Group director nominee must be elected by the affirmative vote of a majority of the votes cast with respect to such nominee by the shares represented, in person or by proxy, and entitled to vote therefor at the 2013 Annual Meeting of Stockholders. A majority of the votes cast means that the number of votes cast for a nominee exceeds the number of votes cast against that nominee; and

*All Other Matters:* All other matters on the agenda will be decided by the affirmative vote of a majority of the shares of US Airways Group common stock represented, in person or by proxy, and entitled to vote at the 2013 Annual Meeting of Stockholders (and provided that a quorum need not be present to approve the proposal to adjourn the stockholder meeting to solicit additional proxies if there are not sufficient votes to adopt the Merger Agreement).

### **Voting by US Airways Group Directors and Executive Officers (see page 74)**

As of the Record Date, directors and executive officers of US Airways Group were entitled to vote 1,225,347 shares of US Airways Group common stock or less than 1% of the shares of US Airways Group common stock outstanding on that date. The affirmative vote of a majority of the outstanding shares of US Airways Group common stock that are entitled to vote at the 2013 Annual Meeting of Stockholders is required to adopt the Merger Agreement. Each director and executive officer has indicated his or her present intention to vote, or cause to be voted, the shares of US Airways Group common stock owned by him or her **FOR** the adoption of the Merger Agreement.



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**Table of Contents**

**Opinion of US Airways Group's Financial Adviser (see page 93)**

On February 13, 2013, Barclays Capital Inc. ( Barclays ) rendered its opinion to US Airways Group's board of directors that, as of such date and based upon and subject to the qualifications, limitations, and assumptions stated in its opinion, from a financial point of view, the consideration to be received by the stockholders of US Airways Group in the Merger is fair to the stockholders of US Airways Group.

The full text of Barclays' written opinion, dated as of February 13, 2013, is attached as Annex E to this proxy statement/prospectus. Barclays' written opinion sets forth, among other things, the assumptions made, procedures followed, factors considered, and limitations upon the review undertaken by Barclays in rendering its opinion. You are encouraged to read the opinion carefully in its entirety. Barclays' opinion is (i) addressed to the board of directors of US Airways Group, (ii) addresses only the fairness, from a financial point of view, of the consideration to be offered to the stockholders of US Airways Group, and (iii) does not constitute a recommendation to any stockholder of US Airways Group as to how such stockholder should vote with respect to the proposed transaction or any other matter. Barclays was not requested to address, and its opinion does not in any manner address, US Airways Group's underlying business decision to proceed with or effect the proposed transaction.

**Interests of US Airways Group's Directors and Executive Officers in the Merger (see page 110)**

Certain members of the board of directors and executive officers of US Airways Group have interests in the Merger that are different from, or are in addition to, the interests of US Airways Group stockholders generally. These interests include those discussed below.

US Airways Group's executive officers are parties to agreements with US Airways Group and US Airways that provide for certain benefits upon a change in control of US Airways Group, including the Merger, and for severance benefits if their employment is terminated under certain circumstances in connection with a change in control of US Airways Group, including the Merger. In addition, the Merger Agreement provides that, as of the Effective Time, AAG will provide certain current and former US Airways Group non-employee directors various flight privileges and, in certain cases, a related tax gross-up payment.

Furthermore, US Airways Group compensation and benefit plans and arrangements provide for accelerated vesting of certain equity awards held by US Airways Group executive officers and directors upon the closing of a change in control of US Airways Group, including the Merger. Each US Airways Group executive officer has agreed to waive his or her rights to accelerated vesting of US Airways Group stock options, US Airways Group RSUs, and/or US Airways Group SARs, in each case, solely as a result of the Closing. In lieu of such rights, the US Airways Group executive officers have been provided a right to double trigger accelerated vesting of such equity awards, meaning the vesting of such equity awards would instead accelerate only upon a qualifying termination of such executive officers in connection with the Closing.

In addition, the current executive officers of US Airways Group are expected to serve as senior officers of AAG or its principal operating subsidiaries following the Closing, and four members of US Airways Group's current board of directors (including Mr. Parker) have been designated to serve as members of the board of directors of AAG following the Closing. For more information, see the section entitled The Merger Interests of US Airways Group's Directors and Executive Officers in the Merger beginning on page 110.

**Treatment of US Airways Group Equity Awards (see page 113)**

The Merger Agreement provides that, at the Effective Time, (i) each US Airways Group stock option that is outstanding immediately prior to the Effective Time, whether or not vested, will be converted into an option to purchase a number of shares of AAG common stock equal to the number of shares of US Airways Group

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**Table of Contents**

common stock underlying the applicable US Airways Group stock option, and AAG will assume such stock option, (ii)(a) each US Airways Group stock-settled SAR that is outstanding immediately prior to the Effective Time, whether or not vested, will be converted into a stock-settled SAR covering a number of shares of AAG common stock equal to the number of shares of US Airways Group common stock underlying the applicable US Airways Group stock-settled SAR, and (b) each US Airways Group cash-settled SAR that is outstanding immediately prior to the Effective Time will be converted into a cash-settled SAR to acquire an amount of cash determined by reference to a number of shares of AAG common stock equal to the number of shares of US Airways Group common stock referenced by the applicable US Airways Group cash-settled SAR and, in each case, AAG will assume such SAR, and (iii)(a) each US Airways Group stock-settled RSU, each of which represents the right to receive one share of US Airways Group common stock, that is outstanding immediately prior to the Effective Time will be converted into a stock-settled RSU with respect to one share of AAG common stock, and (b) each US Airways Group cash-settled RSU, each of which represents the right to receive the value of one share of US Airways Group common stock, that is outstanding immediately prior to the Effective Time will be converted into the right to receive an amount in cash based on the value of one share of AAG common stock and, in each case, AAG will assume such RSU.

For more information, see the sections entitled *The Merger Agreement The Merger Consideration and the Plan Shares US Airways Group Stock Options and Other Stock Awards* beginning on page 120 and *The Merger Agreement The Merger Consideration and the Plan Shares US Airways Stock Options and Other Stock Awards US Airways Group Restricted Stock Units* beginning on page 121.

**Listing of AAG Common Stock and Delisting of US Airways Group Common Stock (see page 109)**

It is a condition to Closing that the shares of AAG common stock to be issued to US Airways Group equity holders pursuant to the Merger Agreement be authorized for listing on the NYSE or NASDAQ prior to the Effective Time. AMR will use its reasonable best efforts to cause the shares of AAG common stock to be authorized for listing on the NYSE or NASDAQ upon official notice of issuance, prior to the Closing Date. Upon the Closing, shares of US Airways Group common stock currently listed on the NYSE will be delisted and will be deregistered under the Exchange Act.

**No Dissenters Rights (see page 109)**

Under the DGCL, holders of US Airways Group common stock are not entitled to appraisal rights in connection with the Merger.

**Comparison of Stockholder Rights and Corporate Governance Matters (see page 180)**

US Airways Group stockholders receiving shares of AAG common stock in connection with the Merger will have different rights once they become stockholders of AAG due to differences between the governing corporate documents of US Airways Group and the proposed governing corporate documents of AAG. These differences are described in detail in the sections entitled *Description of Capital Stock of AAG* beginning on page 177 and *Comparison of Stockholder Rights and Corporate Governance Matters* beginning on page 180.

**The Plan of Reorganization (see page 155)**

On April 15, 2013, AMR and the other Debtors filed the Plan and the Disclosure Statement with the Bankruptcy Court, each of which was subsequently amended. On June 7, 2013, the Bankruptcy Court entered an order approving the Disclosure Statement. The Plan incorporates and will implement the Merger pursuant to the Merger Agreement. In addition, the Plan contains provisions for the treatment of equity interests in and prepetition claims against AMR and the other Debtors. Upon the effectiveness of the Plan and the Merger, which are anticipated to occur substantially contemporaneously, all shares of existing AMR common stock and other

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**Table of Contents**

equity interests in AMR will be cancelled and all rights with respect thereto will cease to exist. For more information, see the section entitled "The Plan of Reorganization" beginning on page 155.

**Regulatory Approvals Required for the Merger (see page 105)**

Several domestic and international regulatory filings and approvals are required before AMR and US Airways Group can effect the Closing. Under the Hart-Scott Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), AMR and US Airways Group were required to file notifications with the Premerger Notification Office of the U.S. Federal Trade Commission ("FTC") and the Antitrust Division of the DOJ and to observe a mandatory waiting period before completing the Merger. On March 4, 2013, AMR and US Airways Group received a Second Request from the DOJ in connection with the proposed Merger. The issuance of the Second Request extended the statutory HSR Act waiting period during which the parties cannot close the Merger. The DOJ is currently conducting its review of the Merger. Several state attorneys general also are reviewing the Merger and are coordinating their investigation with the DOJ. In addition, the Merger is subject to the pre-Closing approval of the European Commission under European Union ("EU") merger control legislation. AMR and US Airways Group have also notified the Merger to the competition authorities in Canada, Brazil, and Mexico. These competition authorities have now all completed their review of the Merger without taking further action. The parties do not expect to file merger notifications in jurisdictions other than those described above. In addition to the antitrust related filings and clearances discussed above, AMR and US Airways Group must obtain approvals from various other U.S. regulatory agencies, including any required approvals from the U.S. Department of Transportation ("DOT") and the U.S. Federal Aviation Administration ("FAA"), as well as certain other foreign regulatory authorities in connection with the Merger. However, obtaining such approvals (other than any approvals from the DOT or the FAA) is only a condition to the Closing if the failure to obtain such approvals would reasonably be expected to result in a material adverse effect on AMR, US Airways Group, or AAG or to provide a reasonable basis to conclude that AMR, US Airways Group, or any of their respective directors or officers would be subject to the risk of criminal liability. AMR and US Airways Group do not believe that the failure to receive any such regulatory approvals, other than any required approvals from the DOT or the FAA, would reasonably be expected to result in a material adverse effect on AMR, US Airways Group, or AAG, or provide a reasonable basis to conclude that AMR, US Airways Group, or any of their respective directors or officers would be subject to the risk of criminal liability. As of the date of this proxy statement/prospectus, American and US Airways have submitted filings to the DOT in order to obtain certain required approvals in connection with the Merger, but have not received those approvals from the DOT. AMR and US Airways Group do not believe that any FAA approvals are required prior to the Merger, although approvals of the FAA will be required in connection with the integration of American and US Airways after the Closing.

**Conditions to the Merger (see page 135)**

***Conditions to Each Party's Obligations to Effect the Merger***

AMR's, AMR Merger Subsidiaries, and US Airways Group's obligations to complete the Merger are conditioned upon the satisfaction or waiver of each of the following conditions:

the Merger Agreement must have been duly adopted by holders of a majority of the outstanding shares of US Airways Group common stock;

the HSR Act waiting period applicable to the Closing must have expired or been earlier terminated;

any required EU Merger Regulation approvals or authorizations must have been obtained;

any required approval or authorization from the FAA and the DOT must have been obtained;

any approval or authorization required to be obtained from any other governmental entity for the Closing must have been obtained, except for those the failure of which to obtain would not,



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**Table of Contents**

individually or in the aggregate, reasonably be expected to result in a material adverse effect on AMR, US Airways Group, or AAG or provide a reasonable basis to conclude that AMR, US Airways Group, or any of their respective directors or officers would be subject to the risk of criminal liability;

any approval or authorization required to be obtained under any other foreign antitrust, competition, or similar laws for the Closing must have been obtained, except for those the failure of which to obtain would not, individually or in the aggregate, reasonably be expected to result in a material adverse effect on AMR, US Airways Group, or AAG or provide a reasonable basis to conclude that AMR, US Airways Group, or any of their respective directors or officers would be subject to the risk of criminal liability;

no governmental entity of competent jurisdiction may have enacted, issued, promulgated, enforced, or entered any law (whether temporary, preliminary, or permanent) that is in effect and restrains, enjoins, makes illegal, or otherwise prohibits the Closing or the consummation of the other transactions contemplated by the Merger Agreement, and no governmental entity of competent jurisdiction may have proposed (and not withdrawn) an order that could have a material adverse effect on AAG or provide a reasonable basis to conclude that AMR, US Airways Group, or any of their respective directors or officers would be subject to the risk of criminal liability;

the shares of AAG common stock to be issued in the Merger and under the Plan must have been authorized for listing on the NYSE or NASDAQ upon official notice of issuance; and

the registration statement of which this proxy statement/prospectus forms a part must have become effective under the Securities Act, no stop order suspending its effectiveness may have been issued, and no proceedings for that purpose may have been initiated or be threatened by the SEC.

***Conditions to Obligations of AMR and AMR Merger Sub***

AMR's and AMR Merger Sub's obligations to effect the Merger are subject to the satisfaction or waiver of the following conditions:

each of the representations and warranties made by US Airways Group in the Merger Agreement (without giving effect to any materiality or material adverse effect qualifications contained therein) must be true and correct in all respects as of the date of the Merger Agreement and as of the Closing Date as though made on and as of the Closing Date (except to the extent any such representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty must be true and correct as of such earlier date) except (i) where the failure of such representations and warranties to be true and correct (other than with respect to specified representations and warranties relating to the capitalization of US Airways Group) would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on US Airways Group; and (ii) where the failure of such specified representations and warranties relating to the capitalization of US Airways Group to be true and correct is not material;

US Airways Group must have performed in all material respects all obligations required to be performed by it under the Merger Agreement at or prior to the Closing Date;

AMR must have received a certificate signed on behalf of US Airways Group by the chief executive officer or chief financial officer of US Airways Group to the effect that the conditions in the prior two bullets have been satisfied;

AMR must have received the opinion of Weil, Gotshal & Manges LLP, counsel to AMR, in form and substance reasonably satisfactory to AMR, dated the Closing Date, substantially to the effect that the Merger in conjunction with the Plan will be treated for U.S. federal income tax purposes as a



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**Table of Contents**

reorganization within the meaning of Section 368(a) of the U.S. Internal Revenue Code of 1986, as amended (the Code); and

any modifications, amendments, or supplements to the Plan, the Plan Related Documents, or the order of the Bankruptcy Court approving the restructuring of the Debtors pursuant to the Plan, including the approval of the Merger contemplated by the Merger Agreement, and the authorization of AMR to consummate the transactions contemplated by the Plan and the Merger Agreement (the Confirmation Order) not filed with the Bankruptcy Court by the Debtors must be reasonably acceptable to AMR; the Plan must have been confirmed by the Bankruptcy Court pursuant to the Confirmation Order, the Confirmation Order must be in full force and effect and must not have been stayed, modified, or vacated; and the effective date of the Plan (the Effective Date) must occur contemporaneously with the Closing Date. As used herein, Plan Related Documents means modifications, amendments, supplements, schedules, exhibits, and other similar documents related to the Plan or the Disclosure Statement or their terms and conditions.

***Conditions to Obligations of US Airways Group***

US Airways Group's obligation to effect the Merger is also subject to the satisfaction or waiver of the following conditions:

each of the representations and warranties made by AMR and AMR Merger Sub in the Merger Agreement (without giving effect to any materiality or material adverse effect qualifications contained therein) must be true and correct in all respects as of the date of the Merger Agreement and as of the Closing Date as though made on and as of the Closing Date (except to the extent any such representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty must be true and correct as of that earlier date) except (i) where the failure of such representations and warranties to be true and correct (other than with respect to specified representations and warranties relating to the capitalization of AAG) would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on AMR; and (ii) where the failure of such specified representations and warranties relating to the capitalization of AAG to be true and correct is less than a certain threshold of shares of AAG common stock;

each of AMR and AMR Merger Sub must have performed in all material respects all obligations required to be performed by it under the Merger Agreement at or prior to the Closing Date;

US Airways Group must have received a certificate signed on behalf of AMR and AMR Merger Sub by the chief executive officer or chief financial officer of AMR to the effect that the conditions in the first, second, sixth, and seventh bullets under this heading Conditions to Obligations of US Airways Group have been satisfied;

US Airways Group must have received the opinion of Latham & Watkins LLP, counsel to US Airways Group, in form and substance reasonably satisfactory to US Airways Group, dated the Closing Date, substantially to the effect that the Merger in conjunction with the Plan will be treated for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code;

the Plan, the Plan Related Documents, and the Confirmation Order must be in form and substance reasonably acceptable to US Airways Group (such acceptance not to be unreasonably delayed, conditioned, or withheld); the Plan must have been confirmed by the Bankruptcy Court pursuant to the Confirmation Order; the Confirmation Order must be in full force and effect and must not have been stayed, modified, or vacated; and the Effective Date must occur contemporaneously with the Closing Date;

the Plan must include each of the components of a conforming plan as set forth in the Merger Agreement under The Merger Agreement Bankruptcy Matters beginning on page 126; and





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**Table of Contents**

immediately prior to the effectiveness of the Plan:

- i secured indebtedness of the Debtors (other than secured indebtedness with respect to municipal bonds) must not exceed \$6.8 billion in aggregate principal amount, subject to certain exceptions;
- i secured indebtedness of the Debtors with respect to municipal bonds must not exceed \$1.7 billion in aggregate principal amount, subject to certain exceptions; and
- i certain unpaid administrative expense claims and unpaid claims entitled to priority status under the Bankruptcy Code (other than priority claims related to pensions) must not exceed \$400 million in aggregate principal amount.

**Expected Timing of the Merger**

AMR and US Airways Group plan to complete the Merger as soon as is reasonably practicable and presently expect the Closing to occur in the third quarter of 2013. However, AMR and US Airways Group cannot predict the exact timing of the Closing because it is subject to approval of the Bankruptcy Court as part of the Plan, regulatory approvals, and other conditions.

**Non-Solicitation of Acquisition Proposals (see page 128)**

The Merger Agreement restricts US Airways Group and AMR from initiating, soliciting, knowingly encouraging, or facilitating certain proposals or offers with respect to a competing acquisition proposal, including the acquisition of a significant equity interest in US Airways Group or AMR (including AMR as reorganized pursuant to the Bankruptcy Code) or the acquisition of a significant portion of the assets of US Airways Group or AMR, or, in the case of AMR, the acquisition of claims against AMR that would entitle the purchaser to a significant equity interest in AMR (as reorganized pursuant to the Bankruptcy Code) or any plan of reorganization of AMR other than the Plan. However, each of US Airways Group or AMR may consider competing, unsolicited acquisition proposals and enter into discussions or negotiations regarding such acquisition proposals, if its board of directors determines that any such acquisition proposal constitutes, or is reasonably likely to lead to, a superior proposal and that the failure to take such action is reasonably likely to be inconsistent with its fiduciary duties under applicable law.

**Termination Fees and Expenses (see page 140)**

Subject to the specific exceptions discussed in this proxy statement/prospectus, in the event the Merger Agreement is terminated, US Airways Group may be required to pay a termination fee of \$55 million or \$195 million and AMR may be required to pay a termination fee of \$135 million or \$195 million (as the case may be). See the section entitled "The Merger Agreement Termination Fees and Expenses" beginning on page 140 for a discussion of the circumstances under which such termination fees will be required to be paid.

**Material U.S. Federal Income Tax Consequences of the Merger (see page 106)**

The Merger in conjunction with the Plan is intended to qualify as a reorganization within the meaning of Section 368(a) of the Code, and the Closing is conditioned upon the receipt by each of US Airways Group and AMR of an opinion from its outside counsel to the effect that the Merger so qualifies. If the Merger in conjunction with the Plan qualifies as such a reorganization, U.S. Holders generally will not recognize gain or loss as a result of the exchange of US Airways Group common stock for AAG common stock in the Merger, their aggregate tax basis in AAG common stock received in the Merger will be equal to the aggregate tax basis of the US Airways Group common stock surrendered in the Merger, and their holding period for AAG common stock received in the Merger will include their holding period for the US Airways Group common stock surrendered in

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**Table of Contents**

the Merger. U.S. Holders who hold their US Airways Group common stock with differing bases or holding periods should consult their tax advisers with regard to identifying the bases or holding periods of the particular AAG common shares received in the Merger. As used herein, a U.S. Holder means a beneficial owner of US Airways Group common stock who is, for U.S. federal income tax purposes: (i) an individual who is a citizen or resident of the United States; (ii) a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any state thereof, or the District of Columbia; (iii) an estate, the income of which is subject to U.S. federal income tax regardless of its source; or (iv) a trust that (a) is subject to the primary supervision of a U.S. court and the control of one or more U.S. persons (within the meaning of Section 7701(a)(30) of the Code), or (b) has made a valid election under applicable U.S. Treasury regulations to be treated as a U.S. person.

The tax consequences of the Merger to each stockholder will depend on such stockholder's own situation. US Airways Group stockholders are urged to read the discussion in the section entitled "The Merger - Material U.S. Federal Income Tax Consequences" beginning on page 103, and to consult their tax advisers as to the U.S. federal income tax consequences of the Merger, as well as the effects of other federal, state, local, and non-U.S. tax laws.

**Accounting Treatment (see page 108)**

AMR prepares its financial statements in accordance with GAAP. The Merger will be accounted for using the acquisition method of accounting. AMR will be treated as the acquirer for accounting purposes. Upon emergence from Chapter 11, AMR will finalize all appropriate accounting entries associated with the Plan and adopt "fresh start" accounting in accordance with the Financial Accounting Standards Board's *Accounting Standards Classification* (ASC) 852, Reorganizations. Fresh start accounting requires resetting the historical net book value of assets and liabilities to fair value by assigning AMR's reorganization value to the fair value of its assets and liabilities pursuant to ASC 805. See the section entitled "The Merger - Accounting Treatment" beginning on page 108 and Note 3 to the unaudited pro forma condensed combined financial statements beginning on page 170.

**Risk Factors (see page 44)**

In evaluating the Merger and the Merger Agreement, you should carefully read this proxy statement/prospectus and especially consider the factors discussed in the section entitled "Risk Factors" beginning on page 44.

**Comparative Per Share Market Price Data**

For a detailed description of comparative market prices, see the section entitled "Comparative Per Share Market Price Data" beginning on page 149.

US Airways Group common stock currently trades on the NYSE under the symbol "LCC". Prior to the commencement of the Chapter 11 Cases and continuing through January 5, 2012, AMR's common stock was traded on the NYSE under the symbol "AMR". On December 29, 2011, the NYSE announced that it would suspend trading and move to delist AMR's common stock. AMR's common stock was delisted effective January 5, 2012. As a result, on January 5, 2012, AMR's common stock began trading on the over-the-counter market under the symbol "AAMRQ".

**Table of Contents**

The table below sets forth, for the periods indicated, the range of high and low per share sales prices for AMR common stock as reported on the NYSE and over-the-counter market, as applicable, and for US Airways Group common stock as reported on the NYSE. For current price information, you should consult publicly available sources. Neither AMR nor US Airways Group paid any dividends during these periods.

The historical price information of US Airways Group stock does not necessarily reflect, and the historical price information of AMR common stock does not reflect the price at which AAG common stock will trade following the Merger. The Plan contemplates the cancellation of all currently outstanding equity securities of AMR. Therefore, it is not meaningful to determine the value of the Merger consideration by reference to current trading values of AMR common stock. Neither AMR nor US Airways Group can anticipate the price at which AAG common stock will trade following the Closing. For information on the financial forecasts developed by AMR management (the AMR Forecasts), the financial forecasts developed by US Airways Group management (the US Airways Group Forecasts), and the financial forecasts developed by AMR management and US Airways Group management (the AAG Disclosure Statement Forecasts), and, together with the AMR Forecasts and the US Airways Group Forecasts, the Forecasts, see the section entitled The Merger General Information regarding Forecasts and Expected Synergies beginning on page 100.

	US Airways Group		AMR	
	High	Low	High	Low
<b>Fiscal Year 2013</b>				
Second Quarter (through June 7, 2013)	\$ 19.70	\$ 15.03	\$ 6.85	\$ 4.43
First Quarter	17.43	12.70	4.52	0.80
<b>Fiscal Year 2012</b>				
Fourth Quarter	\$ 13.75	10.32	\$ 0.99	0.36
Third Quarter	14.51	9.74	0.56	0.36
Second Quarter	13.80	7.41	0.60	0.44
First Quarter	9.91	4.97	0.83	0.24
<b>Fiscal Year 2011</b>				
Fourth Quarter	\$ 6.48	3.96	\$ 3.10	0.20
Third Quarter	9.15	4.68	5.54	2.94
Second Quarter	10.35	7.76	6.79	5.40
First Quarter	11.56	7.71	8.89	6.05

The following table presents:

the last reported sale price of a share of AMR common stock, as reported on the over-the-counter market; and

the last reported sale price of a share of US Airways Group common stock, as reported on the NYSE; in each case, on February 13, 2013, the last full trading day prior to the public announcement of the proposed Merger, and on June 7, 2013, the last practicable trading day prior to the date of this proxy statement/prospectus.

Date	US Airways Group	AMR
February 13, 2013	\$ 14.66	\$ 1.30
June 7, 2013	\$ 17.02	\$ 4.85

As noted above, because the Plan contemplates the cancellation of all currently outstanding securities of AMR, the historical price information of AMR common stock does not reflect the price at which AAG common stock will trade following the Closing.

**Table of Contents****Selected Consolidated Financial Data****Selected Consolidated Financial Data of AMR**

The selected consolidated financial data presented below under the captions "Consolidated statements of operations data" and "Consolidated balance sheet data" for the years ended December 31, 2012, 2011, and 2010 and as of December 31, 2012 and 2011 are derived from AMR's audited consolidated financial statements included in this proxy statement/prospectus. See the section entitled "Unaudited Pro Forma Condensed Combined Financial Statements" beginning on page 160. The selected consolidated financial data for the years ended December 31, 2009 and 2008 and as of December 31, 2010, 2009, and 2008 are derived from AMR's audited consolidated financial statements for such years, which have not been included in, or incorporated by reference into, this proxy statement/prospectus. See the section entitled "Additional Information" beginning on page 347.

The consolidated statement of operations data for the three months ended March 31, 2013 and 2012, and the consolidated balance sheet data as of March 31, 2013 have been derived from the AMR unaudited interim condensed consolidated financial statements for the three months ended March 31, 2013, included in this proxy statement/prospectus. The balance sheet data as of March 31, 2012, has been derived from the AMR unaudited interim condensed consolidated financial statements for such periods, which have not been included in, or incorporated by reference into, this proxy statement/prospectus. These financial statements are unaudited, but, in the opinion of AMR's management, contain all adjustments necessary to present fairly AMR's consolidated financial position, results of operations, and cash flows for the periods indicated.

You should read this selected consolidated financial data together with the financial statements of AMR that are included in this proxy statement/prospectus and their accompanying notes and management's discussion and analysis of financial condition and results of operations of AMR contained in this proxy statement/prospectus. See the AMR unaudited interim condensed consolidated financial statements for the three months ended March 31, 2013 beginning on page F-2 and the AMR 2012 consolidated financial statements beginning on page F-31.

	<b>Three Months Ended March 31,</b>		<b>Year Ended December 31,</b>				
	<b>2013<sup>(a)</sup></b>	<b>2012<sup>(a)</sup></b>	<b>2012<sup>(a),(d)</sup></b>	<b>2011<sup>(a)</sup></b>	<b>2010<sup>(a)</sup></b>	<b>2009<sup>(a),(d)</sup></b>	<b>2008<sup>(a),(f)</sup></b>
	<b>(In millions,</b>						
	<b>except share and</b>						
	<b>per share data)</b>		<b>(In millions, except share and per share data)</b>				
<b>Consolidated statements of operations data:</b>							
Total operating revenues	\$ 6,098	\$ 6,037	\$ 24,855	\$ 23,979	\$ 22,170	\$ 19,917	\$ 23,766
Operating income (loss)	52	(89)	107	(1054)	308	(1004)	(1889)
Reorganization items, net <sup>(b)</sup>	(160)	(1,401)	(2,208)	(118)			
Net income (loss)	(341)	(1,660)	(1,876)	(1,979)	(471)	(1,468)	(2,118)
<b>Net income (loss) per share:</b>							
Basic	(1.02)	(4.95)	(5.60)	(5.91)	(1.41)	(4.99)	(8.16)
Diluted	(1.02)	(4.95)	(5.60)	(5.91)	(1.41)	(4.99)	(8.16)
<b>Consolidated balance sheet data (at end of period):</b>							
Total assets	23,852	24,511	23,510	23,848	25,088	25,438	25,175
Long-term debt, less current maturities	6,646	6,575	6,735	6,702	8,756	9,984	8,423
Obligations under capital leases, less current obligations	375	316	381		497	599	582
Obligation for pension and post-retirement benefits <sup>(c), (e)</sup>	6,730	1,685	6,780	9,204	7,877	7,397	6,614
Liabilities subject to compromise	6,779	15,001	6,606	4,843			
Stockholders' equity (deficit) <sup>(c), (e)</sup>	(8,376)	(8,686)	(7,987)	(7,111)	(3,945)	(3,489)	(2,935)

(a) Includes special charges and other items, as follows:

The 2013 first quarter special charges consisted of \$16 million in Merger-related charges, \$12 million of severance-related charges and write off of leasehold improvements at airport facilities that were rejected



**Table of Contents**

during the Chapter 11 Cases and a \$45 million charge due to an increase in workers' compensation claims in recent months as well as adverse development on older claims. The 2012 first quarter included special charges of \$11 million related to the write off of leasehold improvements on aircraft.

In 2012, special charges consisted of \$387 million of severance-related charges and write off of leasehold improvements on aircraft and at airport facilities that were rejected during the Chapter 11 Cases. AMR's 2012 results also include a \$280 million benefit from a settlement of a commercial dispute.

In 2011, special charges and other items consisted of \$799 million, including \$725 million related to the impairment of certain aircraft and gates, \$31 million of non-recurring non-cash charges related to certain sale/leaseback transactions, and a \$43 million revenue reduction as a result of a decrease in the breakage assumption related to the AAdvantage® program frequent flier liability.

In 2010, special items consisted of \$81 million and include the impairment of certain route authorities in Latin America and losses on Venezuelan currency remeasurement.

In 2009, restructuring charges of \$171 million primarily consisted of the grounding of the Airbus A300 fleet and the impairment of Embraer RJ-135 aircraft. Special items in 2009 consisted of \$184 million and include the impairment of certain route and slot authorities, primarily in Latin America, and losses on certain sale-leaseback transactions. In 2008, restructuring charges consisted of \$1.2 billion primarily related to aircraft and employee charges due to announced capacity reductions (for further discussion of these items, see Note 3 to the AMR 2012 consolidated financial statements).

- (b) Reorganization items refer to revenues, expenses (including professional fees), realized gains and losses, and provisions for losses that are realized or incurred as a direct result of the Chapter 11 Cases. See Note 1 to the AMR 2012 consolidated financial statements and Note 1 to the AMR unaudited interim condensed consolidated financial statements for the three months ended March 31, 2013, included herein for further information on reorganization items.
  - (c) AMR's defined benefit pension plans were frozen effective November 1, 2012, and the Pilot B Plan, a defined contribution plan, was terminated on November 30, 2012. Further, AMR significantly modified its retiree medical plans in 2012 resulting in the recognition of a negative plan amendment. See Note 11 to the AMR 2012 consolidated financial statements included herein for further information on retirement benefits, including the financial impact of these plan changes.
  - (d) Includes the impact of a \$569 million and \$248 million tax benefit related to the allocation of tax expense to other comprehensive income items recognized in 2012 and 2009, respectively.
  - (e) As a result of a significant decline in 2008 in the market value of AMR's benefit plan assets, AMR recorded a \$3.0 billion increase in pension and retiree medical and other benefits and a similar decrease in stockholders' equity in 2008. In 2008, AMR incurred \$103 million in expense due to a pension settlement. As a result of actuarial changes in the discount rate, AMR recorded a \$1.3 billion increase in pension and retiree medical and other benefits obligations and a corresponding decrease in stockholders' equity in 2011.
  - (f) Includes the impact of the \$432 million gain on the sale of American Beacon Advisers.
- No cash dividends were declared on AMR's common shares during any of the periods above.

***Selected Consolidated Financial Data of US Airways Group***

The selected consolidated financial data presented below under the captions "Consolidated statements of operations data" and "Consolidated balance sheet data" for the years ended December 31, 2012, 2011, and 2010 and as of December 31, 2012 and 2011 are derived from US Airways Group's audited consolidated financial statements contained in its Annual Report on Form 10-K for the year ended December 31, 2012, which is incorporated by reference in this proxy statement/prospectus. The selected consolidated financial data for the years ended December 31, 2009 and 2008 and as of December 31, 2010, 2009, and 2008 are derived from US Airways Group's audited consolidated financial statements for such years, which have not been incorporated by

**Table of Contents**

reference into this proxy statement/prospectus. The selected consolidated financial data should be read in conjunction with US Airways Group's consolidated financial statements for the respective periods, the related notes, and the related reports of KPMG LLP, an independent registered public accounting firm.

The consolidated statement of operations data for the three months ended March 31, 2013 and 2012, and the consolidated balance sheet data as of March 31, 2013 have been derived from US Airways Group's unaudited condensed consolidated financial statements contained in its Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2013, which is incorporated by reference in this proxy statement/prospectus. The balance sheet data as of March 31, 2012 has been derived from US Airways Group's unaudited condensed consolidated financial statements for such period, which have not been included in, or incorporated by reference into, this proxy statement/prospectus. These financial statements are unaudited, but, in the opinion of US Airways Group's management, contain all adjustments necessary to present fairly US Airways Group's consolidated financial position, results of operations, and cash flows for the periods indicated.

You should read this selected consolidated financial data together with the financial statements of US Airways Group and the accompanying notes and management's discussion and analysis of financial condition and results of operations of US Airways Group contained in US Airways Group's Annual Report on Form 10-K for the year ended December 31, 2012 and Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2013, each of which is incorporated by reference in this proxy statement/prospectus. See the section entitled "Additional Information" beginning on page 347.

	Three Months		Year Ended December 31,				
	Ended March 31, 2013	2012	2012	2011	2010	2009	2008
<b>(In millions, except share and per share data)</b>							
<b>Consolidated statements of operations data:</b>							
Operating revenues	\$ 3,380	\$ 3,266	\$ 13,831	\$ 13,055	\$ 11,908	\$ 10,458	\$ 12,118
Operating expenses	3,277	3,207	12,975	12,629	11,127	10,340	13,918
Operating income (loss)	103	59	856	426	781	118	(1,800)
Net income (loss)	44	48	637	71	502	(205)	(2,215)
<b>Earnings (loss) per common share:</b>							
Basic	\$ 0.27	\$ 0.30	\$ 3.92	\$ 0.44	\$ 3.11	\$ (1.54)	\$ (22.11)
Diluted	0.26	0.28	3.28	0.44	2.61	(1.54)	(22.11)
<b>Shares used for computation (in thousands):</b>							
Basic	162,902	162,130	162,331	162,028	161,412	133,000	100,168
Diluted	206,748	201,814	203,978	163,743	201,131	133,000	100,168
<b>Consolidated statements of operations data excluding special items (a):</b>							
Operating income (loss) excluding special items	\$ 144	\$ 62	\$ 893	\$ 452	\$ 785	\$ (199)	\$ (606)
Net income (loss) excluding special items	55	(22)	537	111	447	(499)	(808)
<b>Earnings (loss) per common share excluding special items:</b>							
Basic	\$ 0.34	\$ (0.13)	\$ 3.31	\$ 0.69	\$ 2.77	\$ (3.75)	\$ (8.06)
Diluted	0.31	(0.13)	2.79	0.68	2.34	(3.75)	(8.06)
<b>Consolidated balance sheet data (at end of period):</b>							
Total assets	\$ 10,147	\$ 8,848	\$ 9,396	\$ 8,335	\$ 7,819	\$ 7,454	\$ 7,214
Long-term obligations, less current maturities (b)	3,923	4,582	5,013	4,718	4,559	4,643	4,281
Total stockholders' equity (deficit)	841	200	790	150	84	(355)	(494)

(a) See reconciliation of GAAP to non-GAAP financial measures below.

(b) Includes debt, capital leases, post-retirement benefits other than pensions and employee benefit liabilities, and other.

**Table of Contents****Reconciliation of GAAP to Non-GAAP Financial Measures**

US Airways Group is providing disclosure of the reconciliation of reported non-GAAP financial measures to its comparable financial measures on a GAAP basis. US Airways Group believes that the non-GAAP financial measures provide investors the ability to measure financial performance excluding special items, which is more indicative of its ongoing performance and is more comparable to measures reported by other major airlines.

	Three Months Ended			Year Ended December 31,			
	March 31, 2013	2012	2012	2011	2010	2009	2008
	(In millions)						
Operating income (loss) GAAP	\$ 103	\$ 59	\$ 856	\$ 426	\$ 781	\$ 118	\$ (1,800)
Operating special items, net <sup>(a)</sup>	41	3	37	26	4	(317)	1,194
Operating income (loss) excluding special items	144	62	893	452	785	(199)	(606)
Net income (loss) GAAP	44	48	637	71	502	(205)	(2,215)
Operating special items, net <sup>(a)</sup>	41	3	37	26	4	(317)	1,194
Nonoperating special items, net <sup>(b)</sup>	(30)	(73)	(137)	(7)	(59)	61	213
Income tax special items <sup>(c)</sup>				21		(38)	
Net income (loss) excluding special items	\$ 55	\$ (22)	\$ 537	\$ 111	\$ 447	\$ (499)	\$ (808)

(a) Includes the following operating special charges (credits):

The three months ended March 31, 2013 consisted primarily of Merger-related costs and charges related to the ratification of the US Airways flight attendant collective bargaining agreement ( CBA ).

The 2012 period included \$34 million of charges primarily related to corporate transaction and auction rate securities arbitration costs as well as \$3 million of express special charges related to ratification of a new Piedmont fleet and passenger services contract.

The 2011 period included \$24 million of charges primarily related to corporate transaction and auction rate securities arbitration costs as well as \$2 million in express other special charges.

The 2010 period included a \$6 million non-cash charge related to the decline in value of certain spare parts, \$5 million in aircraft costs related to capacity reductions, and other net special charges of \$10 million, which included a settlement and corporate transaction costs. These costs were offset in part by a \$16 million refund of Aviation and Security Infrastructure Fee ( ASIF ) and a \$1 million refund of ASIF for US Airways Group s express subsidiaries previously paid to the Transportation Security Administration ( TSA ) during the years 2005 to 2009.

The 2009 period included \$375 million of net unrealized gains on fuel hedging instruments, offset in part by \$22 million in aircraft costs as a result of capacity reductions, \$16 million in non-cash impairment charges due to the decline in value of certain indefinite lived intangible assets associated with international routes, \$11 million in severance and other charges, \$6 million in costs incurred related to the 2009 liquidity improvement program, and \$3 million in non-cash charges related to the decline in value of certain express spare parts.

The 2008 period included a \$622 million non-cash charge to write-off all of the goodwill created by the merger of US Airways Group and America West in September 2005, as well as \$496 million of net unrealized losses on fuel hedging instruments. In addition, the 2008 period included \$35 million of merger-related transition expenses, \$18 million in non-cash charges related to the decline in value of certain spare parts associated with US Airways Group s Boeing 737 aircraft fleet, and, as a result of capacity reductions, \$14 million in aircraft costs and \$9 million in severance charges.

(b) Includes the following nonoperating special charges (credits):

The three months ended March 31, 2013 consisted of a \$30 million credit in connection with an award received in an arbitration related to previous investments in auction rate securities.





**Table of Contents**

The three months ended March 31, 2012 consisted of a \$73 million gain relating to the Slot transaction with Delta Air Lines.

The 2012 period primarily included a \$142 million gain related to the Slot transaction with Delta Air Lines, offset in part by \$3 million in debt prepayment penalties and non-cash write-offs of certain debt issuance costs related to the refinancing of two Airbus aircraft.

The 2011 period included a \$15 million credit in connection with an award received in an arbitration involving investments in auction rate securities, offset in part by \$6 million in debt prepayment penalties and non-cash write-offs of certain debt issuance costs related to the refinancing of five Airbus aircraft as well as \$2 million of losses related to investments in auction rate securities.

The 2010 period included \$53 million of net realized gains related to the sale of certain investments in auction rate securities as well as an \$11 million settlement gain, offset in part by \$5 million in non-cash charges related to the write-off of debt issuance costs.

The 2009 period included \$49 million in non-cash charges associated with the sale of 10 Embraer 190 aircraft and write-off of related debt discount and issuance costs, \$10 million in other-than-temporary non-cash impairment charges for investments in auction rate securities, and a \$2 million non-cash asset impairment charge.

The 2008 period included \$214 million in other-than-temporary non-cash impairment charges for investments in auction rate securities, as well as \$7 million in write-offs of debt discount and debt issuance costs in connection with the refinancing of certain aircraft equipment notes and certain loan prepayments, offset in part by \$8 million in gains on forgiveness of debt.

(c) Includes the following income tax special charges (credits):

The 2011 period included a non-cash tax charge of \$21 million as a result of the sale of US Airways Group's final remaining investment in auction rate securities in July 2011. This charge recognized in the statement of operations the tax provision that was recorded in other comprehensive income, a subset of stockholders' equity, in the fourth quarter of 2009 as described below.

The 2009 period included a tax benefit of \$38 million. Of this amount, \$21 million was due to a non-cash income tax benefit related to gains recorded within other comprehensive income during 2009. In addition, US Airways Group recorded a \$14 million tax benefit related to a legislation change allowing US Airways Group to carry back 100% of 2008 Alternative Minimum Tax liability net operating losses (NOLs), resulting in the recovery of such Alternative Minimum Tax liability amounts paid in prior years. US Airways Group also recognized a \$3 million tax benefit related to the reversal of the deferred tax liability associated with the indefinite lived intangible assets that were impaired during 2009.

**Table of Contents****Supplementary Financial Data**

The table below sets forth certain unaudited supplementary quarterly financial data of AMR for 2013, 2012 and 2011:

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(In millions, except per share amounts)			
<b>2013</b>				
Operating revenues	\$ 6,098	\$	\$	\$
Operating income (loss)	52			
Net earnings (loss)	(341)			
<b>Earnings (loss) per share:</b>				
Basic	(1.02)			
Diluted	(1.02)			
<b>2012</b>				
Operating revenues	\$ 6,037	\$ 6,452	\$ 6,429	\$ 5,937
Operating income (loss)	(89)	142	51	3
Net earnings (loss)	(1,660)	(241)	(238)	263
<b>Earnings (loss) per share:</b>				
Basic	(4.95)	(0.72)	(0.71)	0.78
Diluted	(4.95)	(0.72)	(0.71)	0.69
<b>2011</b>				
Operating revenues	\$ 5,533	\$ 6,114	\$ 6,376	\$ 5,956
Operating income (loss)	(232)	(78)	39	(783)
Net earnings (loss)	(436)	(286)	(162)	(1,095)
<b>Earnings (loss) per share:</b>				
Basic	(1.31)	(0.85)	(0.48)	(3.27)
Diluted	(1.31)	(0.85)	(0.48)	(3.27)

**Table of Contents****Selected Unaudited Pro Forma Condensed Combined Financial Data of AMR and US Airways Group**

The following table presents selected unaudited pro forma condensed combined financial data about AMR's consolidated balance sheet and statements of operations, after giving effect to the Merger and fresh start accounting. The information under Unaudited Pro Forma Condensed Combined Statement of Operations Data in the table below reflects the impact of fresh start accounting for AMR as if implemented on January 1, 2012 and gives effect to the Merger as if it had been consummated on January 1, 2012, the beginning of the earliest period presented. The information under Unaudited Pro Forma Condensed Combined Balance Sheet Data in the table below assumes the Merger had been consummated on December 31, 2012. This unaudited pro forma condensed combined financial data was prepared using the acquisition method of accounting with AMR considered the acquirer of US Airways Group. See the section entitled The Merger Accounting Treatment beginning on page 108.

In addition, the unaudited pro forma condensed combined financial data includes adjustments that are preliminary and may be revised. There can be no assurance that such revisions will not result in material changes. The unaudited pro forma condensed combined financial data is presented for illustrative purposes only and does not indicate the financial results of AMR or AAG.

Further, upon emergence from Chapter 11, AMR will finalize all appropriate accounting entries associated with the Plan and adopt fresh start accounting in accordance with ASC 852, Reorganizations. Fresh start accounting requires resetting the historical net book value of remaining assets and liabilities to fair value by assigning AMR's reorganization value to the fair value of its assets and liabilities pursuant to ASC 805.

The information presented below should be read in conjunction with the historical consolidated financial statements of AMR and US Airways Group, including the related notes, in the case of AMR, included in this proxy statement/prospectus, and in the case of US Airways Group, incorporated by reference into this proxy statement/prospectus, and with the unaudited pro forma condensed combined financial statements of AMR and US Airways Group, including the related notes, appearing elsewhere in this proxy statement/prospectus. See the section entitled Additional Information beginning on page 347, the AMR unaudited interim condensed consolidated financial statements for the three months ended March 31, 2013 beginning on page F-2, the AMR 2012 consolidated financial statements beginning on page F-31, and the section entitled Unaudited Pro Forma Condensed Combined Financial Statements beginning on page 160.

The unaudited pro forma condensed combined financial data is not necessarily indicative of results that actually would have occurred or that may occur in the future had the Merger been completed on the dates indicated.

***Unaudited Pro Forma Condensed Combined Statements of Operations Data***

	<b>Three Months Ended March 31, 2013 (In millions, except per share data)</b>	<b>Year Ended December 31, 2012 (In millions, except per share data)</b>
Operating revenues	\$ 9,501	\$ 38,689
Operating expenses	9,314	37,465
Operating income	187	1,224
Net income (loss)	(112)	599
<b>Earnings (loss) per share:</b>		
Basic	(0.16)	0.86
Diluted	(0.16)	0.85

**Table of Contents****Unaudited Pro Forma Condensed Combined Balance Sheet Data**

	As of March 31, 2013 (In millions)
Unrestricted cash, cash equivalents, and short-term investments	\$ 6,772
Total assets	55,363
Long-term debt and capital lease obligations, excluding current portion	11,002
Stockholders' equity	12,478

**Unaudited Comparative Per Share Data**

Presented below are AMR's and US Airways Group's historical per share data for the three months ended March 31, 2013 and the year ended December 31, 2012 and unaudited pro forma combined per share data for the three months ended March 31, 2013 and the year ended December 31, 2012. This information should be read together with the historical consolidated financial statements and related notes of US Airways Group that are incorporated by reference into this proxy statement/prospectus, the consolidated financial statements and related notes of AMR that are included in this proxy statement/prospectus, and with the unaudited pro forma condensed combined financial data included in the section entitled "Unaudited Pro Forma Condensed Combined Financial Statements" beginning on page 160. The unaudited pro forma condensed combined financial data is presented for illustrative purposes only and is not necessarily indicative of the operating results or financial position that would have occurred if the Merger had been completed as of the beginning of the periods presented, nor is it necessarily indicative of the future operating results or financial position of AMR or AAG. The historical book value per share is computed by dividing total stockholders' equity (deficit) by the number of shares of common stock outstanding at the end of the period. The pro forma loss per share of AAG is computed by dividing the pro forma loss by the pro forma weighted average number of shares outstanding. The pro forma book value per share of AAG is computed by dividing total pro forma stockholders' equity by the pro forma number of shares of common stock outstanding at the end of the period.

AMR Historical	Three Months Ended March 31, 2013	Year Ended December 31, 2012
Loss per share		
Basic	\$ (1.02)	\$ (5.60)
Diluted	\$ (1.02)	\$ (5.60)
Book value per share of common stock	\$ (24.99)	\$ (23.82)

US Airways Group Historical	Three Months Ended March 31, 2013	Year Ended December 31, 2012
Earnings per share		
Basic	\$ 0.27	\$ 3.92
Diluted	\$ 0.26	\$ 3.28
Book value per share of common stock	\$ 5.15	\$ 4.86

AMR unaudited pro forma combined amounts	Three Months Ended March 31, 2013	Year Ended December 31, 2012
Earnings (loss) per share		
Basic	\$ (0.16)	\$ 0.86
Diluted	\$ (0.16)	\$ 0.85
Book value per share of common stock	\$ 17.85	\$ 17.13

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**Table of Contents**

**GLOSSARY**

Set forth below is a Glossary of defined terms used in this proxy statement/prospectus:

2002 Plan means the America West 2002 Incentive Equity Plan.

2005 Plan means the US Airways Group, Inc. 2005 Equity Incentive Plan.

2008 Plan means the US Airways Group, Inc. 2008 Equity Incentive Plan.

2011 Plan means the US Airways Group, Inc. 2011 Incentive Award Plan.

2013 Annual Meeting of Stockholders means the 2013 annual meeting of stockholders of US Airways Group.

2013 Equity Awards means AMR's long-term incentive awards to be granted by AMR under the AAG 2013 IAP in the form of stock-settled RSUs or, to the extent permitted by the Merger Agreement, cash or cash-settled awards, to certain AMR employees to be effective upon the Closing.

7% Convertible Note Indenture means the Indenture, dated as of September 30, 2005, between US Airways Group and U.S. Bank National Association, as trustee.

7.25% Convertible Note Indenture means the Indenture, dated as of May 13, 2009, between US Airways Group and The Bank of New York Mellon Trust Company, N.A., as trustee, as supplemented by the First Supplemental Indenture, dated as of May 13, 2009, between US Airways Group and The Bank of New York Mellon Trust Company, N.A., as trustee.

AAdvantage® program means AMR's AAdvantage® frequent flyer program.

AAG means AMR following the Closing, as renamed American Airlines Group Inc., and, as the context requires, its subsidiaries (including US Airways Group and its subsidiaries).

AAG 2013 IAP means the new American Airlines Group Inc. 2013 Incentive Award Plan to be effected pursuant to the Plan.

AAG Bylaws means the amended and restated bylaws of AMR to be effective at the Effective Time, which are expected to be substantially in the form included as Annex D to this proxy statement/prospectus.

AAG Certificate of Incorporation means the amended and restated certificate of incorporation of AMR to be effective immediately prior to the Effective Time, which is expected to be substantially in the form included as Annex B to this proxy statement/prospectus.

AAG Convertible Preferred Stock means the series of preferred stock, par value \$0.01 per share, of AAG, designated as Series A Convertible Preferred Stock.

AAG Disclosure Statement Forecasts means the financial forecasts developed by AMR management and US Airways Group management solely in connection with the Disclosure Statement being delivered to stakeholders of the Debtors in the Chapter 11 Cases.

AAG Securities means, collectively, AAG common stock, preferred stock, warrants, rights, or options to purchase AAG common stock and certain other equity-type interests of AAG.

Acquiring Person means a person or group of affiliated or associated persons who has acquired, or obtained the right to acquire, beneficial ownership of 4.9% or more of the common stock of US Airways Group.

**Table of Contents**

**Ad Hoc Committee** means the Ad Hoc Group of AMR Corporation Creditors, consisting of substantial prepetition unsecured creditors of the Debtors.

**AFA** means the Association of Flight Attendants-CWA.

**Airbus** means Airbus S.A.S.

**ALPA** means the Air Line Pilots Association.

**Amendment** means the Amendment to Agreement and Plan of Merger, dated as of May 15, 2013, by and among AMR, AMR Merger Sub, and US Airways Group.

**America West** means America West Holdings Corporation.

**American** means American Airlines, Inc., a wholly-owned subsidiary of AMR.

**American Debtors** means, for purposes of the Plan, American and certain of its subsidiaries, as substantively consolidated into one of three nodes pursuant to which the Plan will classify creditor claims.

**American Eagle** means American Eagle Airlines, Inc., an indirectly wholly-owned subsidiary of AMR.

**American Eagle Carriers** means the regional airlines that provide regional feed to American American Eagle, Chautauqua Airlines, Inc., SkyWest Airlines, Inc., Republic Airlines, Inc., and ExpressJet Airlines, Inc.

**AMR** means AMR Corporation, or AMR Corporation and its subsidiaries, as the context requires.

**AMR 2012 AIP** means AMR's 2012 Annual Incentive Plan.

**AMR Alignment Awards** means the long-term incentive awards to be granted by AMR under the AAG 2013 IAP in the form of stock-settled RSUs or, to the extent permitted by the Merger Agreement, cash or cash-settled awards, to certain AMR employees to be effective upon the Closing.

**AMR Debtors** means, for purposes of the Plan, AMR and certain of its subsidiaries, as substantively consolidated into one of three nodes pursuant to which the Plan will classify creditor claims.

**AMR Disclosure Letter** means the disclosure letter delivered to US Airways Group by AMR concurrently with the execution and delivery of the Merger Agreement.

**AMR Eagle** means AMR Eagle Holding Corporation, a wholly-owned subsidiary of AMR.

**AMR Existing Severance Agreements** means those executive termination benefit agreements entered into between AMR and certain of its executive officers prior to the commencement of the Chapter 11 Cases.

**AMR Forecasts** means the financial forecasts of AMR developed by management of AMR and used by US Airways Group's financial adviser and the US Airways Group board of directors in connection with the evaluation of the Merger and the other transactions contemplated by the Merger Agreement, which are summarized under the section entitled "The Merger" General Information regarding Forecasts and Expected Synergies Certain AMR Forecasted Financial Information beginning on page 102.

**AMR Merger Severance Agreements** means those severance agreements that will be entered into between AMR and its named executive officers, to be effective upon the Closing.

**AMR Merger Sub** means AMR Merger Sub, Inc., a wholly-owned subsidiary of AMR.





**Table of Contents**

AMR Non-Qualified Plan means AMR's Supplemental Executive Retirement Plan.

AMR Retirement Benefit Plan means the AMR Retirement Benefit Plan of American Airlines, Inc. for Agents, Management, Specialists, Support Personnel, and Officers.

AMR STI means AMR's 2013 short-term incentive plan.

AMR SuperSaver Plan means the Super Saver 401(k) Capital Accumulation Plan for Employees of Participating AMR Corporation Subsidiaries.

ANCA means the Airport Noise and Capacity Act of 1990.

APA means the Allied Pilots Association.

APFA means the Association of Professional Flight Attendants.

ASC means the Financial Accounting Standards Board's *Accounting Standards Codification*.

ASIF means the Aviation and Security Infrastructure Fee paid by airlines to the TSA.

ASM means available seat mile, a measure of capacity. ASMs equal the total number of seats available for transporting passengers on an aircraft during a reporting period multiplied by the total number of miles flown by that aircraft during that period.

ATC means air traffic control, which is operated by the FAA.

ATSA means the Aviation and Transportation Security Act.

AWA means America West Airlines, Inc.

Bankruptcy Code means title 11 of the U.S. Code, 11 U.S.C. sections 101, *et seq.*, as amended.

Bankruptcy Court means the U.S. Bankruptcy Court for the Southern District of New York.

Bar Date means July 16, 2012 at 5:00 p.m. (Eastern Time), the deadline to file proofs of claim against any Debtor.

Barclays means Barclays Capital Inc.

Boeing means The Boeing Company.

Broker Non-Vote means the return of a proxy card by a broker without voting on a non-discretionary proposal because the broker received no instruction from the stockholder. Broker Non-Votes are considered for the purposes of determining quorum.

CBA means a collective bargaining agreement.

Chapter 11 means chapter 11 of the Bankruptcy Code.

Chapter 11 Cases means the voluntary cases commenced by the Debtors under Chapter 11 being jointly administered as Case No. 11-15463 (SHL) in the Bankruptcy Court.

CLA means a conditional labor agreement.

**Table of Contents**

Closing means the consummation of the Merger.

Closing Date means the date on which the Closing occurs.

COBRA means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

Code means the U.S. Internal Revenue Code of 1986, as amended.

Confirmation Order means an order of the Bankruptcy Court approving the restructuring of the Debtors pursuant to the Plan, including the approval of the Merger contemplated by the Merger Agreement, and the authorization of AMR to consummate the transactions contemplated by the Plan and the Merger Agreement.

Consenting Creditors means the holders of certain prepetition claims against one or more of the Debtors that entered into the Support and Settlement Agreement with the Debtors.

Debtors means AMR and certain of its direct and indirect domestic subsidiaries that filed the Chapter 11 Cases.

DFW means the Dallas-Fort Worth International Airport.

DGCL means the General Corporation Law of the State of Delaware, as amended.

DHS means the U.S. Department of Homeland Security.

Disclosure Statement means a disclosure statement filed by AMR and the other Debtors under Section 1125 of the Bankruptcy Code.

Distribution Date means the date on which US Airways Group makes a public announcement that a person or group of affiliated or associated persons has acquired, or obtained the right to acquire, beneficial ownership of 4.9% or more of the common stock of US Airways Group, or such earlier date that a majority of the board of directors of US Airways Group becomes aware of the existence of an Acquiring Person.

DOJ means the U.S. Department of Justice.

DOT means the U.S. Department of Transportation.

Double-Dip Unsecured Claims means, collectively, general unsecured claims against American that are guaranteed by AMR and general unsecured claims against AMR that are guaranteed by American.

Eagle Debtors means, for purposes of the Plan, AMR Eagle and certain of its subsidiaries, as substantively consolidated into one of three nodes pursuant to which the Plan will classify creditor claims.

EBIT means earnings before interest and taxes.

EBITDA means earnings before interest, taxes, depreciation, and amortization.

EBITDAR means earnings before interest, taxes, depreciation, amortization, and mainline aircraft rent expense.

EETC means an enhanced equipment trust certificate.

Effective Date means the effective date of the Plan.

**Table of Contents**

**Effective Time** means the date and time at which AMR and US Airways Group cause an executed and acknowledged certificate of merger to be filed with the Secretary of State of the State of Delaware or such later date and time as AMR and US Airways Group may agree in writing and specify in the certificate of merger for the Merger to become effective.

**EPA** means the U.S. Environmental Protection Agency.

**ERISA** means the Employee Retirement Income Security Act of 1974, as amended.

**Ernst & Young** means Ernst & Young LLP.

**ETS** means the EU emissions trading scheme.

**EU** means the European Union.

**EU Merger Regulation** means the European Community Council Regulation No. 139/2004.

**Exchange Act** means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

**Existing Holder** means any person who beneficially owned shares of common stock of US Airways Group equal to or exceeding 4.9% of the outstanding common stock of US Airways Group immediately prior to the first public announcement of the adoption of the Tax Plan.

**Expected Synergies** means the more than \$1 billion in annual net synergies in 2015 projected to be realized by AAG, including cost synergies of more than \$150 million (after taking into account the improved compensation arrangements negotiated with employees of AAG) and revenue synergies of approximately \$900 million.

**FAA** means the U.S. Federal Aviation Administration.

**Federal Aviation Act** means Subtitle VII of Title 49 of the United States Code, as amended.

**Forecasts** means, collectively, the AMR Forecasts, the US Airways Group Forecasts, and the AAG Disclosure Statement Forecasts.

**FTC** means the U.S. Federal Trade Commission.

**GAAP** means U.S. generally accepted accounting principles.

**GDS** means global distribution system.

**HSR Act** means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

**IBES** means the Institutional Brokers Estimate System.

**ICAO** means the United Nations International Civil Aviation Organization.

**Independent Director** means a person who satisfies the requirements for independence under Rule 303A of the NYSE as then in effect.

**IRS** means the U.S. Internal Revenue Service.

**ISO** means an incentive stock option.

**JBA** means a joint business agreement.



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**Table of Contents**

LIBOR means the London interbank offered rate for deposits of U.S. Dollars.

Load Factor means Passenger Load Factor.

LTIPP means a US Airways Group Long-Term Incentive Performance Program.

Maximum Plan Shares means an aggregate number of shares of AAG common stock equal to (i)(a) the US Airways Fully Diluted Shares, multiplied by (b) the quotient (rounded to four decimals) of 72 divided by 28 (rounded to the nearest whole share) less (ii) the number of shares of AAG common stock represented by equity-based awards to be issued to employees of AMR and its subsidiaries as contemplated by the Merger Agreement and the Plan, subject to certain agreed upon exceptions.

Merger means the merger of AMR Merger Sub with and into US Airways Group, with US Airways Group continuing as the surviving entity in such merger as a direct wholly-owned subsidiary of AMR pursuant to the Merger Agreement.

Merger Agreement means the Agreement and Plan of Merger, dated as of February 13, 2013, by and among AMR, and its successors (including, as the context may require, on or after the Effective Date, as reorganized pursuant to the Bankruptcy Code), US Airways Group, and AMR Merger Sub, as amended by the Amendment and the Second Amendment.

Merger Support Order means that certain order entered by the Bankruptcy Court on May 10, 2013 entitled Order Authorizing and Approving (i) Merger Agreement Among AMR Corporation, AMR Merger Sub, Inc., and US Airways Group, Inc., (ii) Debtors' Execution of and Performance under Merger Agreement, (iii) Certain Employee Compensation and Benefit Arrangements, (iv) Termination Fees, and (v) Related Relief (ECF No. 8096).

Meridian means Meridian Compensation Partners.

MOU means a memorandum of understanding.

NASDAQ means the NASDAQ Stock Market.

NMB means the National Mediation Board.

NOLs means the net operating losses of a company.

NOL Carryforwards means the deductions in any taxable year for NOLs carried over from prior taxable years.

Non-Citizen means person who is not citizens of the U.S. as defined by Section 40102(a)(15) of the Federal Aviation Act and administrative interpretations issued by the DOT.

NSO means a non-qualified stock option.

NYSE means the New York Stock Exchange.

Orbitz means Orbitz Worldwide LLC.

OSHA means the U.S. Occupational Safety and Health Administration.

Parker Agreement means the Amended and Restated Employment Agreement, by and among US Airways Group, US Airways, and W. Douglas Parker, dated November 28, 2007.

Passenger Load Factor means the measure of utilized available seating capacity calculated by dividing RPMs by ASMs for a reporting period.

**Table of Contents**

Passenger Yield means the amount of passenger revenue earned per RPM during a reporting period.

PEB means a Presidential Emergency Board.

Piedmont means Piedmont Airlines, Inc., a wholly-owned subsidiary of US Airways Group.

Plan means the plan of reorganization proposed by the Debtors under Chapter 11 pursuant to which, among other things, the Debtors will emerge from the Chapter 11 Cases and the Merger will be consummated.

Plan Related Documents means modifications, amendments, supplements, schedules, exhibits, and other similar documents related to the Plan or the Disclosure Statement or their terms and conditions.

Plan Shares means shares of AAG common stock and AAG Convertible Preferred Stock issued pursuant to the Plan, and shares of AAG common stock that are or may become issuable upon conversion or exchange of shares of AAG Convertible Preferred Stock.

PSA means PSA Airlines, Inc., a wholly-owned subsidiary of US Airways Group.

Purchase Price means, in connection with the Tax Plan, a price of \$3.00 per one tenth of a share of common stock of US Airways Group.

PSA means PSA Airlines, Inc., a wholly-owned subsidiary of US Airways Group.

QPBC means qualified performance-based compensation.

RASM means the amount of passenger revenue earned per ASM during a reporting period.

Record Date means May 30, 2013.

Redemption Price means, in connection with the redemption of Rights, a price of \$0.0001 per Right.

Right means a dividend declared by US Airways Group in connection with the adoption of the Tax Plan of one common stock purchase right for each share of common stock of US Airways Group outstanding at the close of business on February 27, 2013.

RLA means the Railway Labor Act.

RPM means revenue passenger mile and is equivalent to one revenue-paying passenger transported one mile. RPMs equal the number of revenue passengers during a reporting period multiplied by the number of miles flown by those passengers during that period. RPMs are also referred to as traffic.

RSU means restricted stock unit.

SAR means stock appreciation right.

Search Committee means the committee established by the UCC, consisting of four designees from the UCC and four members designated by a majority of the initial Consenting Creditors under the Support and Settlement Agreement to select director designees for the board of directors of AAG.

SEC means the U.S. Securities and Exchange Commission.

Second Amendment means the Second Amendment to Agreement and Plan of Merger, dated as of June 7, 2013, by and among AMR, AMR Merger Sub, and US Airways Group.

Second Request means a request from the DOJ for additional information.



**Table of Contents**

Section 16(a) means Section 16(a) of the Exchange Act.

Securities Act means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

Significant Creditors means certain members of the Ad Hoc Committee and other significant holders of publicly traded bonds and other claims against AMR and other Debtors in the Chapter 11 Cases.

Single-Dip Unsecured Claims means the general unsecured claims against the Debtors that are not guaranteed by any other Debtor, other than the claims of the Debtors labor unions.

Slots means landing and take-off authorizations.

SOX means the Sarbanes-Oxley Act of 2002, as amended.

Stabilization Act means the Air Transportation Safety and System Stabilization Act.

Standards of Business Conduct means AMR s code of ethics.

Substantial Stockholder means a person or entity with a percentage ownership of 4.75% or more of AAG Securities.

Support and Settlement Agreement means that certain Support and Settlement Agreement, dated as of February 13, 2013, by and among AMR and certain holders of prepetition unsecured claims against one or more of the Debtors, as amended.

Surviving Corporation means, with respect to time periods after the Effective Time, US Airways Group.

Tax Benefits means, for purposes of the Tax Plan, certain deferred tax benefits, including those generated by NOLs and certain other tax attributes of US Airways Group and of AAG to be created upon the Closing.

Tax Plan means that certain Tax Benefit Preservation Plan between US Airways Group and American Stock Transfer & Trust Company, LLC, dated as of February 13, 2013.

Term Sheet means that certain term sheet attached to the Support and Settlement Agreement.

Travelport means, collectively, Travelport Limited and Travelport, L.P.

TSA means the Transportation Security Administration.

TSR means Total Stockholder Return.

TWU means the Transport Workers Union of America.

UCC means the Official Committee of Unsecured Creditors of AMR.

UCC s Advisers means the legal and financial advisers retained by the UCC.

UCC s Legal Adviser means Skadden, Arps, Slate, Meagher & Flom LLP, counsel to the UCC regarding the Chapter 11 Cases.

Unit Revenue means passenger RASM.



**Table of Contents**

US Airways means US Airways, Inc., a wholly-owned subsidiary of US Airways Group.

US Airways 7% Convertible Notes means US Airways Group's 7% Senior Convertible Notes due 2020.

US Airways 7.25% Convertible Notes means US Airways Group's 7.25% Convertible Notes due 2014.

US Airways Disclosure Letter means the disclosure letter delivered to AMR by US Airways Group concurrently with the execution and delivery of the Merger Agreement.

US Airways Fully Diluted Shares means the number of shares of US Airways Group common stock that would be deemed to be outstanding for purposes of calculating diluted earnings per share under GAAP using the treasury stock method, as modified by the Merger Agreement, including that the average market price used in such calculation will be equal to the average of the daily closing prices for US Airways Group common stock on the NYSE for each of the 20 trading days ending on (and including) the sixth trading day prior to the Closing.

US Airways Group means US Airways Group, Inc., or US Airways Group, Inc. and its subsidiaries, as the context requires.

US Airways Group 2012 AIP means US Airways Group's 2012 Annual Incentive Program.

US Airways Group Executive CIC Agreements means the US Airways Group and US Airways form of executive change in control agreement.

US Airways Group Forecasts means the financial forecasts of US Airways Group developed by management of US Airways Group and used by US Airways Group's financial advisor and the US Airways Group board of directors in connection with the evaluation of the Merger and the other transactions contemplated by the Merger Agreement, which are summarized under the section entitled The Merger General Information regarding Forecasts and Expected Synergies Certain US Airways Group Forecasted Financial Information beginning on page 103.

U.S. Holder means a beneficial owner of US Airways Group common stock who is, for U.S. federal income tax purposes: (i) an individual who is a citizen or resident of the United States; (ii) a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any state thereof, or the District of Columbia; (iii) an estate, the income of which is subject to U.S. federal income tax regardless of its source; or (iv) a trust that (a) is subject to the primary supervision of a U.S. court and the control of one or more U.S. persons (within the meaning of Section 7701(a)(30) of the Code), or (b) has made a valid election under applicable U.S. Treasury regulations to be treated as a U.S. person.

USAPA means the US Airline Pilots Association.

Yield means Passenger Yield.

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**Table of Contents****RISK FACTORS****Risk Factors Relating to the Merger**

In addition to the other information included or incorporated by reference in this proxy statement/prospectus, you should carefully consider the risk factors described below in evaluating whether to vote to adopt the Merger Agreement. In addition, you should read and consider the risks associated with the businesses of each of AMR and US Airways Group because these risks will also affect AAG. For US Airways Group, a description of these risks can be found in US Airways Group's Annual Report on Form 10-K for the fiscal year ended December 31, 2012, as updated by subsequent Quarterly Reports of US Airways Group on Form 10-Q, each of which is filed with the SEC and incorporated by reference into this proxy statement/prospectus. You should also read and consider the other information in this proxy statement/prospectus and the other documents incorporated by reference into this proxy statement/prospectus. See the section entitled "Additional Information" beginning on page 347.

***The Merger is subject to a number of conditions to the obligations of both AMR and US Airways Group, which, if not fulfilled, may result in termination of the Merger Agreement.***

The Merger Agreement contains a number of customary conditions to Closing, including that certain representations and warranties be accurate, that certain covenants be fulfilled, that certain consents and regulatory approvals have been obtained, that there are no legal prohibitions against Closing, that US Airways Group stockholders have adopted the Merger Agreement, that an order from the Bankruptcy Court confirming the Plan is in effect, that the Plan conforms to the requirements of the Merger Agreement, that secured indebtedness of the Debtors and certain other claims against the Debtors not exceed specified levels, and certain other conditions. Many of the conditions to Closing are not within either AMR's or US Airways Group's control and neither company can predict when or if these conditions will be satisfied. If any of these conditions are not satisfied or waived prior to October 14, 2013, which date may be extended to December 13, 2013 under certain circumstances, it is possible that the Merger will not be consummated in the expected time frame or that the Merger Agreement may be terminated. See the sections entitled "The Merger Agreement Termination of the Merger Agreement" beginning on page 138 for a discussion of the rights of each of AMR and US Airways Group to terminate the Merger Agreement, and "The Merger Agreement Conditions to the Merger" beginning on page 135 for a discussion of the conditions to Closing.

***The Merger is subject to the receipt of consents and clearances from certain domestic and foreign regulatory authorities that may impose conditions that could have a material and adverse effect on AAG, or that could delay or, if not obtained, prevent the Closing.***

Before the Merger can be completed, applicable waiting periods must expire or terminate under antitrust laws and various approvals, consents, or clearances must be obtained from certain domestic and foreign regulatory entities, including those regulating the provision of commercial aviation services. In deciding whether to grant antitrust or regulatory clearances, the relevant antitrust authorities will consider the effect of the Merger on competition within their relevant jurisdictions. The terms and conditions of approvals that are granted may impose requirements, limitations, costs, or restrictions on the conduct of AAG's business following the Closing. There can be no assurance that regulators will not impose terms, conditions, requirements, limitations, costs, or restrictions that would delay the Closing, impose additional material costs on or limit the revenues of AAG, or limit some of the synergies and other benefits US Airways Group and AMR anticipate following the Closing. In addition, neither US Airways Group nor AMR can provide any assurance that any such terms, conditions, requirements, limitations, costs, or restrictions will not result in a material delay in, or the abandonment of, the Merger.

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**Table of Contents**

***The Merger is subject to the receipt of numerous approvals, including approvals from US Airways Group's stockholders and confirmation of the Plan by the Bankruptcy Court. Failure to obtain any of these approvals would prevent the Closing.***

Before the Merger can be completed, US Airways Group's stockholders must adopt the Merger Agreement and the Bankruptcy Court must enter an order confirming the Plan. There can be no assurance that these approvals will be obtained. Failure to obtain required approvals within the expected time frame, or having to make significant changes to the structure, terms, or conditions of the Merger to obtain such approvals, may result in a material delay in, or the abandonment of, the Merger.

***Uncertainties associated with the Merger may cause a loss of AMR's and/or US Airways Group's management personnel and other key employees, which could materially and adversely affect AAG's future business, financial condition, and results of operations following the Closing.***

AAG will be dependent on the experience and industry knowledge of its officers and other key employees to execute its business plan; therefore, AAG's success after the Merger will depend in part upon its ability to retain key management personnel and other key employees. AMR's and US Airways Group's respective current and prospective employees may experience uncertainty about their roles within AAG, which may have a material and adverse effect on AAG's ability to retain key management and other key personnel. There can be no assurance that such officers and key employees can be retained either prior to or following the Closing.

***A lawsuit has been filed against US Airways Group challenging the Merger and an adverse ruling may prevent the Merger from being completed.***

US Airways Group, as well as the members of US Airways Group's board of directors, were named as defendants in a lawsuit brought by a purported class of US Airways Group stockholders challenging the proposed Merger and seeking a declaration that the Merger Agreement is unenforceable, an injunction against the proposed Merger (or rescission in the event it has been consummated), imposition of a constructive trust, an award of fees and costs, including attorneys' and experts' fees, and other relief. See the section entitled "The Merger Litigation Related to the Merger" beginning on page 115 for more information about the lawsuit that has been filed related to the Merger.

Additional lawsuits may be filed against US Airways Group, AMR, and/or the directors of either company in connection with the Merger. One of the conditions to Closing is that no order, writ, injunction, decree, or any other legal rules, regulations, directives, or policies will be in effect that prevent completion of the Merger. Consequently, if a settlement or other resolution is not reached in the lawsuit referenced above and the plaintiffs secure injunctive or other relief prohibiting, delaying, or otherwise adversely affecting the defendants' ability to complete the Merger, then such injunctive or other relief may prevent the Merger from becoming effective within the expected time frame or at all.

***Any delay in completing the Merger could delay the benefits expected to be achieved thereunder.***

The need to satisfy conditions and obtain consents, clearances, and approvals for the Merger, as well as any lawsuits related to the Merger, and other events, could delay the Closing for a significant period of time or prevent it from occurring. Any delay in Closing could cause AAG to be delayed in realizing some of the synergies and other benefits that the parties anticipate if the Merger is successfully completed within its expected time frame.

***AAG may be unable to integrate AMR's and US Airways Group's businesses successfully and realize the anticipated benefits of the Merger.***

The Merger involves the combination of two companies that currently operate as independent public companies, each of which operates its own international network airline. Historically, the integration of separate airlines has often proven to be more time consuming and to require more resources than initially estimated. AAG

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**Table of Contents**

will be required to devote significant management attention and resources to integrating AMR's and US Airways Group's business practices, cultures, and operations. Potential difficulties AAG may encounter as part of the integration process include the following:

the inability to successfully combine AMR's business with that of US Airways Group in a manner that permits AAG to achieve the synergies and other benefits anticipated to result from the Merger;

the challenge of integrating complex systems, operating procedures, regulatory compliance programs, technology, aircraft fleets, networks, and other assets of the two companies in a manner that minimizes any adverse impact on customers, suppliers, employees, and other constituencies;

diversion of the attention of AAG's management and other key employees;

the challenge of integrating the workforces of the two companies while maintaining focus on providing consistent, high quality customer service and running an efficient operation;

disruption of, or the loss of momentum in, AAG's ongoing business; and

potential unknown liabilities, liabilities that are significantly larger than AMR and US Airways Group currently anticipate, and unforeseen increased expenses or delays associated with the Merger, including transition costs to integrate the two businesses that may exceed the approximately \$1.2 billion of cash transition costs that AMR and US Airways Group currently anticipate.

Accordingly, even if the Merger is consummated, the contemplated benefits may not be realized fully, or at all, or may take longer to realize than expected.

***If the Merger in conjunction with the Plan does not qualify as a reorganization under Section 368(a) of the Code, the stockholders of US Airways Group may be required to pay substantial U.S. federal income taxes.***

The Closing is conditioned on the receipt by each of US Airways Group and AMR of an opinion from its respective outside counsel to the effect that the Merger in conjunction with the Plan will qualify as a reorganization within the meaning of Section 368(a) of the Code for U.S. federal income tax purposes. These opinions will be based on certain assumptions and representations as to factual matters from US Airways Group and AMR, as well as certain covenants and undertakings by US Airways Group and AMR. If any of the assumptions, representations, covenants, or undertakings is incorrect, incomplete, inaccurate, or is violated in any material respect, the validity of the conclusions reached by counsel in their opinions would be jeopardized. Additionally, an opinion of counsel represents counsel's best legal judgment but is not binding on the U.S. Internal Revenue Service (IRS) or any court, so there can be no certainty that the IRS will not challenge the conclusions reflected in the opinions or that a court will not sustain such a challenge. If the IRS or a court determines that the Merger in conjunction with the Plan should not be treated as a reorganization, a holder of US Airways Group common stock would recognize taxable gain or loss upon the exchange of US Airways Group common stock for AAG common stock pursuant to the Merger. See the section entitled "The Merger - Material U.S. Federal Income Tax Consequences" beginning on page 106.

***The fairness opinion obtained by the board of directors of US Airways Group from its financial adviser will not reflect changes in circumstances between the signing of the Merger Agreement and the Closing.***

The US Airways Group board of directors has not obtained and does not intend to obtain an updated fairness opinion from its financial adviser. Changes in the operations and prospects of US Airways Group and/or AMR, general market and economic conditions, and other factors that may be beyond the control of US Airways Group and/or AMR, and on which the fairness opinion was based, may alter the value of US Airways Group or the price of shares of US Airways Group common stock or shares of AAG common stock to be issued in the Merger by the time of the Closing. The opinion does not speak as of the time of the Closing or as of any date other than the date of such opinion. Because US Airways Group does not anticipate asking its financial adviser to update its opinion, the opinion does not address the fairness of the Merger consideration, from a financial point of view, at



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**Table of Contents**

the time of the Closing. This opinion is included as Annex E to this proxy statement/prospectus. For a description of the opinion that the US Airways Group board of directors received from its financial adviser and a summary of the material financial analyses such financial adviser provided to the US Airways Group board of directors in connection with rendering such opinion, see the section entitled "The Merger - Opinion of US Airways Group's Financial Adviser" beginning on page 93. For a description of the other factors considered by the board of directors of US Airways Group in determining whether to approve the Merger Agreement and the Merger, see the section entitled "The Merger - Recommendation of US Airways Group's Board of Directors with Respect to the Merger Agreement and Its Reasons for the Merger" beginning on page 87.

***US Airways Group's officers and directors have interests in the Merger that may be different from, or in addition to, the interests of US Airways Group stockholders generally.***

US Airways Group's executive officers and directors have interests in the Merger that may be different from, or in addition to, the interests of US Airways Group stockholders generally. US Airways Group's executive officers negotiated the terms of the Merger Agreement. The executive officers of US Airways Group have arrangements with US Airways Group that provide for severance benefits if their employment is terminated under certain circumstances in connection with the Closing. In addition, certain of US Airways Group's compensation and benefit plans and arrangements provide for payment or accelerated vesting or distribution of certain rights or benefits upon the Closing. Executive officers and directors of US Airways Group also have rights to indemnification and directors' and officers' liability insurance that will survive the Closing. Under the terms of the Merger Agreement, AAG has agreed to provide, or continue to provide, certain flight benefits to non-employee directors of US Airways Group following the Closing.

The US Airways Group board of directors was aware of these interests at the time they approved the Merger and the transactions contemplated by the Merger Agreement. These interests may cause US Airways Group's directors and executive officers to view the Merger proposal differently and more favorably than others may view it. See the section entitled "The Merger - Interests of US Airways Group's Directors and Executive Officers in the Merger" beginning on page 110 for more information.

***The unaudited pro forma condensed combined financial statements and the Forecasts included in this proxy statement/prospectus are presented for illustrative purposes only and may not be an indication of AAG's financial condition or results of operations after the Merger.***

The unaudited pro forma condensed combined financial statements and the Forecasts contained in this proxy statement/prospectus are presented for illustrative purposes only and are based on various adjustments, assumptions, and preliminary estimates (including the elimination of certain expenses (including professional fees), realized gains and losses, and provisions for losses that were realized or incurred by AMR in connection with the Chapter 11 Cases) or are projected to be realized by AAG after the Closing. Consequently, the unaudited pro forma condensed combined financial statements and the Forecasts contained in this proxy statement/prospectus may not be an indication of AAG's financial condition or results of operations following the Closing for a number of reasons. The actual financial condition and results of operations of AAG following the Closing may not be consistent with, or evident from, these unaudited pro forma condensed combined financial statements and the Forecasts. In addition, the assumptions used in preparing the unaudited pro forma condensed combined financial statements and the Forecasts may not prove to be accurate, and other factors, some of which are not known at the present time, may affect AAG's financial condition or results of operations following the Closing. Any potential deterioration in AAG's financial condition or results of operations may cause significant variation in the price of AAG common stock following the Closing. See the section entitled "Unaudited Pro Forma Condensed Combined Financial Statements" beginning on page 160 and the section entitled "The Merger - General Information regarding Forecasts and Expected Synergies" beginning on page 100.

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**Table of Contents**

***Failure to complete the Merger could negatively impact the stock price and the future business and financial results of US Airways Group.***

If the Merger is not completed, US Airways Group's ongoing business may be adversely affected, and it will be subject to several risks, including the following:

US Airways Group may be required to pay termination fees of \$55 million or \$195 million under certain circumstances provided in the Merger Agreement;

unless and until it is terminated, US Airways Group will be prohibited by the Merger Agreement from seeking certain strategic alternatives, such as transactions with third parties other than AMR, and could therefore miss attractive alternatives to the Merger;

prior to any termination of the Merger Agreement, US Airways Group's operations will be restricted by the terms of the Merger Agreement, which may cause it to forego otherwise attractive business opportunities;

US Airways Group will be required to pay certain costs relating to the Merger, whether or not it is consummated, such as legal, accounting, financial adviser, and printing fees, which costs could be substantial; and

US Airways Group's management will have focused its attention on negotiating and preparing for the Merger instead of on pursuing other opportunities that could have been beneficial to US Airways Group.

If the Merger is not completed, US Airways Group cannot assure its stockholders that these risks will not materialize and will not materially and adversely affect the business, financial results, and stock price of US Airways Group.

***The use of AMR's and US Airways Group's respective pre-Merger NOL Carryforwards and certain other tax attributes may be limited following the Closing.***

Under the Code, a corporation is generally allowed a deduction in any taxable year for NOLs carried over from prior taxable years (NOL Carryforwards). As of December 31, 2012, AMR had available NOL Carryforwards of approximately \$6.6 billion for regular U.S. federal income tax purposes, which will expire, if unused, beginning in 2022, and for state income tax purposes of \$3.6 billion, which will expire, if unused, in 2013 through 2027. The amount of AMR's NOL Carryforwards for state income tax purposes that will expire, if unused, in 2013 is \$105 million. AMR's NOL Carryforwards could be subject to limitation as a result of the Chapter 11 Cases and certain related transactions. As of December 31, 2012, US Airways Group had available NOL Carryforwards of approximately \$1.5 billion for regular U.S. federal income tax purposes, which will expire, if unused, beginning in 2025, and for state income tax purposes of approximately \$722 million, which will expire, if unused, in 2013 through 2031. The amount of US Airways Group's NOL Carryforwards for state income tax purposes that will expire, if unused, in 2013 is \$13 million. US Airways Group's NOL Carryforwards may also be subject to limitation as a result of the Merger. In addition, both AMR's and US Airways Group's NOL Carryforwards are subject to adjustment on audit by the IRS.

A corporation's ability to deduct its federal NOL Carryforwards and to utilize certain other available tax attributes can be substantially constrained under the general annual limitation rules of Section 382 of the Code if it undergoes an ownership change as defined in Section 382 of the Code (generally where cumulative stock ownership changes among certain shareholders exceed 50 percentage points during a rolling three-year period). Each of AMR and US Airways Group expects to undergo an ownership change in connection with AMR's emergence from the Chapter 11 Cases and the Merger, respectively. The general limitation rules for a debtor in a bankruptcy case, such as AMR, are liberalized where the ownership change occurs upon emergence from bankruptcy. In addition, under certain circumstances, special rules may apply to allow AMR to utilize substantially all of its pre-emergence NOL Carryforwards without regard to the general limitations of Section 382 of the Code and similar rules also may apply to state NOL Carryforwards. However, there can be no assurance that these special rules under Section 382 of the Code (or any similar rules under applicable state law)

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**Table of Contents**

will apply to AMR's ownership change. Accordingly, the utilization of each of AMR's and US Airways Group's respective NOL Carryforwards and certain other tax attributes could be significantly constrained following AMR's emergence from the Chapter 11 Cases and the Merger. Moreover, an ownership change subsequent to the Closing could further limit or effectively eliminate AAG's ability to utilize such NOL Carryforwards and other tax attributes. See the sections entitled "The Merger Agreement US Airways Group Tax Plan" beginning on page 146 and "Description of Capital Stock of AAG Other Provisions Restricting Transfer and Ownership" beginning on page 179.

AAG's ability to use NOL Carryforwards will also depend on the amount of taxable income generated in future periods. The NOL Carryforwards may expire before AAG can generate sufficient taxable income to use the NOL Carryforwards.

*The Merger Agreement contains customary restrictions on US Airways Group's ability to seek other strategic alternatives.*

The Merger Agreement contains no shop provisions that restrict US Airways Group's ability to initiate, solicit, or knowingly encourage or facilitate competing third-party proposals for any business combination transaction involving a Merger of US Airways Group with another entity or the acquisition of a significant portion of US Airways Group's stock or assets, although US Airways Group may consider competing, unsolicited proposals and enter into discussions or negotiations regarding such proposals if its board of directors determines that any such acquisition proposal constitutes, or is reasonably likely to lead to, a superior proposal and that the failure to take such action is reasonably likely to be inconsistent with the fiduciary duties of the board of directors to US Airways Group and its stockholders under applicable law. In addition, AMR generally has an opportunity to offer to modify the terms of the Merger in response to any competing acquisition proposal. If US Airways Group were to terminate the Merger Agreement to accept a superior proposal, it would be required to pay a termination fee of \$55 million to AMR.

These provisions, although customary for these types of transactions, could discourage a potential third-party acquirer that might have an interest in acquiring all or a significant portion of US Airways Group from proposing any such acquisition, even if the potential third-party acquirer were prepared to pay consideration with a higher cash or market value than the market value proposed to be received or realized in the Merger or might result in a potential third-party acquirer proposing to pay a lower consideration to US Airways Group stockholders than it might otherwise have proposed to pay because of the added expense of the \$55 million termination fee that would become payable in connection with the termination of the Merger Agreement by US Airways Group.

If the Merger Agreement is terminated and US Airways Group decides to seek another business combination, it may not be able to negotiate a transaction with another party on terms comparable to, or better than, the terms of the Merger.

**Common Stock Risks**

*The currently outstanding common stock of AMR will be cancelled in the Plan and should not be used to value the common stock of AAG.*

Trading in AMR's common stock and certain debt securities on the NYSE was suspended on January 5, 2012, and AMR's common stock and such debt securities were delisted from the NYSE on January 30, 2012. On January 5, 2012, AMR's common stock began trading under the symbol "AAMRQ" on the OTCQB marketplace, operated by OTC Markets Group.

The current trading price of AMR's common stock does not reflect the price at which the AAG common stock will trade following the Closing. The Plan contemplates the cancellation of all outstanding common stock and other equity securities of AMR and the issuance of AAG common stock following the confirmation and effectiveness of the Plan. Therefore, it is not meaningful to determine the value of the Merger consideration by



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**Table of Contents**

reference to current trading values of AMR common stock. The price at which the AAG common stock will trade following the Closing cannot be anticipated.

*The market value of the AAG common stock issued to US Airways Group stockholders may be less than the present value of their shares of US Airways Group common stock.*

Upon the Closing, US Airways Group stockholders will receive one share of AAG common stock for each share of US Airways Group common stock they own. The market value of US Airways Group common stock at the time of the Merger may vary significantly from its price on the date the Merger Agreement was announced, the date of this proxy statement/prospectus, or the date on which US Airways Group stockholders vote on the Merger. Because the exchange ratio is fixed and therefore will not be adjusted to reflect any changes in the market value of US Airways Group common stock, the market value of the AAG common stock issued in the Merger and the US Airways Group stock surrendered in the Merger may be higher or lower than the values of US Airways Group stock on those earlier dates. Stock price changes may result from a variety of factors, some of which are beyond the control of AMR and US Airways Group, including changes in their businesses, operations, and prospects, regulatory considerations, and general and industry specific market and economic conditions. Neither AMR nor US Airways Group is permitted to terminate the Merger Agreement solely because of changes in the market price of either party's common stock.

*The market price of the AAG common stock may be volatile.*

The AAG common stock will be a new issue of securities, which issue is expected to be approved for listing on the NYSE or NASDAQ to be effective upon issuance of the AAG common stock. However, an active public market for the AAG common stock may not develop or be sustained after the Closing, and no assurance can be given that there will be any liquidity in any such market. If a market for the AAG common stock develops, the price at which a holder of AAG common stock could sell its shares may be higher or lower than the implied valuation for the AAG common stock provided in this proxy statement/prospectus. The market price of the AAG common stock may fluctuate significantly in response to a number of factors, some of which are beyond AMR's and US Airways Group's control, including:

variations in operating results;

changes in financial estimates by securities analysts;

changes in market values of airline companies;

announcements by AAG's competitors of significant acquisitions, strategic partnerships, changes in routes, or capital commitments;

the success or failure in managing AAG, including the integration of the separate operations of US Airways Group and AMR;

increases or decreases in reported holdings by insiders or other significant stockholders;

additions or departures of key personnel;

future sales of AAG common stock or issuance of AAG common stock upon the exercise or conversion of convertible securities, options, warrants, RSUs, SARs, or similar rights; and

fluctuations in trading volume.

*Future Issuances of AAG Common Stock May Be Dilutive to AAG Common Stockholders.*

In the future, AAG may issue additional shares of AAG common stock or securities convertible into shares of AAG common stock to raise capital, fund acquisitions, or for other purposes. AAG may also issue equity-based awards under its employee incentive programs, including programs that may be adopted in the future. Any future sales of AAG common stock or issuance of AAG common stock upon the exercise or conversion of convertible securities, options, warrants, RSUs, SARs, or similar rights could result in dilution of the interests of holders of AAG common stock.

**Table of Contents**

***The shares of AAG Convertible Preferred Stock that are to be distributed pursuant to the Plan will be fully converted into AAG common stock over a period of 120 days following the Effective Date. The issuance of shares of AAG common stock under the Plan (including upon conversion of the AAG Convertible Preferred Stock) could contribute to significantly elevated volatility in the price of AAG common stock until all such shares of AAG Convertible Preferred Stock are converted and all of the shares of AAG common stock to be issued under the Plan have been distributed fully.***

The shares of AAG Convertible Preferred Stock that are to be distributed pursuant to the Plan will be mandatorily convertible into AAG common stock in four installments on the 30th, 60th, 90th, and 120th days following the Effective Date. In addition, up to \$250 million of the AAG Convertible Preferred Stock can also be optionally converted during each 30-day period following the Effective Date. On the 120th day after the Effective Date, all remaining shares of AAG Convertible Preferred Stock will be mandatorily converted into shares of AAG common stock. The Plan also provides holders of existing AMR equity securities with a guaranteed initial distribution of AAG common stock and the potential to receive additional distributions of AAG common stock after all prepetition unsecured claims are paid in full, based on the market value of AAG common stock at specific times during such 120 day period. The AAG Convertible Preferred Stock is not expected to be registered under the Securities Act or listed for trading on any national securities exchange. It is possible that the AAG common stock may experience significantly elevated volatility in price and trading volume until all shares of AAG Convertible Preferred Stock are converted and the resulting AAG common stock has been distributed fully. For further information, see the section entitled "The Plan of Reorganization" beginning on page 155.

By operation of the Plan, 72% of the diluted equity of AAG (including the shares of AAG common stock issuable upon conversion of the AAG Convertible Preferred Stock) will be issued to stakeholders, labor unions, and certain employees of AMR and the other Debtors, who in many instances may not intend to hold the Plan Shares issued to them. Any such shares issued to labor unions or employees will impose an income tax burden and related withholding obligation on the recipient that must be funded in cash. As a result, it is possible that many such persons will sell some or all of the shares of AAG common stock issued to them, thereby placing downward pressure on the trading price of AAG common stock.

***The market price of AAG common stock after the Merger may be affected by factors different from those currently affecting the shares of US Airways Group.***

Upon the Closing, holders of US Airways Group common stock will become holders of AAG common stock. US Airways Group's businesses prior to the Merger differ from those of AAG, and accordingly the results of operations of AAG may be affected by factors different from those currently affecting the results of operations of US Airways Group, including the uncertainty of the market's ability to value AMR as it emerges from the Chapter 11 Cases. For additional information on the business of US Airways Group and a discussion of certain factors to consider in connection with its business, see the documents relating to US Airways Group that are incorporated by reference by US Airways Group into this proxy statement/prospectus.

***In connection with AMR's emergence from the Chapter 11 Cases, AAG will establish certain limitations on acquisitions, dispositions, and voting of its common stock which may serve to limit the post-emergence liquidity of its common stock.***

To reduce the risk of a potential adverse effect of an ownership change as defined in Section 382 of the Code on AAG's ability to use its NOL Carryforwards and certain other tax attributes and to avoid violation of federal statutory limitations on equity ownership of U.S. commercial airlines by foreign nationals, the AAG Certificate of Incorporation and AAG Bylaws will contain certain restrictions on the acquisition, disposition, and voting of AAG's common stock. These restrictions may adversely affect the ability of certain holders of AAG's common stock to dispose of, acquire, or vote shares of AAG's common stock. No assurance can be given that an ownership change will not occur even with tax-related and other restrictions in place or that these provisions will assure compliance with the applicable restrictions on foreign ownership.

**Table of Contents**

***The percentage ownership interests of US Airways Group stockholders will be reduced as a result of the Merger and, accordingly, US Airways Group stockholders will have less influence on the management and policies of AAG than they now have on the management and policies of US Airways Group.***

The aggregate number of shares of AAG common stock issuable to holders of US Airways Group equity instruments (including stockholders, holders of convertible notes, optionees, and holders of stock-settled SARs and RSUs) in the Merger will represent 28% of the diluted equity ownership of AAG. The remaining 72% diluted equity ownership of AAG will be distributable, pursuant to the Plan, to stakeholders, labor unions, and certain employees of AMR and the other Debtors. Therefore, each US Airways Group stockholder will have a percentage ownership of AAG that is smaller than the stockholder's prior percentage ownership of US Airways Group. As a result, US Airways Group stockholders will have less influence on the management and policies of AAG than they now have on the management and policies of US Airways Group. For more information, see the section entitled "The Merger Exchange of Shares" beginning on page 115.

***The shares of AAG common stock to be received by US Airways Group stockholders as a result of the Merger will have different rights from the shares of US Airways Group common stock.***

Upon the Closing, US Airways Group stockholders will become holders of AAG common stock and their rights as stockholders will be governed by the AAG Certificate of Incorporation and the amended and restated bylaws of AMR (the "AAG Bylaws"). The rights associated with US Airways Group common stock are different from the rights associated with AAG common stock. See the sections entitled "Description of Capital Stock of AAG" beginning on page 177 and "Comparison of Stockholder Rights and Corporate Governance Matters" beginning on page 180 for a discussion of the different rights associated with AAG common stock.

***Neither AMR's nor US Airways Group's historical consolidated financial information will be directly comparable to the financial information of AAG for future periods.***

During the course of the Chapter 11 Cases, AMR's financial results have been and may continue to be volatile as asset impairments, asset dispositions, bankruptcy professional fees, contract terminations and rejections, and claims assessments, among other things, have and will continue to significantly impact AMR's consolidated financial statements. After the Closing, the amounts reported in AAG's consolidated financial statements are likely to materially change relative to historical consolidated financial statements of AMR. For example, AAG will be required to apply "fresh start" accounting in accordance with GAAP. As a result, the book values of AAG's long-lived assets and the related depreciation and amortization schedules, among other things, are expected to change relative to those of AMR.

**Liquidity Risks**

***AAG will require significant liquidity to fund its emergence from Chapter 11 and to achieve successful integration and achieve targeted synergies post-Closing.***

At emergence from Chapter 11, AMR will pay approximately \$1.4 billion in cash to settle certain obligations in connection with the Plan. In addition, the transition costs to integrate the two businesses may exceed the approximately \$1.2 billion of cash transition costs that AMR and US Airways Group currently anticipate. An inability to obtain necessary funding on acceptable terms would have a material adverse impact on AAG and on its ability to sustain its operations.

***Each of AMR's and US Airways Group's indebtedness and other obligations are, and AAG's indebtedness and other obligations following the Closing will continue to be, substantial and could adversely affect AAG's business and liquidity.***

Each of AMR and US Airways Group have, and AAG will continue to have, significant amounts of indebtedness and other obligations, including pension obligations, obligations to make future payments on

**Table of Contents**

aircraft equipment and property leases, and obligations under aircraft purchase agreements. Moreover, currently all but a very limited quantity of AMR's and US Airways Group's assets are pledged to secure their respective indebtedness. On a pro forma basis, as of March 31, 2013, AAG's consolidated balance sheet reflected aggregate debt of \$13.9 billion, an amount which may increase materially between March 31, 2013 and Closing due to, among other things, the financial performance of AMR and US Airways Group in the interim, the need to finance the substantial payments required by AMR to emerge from the Chapter 11 Cases, the financing strategy elected on upcoming aircraft deliveries, treasury decisions made by each company, and market conditions in the relevant markets for debt instruments. AAG's substantial indebtedness and other obligations could have important consequences. For example, they may:

- limit AAG's ability to obtain additional funding for working capital, to withstand operating risks that are customary in the industry, capital expenditures, acquisitions, investments, integration costs, and general corporate purposes, and adversely affect the terms on which such funding can be obtained;

- require AAG to dedicate a substantial portion of its cash flow from operations to payments on its indebtedness and other obligations, thereby reducing the funds available for other purposes;

- make AAG more vulnerable to economic downturns and catastrophic external events;

- contain restrictive covenants that could:

- i limit AAG's ability to merge, consolidate, sell assets, incur additional indebtedness, issue preferred stock, make investments, and pay dividends; and
  - i significantly constrain AAG's ability to respond, or respond quickly, to unexpected disruptions in its own operations, the U.S. or global economy, or the businesses in which it operates, or to take advantage of opportunities that would improve its business, operations, or competitive position versus other airlines; and

- limit AAG's ability to withstand competitive pressures and reduce its flexibility in responding to changing business and economic conditions.

In addition, increases in the cost of financing could adversely affect AAG's liquidity, business, financial condition, and results of operations.

***AMR has not yet secured financing for all of its scheduled aircraft deliveries, which will be utilized in the AAG fleet after the Merger.***

AMR has not yet secured financing commitments for some of the aircraft that it has on order, commencing with certain deliveries scheduled for 2013, and AMR cannot be assured of the availability or the cost of that financing. If AMR is unable to arrange financing for such aircraft at customary advance rates and on terms and conditions acceptable to it, AMR, prior to the Merger, and AAG thereafter, may need to use cash from operations to purchase such aircraft or may seek to negotiate deferrals for such aircraft with the aircraft manufacturers.

***AAG will have significant pension and other post-employment benefit funding obligations, which may adversely affect its liquidity, financial condition, and results of operations.***

AAG will have significant pension funding obligations, the amount of which will be dependent on the performance of investments held in trust by the pension plans, interest rates for determining liabilities, and actuarial experience. Currently, AAG's minimum funding obligation for its pension plans is subject to temporary, favorable rules that are scheduled to expire at the end of 2017. Upon the expiration of those rules, AAG's funding obligations are likely to increase materially. In addition, AAG may have significant obligations for other post-employment benefits depending on the outcome of the adversary proceeding related to the retiree medical and life insurance obligations filed in the Chapter 11 Cases. The foregoing post-employment benefit obligations could materially adversely affect AAG's liquidity, financial condition, and results of

operations.

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## **Table of Contents**

### ***AAG could be required to maintain reserves under its credit card processing agreements, which could materially adversely impact its liquidity.***

Both AMR and US Airways Group have agreements with a number of credit card companies and processors to accept credit cards for the sale of air travel and other services. Under certain of these agreements, the related credit card processor may hold back a reserve from the applicable company's credit card receivables following the occurrence of certain events, including the failure of the applicable company to maintain certain levels of liquidity (as specified in each agreement). In certain circumstances, such reserve could reach 100% of the applicable receivables due to the applicable company.

Under such agreements, the amount of the reserve that may be required generally is based on the processor's exposure to the company under the credit card processor agreement and, in case a reserve is required because of the company's failure to maintain a certain level of liquidity, the amount of such liquidity. If circumstances were to occur that would allow one or more credit card processors to require AAG to maintain a reserve, AAG's liquidity could be materially and adversely impacted. US Airways Group is already subject to reserve requirements pursuant to certain of its credit processing agreements.

### ***Fluctuations in interest rates could adversely affect AAG's liquidity.***

A substantial portion of AAG's indebtedness is expected to bear interest at fluctuating interest rates based primarily on the London interbank offered rate for deposits of U.S. Dollars ( LIBOR ). LIBOR tends to fluctuate based on general economic conditions, general interest rates, federal reserve rates, and the supply of and demand for credit in the London interbank market. To the extent these interest rates increase, AAG's interest expense will increase, in which event AAG may have difficulties making interest payments and funding other fixed costs and available cash flow for general corporate requirements may be adversely affected.

### ***AAG will need to obtain sufficient financing or other capital to operate successfully.***

AMR and US Airways Group currently plan to increase AAG's revenue in part by investing heavily in renewing and optimizing AAG's fleet and integrating the companies. Significant capital resources will be required to achieve these goals and, as a result, AMR and US Airways Group estimate that AAG's planned aggregate capital expenditures on a consolidated basis for calendar years 2013-2017 would be approximately \$20 billion. Accordingly, AAG will need substantial financing or other capital resources, some of which may be obtained prior to AMR's emergence from the Chapter 11 Cases and thus may be subject to Bankruptcy Court approval. Depending on numerous factors, many of which are out of AMR's and US Airways Group's, and will be out of AAG's, control, such as the state of the domestic and global economy, the credit market's view of AAG's prospects and the airline industry in general, and the general availability of debt and equity capital at the time AAG seeks capital, the financing and other capital that AAG will need may not be available it, or may only be available on onerous terms and conditions. There can be no assurance that AAG will be successful in obtaining financing or other needed sources of capital to operate successfully.

## **Business Risks**

### ***Following the Closing, AAG will be bound by all of the obligations and liabilities of both companies.***

Following the Closing, AAG will become bound by all of the obligations and liabilities of AMR and US Airways Group. Neither AMR nor US Airways Group can predict the financial condition of AAG at the time of that combination or the ability of AAG to satisfy its obligations and liabilities.

### ***AAG could experience significant operating losses in the future.***

For a number of reasons, including those addressed in these risk factors, AAG might fail to achieve profitability and might experience significant losses. In particular, the condition of the economy and the high

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**Table of Contents**

volatility of fuel prices have had, and continue to have, an impact on each of AMR's and US Airways Group's business, financial condition, and results of operations, and increase the risk that AAG will experience losses in the future.

***Downturns in economic conditions could adversely affect AAG's revenues, liquidity, business, financial condition, and results of operations.***

Due to the discretionary nature of business and leisure travel spending, airline industry revenues are heavily influenced by the condition of the U.S. economy and economies in other regions of the world. Unfavorable conditions in these broader economies have resulted, and may result in the future, in decreased passenger demand for air travel and changes in booking practices, both of which in turn have had, and may have in the future, a strong negative effect on revenues. Stagnant or worsening global economic conditions either in the U.S. or in other geographic regions and continued volatility in U.S. and global financial and credit markets may have a material adverse effect on AAG's revenues, liquidity, business, financial condition, and results of operations. If such economic conditions were to disrupt capital markets in the future, AAG may be unable to obtain any necessary financing on acceptable terms, or at all, to satisfy future capital commitments and otherwise sustain operations.

In the past, both AMR and US Airways Group have adjusted capacity in response to trends in demand. No assurance can be given that capacity adjustments or other steps AAG may take in response to changes in demand will be successful. Capacity reductions or other steps might result in special charges in the future. Further, other airlines may make capacity adjustments or take other actions which may reduce the expected benefits of any steps AAG may take to respond to changes in demand. Industry-wide capacity may increase to the extent the economy continues to recover from the global recession. If industry capacity increases, and if consumer demand does not continue to keep pace with those increases, AAG, and the airline industry as a whole, could be negatively impacted.

***AAG's initiatives to generate additional revenues and to reduce its costs may not be adequate or successful.***

AAG must take steps to generate additional revenues and to achieve a competitive cost structure after the Merger. The adequacy and ultimate success of initiatives to generate additional revenues and/or reduce costs cannot be assured. Moreover, whether AAG's initiatives will be adequate or successful depends in large measure on factors beyond its control. For example, the overall industry environment, including customer demand, yield, and industry capacity growth, actions of AAG's competitors, and fuel prices could negatively impact the success of these initiatives. It could be very difficult for AAG to continue to fund its obligations on an ongoing basis, and to be profitable, if the overall industry revenue environment were to deteriorate or if fuel prices were to increase and persist for an extended period at high levels.

***AAG may be adversely affected by increases in fuel prices and would be adversely affected by disruptions in the supply of fuel.***

Aircraft fuel has been AMR's and US Airways Group's largest single operating expense in recent years, and their respective results are very significantly affected by the cost, price volatility, and availability of jet fuel, which are in turn affected by a number of factors beyond their control. Although fuel prices have abated from the record high prices of 2008, they remain high and extremely volatile. Due to the competitive nature of the airline industry, AMR and US Airways Group have not always been able to pass on increased fuel prices to customers by increasing fares, and AAG may not be able to do so in the future.

Dependence on foreign imports of crude oil, limited refining capacity, and the possibility of changes in government policy on jet fuel production, transportation, and marketing make it impossible to predict the future availability of jet fuel. If there are additional outbreaks of hostilities or other conflicts in oil producing areas or



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**Table of Contents**

elsewhere, or a reduction in refining capacity (due to natural disasters or weather events, for example), or governmental limits on the production or sale of jet fuel (including as a consequence of increased environmental regulation), there could be a reduction in the supply of jet fuel and significant increases in the cost of jet fuel. Major reductions in the availability of jet fuel or significant increases in its cost would have a material adverse impact on AAG.

AAG will have a large number of older aircraft in its fleet, and these aircraft are not as fuel efficient as more recent models of aircraft. AMR and US Airways Group believe it is imperative that AAG execute its fleet renewal plans. AAG will be dependent on The Boeing Company ( Boeing ) and Airbus S.A.S. ( Airbus ) to deliver aircraft on schedule. If AAG experiences delays in delivery of, or is unable to obtain, more fuel efficient aircraft, it will be adversely affected. After the Closing, AMR and US Airways Group expect that AAG's existing fuel purchase contracts will not provide meaningful price protection against increases in fuel costs.

***AAG's business will be affected by many changing economic and other conditions beyond its control, and its results of operations could be volatile and fluctuate due to seasonality.***

AAG's business, financial condition, and results of operations will be affected by many changing economic and other conditions beyond its control, including, among others:

actual or potential changes in international, national, regional, and local economic, business and financial conditions, including recession, inflation, higher interest rates, wars, terrorist attacks, or political instability;

changes in consumer preferences, perceptions, spending patterns, or demographic trends;

changes in the competitive environment due to industry consolidation, changes in airline alliance affiliations, and other factors;

actual or potential disruptions to the air traffic control ( ATC ) systems, including as a result of sequestration or any other interruption in government funding;

increases in costs of safety, security, and environmental measures;

outbreaks of diseases that affect travel behavior; and

weather and natural disasters.

Thus, AAG's results of operations could be volatile and subject to rapid and unexpected change. In addition, due to generally weaker demand for air travel during the winter, AAG's revenues in the first and fourth quarters of the year could be weaker than revenues in the second and third quarters of the year.

***The airline industry is fiercely competitive, and AAG will be subject to increasing competition.***

Service over almost all of AAG's routes will be highly competitive. Revenues will be sensitive to the actions of other airlines in many areas including pricing, scheduling, capacity, and promotions, which may have a substantial adverse impact not only on AAG's revenues, but on overall industry revenues. These factors may become even more significant in periods when the industry experiences large losses, as airlines under financial stress, or in bankruptcy, may institute pricing structures intended to achieve near-term survival rather than long-term viability. AAG's ability to compete effectively will depend in large part on its ability to maintain a competitive cost structure. If AAG cannot do so, then its business, financial condition, and results of operations would be adversely affected.

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AAG will face vigorous and, in some cases, increasing, competition from major domestic airlines, national, regional, all-cargo, and charter airlines, foreign airlines, low-cost airlines, and, particularly on shorter segments, ground and rail transportation. AAG will also face significant and increasing competition from expanded

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**Table of Contents**

marketing/operational alliances formed by its competitors, some of which are larger than the **oneworld**<sup>®</sup> alliance. Competition with foreign airlines and with such marketing/operational alliances has been increasing in recent years in part due to the adoption of liberalized open skies aviation agreements between the U.S. and an increasing number of countries around the world.

Certain airline alliances have been, or may in the future be, granted immunity from antitrust regulations by governmental authorities for specific areas of cooperation, such as joint pricing decisions. To the extent alliances formed by AAG's competitors can undertake activities that are not available to AAG, AAG's ability to effectively compete may be hindered.

AMR has implemented a joint business agreement ( JBA ) with British Airways and Iberia, to which Finnair is expected to be added, and antitrust-immunized cooperation with British Airways, Iberia, Finnair, and Royal Jordanian. In addition, American has implemented an antitrust-immunized JBA with Japan Airlines and a JBA with Qantas. AAG is expected to continue these arrangements. No assurances can be given as to any other arrangements that may ultimately be implemented or any benefits that AAG may derive from such arrangements.

*The airline industry may undergo further consolidation or changes in industry alliances, which may strengthen the competitive position of some of AAG's competitors.*

In recent years, there have been numerous mergers and acquisitions within the U.S. and international airline industries and numerous changes in industry alliances, which have generally had an adverse effect on AMR and US Airways Group. The merger of United Airlines with Continental Airlines and the merger of Delta Air Lines with Northwest Airlines have resulted in the formation of large competitors with significant financial resources and extensive networks. More recently, Southwest Airlines strengthened its competitive position through its acquisition of AirTran Airways. The Merger is intended to address some of the competitive impacts of these actions by other airlines. AAG will seek to address these competitive challenges with its market and alliance strategies, which are expected to include growing the **oneworld**<sup>®</sup> alliance. There can be no assurances as to the level of success of these strategies.

In the future, there may be additional mergers and acquisitions, and changes in airline alliances, including those in which AAG may participate and those that may be undertaken by others. Any airline industry consolidation or changes in airline alliances, including changes to the **oneworld**<sup>®</sup> alliance, could substantially alter the competitive landscape and result in changes in AAG's corporate or business strategy. Consolidation involving other participants in the industry could result in the formation of one or more airlines with greater financial resources, more extensive networks, and/or lower cost structures than exist currently, which could have a material adverse effect on AAG's competitive position and adversely affect the business, financial condition, and results of operations of AAG. For similar reasons, changes in airline alliances could have a similar adverse impact on AAG.

*Delays in scheduled aircraft deliveries or failure of new aircraft to perform as expected may adversely impact AAG's business, financial condition, and results of operations.*

AAG's fleet renewal plans are intended to enhance its ability to operate optimum numbers of specific types of aircraft. In many cases, the aircraft AAG intends to operate are not yet in either US Airways Group's or AMR's fleet, but US Airways Group and/or AMR have contractual commitments to purchase or lease them. AMR and US Airways Group expect that AAG will continue those contractual commitments. If for any reason AAG is unable to take delivery of particular types of new aircraft on contractually scheduled delivery dates, it may be adversely affected. In addition, if the aircraft it receives do not meet the expected performance or quality standards, including with regard to fuel efficiency, AAG's business will be adversely affected.

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**Table of Contents**

***AAG will be dependent on a limited number of suppliers for aircraft, aircraft engines, and parts.***

AAG will be dependent on a limited number of suppliers for aircraft, aircraft engines, and many aircraft and engine parts. As a result, AAG will be vulnerable to any problems associated with the supply of those aircraft, engines, and parts, including insufficient supply, design defects, mechanical problems, inadequate performance by suppliers, or adverse perception by the public that could result in customer avoidance or in actions by the FAA resulting in an inability to operate its aircraft.

***AAG's business will be subject to extensive government regulation, which may result in increases in its costs, disruptions to its operations, limits on its operating flexibility, reductions in the demand for air travel, and competitive disadvantages.***

Airlines are subject to extensive domestic and international regulatory requirements. In the last several years, Congress has passed laws, and the DOT, the FAA, the TSA, and the U.S. Department of Homeland Security ( DHS ) have issued a number of directives and other regulations that affect the airline industry. These requirements will impose substantial costs on AAG and will restrict the ways AAG may conduct its business.

For example, the FAA from time to time issues directives and other regulations relating to the maintenance and operation of aircraft that require significant expenditures or operational restrictions. AMR's and US Airways Group's failure to timely comply with these requirements in the past has, and AAG's failure to timely comply with these requirements could in the future, result in fines and other enforcement actions by the FAA or other regulators. In addition, the FAA recently issued its final regulations governing pilot rest periods and work hours for all airlines certificated under Part 121 of the Federal Aviation Regulations. The rule, which is effective January 14, 2014, impacts the required amount and timing of rest periods for pilots between work assignments and modifies duty and rest requirements based on the time of day, number of scheduled segments, flight types, time zones, and other factors. These regulations could have a material adverse impact on AAG and the industry upon implementation.

Subsequent to the Closing, AAG intends to submit to the FAA a transition plan for merging the day-to-day operations of its two mainline airlines, American and US Airways, under a single operating certificate. The issuance of a single operating certificate will occur when the FAA agrees that AAG has achieved a level of integration that can be safely managed under one certificate. While the parties currently believe that such approval can be obtained within two years from the Closing, the actual time required and cost incurred to receive this approval cannot be predicted. Any delay in the grant of such approval or increase in costs beyond those presently expected could have a material adverse effect on the completion date of AAG's integration plan and receipt of the benefits expected from that plan.

Recent DOT consumer rules require new procedures for customer handling during long onboard delays, further regulate airline interactions with passengers through the reservations process, at the airport, and on board the aircraft, and require new disclosures concerning airline fares and ancillary fees such as baggage fees. The DOT has been aggressively investigating alleged violations of these new rules. Other DOT rules apply to post-ticket purchase price increases and an expansion of tarmac delay regulations to international airlines.

The Aviation and Transportation Security Act ( ATSA ) mandates the federalization of certain airport security procedures and imposes additional security requirements on airports and airlines, most of which are funded by a per-ticket tax on passengers and a tax on airlines.

The results of AAG's operations, demand for air travel, and the manner in which it conducts business each may be affected by changes in law and future actions taken by governmental agencies, including:

changes in law which affect the services that can be offered by airlines in particular markets and at particular airports, or the types of fees that can be charged to passengers;

the granting and timing of certain governmental approvals (including antitrust or foreign government approvals) needed for codesharing alliances and other arrangements with other airlines;

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**Table of Contents**

restrictions on competitive practices (for example, court orders, or agency regulations or orders, that would curtail an airline's ability to respond to a competitor);

the adoption of new passenger security standards or regulations that impact customer service standards (for example, a passenger bill of rights );

restrictions on airport operations, such as restrictions on the use of takeoff and landing authorizations ( Slots ) at airports or the auction or reallocation of Slot rights currently held by AMR and/or US Airways Group; and

the adoption of more restrictive locally-imposed noise restrictions.

Each additional regulation or other form of regulatory oversight increases costs and adds greater complexity to airline operations and, in some cases, may reduce the demand for air travel. There can be no assurance that AAG's compliance with new rules, anticipated rules or other forms of regulatory oversight will not have a material adverse effect on it. In April 2013, the FAA announced the imposition of furloughs that resulted in reduced staffing, including among air traffic controllers, in connection with its implementation of budget reductions related to the federal government's response to the so-called sequester of government funding. These furloughs have been suspended as a result of Congressional legislation. However, neither AMR nor US Airways Group can predict whether there will be further furloughs or the impact of any such furloughs on AAG's business. Any significant reduction in air traffic capacity at key airports in the U.S. could have a material adverse effect on AAG's operations and financial results.

In addition, the ATC system is not successfully managing the growing demand for U.S. air travel. Air traffic controllers rely on outdated technologies that routinely overwhelm the system and compel airlines to fly inefficient, indirect routes. On February 14, 2012, the FAA Modernization and Reform Act of 2012 was signed. The law provides funding for the FAA to rebuild its ATC system, including switching from radar to a GPS-based system. It is uncertain when any improvements to the ATC system will take effect. Failure to update the ATC system in a timely manner and the substantial funding requirements that may be imposed on airlines of a modernized ATC system may have a material adverse effect on AAG.

The ability of U.S. airlines to operate international routes is subject to change because the applicable arrangements between the U.S. and foreign governments may be amended from time to time and appropriate Slots or facilities may not be made available. American and US Airways currently operate on a number of international routes under government arrangements that limit the number of airlines permitted to operate on the route, the capacity of the airlines providing services on the route, or the number of airlines allowed access to particular airports. If an open skies policy were to be adopted for any of these routes, such an event could have a material adverse impact on AAG and could result in the impairment of material amounts of its related tangible and intangible assets. In addition, competition from revenue-sharing joint ventures, joint business agreements, and other alliance arrangements by and among other airlines could impair the value of AAG's business and assets on the open skies routes. For example, the open skies air services agreement between the U.S. and the EU, which took effect in March 2008, provides airlines from the U.S. and EU member states open access to each other's markets, with freedom of pricing and unlimited rights to fly from the U.S. to any airport in the EU, including London's Heathrow Airport. The agreement has resulted in AMR and US Airways Group facing increased competition in these markets, including Heathrow Airport. In addition, the open skies agreement between the U.S. and Brazil, which was signed in 2010 and takes full effect in 2015, has resulted in increased competition in the U.S./Brazil market.

***AAG will be subject to increasingly stringent environmental regulations.***

Many aspects of AAG's operations will be subject to increasingly stringent environmental regulations, including those relating to emissions to the air, discharges to surface and subsurface waters, safe drinking water, and the management of hazardous substances, oils, and waste materials. Compliance with environmental laws and regulations can require significant expenditures, and violations can lead to significant fines and penalties.

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**Table of Contents**

Concerns about climate change and greenhouse gas emissions, in particular, may result in the imposition of additional legislation or regulation. The EU has adopted a directive under which each EU member state is required to extend the existing European Union emissions trading scheme ( ETS ) to aviation. This would require airlines to annually submit emission allowances in order to operate flights to and from EU member states in January 2012 and thereafter, including flights between the U.S. and EU member states. In November 2012, the European Commission proposed to suspend for one year the ETS application to flights entering and departing Europe, to allow the United Nations International Civil Aviation Organization ( ICAO ) to propose an alternate global emissions reduction scheme. Under the terms of the proposal, with the exception of intra-Europe flights, the monitoring and reporting of emissions, which became effective in 2012, and the submission of emission allowances, scheduled to occur before the end of April 2013, will be suspended and the EU will not collect allowances from airlines in 2013. The proposal is expected to be approved by the European Parliament and EU member states represented in the European Council in the second quarter of 2013. The ETS may be reactivated if ICAO does not make progress towards an alternate global scheme within the next year. The U.S. enacted legislation in November 2012 that will allow the Secretary of Transportation to prohibit U.S. airlines from participating in the ETS. While these measures create some uncertainty as to the extent to which AAG will be required to participate in the ETS going forward, it is nevertheless increasingly likely that in the future it will be required to participate in some form of international arrangement governing aircraft emissions. Although the cost of compliance with the ETS or any alternate global scheme is difficult to predict because certain key parameters, such as the number and price of emission allowances AAG may be required to purchase, are unknown, such costs could be significant.

Other legislative or regulatory actions addressing climate change and emissions from aviation that may be taken in the future by the U.S., state, or foreign governments or through international treaties may adversely affect AAG's business and financial results.

Climate change legislation was previously introduced in Congress; such legislation could be reintroduced in the future in Congress or state legislatures and could contain provisions affecting the aviation industry. In addition, the U.S. Environmental Protection Agency ( EPA ) could seek to regulate greenhouse gas emissions from aircraft. It is currently unknown how climate change legislation or regulation, if enacted, would specifically apply to the aviation industry. However, the impact on AAG of any climate change legislation or regulation is likely to be adverse, and related costs of compliance could be significant. Such legislation or regulation could result in, among other things, increased fuel costs, carbon taxes, or fees, the imposition of requirements to purchase emission offsets or credits, increased aircraft and equipment costs, and restrictions on the growth of airline operations. AAG is expected to evaluate ongoing climate change developments at the international, federal, and state levels and to assess the potential associated impacts on its business and operations.

***Ongoing data security compliance requirements could increase AAG's costs, and any significant data breach could harm its business, financial condition, or results of operations.***

AAG's business will require the appropriate and secure utilization of customer and other sensitive information. AAG will not be able to be certain that advances in criminal capabilities (including cyber-attacks or cyber-intrusions over the Internet, malware, computer viruses, and the like), discovery of new vulnerabilities or attempts to exploit existing vulnerabilities in systems, other data thefts, physical system or network break-ins or inappropriate access, or other developments will not compromise or breach the technology protecting the networks that access and store sensitive information, whether such technology is controlled by AAG or by other parties critical to its business, such as credit card companies. The risk of a security breach or disruption, particularly through cyber-attack or cyber-intrusion, including by computer hackers, foreign governments, and cyber-terrorists, has increased as the number, intensity, and sophistication of attempted attacks and intrusions from around the world have increased. Furthermore, there has been heightened legislative and regulatory focus on data security in the U.S. and abroad (particularly in the EU), including requirements for varying levels of customer notification in the event of a data breach.

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**Table of Contents**

In addition, many of the businesses with which AAG will deal, including credit card companies, impose data security standards that it will be required to meet. In particular, AAG will be required by the Payment Card Industry Security Standards Council, founded by the credit card companies, to continue to comply with their highest level of data security standards. In addition, new and revised standards may be imposed that may be difficult for AAG to meet and that could increase its costs.

Failure to comply with the Payment Card Industry Standards discussed above or other privacy and data use and security requirements of business partners or related laws, rules, and regulations to which AAG becomes subject may harm its reputation with its customers and expose it to claims for contract breach, fines, sanctions, or other penalties, which could materially and adversely affect its business, financial condition, and results of operations. In addition, failure to address appropriately these issues could also give rise to additional legal risks, which, in turn, could increase the size and number of litigation claims and damages asserted or subject AAG to enforcement actions, fines, and penalties and cause AAG to incur further related costs and expenses.

***AAG could be adversely affected by conflicts overseas or terrorist attacks.***

Actual or threatened U.S. military involvement in overseas operations has, on occasion, had an adverse impact on AMR's and US Airways Group's business, financial condition (including access to capital markets), and results of operations, and on the airline industry in general. The continuing conflict in Afghanistan, or other conflicts or events in the Middle East or elsewhere, may result in similar adverse impacts.

The terrorist attacks of September 11, 2001 had a material adverse impact on both AMR and US Airways Group. The occurrence of another terrorist attack could have a material adverse impact on AAG.

***AAG's ability to operate and grow its route network in the future is dependent on the availability of adequate facilities and infrastructure throughout its system and, at some airports, adequate Slots.***

In order to operate AAG's proposed flight schedule and, where appropriate, add service along new or existing routes, it must be able to obtain adequate gates, ticketing facilities, operations areas, Slots (where applicable), and office space. Also, as airports around the world become more congested, AAG will not always be sure that its plans for new service can be implemented in a commercially viable manner, given operating constraints at airports throughout its network. Further, its operating costs at airports at which it operates, including its hubs, may increase significantly because of capital improvements at such airports that AAG may be required to fund, directly or indirectly. In some circumstances, such costs could be imposed by the relevant airport authority without AAG's approval.

Access to Slots at several major U.S. airports and many foreign airports to be served by AAG are subject to government regulation. Certain of AAG's hubs in the U.S. and its most important international destinations, including London's Heathrow Airport, are among the most congested airports in the world and have been or could be the subject of regulatory action that might limit the number of flights and/or increase costs of operations at certain times or throughout the day. There is no assurance that AAG will be able to retain or acquire the necessary rights to operate its desired schedules and change schedules in the future because, among other reasons, such allocations are subject to changes in government policy. For example, the FAA is planning a new rulemaking in 2013 to modify the current rules limiting flight operations at New York City's JFK and LaGuardia airports, where AAG will have major operations. Any limitation on AAG's ability to acquire or maintain adequate gates, ticketing facilities, operations areas, Slots (where applicable), or office space could severely constrain its operations and have a material adverse effect on it. In addition, in connection with obtaining regulatory approval or clearance with respect to the Merger, the applicable regulatory bodies may have the authority to condition approval or clearance on AMR and US Airways Group divesting Slots at foreign or U.S. airports. AMR and US Airways Group do not expect that any required divestitures will have a material adverse effect on AAG.

**Table of Contents**

***AAG's international operations will be subject to economic and political instability and could be adversely affected by numerous events, circumstances, or government actions beyond its control.***

AAG will operate a global business from which AMR's international operations derived approximately 40% of its total operating revenues in 2012 and US Airways Group's international operations derived approximately 25% of its total operating revenues in 2012, as measured and reported to the DOT. AAG's international activities could be adversely affected by factors such as reversals or delays in the opening of foreign markets, exchange controls, currency, and political risks (including changes in exchange rates and currency devaluations, which are more likely in countries with exchange controls such as Venezuela, which recently devalued its currency, and Argentina), environmental regulation, increases in taxes and fees, and changes in international government regulation of its operations, including the inability to obtain or retain needed route authorities and/or Slots. Fluctuations in foreign currencies could significantly affect AAG's operating performance, as well as the value of its assets and liabilities located outside the U.S.

***AAG could be adversely affected by an outbreak of a disease that affects travel behavior.***

An outbreak of a disease that affects travel demand or travel behavior, such as Severe Acute Respiratory Syndrome, avian flu, H1N1 virus, or other illness, or travel restrictions or reductions in the demand for air travel caused by similar public health threats in the future, could have a material adverse impact on AAG. In addition, such events could result in quarantines of AAG's personnel or an inability to access facilities or aircraft, which could materially adversely affect AAG.

***AAG could be adversely affected if AAG is unable to have satisfactory relations with any unionized or other labor work group, or if it suffers employee strikes, slowdowns, or other labor-related disruptions.***

The airline business is labor intensive. To the extent that AAG is unable to have satisfactory relations with any labor work group (unionized or independent), its operations and its ability to execute its strategic plans could be adversely affected. The majority of AAG's employees will be represented by labor unions and covered by CBAs. Relations with such labor organizations are governed by the Railway Labor Act (RLA). Under the RLA, the CBAs among AAG's operating subsidiaries and these organizations generally do not expire but instead become amendable as of a stated date. If either party wishes to modify the terms of any such agreement, it must notify the other party in the manner prescribed under the RLA and as agreed to by the parties. Under the RLA, after receipt of such notice, the parties must meet for direct negotiations, and, if no agreement is reached, either party may request the National Mediation Board (NMB) to appoint a federal mediator. The RLA prescribes no set timetable for the direct negotiation and mediation process. It is not unusual for those processes to last for many months, and even for several years. If no agreement is reached in mediation, the NMB in its discretion may declare at some time that an impasse exists, and if an impasse is declared, the NMB proffers binding arbitration to the parties. Either party may decline to submit to arbitration. If arbitration is rejected by either party, a 30-day cooling off period commences. Throughout the bargaining process, and during this cooling off period, the parties are precluded from engaging in any self-help, such as strikes or work slowdowns by employees or a lockout by the employer. During the cooling off period (or after), a Presidential Emergency Board (PEB) may be established to examine the parties' positions and recommend a solution. The PEB process lasts for 30 days and is followed by another cooling off period of 30 days, which extends the prohibition against self-help until the PEB process is concluded. At the end of the cooling off period or PEB process (whichever lasts longer), unless an agreement is reached or action is taken by Congress to legislate a solution to the bargaining dispute, the labor organization may exercise self-help, such as a strike or other job action, and the airline may resort to its own self-help, including the imposition of any or all of its proposed amendments to the CBA and the hiring of new people to replace any striking workers.

Any disruption by a labor work group (e.g., sick-out, slowdown, full or partial strike, or other job action) may materially and adversely affect AAG's business, financial condition, and results of operations. There is a risk that employees may engage in such disruptions, with or without union involvement, even if such disruptions are not permitted by the RLA. In the third quarter of 2012, AMR experienced a labor-related operational



**Table of Contents**

disruption, which led to substantial flight cancellations and delays. There can be no assurance that such operational disruptions will not recur in the future.

***A higher than normal number of pilot retirements and a potential shortage of pilots could adversely affect AAG.***

AMR and US Airways Group currently have a higher than normal number of pilots eligible for retirement. Among other things, the extension of pilot careers facilitated by the FAA's 2007 modification of the mandatory retirement age from age 60 to age 65 has now been fully implemented resulting in large numbers of pilots in the industry approaching the revised mandatory retirement age. If pilot retirements were to exceed normal levels in the future, it may adversely affect AAG. The FAA also recently issued regulations that increase the flight experience required for pilots working for airlines, such as American and US Airways, certificated under Part 121 of the Federal Aviation Regulations. These and other factors could contribute to a shortage of qualified pilots, which could adversely affect AAG.

***Increases in insurance costs or reductions in coverage could have an adverse impact on AAG.***

AMR and US Airways Group each carry insurance for public liability, passenger liability, property damage, and all-risk coverage for damage to their aircraft. As a result of the terrorist attacks of September 11, 2001, aviation insurers significantly reduced the amount of liability insurance coverage available to commercial airlines for claims resulting from acts of terrorism, war, or similar events. At the same time, these insurers significantly increased the premiums for aviation insurance in general. While the price of commercial insurance has declined since the period immediately after the terrorist attacks of September 11, 2001, in the event commercial insurance carriers further reduce the amount of insurance coverage available to AAG, or significantly increase its cost, AAG would be adversely affected. In addition, the failure or insolvency of one of the insurers could result in a lack of coverage.

The U.S. government has agreed to provide commercial war-risk insurance for U.S.-based airlines through September 30, 2013, covering losses to employees, passengers, third parties, and aircraft. If the U.S. government were to cease providing such insurance in whole or in part, it is likely that AAG could obtain comparable coverage in the commercial market, but it could incur substantially higher premiums and more restrictive terms, if such coverage were to be available at all. If AAG is unable to obtain adequate liability insurance for claims resulting from acts of terrorism, war, or similar events at commercially reasonable rates, it would be materially adversely affected.

***AAG will be increasingly dependent on technology and could be adversely affected by a failure or disruption of its computer, communications, or other technology systems, and may face challenges in integrating those systems.***

AAG will be heavily and increasingly dependent on technology and automated systems to operate its business, reduce costs, and enhance customer service. These technologies and systems include the computerized airline reservation system, flight operations system, financial planning, management, and accounting systems, telecommunications systems, website, maintenance systems, and check-in kiosks. In order for AAG's operations to work efficiently, its website and automated systems must be able to accommodate a high volume of traffic, maintain secure information, and deliver important flight and schedule information, as well as issue electronic tickets and process critical financial transactions, in a timely manner. The computer and communications systems on which AAG will rely could be disrupted due to various events, some of which are beyond AAG's control, including natural disasters, power failures, terrorist attacks, equipment failures, system implementation failures, software failures and computer viruses, hackers, and other cyber-attacks. For example, on April 16, 2013, AMR experienced a software issue that resulted in significant operational impact, including hundreds of cancelled flights. AMR has taken, and AAG will take, steps to help reduce the risk of some (but not all) of these potential disruptions. There can be no assurance, however, that the measures taken will be adequate to prevent or remedy disruptions or failures of these systems. Any substantial or repeated failure of these systems could impact AAG's operations and customer service, result in the theft or loss of important data, including private or sensitive

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**Table of Contents**

information concerning AAG's passengers and other customers, loss of revenues, and increased costs, and generally harm AAG's business, financial condition, and results of operations. Moreover, a failure or disruption of certain of AAG's vital systems could limit its ability to operate flights for an extended period of time, which would have a material adverse impact on AAG. In addition, AAG will need to continue to make significant investments in technology to pursue initiatives to reduce costs and enhance customer service. If AAG is unable to make these investments, its business, financial condition, and results of operations could be negatively impacted.

Among the principal risks of integrating the business and operations of AMR and US Airways Group are the risks of integrating various computer, communications, and other technology systems, including designing and implementing an integrated customer reservations system, that will be necessary to operate American and US Airways as a single airline and to achieve cost synergies by eliminating redundancies in the two companies' businesses. The integration of these systems in a number of prior airline mergers has taken longer, been more disruptive, and cost more than originally forecast. The implementation process by AAG to integrate these various systems will involve a number of risks that may hinder AAG's business operations and/or affect its financial condition and results of operations if the implementation is delayed or otherwise is not successful. New systems will replace multiple legacy systems and the related implementation will be a complex and time-consuming project involving substantial expenditures for implementation consultants, system hardware, software, and implementation activities, as well as the transformation of business and financial processes.

As with any large project, there will be many factors that may materially affect the schedule, cost, and execution of the integration of AAG's computer, communications, and other technology systems. These factors include, among others: problems during the design, implementation, and testing phases; system delays and/or malfunctions; the risk that suppliers and contractors will not perform as required under their contracts; the diversion of management attention from daily operations to the project; reworks due to unanticipated changes in business processes; challenges in simultaneously activating new systems throughout AAG's global network; difficulty in training employees in the operation of new systems, and other unexpected events beyond AAG's control.

***AAG will be at risk of losses and adverse publicity which might result from an accident involving any of its aircraft.***

If one of AAG's aircraft, an aircraft that is operated under its brand by one of its regional operators, or an aircraft that is operated by an airline that is one of AAG's codeshare partners were to be involved in an accident, AAG could be exposed to significant tort liability. The insurance AAG carries to cover damages arising from any future accident may be inadequate. If its insurance is not adequate, it may be forced to bear substantial losses from an accident. In addition, any accident involving any such aircraft could materially and adversely affect the public's perception of AAG. Such public perception could in turn cause harm to AAG's brand and reduce travel demand on its flights, or the flights of AAG's codeshare partners or regional airlines.

***Interruptions or disruptions in service at one or more of AAG's primary market airports could have an adverse impact on its business, financial condition, and results of operations.***

AAG's business will be heavily dependent on operations at its primary market airports in Charlotte, Chicago, Dallas/Fort Worth, Los Angeles, Miami, New York City, Philadelphia, Phoenix, and Washington, D.C. Each of these operations includes flights that gather and distribute traffic from markets in the geographic region around the primary market to other major cities. A significant interruption or disruption in service at one or more of AAG's primary markets could adversely impact its business, financial conditions, and results of operations.

***The airline industry is heavily taxed.***

The airline industry is subject to extensive government fees and taxation that will negatively impact AAG's revenue. The U.S. airline industry is one of the most heavily taxed of all industries. These fees and taxes have grown significantly in the past decade for domestic flights, and various U.S. fees and taxes also are assessed on

**Table of Contents**

international flights. For example, as permitted by federal legislation, most major U.S. airports impose a passenger facility charge per passenger on American and US Airways. In addition, the governments of foreign countries in which AAG will operate impose on U.S. airlines, including American and US Airways, various fees and taxes, and these assessments have been increasing in number and amount in recent years. Moreover, AAG will be obligated to collect a federal excise tax, commonly referred to as the ticket tax, on domestic and international air transportation. It will collect the excise tax, along with certain other U.S. and foreign taxes and user fees on air transportation (such as a per-ticket tax on passengers to fund the TSA), and pass along the collected amounts to the appropriate governmental agencies. Although these taxes are not operating expenses, they represent an additional cost to AAG's customers. There are continuing efforts in Congress and in other countries to raise different portions of the various taxes, fees, and charges imposed on airlines and their passengers. Increases in such taxes, fees, and charges could negatively impact AAG's business, financial condition, and results of operations.

Under recent DOT regulations, all governmental taxes and fees must be included in the fares AAG quotes or advertises to its customers. Due to the competitive revenue environment, many increases in these fees and taxes have been absorbed by the airline industry rather than being passed on to the customer. Further increases in fees and taxes may reduce demand for air travel, and thus AAG's revenues.

***AAG may never realize the full value of its intangible assets or its long-lived assets, causing it to record material impairment charges.***

In accordance with applicable accounting standards, upon the Closing and the Debtors' emergence from the Chapter 11 Cases, fresh start accounting will be applied to AMR's financial statements and the acquisition method of accounting will be applied to US Airways Group's financial statements. The adjustments mandated by these methods of accounting will likely result in the recording of significant intangible assets by AAG. Also in accordance with applicable accounting standards, AAG will be required to test its indefinite-lived intangible assets for impairment on an annual basis, or more frequently if conditions indicate that an impairment may have occurred. In addition, AAG will be required to test certain of its other assets for impairment if conditions indicate that an impairment may have occurred.

AAG may be required to recognize additional impairments in the future due to, among other factors, extreme fuel price volatility, tight credit markets, a decline in the fair value of certain tangible or intangible assets, unfavorable trends in historical or forecasted results of operations and cash flows, and an uncertain economic environment, as well as other uncertainties. Neither AMR nor US Airways Group can provide assurance that a material impairment charge of tangible or intangible assets will be avoided. The value of AAG's aircraft could be impacted in future periods by changes in supply and demand for these aircraft. Such changes in supply and demand for certain aircraft types could result from grounding of aircraft by AAG or other airlines. An impairment charge could have a material adverse effect on its business, financial condition, and results of operations.

***Interruptions or disruptions in AAG's relationships with third-party regional airlines or other third-party service providers could have an adverse impact on it.***

AMR and US Airways Group have engaged an increasing number of third-party service providers to perform a large number of functions that are integral to their businesses, including distribution and sale of airline seat inventory, provision of information technology infrastructure and services, provision of aircraft maintenance and repairs, provision of certain customer and aircraft related functions, provision of various utilities, and performance of aircraft fueling operations, among other vital functions and services. AAG will also rely on third-party regional airlines to operate flights. If AAG experiences problems with any of its third-party regional airlines, or other third-party service providers, or unexpected interruptions in their provision of services, the public's perception of AAG could be materially and adversely affected. Significant problems, disruptions, or interruptions could materially and adversely affect AAG's business, financial condition, and results of operations.

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**Table of Contents**

**CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS**

This proxy statement/prospectus includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements may be identified by words such as may, will, expect, intend, anticipate, believe, estimate, could, should, would, continue, seek, target, guidance, outlook, forecast, and other similar words. In particular, statements, expressions of opinion, and projections concerning future actions, conditions, or events, future operating results, the ability to generate sales, income, or cash flow and to realize cost savings and other synergies or other benefits associated with the transaction are forward-looking statements. Although AMR and US Airways Group believe that these forward-looking statements are based on reasonable assumptions, they are subject to risks and uncertainties and are made in light of information currently available. Many factors, in addition to the factors described in this proxy statement/prospectus, may adversely affect results as indicated in forward-looking statements. AMR and US Airways Group urge you to carefully read this entire proxy statement/prospectus, the documents incorporated by reference into this proxy statement/prospectus, and the documents that are attached as annexes and filed as exhibits hereto, with the understanding that actual future results may be materially different from what AMR and US Airways Group expect. Many of the factors that will determine these results are beyond AMR's and US Airways Group's ability to control or predict. Specific factors that could cause actual results to differ from those in the forward-looking statements include, among others:

the challenges and costs of the Merger, integrating American's operations with those of US Airways, and achieving anticipated synergies, including the ability to achieve targeted cost savings, or revenue growth;

the price of, market for, and potential market price volatility of, AAG common stock;

the significant liquidity requirements of AAG at and following the Closing;

substantial levels of indebtedness, which could make AAG vulnerable to general adverse economic and industry conditions, limit its ability to borrow additional funds, and/or place it at competitive disadvantages compared to its competitors that have less debt;

potential limitations on the use of NOL Carryforwards and certain other tax attributes following the Closing;

failure of conditions to Closing to be satisfied and failure of the Merger to be completed, including failure of the Plan to be confirmed, failure of US Airways Group stockholders to adopt the Merger Agreement, or failure to receive required regulatory approvals;

market conditions, including commodity prices for oil, and access to, and cost of obtaining, additional capital;

vulnerability to changes in economic conditions, laws or regulations, and third-party relations, and to approvals and decisions of courts, regulators, and governmental bodies;

interruptions in business and/or damage to property or reputation or injuries or loss of human life due to natural disasters, terrorism, war, cyber-attacks, failure of technology systems, or other causes;

potential labor unrest, strikes, slow downs, or other labor related disruptions;

changes in tax laws;

availability of aircraft, availability of adequate facilities and infrastructure, delays in aircraft deliveries, and performance of new aircraft;

competition, consolidation, and alliances in the airline industry;

other economic, business, competitive, and/or regulatory factors affecting the business of AAG, generally; and

the other factors discussed in the section entitled "Risk Factors" beginning on page 44.

**Table of Contents**

Forward-looking statements speak only as of the date hereof or as of the dates indicated in the statements. Neither AMR nor US Airways Group assumes any obligation to publicly update or supplement any forward-looking statement to reflect actual results, changes in assumptions, or changes in other factors affecting these forward-looking statements. There is no assurance that any of the risks described under the caption "Risk Factors" or that any of the uncertainties associated with the forward-looking statements discussed in this proxy statement/prospectus will occur, or, if any of them do, when they will occur or what impact they will have on AMR's, US Airways Group's, or AAG's operations or financial condition. Future results and performance may differ materially from those expressed in forward-looking statements due to, but not limited to, the factors mentioned above. Because of these uncertainties, you should not place undue reliance on forward-looking statements.

Stockholders should understand that the foregoing important factors, in addition to those discussed elsewhere in this proxy statement/prospectus or in the documents that are incorporated by reference by US Airways Group into this proxy statement/prospectus or attached hereto as annexes or filed as exhibits, could affect AMR's, US Airways Group's, or AAG's future results and could cause results to differ materially from those expressed in the forward-looking statements.

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**Table of Contents**

**THE US AIRWAYS GROUP ANNUAL MEETING**

**Purpose, Place, Date, and Time**

US Airways Group is furnishing this proxy statement/prospectus to the stockholders of US Airways Group in connection with the solicitation by its board of directors of proxies to be voted at the 2013 Annual Meeting of Stockholders, and any adjournments or postponements of that meeting. The 2013 Annual Meeting of Stockholders will be held at the offices of Latham & Watkins LLP, located at 885 Third Avenue, New York, New York 10022, on Friday, July 12, 2013 at 9:00 a.m., local time, for the purposes set forth in the accompanying notice of the 2013 Annual Meeting of Stockholders.

The approximate date on which US Airways Group is first sending the notice of the 2013 Annual Meeting of Stockholders, this proxy statement/prospectus, and the accompanying proxy card to stockholders is June 11, 2013.

The 2013 Annual Meeting of Stockholders is being held to consider and vote on the following proposals:

Proposal 1: to adopt the Merger Agreement;

Proposal 2: to approve, on a non-binding, advisory basis, the Merger-related compensation of US Airways Group's named executive officers;

Proposal 3: to approve the adjournment of the 2013 Annual Meeting of Stockholders, if necessary, to solicit additional proxies if there are not sufficient votes to adopt the Merger Agreement;

Proposal 4: to elect to the US Airways Group board of directors each of the nominees for director named in this proxy statement/prospectus;

Proposal 5: to ratify the appointment of KPMG LLP as US Airways Group's independent registered public accounting firm for 2013; and

Proposal 6: to approve, on a non-binding, advisory basis, the compensation of US Airways Group's named executive officers.

**Record Date; Outstanding Shares; Stockholders Entitled to Vote**

Stockholders of record at the close of business on the Record Date are entitled to receive notice of and to vote at the 2013 Annual Meeting of Stockholders and at any adjournments or postponement thereof. On the Record Date, there were 180,577,075 shares of US Airways Group's common stock outstanding and eligible to be voted at the 2013 Annual Meeting of Stockholders. Each share of US Airways Group's common stock entitles its owner to one vote on each matter submitted to the stockholders.

**Quorum; Broker Non-Votes**

The presence, in person or by proxy, of a majority of the outstanding shares of US Airways Group's common stock is necessary to constitute a quorum at the 2013 Annual Meeting of Stockholders.

Under the rules of the NYSE, member firms that hold shares in street name for beneficial owners may, to the extent that those beneficial owners do not furnish voting instructions with respect to any or all proposals submitted for stockholder action, vote in their discretion upon proposals that are considered routine proposals under the NYSE rules. US Airways Group believes that Proposals 3 and 5 are routine, and Proposals 1, 2, 4, and 6 are non-discretionary. Member brokerage firms that do not receive instructions from their clients as to non-discretionary proposals cannot vote on the non-discretionary proposals. The return of a proxy card by a broker without voting on a non-discretionary proposal because

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the broker received no instruction from the stockholder is referred to herein as a Broker Non-Vote. Broker Non-Votes are considered in determining whether a quorum exists at the 2013 Annual Meeting of Stockholders.



## **Table of Contents**

### **Vote Required for Proposal 1: The Merger**

The proposal to adopt the Merger Agreement requires the affirmative vote of holders of a majority of the outstanding shares of US Airways Group common stock that are entitled to vote at the 2013 Annual Meeting of Stockholders, provided a quorum is present.

Abstentions are considered in determining the number of votes required to obtain the necessary majority vote for the proposal and, therefore, will have the same legal effect as voting against the proposal. Brokers do not have discretionary authority to vote on this proposal. Broker Non-Votes will have the same legal effect as a vote against the proposal.

In the vote to adopt the Merger Agreement, stockholders may:

vote for the adoption of the Merger Agreement;

vote against the adoption of the Merger Agreement; or

abstain from voting on the proposal.

**The US Airways Group board of directors recommends that US Airways Group stockholders vote FOR the adoption of the Merger Agreement.**

### **Vote Required for Proposal 2: Non-Binding Advisory Vote on the Merger-Related Compensation for Named Executive Officers**

The proposal to approve, on a non-binding, advisory basis, the compensation that will or may become payable to the named executive officers of US Airways Group in connection with the Merger requires the affirmative vote of holders of a majority of the shares of US Airways Group's common stock represented, in person or by proxy, and entitled to vote at the 2013 Annual Meeting of Stockholders, provided a quorum is present.

Abstentions are considered in determining the number of votes required to obtain the necessary majority vote for the proposal and, therefore, will have the same legal effect as voting against the proposal. Brokers do not have discretionary authority to vote on this proposal. Broker Non-Votes will have no legal effect on the outcome of this proposal.

In the vote to approve, on a non-binding, advisory basis, the Merger-related compensation of US Airways Group's named executive officers, stockholders may:

vote for the approval of the Merger-related compensation of US Airways Group's named executive officers;

vote against approval of the Merger-related compensation of US Airways Group's named executive officers; or

abstain from voting on the proposal.

**The US Airways Group board of directors recommends that US Airways Group stockholders vote FOR the proposal to approve the Merger-related compensation of the US Airways Group named executive officers.**

### **Vote Required for Proposal 3: Adjournment If Votes Are Insufficient to Adopt the Merger Agreement**

The proposal to approve the adjournment of the 2013 Annual Meeting of Stockholders, if necessary, to solicit additional proxies, if there are not sufficient votes to adopt the Merger Agreement, requires the affirmative vote of holders of a majority of the shares of US Airways Group's

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common stock represented, in person or by proxy, and entitled to vote at the 2013 Annual Meeting of Stockholders, whether or not a quorum is present.

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**Table of Contents**

Abstentions are considered in determining the number of votes required to obtain the necessary majority vote for the proposal and, therefore, will have the same legal effect as voting against the proposal. Brokers have discretionary authority to vote on this proposal; therefore, US Airways Group expects no Broker Non-Votes on this proposal.

In the vote to approve the adjournment of the 2013 Annual Meeting of Stockholders, if necessary, to solicit additional proxies if there are not sufficient votes to adopt the Merger Agreement, stockholders may:

vote for the approval of the adjournment of the 2013 Annual Meeting of Stockholders, if necessary, to solicit additional proxies if there are not sufficient votes to adopt the Merger Agreement;

vote against approval of the adjournment of the 2013 Annual Meeting of Stockholders, if necessary, to solicit additional proxies if there are not sufficient votes to adopt the Merger Agreement; or

abstain from voting on the proposal.

**The US Airways Group board of directors recommends that US Airways Group stockholders vote FOR the proposal to adjourn the 2013 Annual Meeting of Stockholders, if necessary, to solicit additional proxies if there are not sufficient votes to adopt the Merger Agreement.**

**Vote Required for Proposal 4: Election of Directors**

US Airways Group's amended and restated bylaws provide for a majority voting standard for the election of directors in uncontested elections, which are generally defined as elections in which the number of nominees does not exceed the number of directors to be elected at the meeting. Under the majority voting standard, in uncontested elections of directors, such as this election, each director must be elected by the affirmative vote of a majority of the votes cast with respect to such director by the shares represented in person or by proxy, and entitled to vote therefor at the 2013 Annual Meeting of Stockholders, provided a quorum is present.

A majority of the votes cast means that the number of votes cast for a nominee exceeds the number of votes cast against that nominee. Brokers do not have discretionary authority to vote on this proposal. Abstentions and Broker Non-Votes are not considered votes cast for or against a nominee's election and therefore will have no legal effect in determining whether a nominee has received a majority of the votes cast.

In this election, an incumbent director nominee who does not receive the required number of votes for re-election is expected to tender his resignation to the board of directors in accordance with the policy adopted by the board of directors. The corporate governance and nominating committee of the board of directors (or other committee as directed by the board) will then make a determination as to whether to accept or reject the tendered resignation, generally within 90 days after certification of the election results of the stockholder vote. Following such determination, US Airways Group will publicly disclose the decision regarding any tendered resignation in a Current Report on Form 8-K filed with the SEC.

In the vote to elect two directors of US Airways Group in Class II to serve until the 2016 annual meeting of stockholders and until their respective successors have been duly elected and qualified, stockholders may, with respect to each nominee:

vote for the election of the nominee;

vote against the election of the nominee; or

abstain from voting on the election.

**The US Airways Group board of directors recommends that US Airways Group stockholders vote FOR each of the nominees.**



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**Table of Contents**

**Vote Required for Proposal 5: Ratification of Appointment of Independent Registered Public Accounting Firm**

The proposal to ratify the appointment of KPMG LLP as US Airways Group's independent registered public accounting firm will require the affirmative vote of holders of a majority of the shares represented, in person or by proxy, and entitled to vote at the 2013 Annual Meeting of Stockholders, provided a quorum is present.

Abstentions are considered in determining the number of votes required to obtain the necessary majority vote for the proposal and, therefore, will have the same legal effect as voting against the proposal. Brokers have discretionary authority to vote on this proposal; therefore, US Airways Group expects no Broker Non-Votes on this proposal.

In the vote to ratify the appointment of KPMG LLP as US Airways Group's independent registered public accounting firm, stockholders may:

vote for the ratification;

vote against the ratification; or

abstain from voting on the ratification.

**The US Airways Group board of directors recommends that US Airways Group stockholders vote FOR the ratification of the appointment of US Airways Group's independent registered public accounting firm.**

**Vote Required for Proposal 6: Non-Binding Advisory Vote to Approve the Compensation of Named Executive Officers**

The proposal to approve, on a non-binding, advisory basis, the compensation of the named executive officers of US Airways Group as disclosed in this proxy statement/prospectus pursuant to the compensation disclosure rules of the SEC requires the affirmative vote of holders of a majority of the shares of US Airways Group's common stock represented, in person or by proxy, and entitled to vote at the 2013 Annual Meeting of Stockholders, provided a quorum is present.

Abstentions are considered in determining the number of votes required to obtain the necessary majority vote for the proposal and, therefore, will have the same legal effect as voting against the proposal. Brokers do not have discretionary authority to vote on this proposal. Broker Non-Votes will have no legal effect on the outcome of this proposal.

In the vote to approve, on a non-binding, advisory basis, the compensation of US Airways Group's named executive officers, stockholders may:

vote for the approval of the compensation of US Airways Group's named executive officers;

vote against approval of the compensation of US Airways Group's named executive officers; or

abstain from voting on the proposal.

**The US Airways Group board of directors recommends that US Airways Group stockholders vote FOR the proposal to approve the compensation of the US Airways Group named executive officers.**

**Voting of Proxies**

You should specify your choices with regard to each of the proposals by submitting a proxy for your shares by using the toll-free number or the website provided on your proxy card, if your proxy card includes instructions for using these quick, cost-effective, and easy methods for

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submitting proxies, or submitting a proxy in writing by filling out, signing, and dating your proxy card and mailing it in the prepaid envelope included with these

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## **Table of Contents**

proxy materials. If you submit a proxy by telephone or the website provided on your proxy card, please do not return your proxy card by mail. You will need to follow the instructions provided on your proxy card when you submit a proxy using any of these methods to make sure your shares will be voted at the 2013 Annual Meeting of Stockholders. You also may vote by submitting a ballot in person if you attend the 2013 Annual Meeting of Stockholders. However, we encourage you to submit a proxy by mail by completing your proxy card, by telephone, or over the Internet even if you plan to attend the 2013 Annual Meeting of Stockholders.

If you hold shares through a broker, bank, or other nominee, you may instruct your broker, bank, or other nominee to vote your shares by following the instructions that the broker, bank, or other nominee provides to you with these materials. Most brokers offer the ability for stockholders to submit voting instructions by mail by completing a voting instruction card, by telephone, and over the Internet. If you hold shares through a broker, bank, or other nominee and wish to vote your shares at the 2013 Annual Meeting of Stockholders, you must obtain a legal proxy from your broker, banker, or nominee and present it to the inspector of election with your ballot when you vote at the 2013 Annual Meeting of Stockholders.

All properly executed proxies received by US Airways Group in time to be voted at the 2013 Annual Meeting of Stockholders and not revoked will be voted at the 2013 Annual Meeting of Stockholders in accordance with the directions noted therein. In the absence of such instructions, the shares represented by a signed and dated proxy card will be voted:

**FOR** the adoption of the Merger Agreement;

**FOR** the approval, on a non-binding, advisory basis, of the Merger-related compensation of US Airways Group's named executive officers;

**FOR** the election to the US Airways Group board of directors of each of the nominees for director named in this proxy statement/prospectus;

**FOR** the ratification of the appointment of KPMG LLP as US Airways Group's independent registered public accounting firm for 2013; and

**FOR** the approval, on a non-binding, advisory basis, of the compensation of US Airways Group's named executive officers.

If you return your signed and dated proxy card and indicate that you wish to vote **FOR** the proposal to adopt the Merger Agreement but do not indicate a choice on the proposal to authorize adjournment of the 2013 Annual Meeting of Stockholders, your shares will be voted **FOR** the proposal to authorize adjournment. However, if you indicate that you wish to vote **AGAINST** the proposal to adopt the Merger Agreement, your shares will only be voted **FOR** the proposal to authorize adjournment if you indicate that you wish to vote in favor of that proposal.

If any other matters properly come before the 2013 Annual Meeting of Stockholders, the persons named as proxies will vote upon those matters according to their judgment. The board of directors of US Airways Group knows of no other items of business that will be presented for consideration at the 2013 Annual Meeting of Stockholders other than those described in this proxy statement/prospectus. No stockholder proposals or nominations were received on a timely basis, pursuant to SEC Rule 14a-8 or US Airways Group's amended and restated bylaws, that were not subsequently withdrawn. Accordingly, no such matters may be brought to a vote at the 2013 Annual Meeting of Stockholders.

### **Revocation of Proxies**

Any stockholder delivering a proxy has the power to revoke it at any time before it is voted by:

giving notice of revocation to Caroline B. Ray, US Airways Group's Corporate Secretary, at US Airways Group, Inc., 111 West Rio Salado Parkway, Tempe, Arizona 85281 (by mail or overnight delivery);





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## **Table of Contents**

executing and delivering to US Airways Group's Corporate Secretary a proxy card relating to the same shares bearing a later date;

voting again prior to the time at which the Internet and telephone voting facilities close by following the procedures applicable to those methods of voting; or

voting in person at the 2013 Annual Meeting of Stockholders.

Please note, however, that under the NYSE rules, any beneficial owner of US Airways Group's common stock whose shares are held in street name by a member brokerage firm may only revoke his or her proxy and vote his or her shares in person at the 2013 Annual Meeting of Stockholders in accordance with applicable NYSE rules and procedures, as employed by the beneficial owner's brokerage firm. If you want to vote at the 2013 Annual Meeting of Stockholders, but your shares are held in street name by a broker, bank, or other nominee, you will need to obtain proof of ownership as of May 30, 2013 and a proxy to vote the shares from such broker, bank, or other nominee.

### **Solicitation of Proxies**

In addition to soliciting proxies through the mail, US Airways Group may solicit proxies through its directors, officers, and employees in person and by email, telephone, or facsimile. US Airways Group may also request broker, bank, or other nominees to forward proxy materials to the beneficial owners of shares held of record by them. US Airways Group will pay all expenses incurred in connection with the solicitation of proxies. In addition, US Airways Group has retained MacKenzie Partners to assist in the solicitation for an estimated fee of \$50,000. US Airways Group also agreed to reimburse MacKenzie Partners for reasonable out-of-pocket expenses and disbursements incurred in connection with the proxy solicitation and to indemnify MacKenzie against certain losses, costs, and expenses.

### **Inspector of Election**

All votes at the 2013 Annual Meeting of Stockholders will be counted by Broadridge Investor Communication Solutions, Inc., the inspector of election. The inspector of election will separately tabulate affirmative and negative votes, abstentions, and Broker Non-Votes.

### **Electronic Delivery of Proxy Materials**

All stockholders now have the option to register for and receive copies of US Airways Group's future proxy statements, annual reports, and other stockholder materials electronically. All stockholders (record and street name) can save US Airways Group (and the environment) the cost of printing and mailing these documents by visiting US Airways Group's website at [www.usairways.com](http://www.usairways.com) under Company info About US Investor relations Shareholder resources and following the instructions on how to sign up for electronic delivery of future stockholder materials.

### **Householding of Proxy Materials**

The SEC has adopted rules that permit companies and intermediaries (*e.g.*, brokers) to satisfy the delivery requirements for proxy materials, including annual reports, with respect to two or more stockholders sharing the same address by delivering a single copy of the documents addressed to those stockholders. This process, which is commonly referred to as householding, potentially means extra convenience for stockholders and cost savings for companies. In accordance with these rules, only one set of documents will be delivered to multiple stockholders sharing an address unless US Airways Group has received contrary instructions from one or more of the stockholders.

If, at any time, you no longer wish to participate in householding and would prefer to receive separate copies of the proxy materials, including annual reports, please notify your broker, direct your written request to Caroline B. Ray, Corporate Secretary, US Airways Group, Inc., 111 West Rio Salado Parkway, Tempe, Arizona 85281, or contact Caroline B. Ray at (480) 693-0800. Stockholders who currently receive multiple copies of such documents and would like to request householding of their communications should contact their brokers.

**Table of Contents**

**Voting by US Airways Group Directors and Executive Officers**

As of the Record Date for the 2013 Annual Meeting of Stockholders, the directors and executive officers of US Airways Group, as a group, were entitled to vote 1,225,347 shares of US Airways Group common stock or less than 1% of the outstanding shares of US Airways Group common stock on that date. The affirmative vote of a majority of the aggregate voting power of the outstanding shares of US Airways Group common stock that are entitled to vote at the 2013 Annual Meeting of Stockholders is required to adopt the Merger Agreement. Each director and executive officer has indicated his or her present intention to vote, or cause to be voted, the shares of US Airways Group common stock owned by him or her **FOR** the adoption of the Merger Agreement.

**Special Assistance with Attendance at the 2013 Annual Meeting of Stockholders**

If you plan to attend the 2013 Annual Meeting of Stockholders and require special assistance, please contact Caroline Ray at (202) 326-5165 to request any listening or visual aid devices by June 28, 2013.

**Recommendation of US Airways Group's Board of Directors**

The US Airways Group board of directors recommends that you vote:

**FOR** the adoption of the Merger Agreement;

**FOR** the approval, on a non-binding, advisory basis, of the Merger-related compensation of US Airways Group's named executive officers;

**FOR** the approval of the adjournment of the 2013 Annual Meeting of Stockholders, if necessary, to solicit additional proxies if there are not sufficient votes to adopt the Merger Agreement;

**FOR** the election to the US Airways Group board of directors of each of the nominees for director named in this proxy statement/prospectus;

**FOR** the ratification of the appointment of KPMG LLP as US Airways Group's independent registered public accounting firm for 2013; and

**FOR** the approval, on a non-binding, advisory basis, of the compensation of US Airways Group's named executive officers. The US Airways Group board of directors has determined that the Merger Agreement and the Merger are advisable and in the best interests of US Airways Group and its stockholders and has unanimously approved the Merger Agreement and the Merger.

**Table of Contents**

**PART II THE MERGER AND THE COMBINED COMPANY**

**PROPOSAL 1: THE MERGER**

US Airways Group and AMR have agreed to the business combination of US Airways Group and AMR pursuant to the Merger Agreement that is described in this proxy statement/prospectus. In the Merger, AMR Merger Sub, a wholly-owned subsidiary of AMR, will merge with and into US Airways Group, with US Airways Group surviving as a direct wholly-owned subsidiary of AMR. The Merger Agreement is attached as Annex A to this proxy statement/prospectus. US Airways Group encourages you to read carefully the Merger Agreement in its entirety, because it is the legal document that governs the Merger.

For a detailed discussion of the terms and conditions of the Merger, see the section entitled "The Merger Agreement" beginning on page 117. As discussed in the section entitled "The Merger Recommendation of US Airways Group's Board of Directors with Respect to the Merger Agreement and Its Reasons for the Merger" beginning on page 87, the US Airways Group board of directors has determined that the Merger and the Merger Agreement are advisable and in the best interests of US Airways Group and its stockholders and approved the Merger Agreement and the Merger. US Airways Group is asking its stockholders to adopt the Merger Agreement. The adoption of the Merger Agreement by US Airways Group stockholders is required to effect the Closing.

The US Airways Group board of directors recommends that US Airways Group stockholders vote **FOR** the adoption of the Merger Agreement.

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**Table of Contents**

**THE MERGER**

**General**

Each of the US Airways Group and AMR boards of directors has unanimously approved and declared advisable the Merger Agreement and the Merger.

Under the terms of the Merger Agreement, AMR Merger Sub, a wholly-owned subsidiary of AMR, will merge with and into US Airways Group, with US Airways Group surviving as a direct wholly-owned subsidiary of AMR. Immediately following the Closing, AMR will change its name to American Airlines Group Inc., which will be the name of the combined company following the Closing. At the Effective Time and as a result of the Merger, each share of US Airways Group common stock will be converted into the right to receive one share of common stock of AAG, on the terms provided in the Merger Agreement and as further described below under the section entitled "The Merger Agreement" "The Merger Consideration and the Plan Shares" beginning on page 119.

**Background of the Merger**

On November 29, 2011, AMR and certain of its direct and indirect domestic subsidiaries, including American, filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code. AMR's filing was the culmination of more than a decade of upheaval in the airline industry, from the terrible events of September 11, 2001 to the global financial crisis of 2008-2009.

The last decade has seen numerous U.S. airlines reorganize under Chapter 11 in order to reduce costs and restructure their balance sheets and operations. That period has also seen significant consolidation in the airline industry, including the mergers of US Airways and America West, Delta and Northwest, United and Continental, and Southwest and AirTran. The confluence of restructuring and consolidation has rapidly transformed the airline industry.

For a number of years prior to AMR's Chapter 11 filing, the boards of directors and senior management teams of both AMR and US Airways Group have held the view that a combination with another airline would be beneficial to their respective businesses. In furtherance of this long-held view, periodically, each company's senior management internally reviewed and evaluated potential strategic alternatives and possible business combination transactions, including a combination of AMR and US Airways Group, and discussed their views with their respective boards, and over the last several years, both AMR and US Airways Group have pursued merger opportunities. During this time, AMR and US Airways Group each engaged separately in discussions with several airlines concerning a possible combination, but none of these discussions resulted in a transaction.

To that end, on April 14, 2011, at the regularly scheduled meeting of the US Airways Group board, senior management of US Airways Group presented an analysis of a potential combination with AMR. Following a discussion, the US Airways Group board instructed management to continue its evaluation of that potential combination, which management did throughout the remainder of 2011.

On September 7, 2011, Thomas W. Horton, then president of AMR, approached W. Douglas Parker, US Airways Group's chairman and CEO, at an industry event. Mr. Horton explained that AMR had recently completed the then-largest ever order of new aircraft and that, upon entering into new labor agreements, AMR might soon be positioned to engage in discussions about strategic alternatives, including a combination with US Airways Group. Mr. Parker agreed that a combination of the two airlines could be beneficial to both parties, and that the two should speak again after AMR had secured new labor agreements.

In an October 2011 telephone conversation, Mr. Gerard J. Arpey, then AMR's chairman and CEO, told Mr. Parker that he was aware of the earlier discussion between Mr. Horton and Mr. Parker. Mr. Arpey said that once AMR had achieved new labor contracts, he would be open to discussing potential strategic transactions.

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**Table of Contents**

However, he encouraged Mr. Parker to consider the possibility of US Airways departing the Star Alliance and becoming a member of the oneworld® alliance as an initial step, but one that might result in a larger transaction sometime in the future.

On November 29, 2011, and after exhaustive attempts to reach consensual agreements with its labor unions and otherwise bring its labor costs in line with those of its competitors, AMR and certain of its domestic subsidiaries filed for relief under Chapter 11. That day, Mr. Horton, who had been elected chairman and CEO of AMR on the eve of AMR's Chapter 11 filing, reached out to other senior airline executives, including Mr. Parker, to alert them to AMR's filing.

On December 21, 2011, Mr. Parker called Mr. Horton and asked if he and members of his management team could meet with Mr. Horton to discuss a potential combination. Mr. Horton said to Mr. Parker that while he believed a combination could be beneficial to both companies and that he was always willing to talk, AMR and its board of directors were completely focused on completing the company's restructuring.

On January 12, 2012, Mr. Parker called Mr. Horton to inform him that US Airways Group had engaged Millstein & Co. (a financial advisory firm with restructuring expertise), Barclays, and Latham & Watkins LLP to assist it in connection with an evaluation of options related to AMR's Chapter 11 filing. Mr. Horton thanked Mr. Parker for the call but reaffirmed that AMR was completely focused on completing its restructuring.

On January 19, 2012, at a regularly scheduled meeting of the US Airways Group board, Mr. Parker made a presentation on the impact of consolidation in the airline industry and provided additional background on a potential combination transaction with AMR.

In early February 2012, Mr. Horton called Mr. Parker. Mr. Horton said he understood that representatives of US Airways Group had begun reaching out to AMR's stakeholders regarding a potential transaction. Mr. Horton said that such discussions were best left until after AMR had completed its restructuring.

On February 14, 2012, Mr. Parker provided an update to the US Airways Group board with respect to the evaluation of a potential combination transaction with AMR, including his recent conversation with Mr. Horton.

On March 9, 2012, representatives of US Airways Group and its advisers met with the legal and financial advisers retained by the UCC (the UCC's Advisers) to discuss the benefits of a combination of AMR and US Airways Group, and to present preliminary estimates of revenue and cost synergies and one-time transition costs associated with a potential transaction.

On March 30, 2012, the US Airways Group board again met to discuss a potential merger with AMR. At the meeting, senior management reviewed recent developments, including the meeting with the UCC's Advisers. Senior management also presented the strategic rationale for a combination with AMR, and discussed their assessment of AMR's other strategic alternatives. In addition, preliminary estimates of revenue and cost synergies and one-time transition costs were reviewed. Advisers to US Airways Group also reviewed the status of the Chapter 11 Cases, including the filing of Section 1113 motions by AMR to reject its CBAs, and likely next steps in the Chapter 11 Cases. Senior management discussed potential next steps, which included engaging in discussions with representatives for AMR's principal labor unions and continuing discussions with the UCC's Advisers.

In early April 2012, US Airways Group commenced discussions with the Allied Pilots Association (APA), the Association of Professional Flight Attendants (APFA), and the Transport Workers Union of America (TWU) on the terms of a conditional labor agreement (CLA), which would become effective only upon a business combination of US Airways Group and AMR while AMR was in Chapter 11.

On April 6, 2012, the US Airways Group board met and received updates on the discussions with representatives of AMR's principal labor unions and of upcoming discussions with the UCC's Advisers. In addition, US Airways Group's financial advisers presented a preliminary financial analysis of a potential combination transaction, including preliminary relative valuations of AMR and US Airways Group.

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**Table of Contents**

On April 9, 2012, the financial advisers to US Airways Group met with the UCC's Advisers to discuss a potential merger between AMR and US Airways Group, review preliminary relative valuation analyses, and review the status of discussions between US Airways Group and representatives of AMR's principal labor unions.

At a regularly scheduled meeting on April 12, 2012, the US Airways Group board received an update on the status of discussions relating to a potential merger. US Airways Group's legal counsel reviewed with the directors their fiduciary duties and other legal matters in connection with considering a potential combination transaction with AMR. Senior management reviewed with the directors the status of discussions with the representatives of AMR's principal labor unions, the terms of potential CLAs with each of those unions, and the effects of the CLAs on revenue and cost synergies and labor cost estimates in connection with a potential combination. Following the presentation and discussion, US Airways Group's board authorized management to enter into the CLAs. Advisers to US Airways Group then reviewed with the board (i) their prior discussions with the UCC's Advisers, (ii) revised preliminary valuation analysis materials, and (iii) the terms of a potential merger proposal to AMR.

On April 16, 2012, representatives of AMR and the UCC Advisors met to further discuss whether to explore strategic alternatives. Thereafter, the parties began discussions regarding the terms of the Protocol (as described below).

On April 20, 2012, Mr. Parker called Mr. Horton to advise him that US Airways Group would be sending AMR a non-binding indication of interest containing the terms of a proposed merger (the April 20 Indication of Interest). The April 20 Indication of Interest contemplated AMR's unsecured creditors receiving 49.9% of the common stock of the combined company and \$1.5 billion of new senior unsecured debt obligations of the combined company and that US Airways Group equity holders would retain 50.1% of the common stock of the combined company. US Airways Group's management and advisers estimated, based on then available information, that the consideration offered to AMR's unsecured creditors represented 67% of the value of the combined company but US Airways did not provide that estimate in the April 20 Indication of Interest and had no discussions with AMR or its advisers on the April 20 Indication of Interest. The April 20 Indication of Interest also proposed that the combined company would fly under the American Airlines® brand and would be headquartered in Fort Worth, Texas. Mr. Parker also advised Mr. Horton that US Airways Group had signed the CLAs with APA, APFA, and TWU. Mr. Horton reiterated AMR's focus on its restructuring, but stated that AMR would review the April 20 Indication of Interest. APA, APFA, TWU, and US Airways Group publicly announced these CLAs the same day, and US Airways Group provided the April 20 Indication of Interest to the UCC's Advisers. Later that day, Mr. Horton discussed with the AMR board the April 20 Indication of Interest and the substance of his conversation with Mr. Parker.

Effective May 1, 2012, AMR and the UCC entered into a Joint Exploration and Protocol Agreement with respect to exploring consolidation opportunities on a collaborative basis through December 28, 2012 (the Protocol). The Protocol also provided that prior to December 1, 2012, AMR would not file a plan of reorganization without the support of the UCC. AMR and the UCC's Advisers agreed that it was important that AMR continue to develop an independent plan of emergence against which other alternatives could be evaluated.

On May 15 and 16, 2012, AMR's board, together with management and AMR's legal counsel and financial advisers, Weil, Gotshal & Manges LLP and Rothschild Inc., respectively, further considered the April 20 Indication of Interest. AMR's management noted that AMR's creditors would only receive the benefit of 49.9% of any synergies produced by a combination based on the April 20 Indication of Interest, and that the proposal valued AMR at less than the value indicated by AMR's independent emergence plan as then formulated. Accordingly, AMR's board determined that the April 20 Indication of Interest did not merit further discussion. However, Mr. Horton explained that at a significantly different equity split a combination with US Airways Group could be attractive to AMR and its stakeholders.

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**Table of Contents**

On June 14, 2012, at a regularly scheduled meeting, the US Airways Group board received an update on a potential transaction with AMR from management and US Airways Group's advisers. The update included a review of the Chapter 11 Cases, including efforts by AMR to reach consensual CBAs with its principal labor unions, and a discussion of the view that the Section 1113 process would need to be completed and consensual CBAs reached before progress could be made on a merger. US Airways Group's financial advisers also presented an updated valuation analysis to the board.

On July 10, 2012, AMR announced that, in cooperation with the UCC, it would begin a review of strategic alternatives, including a potential merger.

Also on July 10, 2012, Mr. Horton and other senior members of AMR's management team made a presentation to the UCC regarding AMR's independent emergence plan, its process to consider strategic alternatives, and the relative merits of a potential combination with various airlines, including US Airways Group. Mr. Horton explained to the UCC that both he and AMR had long been a proponent of industry consolidation, and that AMR had been evaluating strategic alternatives, including possible combination transactions with a number of airlines. Mr. Horton reiterated that the April 20 Indication of Interest was insufficient and that the economics of a potential transaction must reflect the relative size, value, and prospects of each company, and that any potential transaction would need to be measured against AMR's independent plan of emergence and/or other strategic alternatives. AMR's board received an update of this meeting later the same day.

On July 16, 2012, after AMR had announced publicly that it would begin a review of strategic alternatives, including a potential merger, US Airways Group purchased in an open market transaction \$1 million principal amount of AMR's 6.25% senior convertible notes in order to assure that US Airways Group had legal standing in the Chapter 11 Cases.

On July 17, 2012, AMR's board received a further update on the July 10, 2012 UCC meeting. Mr. Horton reviewed the various options available to AMR, including a potential transaction with US Airways Group, and discussed the risks attendant to any potential transaction. Mr. Horton also advised that he believed the time had come to begin negotiating non-disclosure agreements with interested strategic partners so that alternatives could be properly pursued.

On July 19, 2012, at Mr. Horton's request, Mr. Horton and Mr. Parker met to discuss matters regarding AMR's Chapter 11 emergence process, including the prospect of a potential combination with US Airways Group. Mr. Horton informed Mr. Parker that on his recommendation the AMR board had authorized the establishment of a process to consider AMR's strategic alternatives, including exploring a possible combination with a number of airlines, among them US Airways Group, and that the alternatives would be measured against AMR's independent emergence plan. Mr. Horton also advised that a form of non-disclosure agreement would soon be made available to US Airways Group.

Effective July 19, 2012, AMR and the UCC entered into a Joint Protocol Side Letter Agreement, which modified and amended the Protocol and provided (i) the form of non-disclosure agreement to be provided by AMR to potential counterparties, including US Airways Group, and (ii) additional details regarding the participation by the UCC in AMR's process to identify and pursue strategic alternatives (the Side Letter). The Side Letter was thereafter amended from time to time, among other things, to extend the joint collaboration period and the date prior to which AMR would not file a plan of reorganization without the support of the UCC.

Throughout July and August 2012, in addition to discussions with US Airways Group, AMR and its financial advisers approached several other airlines to gauge their interest in a strategic combination. As a result of such conversations, in addition to US Airways Group, one other airline signed a non-disclosure agreement with AMR. Following review of these two alternatives, AMR elected to enter into negotiations with US Airways Group. AMR also had discussions with potential financial investors with experience in the airline industry to gauge their interest in financially supporting an independent plan of emergence or other investment. AMR's board was periodically apprised of the status of these potential alternatives.

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**Table of Contents**

On July 24, 2012, US Airways Group's board met and received an update on the potential merger, including AMR's recent announcement of its process to review strategic alternatives, and the likely terms of a non-disclosure agreement US Airways Group would be asked to enter into.

On July 27, 2012, AMR provided drafts of proposed mutual non-disclosure agreements to US Airways Group. During August 2012, AMR and US Airways Group engaged in negotiations regarding the terms of these agreements, and the US Airways Group board met on each of August 2, 2012 and August 30, 2012 to discuss the terms of the proposed mutual non-disclosure agreements and related matters.

On August 30, 2012, AMR and US Airways Group publicly announced that they had executed mutual non-disclosure agreements in order to share information and explore a potential transaction (the "NDAs"). The NDAs were thereafter amended from time to time to permit certain disclosure to additional third parties and to extend the termination date contained therein.

Throughout September and October of 2012, senior management from AMR and US Airways Group and their respective advisers engaged in substantial due diligence, both in person and telephonically, including analysis of the companies' respective internal business plans and financial forecasts, and the potential revenue and cost synergies, one-time transition costs, operational and integration risks, including labor costs, and legal structuring. The parties spent significant time and effort attempting to understand and reconcile material differences in their respective assumptions and projection methodologies for potential revenue and cost synergies, one-time transition costs, and labor costs in connection with a proposed merger. The companies and their advisers also considered the operation of the CLAs and other labor integration issues. The UCC's Advisers actively participated in these meetings, which they continued to do throughout the exploration and negotiation of a potential transaction.

On September 13, 2012, US Airways Group's board received updates from management and US Airways Group's advisers on the due diligence efforts taking place in connection with a potential merger.

On September 18 and 19, 2012, AMR's board met to review the status of discussions with US Airways Group and AMR's progress in its restructuring, including the development of AMR's independent emergence plan. Mr. Horton discussed the opportunities and challenges attendant to a potential merger, and advised that while he could not recommend a transaction based on the terms contained in the April 20 Indication of Interest, a merger based on more favorable economic terms, and with an arrangement that mitigated potential labor costs and risks, could create meaningful value for AMR's stakeholders.

On October 11, 2012, AMR's board convened telephonically to receive updates on the status of discussions with US Airways Group.

On October 15, 2012, US Airways Group's board received further updates on the due diligence efforts in connection with a potential merger.

On October 17, 2012, AMR's board again convened telephonically to receive updates on the status of discussions with US Airways Group.

On October 22, 2012, AMR provided a draft merger agreement to US Airways Group to serve as a basis for any merger proposal to be made by them.

On each of October 24, 2012 and November 1, 2012, the board of directors of US Airways Group met to consider the terms and conditions of a merger proposal to be made to AMR. During the course of these meetings, the advisers to US Airways Group made presentations on the terms and conditions of the proposal, including the merger agreement, the fiduciary duties of the board in connection with a potential combination transaction, a financial analysis with respect to relative valuation of AMR and US Airways Group and other matters related to



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**Table of Contents**

the proposal, including the significant improvement in macro-economic factors affecting the airline industry, since the the April 2012 Indication of Interest. At the conclusion of the November 1, 2012 meeting, the board of directors authorized management to make a proposal. While AMR had invited a proposal based on the draft merger agreement it had provided (which draft did not suggest any equity split), the determination to make a proposal and the terms thereof were formulated by US Airways Group. The proposal formulated by US Airways Group (the November Proposal ) contemplated, among other things, an allocation of equity in the combined company (the Equity Split ) whereby AMR's stakeholders would receive 70% of the equity of the combined company, but no senior unsecured debt as contemplated by the April 20 Indication of Interest, and US Airways Group's stockholders would own the remaining 30% of the combined company's equity. This Equity Split was subject to a number of conditions, including a limitation on AMR's secured debt at emergence and the elimination in the Chapter 11 Cases of AMR's liability for other post-employment benefits ( OPEB ). The November Proposal also provided that the combined company would retain the American Airlines® brand and would have its headquarters in Fort Worth, Texas. The November Proposal provided that Mr. Parker would be chairman of the board and CEO of the combined company, which would have an 11 member board, of which US Airways Group would designate 5 of the directors.

On November 2, 2012, Mr. Parker contacted Mr. Horton to present the November Proposal.

AMR's board reviewed the November Proposal later that day. Notwithstanding its conclusion that the terms of the November Proposal were still insufficient and that the attendant labor uncertainty created unacceptable risk, at Mr. Horton's urging the AMR board decided it was prudent to continue pursuing a potential transaction with US Airways Group, but to set aside any discussions about management or board composition until other aspects of a transaction were resolved.

On November 9, 2012, Mr. Horton and other senior members of AMR's management team met with the advisers to the Ad Hoc Group of AMR Corporation Creditors, consisting of substantial prepetition unsecured creditors of the Debtors (the Ad Hoc Committee ) to discuss a potential merger with US Airways Group. Consistent with his recommendation to the AMR board, Mr. Horton told this group that on the right terms a merger with US Airways Group could create meaningful value for AMR's stakeholders.

On November 10, 2012, AMR's board received presentations from AMR's senior management, financial advisers, and legal counsel regarding the November Proposal. Mr. Horton provided AMR's board with a report on the status of discussions and negotiations between AMR and US Airways Group. AMR's board also received updates on preliminary estimates of potential revenue and cost synergies, one-time transition costs, and potential labor costs. At the conclusion of this meeting, and on Mr. Horton's recommendation, AMR's board expressed its general support for a potential transaction, but instructed Mr. Horton to inform Mr. Parker that uncertainty surrounding the combined company's labor costs rendered it difficult to determine the right Equity Split, which AMR's board believed needed to be in excess of 80%, and that these matters had to be addressed if discussions were to continue.

On November 12, 2012, representatives from AMR and US Airways Group met to discuss the potential merger and related labor matters. At the conclusion of these meetings, AMR's advisers communicated that AMR believed that a merger with US Airways Group could create meaningful value and should be pursued, but that agreement needed to be reached on the Equity Split and that efforts should be made to reduce the uncertainty of labor costs for the combined company. The parties agreed to form the labor transition working group composed of representatives of AMR, US Airways Group, and the UCC's Advisers to better understand the operation of the CLAs and to provide greater certainty regarding the labor costs of a combined company. The parties also discussed extending the term of the NDAs to allow those efforts to take place.

On November 13, 2012, senior executives of US Airways Group and its advisers met with advisers to the Ad Hoc Committee and gave presentations and engaged in discussions on the strategic rationale for a merger

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**Table of Contents**

with AMR, the network advantages of the proposed combination, preliminary estimates of synergies and one-time transition costs, US Airways Group's assessment of AMR's independent emergence plan, valuation metrics, the terms of the November Proposal, and other matters.

Later that day, senior executives of US Airways Group and its advisers met with the UCC. Mr. Parker and Scott Kirby, the President of US Airways Group, and certain of US Airways Group's advisers gave presentations on the strategic rationale for a merger with AMR, the network advantages of the proposed combination, preliminary estimates of synergies and one-time transition costs, US Airways Group's assessment of AMR's independent emergence plan, valuation metrics, the terms of the November Proposal, and other matters.

On November 14, 2012, Mr. Horton met with the UCC and advised that the proposed Equity Split for AMR's stakeholders was insufficient and did not reflect the relative value contribution of each company, and that labor risks, including the magnitude of potential labor costs, needed to be adequately addressed. Mr. Horton also restated his position that, on the right terms, and subject to a satisfactory mitigation of labor risks, including the magnitude of labor costs, a merger with US Airways Group could create meaningful value for AMR's stakeholders.

Later on November 14, 2012, Mr. Horton called Mr. Parker to indicate that the AMR board had expressed its general support for the transaction. He explained, however, that AMR's share of the Equity Split likely needed to be above 80%, and that the uncertainty surrounding the combined company's labor costs needed to be mitigated.

On November 15, 2012, at a regularly scheduled meeting, the US Airways Group board reviewed the status of discussions between US Airways Group and AMR, and AMR's response to the November Proposal. The board also discussed management's concerns regarding AMR's proposal to extend the NDAs beyond the then scheduled November 30 expiry. After updates by senior executives of US Airways Group and its advisers, and discussion, the board informed senior management that given AMR's views of an appropriate Equity Split, as expressed in Mr. Horton's November 14, 2012 call to Mr. Parker, the board did not support amending the NDAs as proposed by AMR and the UCC's Advisers. In addition, the board instructed management to inform AMR's advisers that if the AMR board's view of an appropriate Equity Split was as communicated by Mr. Horton, then it was not productive to continue discussions.

At a meeting on November 16, 2012, Mr. Horton communicated to AMR's board the substance of the November 14, 2012 UCC meeting and his subsequent call with Mr. Parker.

Between November 16, 2012 and November 25, 2012, a series of conversations between advisers to AMR, US Airways Group, and the UCC occurred, which focused primarily on AMR's views of an appropriate Equity Split and whether there was a basis upon which discussions between AMR and US Airways Group could continue.

On November 25, 2012, Mr. Horton phoned Mr. Parker and suggested that further discussions between the companies' advisers regarding the proposed Equity Split should be deferred. Mr. Horton further advised that while he believed there was likely a solution somewhere between the two parties' respective positions on the Equity Split, it was not possible for AMR to reach a final conclusion on the Equity Split without first mitigating the potential labor costs and risks attendant to a potential merger. Mr. Parker agreed that the two parties should address the labor issues and make progress on negotiating the merger agreement prior to revisiting the Equity Split.

On November 27, 2012, AMR's board received presentations and engaged in discussions on various topics, including an update on the status of the discussions and negotiations between AMR and US Airways Group and Mr. Horton's November 25, 2012 conversation with Mr. Parker. In addition, AMR's advisers explained that, dependent on AMR's share of the Equity Split and subject to satisfactory mitigation of labor costs and risks, the proposed merger could likely result in a recovery for AMR's equity holders.

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**Table of Contents**

On November 28, 2012, US Airways Group's board met and received a summary of events since its last meeting. Senior management and advisers to US Airways Group described a series of conversations that had taken place since the last board meeting, including the November 25, 2012 conversation between Messrs. Horton and Parker. Following a discussion of those conversations and other matters, senior management recommended that US Airways Group amend the NDAs and undertake efforts to provide greater certainty regarding the labor costs of a combined company. The board concurred, and AMR and US Airways Group signed the NDA extensions on November 29.

On December 4, 2012, Mr. Horton met with the UCC regarding the status of the merger.

Commencing on December 4, 2012 and continuing through January 2013, the labor transition working group engaged in negotiations with the APA and the US Airline Pilots Association ( USAPA ) aimed at reconciling the terms of the pilot CLA and the new American CBA, and minimizing the potential labor risks and costs typically associated with airline mergers and the integration of employee work groups. As a result of those discussions, on December 29, 2012, American and US Airways announced a four-party memorandum of understanding ( MOU ) with APA and USAPA that includes support for the Merger.

The labor transition working group also engaged in discussions with the TWU and APFA during December 2012 and January 2013 in an effort to further mitigate potential labor risks and costs associated with a merger as to the work groups represented by those unions. Those discussions resulted in a tri-party MOU among American, US Airways, and TWU, along with a related letter agreement between US Airways and APFA, both of which include support for the Merger. Separately, US Airways entered into a new CBA with the Association of Flight Attendants-CWA (the AFA ) that includes support for the Merger. Additional discussions with work groups of each company are underway in the ordinary course of business or in connection with planning for integration of the unionized workforces of American and US Airways following the Merger. However, the Closing is not contingent upon reaching any agreement with any of the work groups of American or US Airways.

On December 19, 2012, AMR provided US Airways Group with an update to its internal business plan and financial forecast, which the companies used to refine their financial projections.

On December 31, 2012, the US Airways Group board met to receive an update on the potential merger, including the progress in discussions regarding labor matters. The board also discussed a potential meeting with members of the Ad Hoc Committee and the expected changes to the negotiation process assuming that the Ad Hoc Committee became directly involved in the process.

On January 8, 2013, Mr. Horton met with certain members of the Ad Hoc Committee to discuss AMR's restructuring and a summary of its review of a potential merger with US Airways Group. Mr. Horton explained AMR's process, and advised that he continued to believe that a merger with US Airways Group could create significant value for AMR's stakeholders.

On January 9, 2013, AMR's board received further updates on the status of discussions regarding the proposed merger with US Airways Group, including an updated comparison of the value proposition for AMR's stakeholders of an independent emergence plan versus the proposed merger, and a review of the material terms of the draft merger agreement.

On January 10, 2013, representatives of US Airways Group's senior management and its financial advisers made a presentation to certain members of the Ad Hoc Committee, which included the strategic rationale for a merger with AMR, preliminary estimates of revenue and cost synergies, one-time transition costs, labor integration plans, and the terms of the November Proposal.

On January 15, 2013, Mr. Horton and AMR's financial advisers made another presentation to certain members of the Ad Hoc Committee regarding the economic terms of the proposed transaction. The assembled

## Table of Contents

group expressed their support for a merger with US Airways Group, indicating that they did not want disagreement over US Airways Group's proposed 70/30 Equity Split to impede reaching agreement on a transaction but that they supported Mr. Horton's efforts to improve the economics for AMR and its stakeholders.

Also on January 15, 2013, Mr. Parker and counsel to the UCC regarding the Chapter 11 Cases, Skadden, Arps, Slate, Meagher & Flom LLP (the UCC's Legal Adviser), engaged in discussions regarding the terms of the merger, including the merger consideration and governance arrangements.

On January 16, 2013, Mr. Horton communicated the substance of his January 15 meeting with the Ad Hoc Committee to the AMR board, where he again indicated his belief that a merger with US Airways Group would be beneficial to AMR's stakeholders at the appropriate Equity Split.

On January 17, 2013, at a regularly scheduled meeting, the US Airways Group board received an update on the potential merger. US Airways Group senior management reviewed the status of discussions, potential financing alternatives with respect to US Airways Group's existing debt, the development of retention plans for non-union employees who did not have existing change of control agreements, and considerations for a communications plan to be implemented upon announcement of a merger with AMR. Also at this meeting, advisers to US Airways Group provided a financial analysis of elements of a potential transaction, a summary of antitrust and regulatory considerations, a review of the merger agreement and the status of negotiations, an outline of the likely Chapter 11 process if a transaction were to be entered into, a review of the due diligence process with respect to AMR, and a discussion of a potential shareholder rights plan designed to protect the net operating loss position for federal income tax purposes of the combined company in the event of a transaction.

On January 23, 2013, Mr. Horton and AMR's financial advisers again met with a group of Ad Hoc Creditors to review the proposed terms of the merger.

On January 24, 2013, Mr. Horton and Mr. Parker again met. Mr. Horton and Mr. Parker discussed the proposed Equity Split and governance arrangements for a combined company. At this meeting, Mr. Parker reiterated the key terms of the November Proposal, including a 70/30 Equity Split. Mr. Horton again expressed AMR's view that this proposed Equity Split was insufficient. Mr. Horton also informed Mr. Parker that, assuming a transaction, while he would support Mr. Parker as CEO of the combined company, the AMR board believed that the continued involvement of senior AMR executives and managers, including Mr. Horton as chairman of the combined company's board, was important.

Mr. Horton and Mr. Parker also discussed the synergies and one-time transition costs that were likely to result from a transaction and concluded that it was reasonable to expect the proposed merger would generate more than \$1 billion in annual net synergies by 2015, and that a combined company would likely incur approximately \$1.2 billion in one-time transition costs.

On January 25, 2013, the US Airways Group board met to receive an update on the status of discussions. In the course of this meeting, senior management and the advisers to US Airways Group provided an overview of the status of the negotiations, including Mr. Parker's January 24 meeting with Mr. Horton. Following the overview, the board discussed the status of negotiations and provided guidance to senior management as to future negotiations.

On January 27, 2013, by arrangement of Mr. Horton, Mr. Armando Codina, AMR's lead independent director, and Mr. Parker met to discuss the potential merger. Mr. Codina repeated the AMR board's belief that consolidation could benefit AMR and US Airways Group, subject to the resolution of three matters. First, Mr. Codina informed Mr. Parker that US Airways Group would need to improve upon the 70/30 Equity Split in order to receive the support of the AMR board for the merger. Second, Mr. Codina advised that it was of paramount importance to AMR's board that the AMR's existing equity receive a recovery in the Chapter 11 Cases. Mr. Codina acknowledged that AMR would need to resolve this matter with its creditors, but noted that an

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**Table of Contents**

improved Equity Split would facilitate that resolution. Finally, Mr. Codina explained that the combined company needed a management structure that maximized the likelihood of full realization of the Expected Synergies and a board composition that more closely reflected the relative ownerships of AMR's stakeholders and US Airways Group's stockholders.

On January 28, 2013, Mr. Horton and Mr. Parker had discussions on the merger's proposed Equity Split and governance arrangements. At the end of those discussions, Mr. Parker informed Mr. Horton that US Airways Group was prepared to increase the Equity Split to 72/28, subject to all the other terms of the November Proposal, including that AMR's OPEB liability would be extinguished as part of the Chapter 11 Cases, and that US Airways Group was prepared to consider board composition of the combined company that more closely reflected the relative ownership of AMR's stakeholders and US Airways Group's stockholders. The parties ultimately agreed that directors on the board of the combined company be allocated so that AMR would designate three members (including Mr. Horton), the UCC would designate five members, and US Airways Group would designate four members (including Mr. Parker).

AMR's board also met on January 28, 2013 to review the status of the discussions and negotiations, including Mr. Horton's and Mr. Codina's meetings with Mr. Parker, the new proposed Equity Split and potential governance arrangements.

On January 29 and 30, 2013, AMR and US Airways Group, along with their respective financial advisers and legal counsel, together with UCC's Advisers, met to further discuss and negotiate the merger agreement and conduct due diligence on AMR's OPEB liability and its treatment in the Chapter 11 Cases. Thereafter, and through February 13, 2013, legal counsel for AMR and US Airways Group continued to exchange drafts of the merger agreement and engage in periodic telephonic discussions and negotiations.

On January 31, 2013, Mr. Parker and the UCC's Legal Adviser discussed the proposed governance structure of the combined company, and these parties then met in person on February 5, 2013 to continue these discussions.

On February 4, 2013, Mr. Parker called Mr. Codina and discussed the economic and governance terms of the potential merger. Mr. Parker informed Mr. Codina that US Airways Group was prepared to eliminate the requirement that AMR's OPEB liabilities be extinguished as part of the Chapter 11 Cases, subject to reaching agreement on the Equity Split. Mr. Codina responded that under these circumstances, and while he was not speaking for AMR or the AMR board, he was prepared to support the merger if the Equity Split remained at 72/28. Mr. Parker and Mr. Codina also discussed Mr. Horton being chairman of the board of the combined company for limited period of time following the closing of the merger.

On February 5, 2013, Mr. Parker called Mr. Horton to communicate the terms upon which US Airways Group was prepared to proceed with the transaction, and advised that US Airways Group's January 28, 2013 proposed 72/28 Equity Split would no longer be subject to AMR's elimination of the OPEB liabilities in Chapter 11. Later that day, Mr. Parker emailed Mr. Horton to confirm these proposed economics. Mr. Parker also proposed that Mr. Horton be chairman of the board of the combined company, and that he serve in such role until the first annual meeting, at which point Mr. Parker would be elected chairman and continue as CEO.

Mr. Horton responded to Mr. Parker's February 5 communications in an email sent on February 6, 2013. Mr. Horton explained that AMR had moved from its initial proposed 80/20 Equity Split to a 75/25 Equity Split, but nevertheless he would convey Mr. Parker's new proposal to AMR's board. With respect to governance, Mr. Horton expressed his general agreement with Mr. Parker's proposal but reiterated that AMR board's primary concern was a governance structure that was most likely to ensure a successful integration and a full realization of the Expected Synergies. Mr. Horton reminded Mr. Parker that AMR's board still wanted assurance that the combined company's management would be drawn from the best of the best of each company, and that he and Mr. Parker would be jointly involved in selecting senior executives for the combined company.

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**Table of Contents**

On February 7, 2013, Mr. Parker responded to Mr. Horton's February 6 email, informing Mr. Horton that he would consult with him in the selection of the management team for the combined company.

On February 11, 2013, Mr. Horton together with members of the AMR management team, and Messrs. Parker and Kirby, met with the UCC as part of the UCC's deliberation of the potential transaction, which the UCC voted to support on February 13.

On February 12, 2013, Mr. Horton and Mr. Parker met to finalize the proposed governance arrangements, and agreed that Mr. Parker would serve as CEO of the combined company and would select the management team of the combined company, consulting with Mr. Horton, and Mr. Horton would serve as chairman until the earlier of (i) one year from the Closing and (ii) the combined company's first annual meeting, at which time Mr. Parker would become chairman.

On the afternoon of February 13, 2013, AMR's management, financial advisers, and legal counsel made presentations to AMR's board regarding the Merger, including that AMR's stakeholders would be entitled to 72% of the diluted equity of the combined company and thus receive the benefit of 72% of the Expected Synergies.

At this meeting, after Mr. Horton recommended that the AMR board support the Merger, Mr. Parker was asked to address AMR's board. Mr. Parker expressed his excitement and enthusiasm for the Merger, praised AMR's brand, heritage, and people, and affirmed his belief that consolidation would position the combined company to compete effectively with United and Delta. In response to questions, Mr. Parker also briefly reviewed his preliminary views on integration of AMR and US Airways Group, including his intention to select a management team for the combined company from the best of the best personnel from each of AMR and US Airways Group. Mr. Parker acknowledged that he and Mr. Horton would collaborate on this process.

After Mr. Parker departed the meeting, AMR's board discussed extensively Mr. Parker's presentation and the proposed transaction. AMR's board then voted unanimously to approve the Merger Agreement.

Later that afternoon, the US Airways Group board met to consider the Merger. The board received an update from senior management and US Airways Group's financial and legal advisers regarding the status of the potential merger. US Airways Group's legal advisers also reviewed with the directors their fiduciary duties in connection with approving the proposed transaction, and reviewed the terms of the Merger Agreement and a shareholder rights plan contemplated by the Merger Agreement. In addition, senior management reviewed with the board the communications plans for investors, employees, regulators, government officials, and key commercial partners, and the terms of certain retention plans to be adopted by the board covering non-union employees who did not have existing change of control agreements. At the meeting, Barclays, US Airways Group's financial adviser, presented its financial analyses and rendered its oral opinion to the US Airways Group's board to the effect that, as of February 13, 2013, and based upon, and subject to the qualifications, limitations, and assumptions stated in its opinion, from a financial point of view, the consideration to be received by the stockholders of US Airways Group in the Merger was fair to the stockholders of US Airways Group. At the meeting, Barclays also delivered its written opinion, dated February 13, 2013, which stated the same. See the section entitled "The Merger Opinion of US Airways Group's Financial Adviser" beginning on page 93. Following the presentation from US Airways Group's financial advisers, and after discussion and consultation with its financial advisers and counsel, the US Airways Group board determined that the Merger Agreement and the transactions contemplated thereby, including the Merger, were advisable and in the best interests of, US Airways Group and its stockholders, approved and adopted the Merger Agreement, and recommended that the US Airways Group stockholders vote to adopt the Merger Agreement. In addition, the board approved certain employee retention plans and other matters related to the transaction.

Later that evening, AMR and US Airways Group entered into the Merger Agreement and AMR entered into the Support and Settlement Agreement with certain members of the Ad Hoc Committee holding, in the aggregate, approximately \$1.2 billion in unsecured claims. The execution of the Support and Settlement

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**Table of Contents**

Agreement (including the finalization of a Plan term sheet, of which the Merger constitutes a principal component) followed a period of negotiations that occurred simultaneously with that of the Merger Agreement and, among other things, resulted in the allocation of at least 3.5% of the combined company's diluted equity ownership to AMR's existing equity holders. Pursuant to the Support and Settlement Agreement, which is more fully discussed in the section entitled "The Plan of Reorganization - The Support and Settlement Agreement" beginning on page 156, the members of the Ad Hoc Committee party thereto agreed (among other things), subject to the approval of the Disclosure Statement by the Bankruptcy Court, to support and vote in favor of a plan of reorganization conforming to the terms of the term sheet attached thereto.

AMR and US Airways Group announced the execution of the Merger Agreement prior to the opening of trading on the NYSE on February 14, 2013. Mr. Horton and Mr. Parker held a press conference at the Dallas-Fort Worth International Airport (DFW) that morning and then met with employees of AMR. Later that day, Mr. Parker held a meeting with US Airways' employees in Phoenix.

On February 22, 2013, the Debtors filed a motion in the Bankruptcy Court seeking approval of the Merger Agreement.

On May 10, 2013, the Bankruptcy Court entered the Merger Support Order. In accordance with the Merger Agreement, upon entry of the Merger Support Order and execution of the Amendment, the Merger Agreement became effective and binding on, and enforceable against, each of the parties thereto retroactive to February 13, 2013.

**Recommendation of US Airways Group's Board of Directors with Respect to the Merger Agreement and Its Reasons for the Merger**

In reaching its decision to approve the Merger Agreement and recommend its adoption by US Airways Group stockholders, the US Airways Group board of directors consulted with US Airways Group's management as well as US Airways Group's financial and legal advisers, and also considered a variety of factors that the US Airways Group board of directors viewed as supporting its decision, including, without limitation, the following:

the opportunity for US Airways Group stockholders to participate in the benefits that are expected to result from the Merger, including the expectation that AAG will be a stronger airline than either American or US Airways individually, will have the scale, breadth, and capabilities to compete more effectively and profitably in the global marketplace, and will have the financial strength to invest in improved technology products and services and to be better able to respond to the competitive challenges and cyclical business conditions of the airline industry;

the opportunity created by combining the profitable US Airways business with the benefits achieved in AMR's restructuring and the potential cost and revenue synergies expected to be generated by combining AMR and US Airways Group. Management of US Airways Group and AMR believe that the combination of the two airlines will achieve more than \$1 billion in annual net synergies in 2015, including (i) cost synergies of approximately \$150 million (after taking into account the improved compensation arrangements negotiated with employees of AAG), which US Airways Group and AMR expect to realize principally by reducing management and administrative overhead, consolidating information technology systems, and combining facilities, and (ii) revenue synergies of approximately \$900 million, which US Airways Group and AMR expect to realize principally from providing significantly enhanced connectivity throughout the world to permit customers, particularly corporate clients, to use AAG for more of their travel needs and from optimizing the scheduling of the combined fleet to better match aircraft size with consumer demand;

the expectation that the Merger will address some of the competitive impacts resulting from the numerous mergers and acquisitions within the U.S. and international airline industries, including the merger of United Airlines with Continental Airlines, the merger of Delta Air Lines with Northwest Airlines, and the merger of Southwest Airlines and AirTran Airways, which have resulted in the formation of large competitors with significant financial resources and extensive networks;

**Table of Contents**

an assessment of alternatives to the Merger, (principally consisting of stand-alone development opportunities), and the expectation that the Merger will create a more competitive and financially successful airline than US Airways Group would be able to create on a standalone basis, primarily because the combined company would be one of the world's largest airlines with a significantly expanded global network;

management's assessment that the proposed business combination between US Airways Group and AMR presented attributes necessary for a successful airline merger, including strategic fit, limited overlap of route networks, acceptable execution risk, and financial benefits to US Airways Group's stockholders;

the anticipated market capitalization, liquidity, and capital structure of AAG and the fact that the aggregate number of shares of AAG common stock issuable to holders of US Airways Group equity instruments (including stockholders, holders of convertible notes, optionees, and holders of restricted stock units) in the Merger will represent 28% of the diluted equity ownership of AAG;

the fact that the Merger will provide AAG employees with improved job security, better opportunities for advancement, better pay, and a path to compensation and benefits comparable to those enjoyed by their counterparts at Delta and United;

the fact that the Merger has the support of US Airways Group's and AMR's employees and labor groups, providing for mitigation against future labor uncertainty, including that:

- i American's pilot, flight attendant, and ground employee unions and US Airways' pilot union have agreed to terms for collective bargaining agreements that will address financial and operational issues, effective upon the Closing;
- i the union representing US Airways' flight attendants has reached a tentative agreement that includes support for the Merger; and
- i the American unions representing pilots and flight attendants are working with their US Airways counterparts to determine representation and single agreement protocols;

the fact that Mr. Parker, the current chairman and chief executive officer of US Airways Group, will serve as chief executive officer and a member of the board of directors of AAG and will become chairman of the board of directors of AAG, and the fact that AAG will benefit from an experienced, highly motivated combined management team;

the corporate governance arrangements established for AAG, including the board composition, manner for designation of officer positions, and AAG Certificate of Incorporation and AAG Bylaws;

historical information concerning US Airways Group's and AMR's respective businesses, financial performance and condition, operations, management, competitive positions, and stock performance, which comparisons generally informed the US Airways Group board of directors' determination as to the relative values of US Airways Group, AMR, and AAG;

the AMR Forecasts and the US Airways Group Forecasts;



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the results of US Airways Group's due diligence review of AMR's businesses and operations;

the financial analyses presented by Barclays, US Airways Group's financial adviser, to the US Airways Group board of directors and the opinion of Barclays rendered to the US Airways Group board of directors on February 13, 2013, that, as of such date and based upon and subject to the qualifications, limitations, and assumptions stated in its opinion, from a financial point of view, the consideration to be received by the stockholders of US Airways Group in the Merger is fair to the stockholders of US Airways Group, each as further described in detail below under the section entitled "The Merger" Opinion of US Airways Group's Financial Adviser beginning on page 93;

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**Table of Contents**

the terms and conditions of the Merger Agreement, which the US Airways Group board of directors reviewed with its legal and financial advisers, including:

- i US Airways Group's ability to engage in negotiations with third parties regarding potential alternative acquisition proposals under certain circumstances;
- i the treatment of the exchange of US Airways Group common stock for AAG common stock as a reorganization for federal income tax purposes; and
- i the nature of the closing conditions included in the Merger Agreement, as well as the likelihood of completion of the Merger in the third quarter of 2013; and

the belief that regulatory approvals and clearances necessary to complete the Merger are likely to be obtained without any material cost or burden to AAG.

US Airways Group's board of directors also considered the potential adverse impact of other factors weighing against its decision to approve the Merger Agreement and recommend its adoption by US Airways Group stockholders, including, without limitation, the following:

the risk that AAG will not be able to successfully combine AMR's business with that of US Airways Group in a manner that permits AAG to achieve the synergies and other benefits anticipated to result from the Merger;

the challenge of integrating complex systems, operating procedures, regulatory compliance programs, technology, aircraft fleets, networks, and other assets of AMR and US Airways Group in a manner that minimizes any adverse impact on customers, suppliers, employees, and other constituencies;

diversion of the attention of AAG's management and other key employees by the integration process;

the potential disruption of, or the loss of momentum in, AAG's ongoing business as part of the integration process;

the substantial charges to be incurred in connection with the Merger, including the costs of integrating the businesses of US Airways Group and AMR, and the transaction related expenses arising from the Merger and the Chapter 11 Cases;

the challenge of integrating the workforces of AMR and US Airways Group while maintaining focus on providing consistent, high quality customer service and running an efficient operation;

the risk that despite US Airways Group's and AMR's efforts and the efforts of AAG after the Merger, US Airways Group, AMR, and AAG may not be able to retain key personnel;

the fact that designees from the US Airways Group board of directors (including Mr. Parker) will represent only one third of the members of AAG's initial board of directors;

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the fact that US Airways has significant debt that will mature in the near future and that AMR may incur substantial additional indebtedness in order to fund its emergence from the Chapter 11 Cases in connection with the Merger, the potential availability of any related refinancings and debt incurrence, and the potential impact of any related refinancings and debt incurrence on AAG's liquidity;

the fact that AAG will have significant obligations for pension benefits and other post-employment benefits when compared to US Airways Group;

potential unknown liabilities, liabilities that are significantly larger than AMR and US Airways Group currently anticipate, and unforeseen increased expenses or delays associated with the Merger, including transition costs to integrate the two businesses that may exceed the approximately \$1.2 billion of cash transition costs that AMR and US Airways Group currently anticipate;

the restrictions on the conduct of US Airways Group's business during the period between the signing of the Merger Agreement and the completion of the Merger;

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**Table of Contents**

the risk that the terms of the Merger Agreement, including provisions relating to the payment of a termination fee under specified circumstances, and the restrictions on the ability of US Airways Group to solicit, pursue, or engage in any negotiations with third parties regarding potential alternative acquisition proposals, could have the effect of discouraging other parties that would otherwise be interested in a transaction with US Airways Group from proposing such a transaction;

the fact that litigation may occur in connection with the Merger and that such litigation could prevent the Merger or increase costs related to the Merger;

the possibility that the Merger might not be completed, or that completion might be unduly delayed, for reasons beyond US Airways Group's control;

the possibility that AMR's stakeholders, the Bankruptcy Court, or US Airways Group's stockholders might not approve the Merger;

the risk that governmental entities may not approve or permit the Merger or may require US Airways Group and/or AMR to divest properties or routes in order to gain approval for the Merger;

the other risks described above in the section entitled "Risk Factors" beginning on page 44; and

the interests that certain executive officers and directors of US Airways Group may have with respect to the Merger, as described in the section entitled "The Merger: Interests of US Airways Group's Directors and Executive Officers in the Merger" beginning on page 110, which the US Airways Group board of directors was aware of in connection with its evaluation of the proposed transaction.

This discussion of the information and factors considered by the US Airways Group board of directors in approving the Merger and recommending the adoption of the Merger Agreement includes the material factors considered by the US Airways Group board of directors, but it is not intended to be exhaustive and does not include all of the factors considered by the US Airways Group board of directors. In view of the wide variety of factors considered by the US Airways Group board of directors in connection with its evaluation of the Merger and the Merger Agreement and the complexity of these matters, the US Airways Group board of directors did not find it useful, and did not attempt, to quantify, rank, or otherwise assign relative weights to these factors. Rather, the US Airways Group board of directors viewed its determination to approve the Merger Agreement and recommend the adoption of the Merger Agreement by the US Airways Group stockholders as being based on an overall analysis and on the totality of the information presented to, and factors considered by, the US Airways Group board of directors, including the directors' knowledge of US Airways Group's business, financial condition, and prospects. In addition, in considering the factors described above, individual members of the US Airways Group board of directors may have given different weight to different factors and may have applied different analyses to each of the material factors considered.

After considering the information and factors described above, the members of the US Airways Group board of directors unanimously determined that the Merger Agreement and the Merger are advisable and in the best interests of US Airways Group and its stockholders, unanimously approved the Merger Agreement and the Merger, and unanimously recommended that US Airways Group stockholders vote **FOR** adoption of the Merger Agreement.

The foregoing information presented in this section is forward-looking in nature and should be read in light of the factors discussed in the sections entitled "Risk Factors" beginning on page 44 and "Cautionary Statement Concerning Forward-Looking Statements" beginning on page 66.

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**Table of Contents**

**AMR's Board of Directors' Reasons for the Merger**

After due consideration and consultation with AMR's management and legal and financial advisers, AMR's board of directors determined that the Merger Agreement and the transactions contemplated thereby were advisable and in the best interests of AMR and its stakeholders, and unanimously approved the Merger Agreement. In doing so, AMR's board of directors considered a number of factors including, but not limited to, the following:

the fact that the stakeholders of AMR will have the right to receive 72% of AAG diluted equity ownership as a result of the Merger and the consummation of the Plan;

the fact that the increased value expected to be created by the Merger would enable the filing of a proposed plan of reorganization by the Debtors providing the potential for a full recovery by creditors of the Debtors and a distribution to holders of AMR equity interests of 3.5% of the aggregate diluted common stock of AAG, with the potential for such equity interest holders to receive additional shares of common stock of AAG;

the fact that the transaction is expected to generate more than \$1 billion in net cost and revenue synergies in 2015;

the fact that the UCC and the Ad Hoc Creditors Committee preferred a plan of reorganization that provided for a business combination with US Airways Group, therefore improving the likelihood of plan confirmation;

the fact that AMR stakeholders (including current holders of AMR equity interests), as stockholders of AAG, will have the opportunity to participate in the benefits that are expected to result from the Merger, including the expected enhanced competitive and financial position, effects of the Expected Synergies, increased size and scale, and greater diversity of geographic scope of AAG;

the nature of the closing conditions included in the Merger Agreement, as well as the likelihood of satisfaction of all conditions to the completion of the Merger;

AMR's right to engage in negotiations with, and provide information to, a third party that makes an unsolicited written acquisition proposal, if AMR's board of directors determines in good faith, after consultation with outside legal counsel, that a failure to engage in negotiations is reasonably likely to be inconsistent with its fiduciary duties to the stakeholders of the Debtors;

the fact that potential future labor uncertainty would be mitigated in connection with the Merger, in that it has support from both airlines' labor groups, including the fact that (i) American's pilot, flight attendant, and ground employee unions and US Airways' pilot union have agreed to terms for CBAs that will address financial and operational issues, effective upon the closing of the Merger, (ii) the union representing US Airways' flight attendants has reached a tentative agreement that includes support for the Merger, and (iii) the American unions representing pilots and flight attendants are working with their US Airways counterparts to determine representation and single agreement protocols;

the belief that regulatory approvals and clearances necessary to complete the Merger will likely be obtained on a timely basis without any material cost or burden to AAG;

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the belief that, after careful consideration of potential alternatives to the Merger (including the alternative of continuing in business and emerging from Chapter 11 as an independent company and discussions with other potential counterparties), the Merger with US Airways Group is expected to yield greater benefits to AMR's stakeholders;

the fact that the expected operational and financial strength of AAG should enable continued investment in new products and technologies and new opportunities for its employees;

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**Table of Contents**

the fact that AAG's broader network coverage and improved service offerings, relative to the standalone American and US Airways networks, would (i) make it more competitive with other global network carriers including United Airlines and Delta Air Lines and (ii) improve the competitive position of the oneworld® alliance (specifically, with the withdrawal of US Airways from Star Alliance and entry of US Airways into oneworld®, the US-to-World, World-to-US, and US-to-US ASM share of oneworld® is expected to increase from approximately 26% to approximately 34% with the share of Star Alliance falling from approximately 45% to approximately 36% and SkyTeam remaining at approximately 30%, based on January 2013 data);

the fact that AAG will benefit from an experienced, highly motivated combined management team selected from skilled executives at both AMR and US Airways Group;

the fact that AAG will maintain the iconic American Airlines® brand, one of the most recognized brands in the world;

the fact that the headquarters of AAG will be located at AMR's current headquarters in Dallas/Fort Worth; and

the expectation that all of the foregoing factors will allow AAG to better respond to the economic and competitive challenges of the airline industry.

The AMR board of directors weighed the foregoing against a number of potentially negative factors, including but not limited to, the following:

the restrictions on the conduct of AMR's business during the period between execution of the Merger Agreement and the Closing;

the fact that (other than identifying Mr. Parker as the chief executive officer of AAG) management of AAG had not been identified at the time that the Merger Agreement was signed;

the risk of not capturing all of the anticipated operational synergies and cost savings expected from the Merger, and the risk that other anticipated benefits may not be realized, or will not be realized within the expected time periods;

the potential effect of the Merger on AMR's overall business, including its relationships with customers, employees, suppliers, and regulators;

the challenges inherent in combining the businesses, operations, and workforces of two major airlines, including the potential for (i) unforeseen difficulties in integrating operations and systems, (ii) distraction of management attention for an extended period of time, and (iii) difficulties in assimilating employees;

the estimated one-time transition costs of approximately \$1.2 billion to integrate the businesses of AMR and US Airways Group;

the risk that governmental entities may oppose or refuse to approve the Merger or impose conditions on approval of the Merger that may adversely impact the ability of AAG to realize synergies that are projected to occur in connection with the Merger;

the risk that, despite the combined efforts of AMR and US Airways Group prior to the Closing, AAG may lose key personnel;

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the fact that litigation could occur in connection with the Merger, resulting in increased costs related to the Merger;

the likelihood that pursuing the Merger would extend the period of time required for the Debtors to emerge from Chapter 11;



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**Table of Contents**

the risk that the terms of the Merger Agreement, including provisions relating to the payment of a termination fee under specified circumstances, could have the effect of discouraging other parties that would otherwise be interested in a transaction with AMR from proposing such a transaction, thereby delaying or preventing AMR from undertaking certain business opportunities that might arise pending completion of the Merger; and

other risks of the type and nature described under the heading "Risk Factors" beginning on page 44.

This discussion of the information and factors considered by AMR's board of directors in reaching its determination to approve the Merger Agreement includes all of the material factors supporting the Merger considered by AMR's board of directors, but is not intended to be exhaustive. In view of the wide variety of factors considered by AMR's board of directors in evaluating the Merger Agreement and the transactions contemplated thereby, and the complexity of these matters, AMR's board of directors did not find it practicable to, and did not attempt to, quantify, rank, or otherwise assign relative weight to those factors. The AMR board of directors viewed its determinations as being based upon the judgment of its members, in light of the totality of information presented and considered, including the knowledge of such directors of AMR's business, financial condition, and prospects. In addition, different members of AMR's board of directors may have given different weight to different factors and may have applied different analyses to each of the material factors considered.

The foregoing information presented in this section is forward-looking in nature and should be read in light of the factors discussed in the sections entitled "Risk Factors" beginning on page 44 and "Cautionary Statement Concerning Forward-Looking Statements" beginning on page 66.

**Opinion of US Airways Group's Financial Adviser**

Pursuant to an engagement letter, dated February 2, 2012, US Airways Group engaged Barclays to act as its financial adviser in connection with the Merger.

On February 13, 2013, Barclays rendered its opinion to US Airways Group's board of directors that, as of such date and based upon and subject to the qualifications, limitations, and assumptions stated in its opinion, from a financial point of view, the consideration to be received by the stockholders of US Airways Group in the Merger is fair to the stockholders of US Airways Group.

The full text of Barclays' written opinion, dated as of February 13, 2013, is attached as Annex E to this proxy statement/prospectus. Barclays' written opinion sets forth, among other things, the assumptions made, procedures followed, factors considered, and limitations upon the review undertaken by Barclays in rendering its opinion. You are encouraged to read the opinion carefully in its entirety. The following is a summary of Barclays' opinion and the methodology that Barclays used to render its opinion. This summary is qualified in its entirety by reference to the full text of the opinion.

Barclays' opinion, the issuance of which was approved by Barclays' fairness opinion committee, is addressed to the board of directors of US Airways Group, addresses only the fairness, from a financial point of view, of the consideration to be offered to the stockholders of US Airways Group, and does not constitute a recommendation to any stockholder of US Airways Group as to how such stockholder should vote with respect to the proposed transaction or any other matter. The terms of the proposed transaction were determined through arm's-length negotiations between US Airways Group and AMR and were unanimously approved by US Airways Group's board of directors. Barclays did not recommend any specific form of consideration to US Airways Group or that any specific form of consideration constituted the only appropriate consideration for the proposed transaction. Barclays was not requested to address, and its opinion does not in any manner address, US Airways Group's underlying business decision to proceed with or effect the proposed transaction. In addition, Barclays expressed no opinion on, and its opinion does not in any manner address, the fairness of the amount or the nature of any compensation to any officers, directors, or employees of any parties to the proposed transaction,

**Table of Contents**

or any class of such persons, relative to the consideration paid in the proposed transaction. No limitations were imposed by US Airways Group's board of directors upon Barclays with respect to the investigations made or procedures followed by it in rendering its opinion.

In arriving at its opinion, Barclays reviewed and analyzed, among other things:

the Merger Agreement and the specific terms of the proposed transaction;

publicly available information concerning US Airways Group and AMR that Barclays believed to be relevant to its analysis, including the Annual Reports on Form 10-K for each of US Airways Group and AMR for the fiscal year ended December 31, 2011, and the Quarterly Reports on Form 10-Q for each of US Airways Group and AMR for the fiscal quarters ended March 31, June 30, and September 30, 2012;

financial and operating information with respect to the business, operations, and prospects of US Airways Group furnished to Barclays by US Airways Group, including the US Airways Group Forecasts;

financial and operating information with respect to the business, operations, and prospects of AMR furnished to Barclays by US Airways Group, including the AMR Forecasts;

the three-year trading history of US Airways Group common stock and a comparison of the two-year trading history of US Airways Group common stock with the historical average trading prices of certain peer companies that Barclays deemed relevant;

a comparison of trading multiples of the US Airways Group common stock with the historical average trading multiples of certain peer companies that Barclays deemed relevant over a two-year period;

certain research analysts' price targets for US Airways Group;

the relative contributions of US Airways Group and AMR to the forecasted future financial performance of AAG and its subsidiaries on a pro forma basis;

the Expected Synergies, and a comparison of such Expected Synergies with synergies disclosed in precedent merger transactions in the airline industry;

the pro forma impact of the proposed transaction on the forecasted future financial performance of AAG and its subsidiaries, including cost and network synergies and transition costs expected by the management of each of US Airways Group and AMR to result from a combination of the businesses;

certain analyses related to pension liabilities of AMR prepared by US Airways Group's actuary, as approved for Barclays' use by US Airways Group, and the underlying data for which was provided by AMR;

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publicly-available financial and operating information with respect to the business, operations, and prospects of certain industry trading comparables; and

such other studies, analyses, and investigations as Barclays deemed appropriate.

In addition, Barclays had discussions with the management of each of US Airways Group and AMR concerning their respective businesses, operations, assets, liabilities, financial conditions, and prospects and the strategic rationale for, and the potential benefits of, the proposed transaction. In arriving at its opinion, Barclays analyzed the forecasted future financial performance of AAG by reviewing the US Airways Group Forecasts, the AMR Forecasts, and the Expected Synergies.

In arriving at its opinion, Barclays assumed and relied upon the accuracy and completeness of the financial and other information used by Barclays without any independent verification of such information (and did not assume responsibility or liability for any independent verification of such information) and further relied upon the assurances of the management of US Airways Group that they were not aware of any facts or circumstances

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**Table of Contents**

that would make such information materially inaccurate or misleading. With respect to the US Airways Group Forecasts, upon the advice of US Airways Group, Barclays assumed that such US Airways Group Forecasts were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of US Airways Group as to the future financial performance of US Airways Group. With respect to the AMR Forecasts, upon the advice of US Airways Group, Barclays assumed that such AMR Forecasts were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of AMR as to the future financial performance of AMR. However, for purposes of its analysis, Barclays also considered the potential impact of certain post-employment benefit liabilities of AMR not accounted for in the AMR Forecasts, which resulted in certain adjustments to the AMR Forecasts. Barclays discussed these adjustments to the AMR Forecasts and the valuation of AMR with the management of US Airways Group, and the management of US Airways Group agreed with Barclays' methodology. Barclays relied upon such adjustments in arriving at its opinion. Furthermore, upon the advice of US Airways Group, Barclays assumed that the amounts and timing of the Expected Synergies are reasonable and that the Expected Synergies will be realized in accordance with such estimates. Barclays assumed no responsibility for and expressed no view as to any such projections or estimates or the assumptions on which they were based. In arriving at its opinion, Barclays did not conduct a physical inspection of the properties and facilities of US Airways Group or AMR and did not make or obtain any evaluations or appraisals of the assets or liabilities of US Airways Group or AMR. Barclays' opinion was necessarily based upon market, economic, and other conditions as they existed on, and could be evaluated as of, February 13, 2013. Barclays assumed no responsibility for updating or revising its opinion based on events or circumstances that may have occurred after February 13, 2013. Barclays expressed no opinion as to the prices at which shares of US Airways Group common stock or AMR common stock would trade following the announcement of the proposed transaction or shares of AAG's common stock would trade following the consummation of the proposed transaction. Its opinion should not be viewed as providing any assurance that the market value of the shares of AAG's common stock to be held by the stockholders of US Airways Group after the consummation of the proposed transaction will be in excess of the market value of the US Airways Group common stock owned by such stockholders at any time prior to the announcement or consummation of the proposed transaction.

Barclays assumed the accuracy of the representations and warranties contained in the Merger Agreement and all agreements related thereto. Barclays also assumed, upon the advice of US Airways Group, that all material governmental, regulatory, and third-party approvals, consents, and releases for the proposed transaction will be obtained within the constraints contemplated by the Merger Agreement and that the proposed transaction will be consummated in accordance with the terms of the Merger Agreement without waiver, modification, or amendment of any material term, condition, or agreement thereof. Barclays also assumed, with the consent of US Airways Group, that the proposed transaction will be treated for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code. Barclays did not express any opinion as to any tax or other consequences that might result from the proposed transaction, nor did Barclays' opinion address any legal, tax, regulatory, bankruptcy, or accounting matters, as to which US Airways Group obtained such advice as it deemed necessary from qualified professionals.

In connection with rendering its opinion, Barclays performed certain financial, comparative, and other analyses as summarized below. In arriving at its opinion, Barclays did not ascribe a specific range of values to the shares of US Airways Group common stock but rather made its determination as to fairness, from a financial point of view, to the US Airways Group's stockholders of the consideration to be offered to such stockholders in the proposed transaction on the basis of various financial and comparative analyses. The preparation of a fairness opinion is a complex process and involves various determinations as to the most appropriate and relevant methods of financial and comparative analyses and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to summary description.

In arriving at its opinion, Barclays did not attribute any particular weight to any single analysis or factor considered by it but rather made qualitative judgments as to the significance and relevance of each analysis and factor relative to all other analyses and factors performed and considered by it and in the context of the

**Table of Contents**

circumstances of the particular transaction. Accordingly, Barclays believes that its analyses must be considered as a whole, as considering any portion of such analyses and factors, without considering all analyses and factors as a whole, could create a misleading or incomplete view of the process underlying its opinion.

The following is a summary of the material financial analyses used by Barclays in preparing its opinion to the board of directors of US Airways Group. Certain financial analyses summarized below include information presented in tabular format. In order to fully understand the financial analyses used by Barclays, the tables must be read together with the text of each summary, as the tables alone do not constitute a complete description of the financial analyses. In performing its analyses, Barclays made numerous assumptions with respect to industry performance, general business and economic conditions, and other matters, many of which are beyond the control of US Airways Group or any other parties to the proposed transaction. None of US Airways Group, AMR, AMR Merger Sub, Barclays, AAG or any other person assumes responsibility if future results are different from those discussed. Any estimates contained in these analyses are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than as set forth below. In addition, analyses relating to the value of the businesses do not purport to be appraisals or reflect the prices at which the businesses may actually be sold.

**Selected Comparable Company Analysis**

Barclays reviewed and compared specific financial and operating data relating to US Airways Group and AMR with selected companies that Barclays deemed comparable to US Airways Group and/or AMR. The selected comparable companies were Delta Air Lines, Inc., United Continental Holdings, Inc., and US Airways Group.

Barclays calculated and compared various financial multiples of US Airways Group, AMR, and the selected comparable companies. As part of its selected comparable company analysis, Barclays calculated and analyzed each comparable company's ratio of adjusted enterprise value to estimated earnings before interest, taxes, depreciation, amortization, and mainline aircraft rent expense (EBITDAR) for calendar years 2013 and 2014, which are summarized in the table below.

Selected Comparable Company	Adjusted Enterprise Value / 2013 Estimated EBITDAR	Adjusted Enterprise Value / 2014 Estimated EBITDAR
Delta Air Lines, Inc.	4.7x	4.4x
United Continental Holdings, Inc.	4.9x	4.5x
US Airways Group	5.0x	4.4x

The adjusted enterprise value of each company for each year was obtained by adding its short and long-term debt and capitalized aircraft rent and the market value of its common equity, and subtracting its unrestricted cash and cash equivalents. All of these calculations were performed based on publicly available financial data (including consensus estimates from the Institutional Brokers Estimate System (IBES)). For US Airways Group, Barclays also based its calculations on the US Airways Group Forecasts.

Barclays selected the comparable companies listed above because, collectively with US Airways Group and AMR, they comprise four out of the five remaining U.S.-based legacy carriers and, as a result, their businesses and operating profiles are reasonably similar to one another. Barclays did not select for comparison Alaska Airlines, Inc., also commonly considered to be a legacy carrier, or any of the U.S.-based low cost carriers, a pool which includes Allegiant Air, LLC, JetBlue Airways Corporation, Southwest Airlines Co., and Spirit Airlines, Inc., because of, among other reasons, their relatively smaller operations, different capital structures, lack of meaningful international operations, more limited networks, different network configurations, and different breadth of products and services offered.

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**Table of Contents**

Because no selected comparable company is exactly the same as either US Airways Group or AMR, Barclays believed that it was inappropriate to, and therefore did not, rely solely on the quantitative results of the selected comparable company analysis. Accordingly, Barclays also made qualitative judgments concerning differences between the business, financial and operating characteristics, and prospects of US Airways Group and AMR. These qualitative judgments related primarily to the differing sizes, growth prospects, profitability levels, and degree of operational risk between US Airways Group or AMR, on the one hand, and the companies included in the selected comparable company analysis, on the other hand.

Based upon these judgments, Barclays selected a range of EBITDAR multiples for each of US Airways Group and AMR for each of calendar years 2013 and 2014, and applied such multiples to management projections of EBITDAR for the corresponding year in the US Airways Group Forecasts or the AMR Forecasts, as applicable, which implied, in each case, a range of adjusted enterprise values, from which, in each case, Barclays subtracted capitalized rent based on estimated 2013 rent expense and net debt estimated as of April 30, 2013 (for AMR, pro forma for its emergence from bankruptcy), to derive a range of equity values for US Airways Group or AMR, as applicable, for calendar year 2013 or 2014, as applicable.

***2013E Comparable Companies Analysis***

Barclays selected a range of 4.5x to 5.0x multiples of EBITDAR for US Airways Group and applied such range to both US Airways Group management and IBES estimates of 2013 EBITDAR to calculate an implied range of equity values for US Airways Group of approximately \$2.6 billion to \$4.7 billion. Barclays selected a range of 4.25x to 4.75x multiples of EBITDAR for AMR and applied such range to AMR management estimates of 2013 EBITDAR on an adjusted and non-adjusted basis (adjustments related to certain post-employment benefit liabilities not reflected in the AMR Forecasts) to calculate an implied range of equity values for AMR of approximately \$7.5 billion to \$9.8 billion. Barclays then derived a range of relative ownership for US Airways Group stockholders in AAG of 21.1% to 38.2%. Barclays observed that the aggregate consideration to be received by the stockholders of US Airways Group in the proposed transaction represents relative ownership in AAG within this range.

***2014E Comparable Companies Analysis***

Barclays selected a range of 4.25x to 4.75x multiples of EBITDAR for US Airways Group and applied such range to both US Airways Group management and IBES estimates of 2014 EBITDAR to calculate an implied range of equity values for US Airways Group of approximately \$3.2 billion to \$4.5 billion. Barclays selected a range of 4.0x to 4.5x multiples of EBITDAR for AMR and applied such range to AMR management estimates of 2014 EBITDAR on an adjusted and non-adjusted basis (adjustments related to certain post-employment benefit liabilities not reflected in the AMR Forecasts) to calculate an implied range of equity values for AMR of approximately \$9.4 billion to \$12.0 billion. Barclays then derived a range of relative ownership for US Airways Group stockholders in AAG of 20.9% to 32.5%. Barclays observed that the aggregate consideration to be received by the stockholders of US Airways Group in the proposed transaction represents relative ownership in AAG within this range.

***Trading Value Analysis***

Barclays reviewed and compared the value of the outstanding equity of US Airways Group and AMR. Since US Airways Group has an observable trading value, Barclays calculated the equity value of US Airways Group using the average closing stock price of US Airways Group over a 20-day trading period multiplied by its fully-diluted shares outstanding. The use of an average over 20 trading days as opposed to a spot price was intended to minimize the effect of volatility in the stock price of US Airways Group during the month prior to the announcement of the Merger. Since AMR is in bankruptcy, it does not currently have an observable trading value that represents the equity value of AMR after giving effect to capital structure and profitability changes that are expected to be accomplished through the bankruptcy process. Therefore, Barclays used the implied equity value of AMR derived from the comparable company analysis for calendar year 2013 as an approximation of the

**Table of Contents**

trading value of AMR. Barclays believed that the one-year forward EBITDAR multiple analysis served as the best approximation for the trading value of AMR because: (i) it is one of the most commonly used industry valuation methodologies, including by equity research analysts, who use it to derive airline valuation or price targets; and (ii) expectations for EBITDAR one year forward are less sensitive to inputs than expectations for EBITDAR beyond one year forward and therefore more reliable in approximating current value. Based on such comparison, Barclays derived a range of relative ownership for US Airways Group stockholders in AAG of 23.6% to 28.7%. Barclays observed that the aggregate consideration to be received by the stockholders of US Airways Group in the proposed transaction represents relative ownership in AAG within this range.

***Discounted Cash Flow Analysis***

In order to estimate the value of AAG, Barclays performed a discounted cash flow analysis for each of US Airways Group and AMR. A discounted cash flow analysis is a traditional valuation methodology used to derive a valuation of an asset by calculating the present value of estimated future cash flows of the asset. Present value refers to the current value of future cash flows or amounts and is obtained by discounting those future cash flows or amounts by a discount rate that takes into account macroeconomic assumptions and estimates of risk, the opportunity cost of capital, expected returns, and other appropriate factors.

To calculate the estimated enterprise value of each of US Airways Group and AMR using the discounted cash flow method, Barclays added (i) each company's projected after-tax unlevered free cash flows for each of calendar years 2013 (eight months) through 2017 based on the US Airways Group Forecasts or the AMR Forecasts, as applicable, (ii) the terminal value of such company after 2017, (iii) projected NOLs remaining after 2017 based on the US Airways Group Forecasts or the AMR Forecasts, as applicable, and (iv) for AMR, its projected tax-affected pension cash contributions based on the AMR Forecasts and analyses prepared by US Airways Group's actuary and AMR's projected tax-affected post-employment benefit cash contributions based on the AMR Forecasts, and discounted such amount to its present value using selected discount rates. The after-tax unlevered free cash flows were calculated by taking the tax-affected earnings before interest, taxes, and aircraft rent expense and subtracting capital expenditures, adjusting for changes in working capital, and subtracting other cash flows from operations (including, for AMR, the subtraction of one-time bankruptcy costs). Barclays then calculated a range of terminal values for each of US Airways Group and AMR by applying terminal perpetuity growth rates of 0.0% to 2.0% to each company's estimated normalized unlevered free cash flow after 2017. The cash flows, terminal values, and NOLs were then discounted to present value as of April 30, 2013, using discount rates ranging from 14.0% to 16.0%, which were based on estimates of each company's weighted average cost of capital, and, for AMR, the tax-affected pension cash contributions and tax-affected post-employment benefit cash contributions were discounted to present value as of April 30, 2013, using a discount rate of 8.25%, which was based on the expected annual rate of return of the pension assets and the post-employment benefit assets over the projection period. This analysis indicated a range of implied equity values for US Airways Group of approximately \$3.5 billion to \$5.9 billion and a range of implied equity values for AMR of approximately \$4.9 billion to \$9.1 billion. Based on these ranges, Barclays derived a range of relative ownership for US Airways Group stockholders in AAG of 27.8% to 54.6%. Barclays observed that the aggregate consideration to be received by the stockholders of US Airways Group in the proposed transaction represents relative ownership in AAG within this range.

***Contribution Analysis***

Barclays reviewed and compared the relative contributions of US Airways Group and AMR to estimated EBITDAR of AAG for calendar years 2013 and 2014 based on the US Airways Group Forecasts and the AMR Forecasts, respectively. Barclays then adjusted the companies' relative contributions to estimated EBITDAR for calendar years 2013 and 2014 to reflect the relative leverage in the companies' capital structures (i.e., net debt and capitalized aircraft rent), which implied a range of relative ownership for US Airways Group stockholders in AAG of 21.4% to 28.0%. Barclays observed that the aggregate consideration to be received by the stockholders of US Airways Group in the proposed transaction represents relative ownership in AAG within this range.

**Table of Contents*****Pro Forma Merger Analyses***

Barclays prepared pro forma analyses of the relative ownership for US Airways Group stockholders in AAG (taking into account the Expected Synergies) using the results of its 2013E selected comparable company analysis, 2014E selected comparable company analysis and discounted cash flow analysis. In each case, the implied equity value of US Airways Group (high and low) was divided by the sum of such implied equity value of US Airways Group, the corresponding implied equity value of AMR, and the implied value of the Expected Synergies (as calculated according to the respective valuation methodology). The following chart summarizes the ranges of relative ownership for US Airways Group stockholders in AAG implied from each such pro forma Merger analysis:

<b>Pro Forma Merger Analysis Methodology (with Expected Synergies)</b>	<b>US Airways Group Value as a % AAG</b>	
2013E Comparable Company Analysis	16.0%	29.7%
2014E Comparable Company Analysis	16.5%	26.0%
Discounted Cash Flow Analysis	21.5%	42.6%

Barclays observed that the aggregate consideration to be received by the stockholders of US Airways Group in the proposed transaction represents, in each case, relative ownership in AAG within or above all of these ranges.

***General***

Barclays is an internationally recognized investment banking firm and, as part of its investment banking activities, is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, investments for passive and control purposes, negotiated underwritings, competitive bids, secondary distributions of listed and unlisted securities, private placements, and valuations for estate, corporate and other purposes. The board of directors of US Airways Group selected Barclays because of its familiarity with US Airways Group and its qualifications, reputation, and experience in the valuation of businesses and securities in connection with mergers and acquisitions generally.

Barclays is acting as financial adviser to US Airways Group in connection with the proposed transaction. As compensation for its services in connection with the proposed transaction, US Airways Group paid Barclays a fee of \$200,000 upon public announcement of the proposed transaction and \$1 million upon the delivery of Barclays' opinion. Additional compensation of up to \$10 million, of which \$3 million is payable in the sole discretion of US Airways Group, will be payable on completion of the proposed transaction. US Airways Group has not made a determination as to whether any of the discretionary compensation will be payable. This determination will be made based on an assessment by US Airways Group of the services provided by Barclays and the relative significance of those services to the successful completion of the Merger.

In addition, US Airways Group has agreed to reimburse Barclays for a portion of its reasonable out-of-pocket expenses incurred in connection with the proposed transaction and to indemnify Barclays for certain liabilities that may arise out of its engagement by US Airways Group and the rendering of Barclays' opinion. Barclays has performed various investment banking and financial services for US Airways Group in the past, and expects to perform such services in the future, and has received, and is likely to receive, customary fees for such services. Specifically, in the past two years, Barclays and/or one of its affiliates has performed the following investment banking and/or financial services for US Airways Group, for which Barclays and its affiliates have received, or expect to receive, customary fees equal to, in the aggregate, \$7.957 million: (i) co-manager in a \$546 million enhanced equipment trust certificate ( EETC ) offering completed in December 2012; (ii) participating lender in a \$100 million term loan completed in April 2012; (iii) co-manager in a \$471 million EETC offering completed in July 2011; (iv) co-manager in a \$820 million EETC offering completed in April 2013; (v) joint lead arranger and joint bookrunner in a \$1.6 billion term loan completed in May 2013 and (vi) joint bookrunning manager in a \$500 million senior notes offering completed in May 2013. In addition, an affiliate of Barclays is a party to US Airways Group's co-branded credit card agreement, pursuant to which such affiliate of Barclays



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**Table of Contents**

receives customary compensation. Barclays did not provide investment banking or financial services to AMR for which it received fees in the two years prior to February 13, 2013. However, a separate affiliate of Barclays has agreed to joint lead arrange AAG senior secured credit facilities in connection with the AAG financing the Bankruptcy Court approved on May 10, 2013 and will receive customary fees for such services.

Barclays and its affiliates engage in a wide range of businesses from investment and commercial banking, lending, asset management, and other financial and non-financial services. In the ordinary course of its business, Barclays and affiliates may actively trade and effect transactions in the equity, debt and/or other securities (and any derivatives thereof), and financial instruments (including loans and other obligations) of US Airways Group and AMR for its own account and for the accounts of its customers and, accordingly, may at any time hold long or short positions and investments in such securities and financial instruments.

**General Information regarding Forecasts and Expected Synergies**

This section includes a summary of the Forecasts and the Expected Synergies and related information. The AMR Forecasts summarized in this section were prepared by management of AMR, the US Airways Group Forecasts summarized in this section were prepared by management of US Airways Group, and the Expected Synergies and AAG Disclosure Statement Forecasts summarized in this section were prepared jointly by management of AMR and US Airways Group. The AMR Forecasts, the US Airways Group Forecasts, and the Expected Synergies were not prepared with a view to public disclosure and the Forecasts and the Expected Synergies were not prepared in compliance with the requirements of GAAP, the published guidelines of the SEC regarding projections, or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. Neither AMR's nor US Airways Group's independent registered public accounting firm has examined, compiled, or performed any procedures with respect to the Forecasts or the Expected Synergies presented in this proxy statement/prospectus, and neither accounting firm has expressed any opinion or any other form of assurance regarding such information or the likelihood that AMR, US Airways Group, or AAG may achieve any particular results, and accordingly neither independent registered public accounting firm assumes any responsibility for or relating to the Forecasts or the Expected Synergies and each disclaims any association with such Forecasts and the Expected Synergies. The audit reports of AMR included in this proxy statement/prospectus relate solely to AMR's historical financial information. The audit reports incorporated herein by reference to US Airways Group's historical SEC filings relate solely to US Airways Group's historical financial information. Such audit reports contained herein and incorporated by reference herein do not extend to the Forecasts or the Expected Synergies and should not be read to do so.

The Forecasts and the Expected Synergies are not being included in this proxy statement/prospectus to influence any US Airways Group stockholder's decision whether to vote to adopt the Merger Agreement or whether to vote to approve any of the other proposals set forth herein, but rather because the AMR Forecasts, the US Airways Group Forecasts, and the Expected Synergies were made available to the board of directors of US Airways Group and US Airways Group's financial adviser in connection with the evaluation of the Merger and the other transactions contemplated by the Merger Agreement and the AAG Disclosure Statement Forecasts are being made available to the stakeholders of the Debtors in the Disclosure Statement.

You should not place undue reliance on the Forecasts or the Expected Synergies set forth below. There can be no assurance that the results indicated in the Forecasts or the cost and revenue synergies included in the Expected Synergies will be realized or that actual results will not be materially higher or lower than projected. Because the Forecasts and the Expected Synergies set forth below cover multiple years, such information by its nature becomes less reliable with each successive year. The Forecasts and the Expected Synergies may not be predictive of the future financial performance of AMR, US Airways Group, or AAG, and, in fact, actual results of AMR, US Airways Group, and AAG for the periods covered in the Forecasts and the Expected Synergies may, and likely will, differ from the results indicated in the Forecasts and the Expected Synergies and such differences could be material. The Forecasts and the Expected Synergies included in this document are forward-looking

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**Table of Contents**

statements that are also subject to numerous risks and uncertainties, including, but not limited to, the risks and uncertainties described in Risk Factors beginning on page 44. In addition, see Cautionary Statement Concerning Forward-Looking Statements beginning on page 66.

The AMR Forecasts were developed by AMR management for use in connection with the evaluation of the Merger and the other transactions contemplated by the Merger Agreement, were shared by AMR with US Airways Group during negotiations and discussions leading to the Merger, and were used by US Airways Group's financial adviser and the US Airways Group board of directors in connection with the evaluation of the Merger and the other transactions contemplated by the Merger Agreement.

The US Airways Group Forecasts were developed by US Airways Group management for and were used by US Airways Group's financial adviser and the US Airways Group board of directors in connection with the evaluation of the Merger and the other transactions contemplated by the Merger Agreement, and were shared by US Airways Group with AMR during negotiations and discussions leading to the Merger.

The Expected Synergies were developed by AMR management and US Airways Group management in connection with the evaluation of the Merger and the other transactions contemplated by the Merger Agreement, and were used by US Airways Group's financial adviser and the US Airways Group board of directors in connection with the evaluation of the Merger and the other transactions contemplated by the Merger Agreement.

The AAG Disclosure Statement Forecasts were developed by AMR management and US Airways Group management solely in connection with the Disclosure Statement being delivered to stakeholders of the Debtors in the Chapter 11 Cases, and were not prepared in anticipation of the negotiation or execution of the Merger Agreement. Neither the board of directors of US Airways Group nor the financial adviser to US Airways Group relied on the AAG Disclosure Statement Forecasts in connection with the negotiation or execution of the Merger Agreement because the AAG Disclosure Statement Forecasts were prepared subsequent to the date on which the US Airways Group board approvals occurred.

***Important Information about the Forecasts and Expected Synergies***

The inclusion of summaries of the Forecasts and the summary of the Expected Synergies in this proxy statement/prospectus should not be regarded as a representation of AMR or of US Airways Group, or an indication that any of AMR or US Airways Group or their respective affiliates, advisors, or representatives considered, or now consider, any of the Forecasts or the Expected Synergies to be a reliable prediction of actual future events or results, and the Forecasts and the Expected Synergies should not be relied upon as such. The Forecasts and the Expected Synergies are subjective in many respects and thus subject to interpretation. While presented with numeric specificity, the Forecasts and the Expected Synergies set forth below reflect numerous estimates and assumptions with respect to industry performance and competition, general U.S. and global business, economic, regulatory, market, and financial conditions, commodity prices (particularly the prices of crude oil and jet fuel), capacity utilization, and other matters specific to the airline industry, all of which are difficult to predict, inherently subject to error, and in many cases are beyond the control of AMR, US Airways Group, or AAG. The Forecasts and the Expected Synergies reflect assumptions as to certain business decisions that are subject to change. The Forecasts, other than the AAG Disclosure Statement Forecasts, also do not reflect any changes in AMR's or US Airways Group's operations or strategy that may be implemented after the Closing, including the Expected Synergies, or any costs or obligations incurred by AMR or US Airways Group in connection with the Merger and the subsequent integration of the operations of AMR and US Airways Group. The AAG Disclosure Statement Forecasts do not take into account the effect of any failure to occur, or delay in consummation, of the Merger and should not be viewed as accurate or continuing in that context.

None of US Airways Group, AMR, or any of their respective affiliates, advisors, or representatives makes any representation to any stockholder of US Airways Group or any other person regarding the ultimate performance of AMR, US Airways Group, or AAG compared to the Forecasts and the Expected Synergies, and none of them intends to disclose any update, reconciliation, or revision to the Forecasts or the Expected

**Table of Contents**

Synergies to reflect circumstances existing after the respective dates on which the Forecasts or the Expected Synergies were prepared or to reflect the occurrence of future events, including any actual results of operations of AMR, US Airways Group, or AAG, even in the event that any or all of the assumptions underlying the Forecasts or the Expected Synergies are shown to be in error. AMR and US Airways Group have not made any representations to each other, in the Merger Agreement or otherwise, concerning the Forecasts or the Expected Synergies or their accuracy for any purpose.

AMR and US Airways Group management believe that the Forecasts and the Expected Synergies were prepared in good faith and on a reasonable basis based on the best information available to the respective management teams at the time of their preparation. The Forecasts and the Expected Synergies, however, are not fact and are not necessarily indicative of actual future results.

***Certain AMR Forecasted Financial Information***

AMR does not generally publish its business plans and strategies or make external disclosures of its anticipated financial position or results of operations. In connection with the negotiation and discussion of the Merger, AMR management delivered certain internally prepared AMR Forecasts summarized below to US Airways Group management in December 2012. The AMR Forecasts were delivered to management of US Airways Group pursuant to the existing non-disclosure agreements between the parties and were not intended for public disclosure. As noted above, the AMR Forecasts described below were provided to US Airways Group's financial adviser and the US Airways Group board of directors in connection with the evaluation of the Merger.

In January 2013, AMR also provided materials that included financial information from the AMR Forecasts to certain members of the Ad Hoc Committee and other significant holders of publicly traded bonds and other claims against AMR and other Debtors in the Chapter 11 Cases (the Significant Creditors) under non-disclosure agreements binding the recipients for the purpose of facilitating confidential discussions between AMR and those creditors. Pursuant to the relevant non-disclosure agreements, AMR was contractually obligated under certain circumstances to publicly disclose the materials it provided to the Significant Creditors to the extent those materials could be deemed to constitute material non-public information. The materials provided to the Significant Creditors were subsequently included as an exhibit to a Form 8-K that was filed by AMR with the SEC on February 14, 2013 solely to satisfy the contractual obligation of AMR under the relevant non-disclosure agreements. This publicly filed AMR financial information (i) does not reflect any of the potential effects of the Merger, or any other changes that may in the future affect AMR, AAG, or their respective assets, businesses, operations, properties, policies, corporate structures, capitalization, or management as a result of the Merger or otherwise; (ii) is referenced only for the information of stockholders of US Airways Group who may be interested in reviewing such information; and (iii) is not included or incorporated by reference into this proxy statement/prospectus.

A summary of the material forecasted financial information included in the AMR Forecasts and provided to the US Airways Group board of directors in connection with the evaluation of the Merger and the other transactions contemplated by the Merger Agreement is set forth below:

	Year Ended December 31,				
	2013	2014	2015	2016	2017
	(In millions)				
Total Operating Revenues	\$ 26,348	\$ 27,559	\$ 29,963	\$ 31,807	\$ 32,346
Adjusted EBITDAR <sup>(a)</sup>	4,130	4,838	5,124	5,101	5,138
Pre-Tax Income <sup>(b)</sup>	1,503	2,334	2,283	2,054	1,861
Adjusted Net Debt <sup>(c)(d)(e)</sup>	8,913	8,913	9,597	10,547	11,573

- (a) Adjusted EBITDAR is a non-GAAP financial measure defined as earnings before interest, taxes, depreciation, amortization, and mainline aircraft rent expense. Adjusted EBITDAR excludes costs incurred by the Debtors in connection with the Chapter 11 Cases and special items of \$103 million in 2013.

**Table of Contents**

- (b) Pre-tax income is defined as income (loss) before income taxes.
- (c) The AMR Forecasts provided by AMR to US Airways Group assumed the receipt by AMR of \$1 billion of proceeds from a hypothetical rights offering of AMR in connection with the emergence of the Debtors from the Chapter 11 Cases. AMR's projected cash balance was adjusted to exclude these hypothetical proceeds in the calculation of Adjusted Net Debt provided to the US Airways Group board of directors to facilitate analysis of the Merger (as opposed to a stand-alone emergence from the Chapter 11 Cases by the Debtors).
- (d) Adjusted net debt is a non-GAAP financial measure defined as total indebtedness less unrestricted cash. Adjusted net debt includes capitalized rent based on mainline aircraft rent expense only.
- (e) The AMR Forecasts provided by AMR to US Airways Group included presentations of adjusted net debt that assumed, alternatively, either the inclusion or exclusion of off-balance sheet indebtedness of AMR. The AMR Forecasts provided to the US Airways Group board of directors in connection with the evaluation of the Merger and the other transactions contemplated by the Merger Agreement did not include off-balance sheet indebtedness of AMR because such indebtedness would not have been required to be included on a consolidated balance sheet of AMR prepared in accordance with GAAP.

***Certain US Airways Group Forecasted Financial Information***

US Airways Group does not generally publish its business plans and strategies. In the past, US Airways Group has prepared and provided public guidance as to certain projected quarterly and annual operating costs, revenues and ASMs, cash position and fuel prices, and certain other matters, on its quarterly earnings conference calls, and has publicly updated that guidance from time to time. The US Airways Group Forecasts were prepared on a different basis and at a different time than US Airways Group's public guidance, consist of different financial and operating measures than US Airways Group's public guidance, do not, and were not intended to, correspond to US Airways Group's public guidance and do not, and were not intended to, update or revise US Airways Group's public guidance.

In connection with the negotiation and discussion of the Merger, US Airways Group management delivered the internally prepared US Airways Group Forecasts summarized below to AMR management in December 2012. The US Airways Group Forecasts were delivered to management of AMR pursuant to the existing non-disclosure agreements between the parties and were not intended for public disclosure. As noted above, the US Airways Group Forecasts described below were provided by US Airways Group management to US Airways Group's financial adviser and to the US Airways Group board of directors in connection with the evaluation of the Merger.

In January 2013, US Airways Group also provided materials that included financial information from the US Airways Group Forecasts to the Significant Creditors under non-disclosure agreements binding on the recipients for the purpose of facilitating confidential discussions between AMR, US Airways Group, and those creditors. Pursuant to the relevant non-disclosure agreements, US Airways Group was contractually obligated under certain circumstances to make publicly available the materials it provided to the Significant Creditors to the extent such materials could be deemed to constitute material non-public information, and the materials provided to the Significant Creditors were subsequently included as an exhibit to a Form 8-K that was filed by US Airways Group with the SEC on February 14, 2013 solely to satisfy the contractual obligation of US Airways Group under the relevant non-disclosure agreements. This publicly filed US Airways Group financial information does not reflect any of the potential effects of the Merger, or any other changes that may in the future affect AAG or its assets, business, operations, properties, policies, corporate structure, capitalization, or management as a result of the Merger or otherwise, is referenced only for the information of stockholders of US Airways Groups who may be interested in reviewing such information, and is not included or incorporated by reference into this proxy statement/prospectus. See [Additional Information](#) on page 347 for more information on where you may find the financial information provided by US Airways Group to the Significant Creditors.

**Table of Contents**

A summary of the material forecasted financial information included in the US Airways Group Forecasts and provided to the US Airways Group board of directors in connection with the evaluation of the Merger and the other transactions contemplated by the Merger Agreement is set forth below:

	Year Ended December 31,				
	2013	2014	2015	2016	2017
	(In millions)				
Total Operating Revenues	\$ 14,479	\$ 15,029	\$ 15,597	\$ 16,094	\$ 16,603
EBITDAR <sup>(a)</sup>	2,194	2,280	2,533	2,694	2,863
Pre-Tax Income <sup>(b)</sup>	952	929	1,144	1,338	1,529
Adjusted Net Debt <sup>(c)</sup>	6,336	5,924	4,856	3,454	2,771

- (a) EBITDAR is a non-GAAP financial measure defined as earnings before interest, taxes, depreciation, amortization, and mainline aircraft rent expense.
- (b) Pre-tax income is defined as income (loss) before income taxes.
- (c) Adjusted net debt is a non-GAAP financial measure defined as total indebtedness less unrestricted cash, adjusted to exclude \$173 million of convertible debt of US Airways Group. Adjusted net debt includes capitalized rent based on mainline aircraft rent expense only and excludes off-balance sheet indebtedness of US Airways Group.

***Certain Expected Synergies***

In connection with the negotiation and discussion of the Merger, management of AMR and US Airways Group analyzed the potential cost and revenue synergies that could be generated by combining the companies, taking into account the benefits already achieved by AMR's restructuring, and management of AMR and US Airways Group prepared estimates of recurring revenue and costs synergies expected to be realized by AAG in connection with or following the Closing, as well as estimates of recurring dis-synergies and estimates of one-time implementation costs expected to be incurred by AAG in connection with or following the Closing.

AMR and US Airways Group management estimate that AAG will achieve more than \$1 billion in annual net synergies in 2015, including cost synergies of approximately \$150 million (after taking into account the improved compensation arrangements negotiated with future employees of AAG) and revenue synergies of approximately \$900 million. AMR and US Airways Group expect to realize the cost synergies principally by reducing management and administrative overhead, consolidating information technology systems, and combining facilities. AMR and US Airways Group expect to realize the revenue synergies principally from providing significantly enhanced connectivity throughout the world to permit customers, particularly corporate clients, to use AAG for more of their travel needs and from optimizing the scheduling of the combined fleet to better match aircraft size with consumer demand. AMR and US Airways Group also expect to incur transition costs in connection with the Merger and the integration of the businesses of AMR and US Airways Group of approximately \$1.2 billion. There can be no assurance that AAG will be able to achieve the Expected Synergies at all, or that, if achieved, they can be achieved in a timely manner.

***Certain AAG Forecasted Financial Information***

The Disclosure Statement, which AMR and the other Debtors are required to prepare and deliver to stakeholders of the Debtors in connection with the Plan, contains the AAG Disclosure Statement Forecasts to demonstrate the feasibility of the Plan. Any information in the Disclosure Statement, including the AAG Disclosure Statement Forecasts contained therein, should not be regarded for the purpose of this proxy statement/prospectus as a representation or warranty by US Airways Group, AMR, AAG, or any other person, as to the accuracy of such information or that any such forecasts or valuations will be realized. The AAG Disclosure Statement Forecasts and estimates of value were prepared for a limited purpose related to AMR's Chapter 11 Cases and have not been, and will not be, publicly updated or reconciled, except as may be required by applicable law or regulations. The AAG Disclosure Statement Forecasts are being included in this proxy

**Table of Contents**

statement/prospectus solely to make available to US Airways Group stockholders information provided to the AMR stakeholders in the Disclosure Statement because such information will be released publicly substantially contemporaneously with the mailing of this proxy statement/prospectus.

The AAG Disclosure Statement Forecasts are based on different assumptions and methodologies than were used for the AMR Forecasts and the US Airways Group Forecasts, including, among others, the assumptions and methodologies related to future fuel costs. In addition, each forecast was prepared at a different time. The AAG Disclosure Statement Forecasts do not represent a combination of the AMR Forecasts, the US Airways Group Forecasts, and/or the Expected Synergies described in this proxy statement/prospectus.

The AAG Disclosure Statement Forecasts do not reflect the impact of fresh start reporting that will be required for AAG in accordance with ASC 852 or the impact of the acquisition method of accounting with respect to the Merger. The impact of such accounting adjustments, which is required to be reflected at the Closing, is expected to have a material impact on the future AAG balance sheet and prospective results of operations. In addition, the AAG Disclosure Statement Forecasts do not include any assumptions about AAG's compensation programs or any equity capital or debt financing transactions that AAG may implement following the Closing, which could result in material changes to the financial information reflected in the AAG Disclosure Statement Forecasts.

A summary of the material forecasted financial information included in the AAG Disclosure Statement Forecasts is set forth below:

	2013	Year Ended December 31,			2017
		2014	2015	2016	
			(In millions)		
Total Operating Revenues	\$ 40,971	\$ 42,987	\$ 45,582	\$ 47,319	\$ 47,830
Adjusted EBITDAR <sup>(a)</sup>	6,450	7,793	8,631	8,577	8,569
Pre-Tax Income <sup>(b)</sup>	2,600	3,816	4,375	4,234	4,138
Adjusted Net Debt <sup>(c)</sup>	16,066	14,925	14,314	12,999	12,198

- (a) Adjusted EBITDAR is a non-GAAP financial measure defined as earnings before interest, taxes, depreciation, amortization, and mainline aircraft rent expense. Adjusted EBITDAR excludes costs incurred by the Debtors in connection with the Chapter 11 Cases, special items and one-time transition expenses of \$371 million in 2013, \$326 million in 2014, \$173 million in 2015, and \$50 million in 2016.
- (b) Pre-tax income is a non-GAAP financial measure defined as income (loss) before income taxes, adjusted to exclude costs incurred by the Debtors in connection with the Chapter 11 Cases, special items and one-time Merger transition expenses of \$446 million in 2013, \$326 million in 2014, \$173 million in 2015, and \$50 million in 2016.
- (c) Adjusted net debt is a non-GAAP financial measure defined as total indebtedness less unrestricted cash. Adjusted net debt includes capitalized rent based on mainline aircraft rent expense only, and includes other off-balance sheet debt.

**Regulatory Approvals Required for the Merger**

Under the HSR Act, AMR and US Airways Group were required to file notifications with the Premerger Notification Office of the FTC and the Antitrust Division of the DOJ and observe a mandatory waiting period before completing the Merger. On January 31, 2013, both AMR and US Airways Group filed the required notification materials under the HSR Act. On March 4, 2013, AMR and US Airways Group received a Second Request from the DOJ in connection with the proposed Merger.

The issuance of the Second Request extended the statutory HSR Act waiting period during which the parties cannot close the Merger. The DOJ is currently conducting its review of the Merger. Several state attorneys general also are reviewing the Merger and are coordinating their investigation with the DOJ.

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**Table of Contents**

The Merger is also subject to the approval of the European Commission under EU merger control legislation. AMR and US Airways Group filed a briefing paper with the European Commission on February 26, 2013 as part of the standard pre-notification discussions with the European Commission. Such pre-notification discussions and submissions are continuing. AMR and US Airways Group anticipate filing the formal notification seeking European Commission approval of the proposed Merger in the coming weeks.

AMR and US Airways Group have also notified the Merger to the competition authorities in Canada, Brazil, Israel, Mexico, and Taiwan. These competition authorities have now all completed their review of the Merger without taking any further action. The parties do not expect to file merger notifications in jurisdictions other than those described above.

In addition to the antitrust related filings and clearances discussed above, AMR and US Airways Group must obtain approvals from various other U.S. regulatory agencies, including any required approvals from the DOT and the FAA, as well as certain foreign regulatory authorities in connection with the Merger. However, obtaining such approvals (other than any approvals from the DOT or the FAA) is only a condition to the Closing if the failure to obtain such approvals would reasonably be expected to result in a material adverse effect on AMR, US Airways Group, or AAG or to provide a reasonable basis to conclude that AMR, US Airways Group, or any of their respective directors or officers would be subject to the risk of criminal liability. AMR and US Airways Group do not believe that the failure to receive any such regulatory approvals, other than any required approvals from the DOT or the FAA, would reasonably be expected to result in a material adverse effect on AMR, US Airways Group, or AAG, or provide a reasonable basis to conclude that AMR, US Airways Group, or any of their respective directors or officers would be subject to the risk of criminal liability. As of the date of this proxy statement/prospectus, American and US Airways have submitted filings to the DOT in order to obtain certain required approvals in connection with the Merger, but have not received those approvals from the DOT. AMR and US Airways Group do not believe that any FAA approvals are required prior to the Merger, although approvals of the FAA will be required in connection with the integration of American and US Airways after the Closing.

The parties continue to work diligently to respond to outstanding requests and inquiries by government agencies in an effort to secure clearance for the Merger.

AMR and US Airways Group cannot make assurances that the DOJ, the European Commission, the DOT, the FAA, or other government agencies, including state attorneys general or private parties, will not initiate actions to challenge the Merger before or after it is completed. Any such challenge to the Merger could result in a court order enjoining the Merger or in restrictions or conditions that would have a material adverse effect on AAG if the Merger is completed. Such restrictions and conditions could include requiring the divestiture or spin-off of assets or businesses. Under the terms of the Merger Agreement, each of AMR and US Airways Group is required to commit to any divestitures or similar arrangements with respect to its assets or conduct of business if that divestiture or arrangement is required by any governmental entity in order to complete the Merger, but no such divestiture or similar arrangement will be required if such action (i) would have a material adverse effect on AAG, (ii) would be required prior to the Effective Time, or (iii) in the case of AMR, would not be permitted by the Bankruptcy Court, provided that AMR has used reasonable best efforts and taken all reasonable actions to obtain such permission. No additional stockholder approval of US Airways Group is expected to be required or sought for any decision made by AMR or US Airways Group after the 2013 Annual Meeting of Stockholders to agree to any terms and conditions necessary to resolve any regulatory objections to the Merger.

**Material U.S. Federal Income Tax Consequences**

The following is a discussion of the material U.S. federal income tax consequences of the Merger applicable to U.S. Holders of US Airways Group common stock, but does not purport to be a complete analysis of all potential tax effects. The effects of other U.S. federal tax laws, such as estate and gift tax laws, and any applicable state, local, or foreign tax laws are not discussed. This discussion is based on the Code, U.S. Treasury regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the IRS in effect as of the date of the Merger. These authorities may change or be subject to differing interpretations. Any such change may be applied retroactively in a manner that could adversely affect a holder of US Airways Group common stock.

**Table of Contents**

This discussion is limited to U.S. Holders who hold their US Airways Group common stock as a capital asset within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all U.S. federal income tax consequences relevant to the particular circumstances of a US Airways Group common stockholder. In addition, it does not address consequences relevant to holders of US Airways Group common stock that are subject to particular rules, including, without limitation:

persons subject to the alternative minimum tax;

persons whose functional currency is not the dollar;

persons holding US Airways Group common stock as part of a hedge, straddle, or other risk reduction strategy or as part of a conversion transaction or other integrated investment;

persons who are not U.S. Holders;

banks, insurance companies, and other financial institutions;

real estate investment trusts or regulated investment companies;

brokers, dealers, or traders in securities;

S corporations, partnerships, or other entities or arrangements treated as partnerships for U.S. federal income tax purposes;

tax-exempt organizations or governmental organizations;

persons deemed to sell US Airways Group common stock under the constructive sale provisions of the Code;

persons who hold or receive US Airways Group common stock pursuant to the exercise of any employee stock options or otherwise as compensation; and

tax-qualified retirement plans.

If a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) holds US Airways Group common stock, the tax treatment of a partner in the partnership generally will depend on the status of the partner, the activities of the partnership, and certain determinations made at the partner level. Accordingly, partnerships holding US Airways Group common stock and the partners in such partnerships should consult their tax advisers regarding the U.S. federal income tax consequences to them.

Holders of US Airways Group common stock should consult their tax advisers with respect to the particular tax consequences of the Merger to them, including the effects of U.S. federal, state, local, foreign, and other tax laws.

***U.S. Federal Income Tax Consequences to U.S. Holders***



## Edgar Filing: AMR CORP - Form 424B3

Latham & Watkins LLP, counsel to US Airways Group, and Weil, Gotshal & Manges LLP, counsel to AMR, are each of the opinion that the Merger in conjunction with the Plan will qualify as a reorganization pursuant to Section 368(a) of the Code. These opinions are based on, among other things, certain assumptions and certain representations as to factual matters made by US Airways Group and AMR which, if incorrect or inaccurate in any respect, might jeopardize the conclusion reached by counsel in their opinions. In addition, counsel have assumed that the Merger will be consummated in accordance with the terms of the Merger Agreement, the representations and warranties contained in the Merger Agreement were true, correct and complete when made and will continue to be true, correct and complete through the effective time of the Merger, and the parties have complied with, and, if applicable, will continue to comply with, the covenants and agreements contained in the Merger Agreement. Neither of these opinions is binding on the IRS or the courts, and neither US Airways Group nor AMR intends to request a ruling from the IRS regarding the U.S. federal income tax consequences of the Merger. Consequently, no assurance can be given that the IRS will not assert, or

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## **Table of Contents**

that a court would not sustain, a position contrary to any of those set forth below. In addition, if any of the representations or assumptions upon which such opinions are based is inaccurate, the U.S. federal income tax consequences of the Merger could differ from those discussed here.

The Closing is conditioned, among other things, upon US Airways Group and AMR receiving written opinions from their respective counsel, in each case dated as of the Closing Date, to the effect that, on the basis of the facts, representations, assumptions, and exclusions set forth in such opinions and certificates to be obtained from officers of US Airways Group and AMR, the Merger in conjunction with the Plan will qualify as a reorganization within the meaning of Section 368(a) of the Code. The opinion condition with respect to counsel of US Airways Group will not be waivable after the US Airways Group stockholders have approved the adoption of the Merger Agreement, unless further approval of the US Airways Group stockholders is obtained with appropriate disclosure.

As stated above, it is the opinion of Latham & Watkins LLP and Weil, Gotshal & Manges LLP that the Merger in conjunction with the Plan will qualify as a reorganization within the meaning of Section 368(a) of the Code. Accordingly:

a U.S. Holder will not recognize gain or loss as a result of the exchange of such holder's US Airways Group common stock for AAG common stock in the Merger;

a U.S. Holder's aggregate tax basis in AAG common stock received in the Merger will equal the aggregate tax basis of the US Airways Group common stock surrendered in the Merger; and

a U.S. Holder's holding period for AAG common stock received in the Merger will include the holder's holding period for the US Airways Group common stock surrendered in the Merger.

U.S. Holders who hold their US Airways Group common stock with differing bases or holding periods should consult their tax advisers with regard to identifying the bases or holding periods of the particular AAG common shares received in the Merger.

### ***Certain Tax Reporting Rules***

Under applicable U.S. Treasury regulations, significant holders of US Airways Group common stock generally will be required to comply with certain reporting requirements. A U.S. Holder should be viewed as a significant holder if, immediately before the Merger, such holder held 5% or more, by vote or value, of the total outstanding US Airways Group common stock. Significant holders generally will be required to file a statement with the holder's U.S. federal income tax return for the taxable year that includes the Closing. That statement must set forth the holder's tax basis in, and the fair market value of, the shares of US Airways Group common stock surrendered pursuant to the Merger (both as determined immediately before the surrender of shares), the date of the Merger, and the name and employer identification number of AAG, US Airways Group, and AMR Merger Sub, and the holder will be required to retain permanent records of these facts. U.S. Holders should consult their tax advisers as to whether they may be treated as a significant holder.

The discussion of the material U.S. federal income tax consequences set forth above is not a complete description of all of the consequences of the Merger. U.S. Holders of US Airways Group common stock are strongly urged to consult their tax advisers regarding the tax consequences of the Merger to them, including the effects of U.S. federal, state, local, foreign, and other tax laws.

### **Accounting Treatment**

AMR prepares its financial statements in accordance with GAAP. In accordance with ASC 852, Reorganizations, AMR will adopt fresh start accounting upon its emergence from Chapter 11. Fresh start accounting requires resetting the historical net book value of assets and liabilities to fair value by assigning the entity's reorganization value to its assets and liabilities pursuant to ASC 805, Business Combinations. The

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## **Table of Contents**

Merger will be accounted for using the acquisition method of accounting in accordance with ASC 805, with AMR being considered the acquirer of US Airways Group for accounting purposes. Accordingly, US Airways Group's identifiable assets acquired and liabilities assumed will be recognized at their estimated fair values as of the Closing Date. Goodwill will be measured as the excess of the fair value of the consideration transferred in the Merger over the fair value of the identifiable net assets. As of the date of this proxy statement/prospectus, AMR has not performed the detailed valuation studies necessary to arrive at the required estimates of the fair value of the US Airways Group assets to be acquired and the liabilities to be assumed, nor has it identified all adjustments necessary to conform US Airways Group's accounting policies to AMR's accounting policies. Additionally, a final determination of the fair value of US Airways Group's assets and liabilities, which cannot be made prior to the Closing, will be based on the identifiable net tangible and intangible assets and liabilities of US Airways Group that exist as of the Closing Date. Goodwill is not amortized but is tested for impairment at least annually.

### **Listing of AAG Common Stock and Delisting of US Airways Group Common Stock**

It is a condition to Closing that the shares of AAG common stock to be issued to US Airways Group equity holders pursuant to the Merger be authorized for listing on the NYSE or NASDAQ prior to the Effective Time. AMR will use its reasonable best efforts to cause the shares of AAG common stock to be authorized for listing on the NYSE or NASDAQ upon official notice of issuance, prior to the Closing Date. Upon the Closing, shares of US Airways Group common stock currently listed on the NYSE will be delisted and will be subsequently deregistered under the Exchange Act.

### **No Dissenters' Rights**

Holders of US Airways Group common stock who dissent to the Merger will not have rights to an appraisal of the fair value of their shares. Under the DGCL, appraisal rights are not available for the shares of any class or series if the shares of the class or series are listed on a national securities exchange or held of record by more than 2,000 holders on the record date, unless the stockholders receive in exchange for their shares anything other than shares of stock of the surviving or resulting corporation or of any other corporation that is publicly listed or held by more than 2,000 holders of record, cash in lieu of fractional shares or fractional depository receipts or any combination of the foregoing. US Airways Group common stock is listed on the NYSE as of the Record Date, and US Airways Group stockholders will receive shares of AAG common stock pursuant to the Merger Agreement. Listing of the AAG common stock on the NYSE or NASDAQ is a condition to the Closing.

### **Restrictions on Sales of Shares of AAG Common Stock Received by Affiliates in the Merger**

The shares of AAG common stock to be issued to stockholders of US Airways Group in connection with the Merger will be registered under the Securities Act and will be freely transferable, except for shares of AAG common stock issued to any person who is deemed to be an affiliate of US Airways Group under the Securities Act, prior to the Closing. Persons who may be deemed to be affiliates of US Airways Group prior to the Closing include individuals or entities that control, are controlled by, or are under common control with, US Airways Group prior to the Merger and may include officers and directors, as well as significant stockholders, of US Airways Group prior to the Merger. The same restrictions apply to the spouses and certain relations of those persons and any trusts, estates, corporations, or other entities in which those persons have a 10% or greater beneficial or equity interest. Affiliates of US Airways Group prior to the Merger may only sell the shares of AAG common stock they receive in connection with the Merger pursuant to:

an effective registration statement under the Securities Act covering the resale of those shares;

an exemption under paragraph (d) of Rule 145 under the Securities Act; or

any other applicable exemption under the Securities Act.

The registration statement of which this proxy statement/prospectus forms a part does not cover the resale of shares of AAG common stock to be received by affiliates of US Airways Group in the Merger.

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**Table of Contents**

**Interests of US Airways Group's Directors and Executive Officers in the Merger**

In considering the recommendation of the US Airways Group's board of directors with respect to adopting the Merger Agreement, US Airways Group stockholders should be aware that certain members of the board of directors and executive officers of US Airways Group have interests in the Merger that are different from, or are in addition to, interests of US Airways Group stockholders generally. These interests may create an appearance of a conflict of interest. The US Airways Group board of directors was aware of these potential conflicts of interests during its deliberations on the merits of the Merger and in making its decisions in approving the Merger, the Merger Agreement, and the related transactions.

These interests are described in more detail below, and certain of them are quantified in the tables that follow the narrative below in the section entitled "Proposal 2: Advisory Vote on Merger-Related Compensation" beginning on page 200. The dates used below to quantify these interests have been selected for illustrative purposes only and do not necessarily reflect the dates on which certain events will occur.

For further information with respect to the compensatory arrangements between US Airways Group and its executive officers and directors, also see the sections entitled "US Airways Group Compensation Discussion and Analysis" beginning on page 310, "US Airways Group Executive Compensation" beginning on page 326, and "US Airways Group Director Compensation" beginning on page 297.

On June 10, 2013, AMR and US Airways Group jointly announced their intention to retain the following individuals, subject to the approval of the board of directors of AAG, as the senior leadership team of AAG or its principal operating subsidiaries following the Closing (in addition to Mr. Parker):

J. Scott Kirby, as president (currently president of US Airways Group);

Elise R. Eberwein, as executive vice president people and communications (currently executive vice president people, communications and public affairs of US Airways Group);

Robert D. Isom, Jr., as chief operating officer and as chief executive officer of US Airways (currently executive vice president and chief operating officer of US Airways Group);

Stephen L. Johnson, as executive vice president, corporate affairs (currently executive vice president corporate and government affairs of US Airways Group); and

Derek J. Kerr, as chief financial officer (currently chief financial officer of US Airways Group).

As of the date of this proxy statement/prospectus, AAG had not entered into any new plan, contract, or arrangement with any of these individuals with respect to compensation and benefits following the Closing. The compensation programs and policies for AAG are expected to be established by the board of directors of AAG following the Closing. For more information with respect to the foregoing individuals who are current US Airways Group executive officers, see the sections entitled "US Airways Group Compensation Discussion and Analysis" beginning on page 310 and "US Airways Group Executive Officers" beginning on page 324.

US Airways Group has designated Matthew J. Hart, Richard C. Kraemer, and Denise M. O'Leary, current members of the US Airways Group board of directors, as members of the board of directors of AAG following the Closing. For more information about these individuals, see the sections entitled "Proposal 4: Election of Directors" beginning on page 283 and "US Airways Group Director Compensation" beginning on page 297. As of the date of this proxy statement/prospectus, the compensation to be paid to the non-employee directors of AAG has not yet been determined.

The following table sets forth for each of US Airways Group's directors and executive officers holding US Airways Group stock options, SARs, and/or RSUs as of May 24, 2013, (i) the aggregate number of shares of US



**Table of Contents**

Airways Group common stock subject to vested US Airways Group stock options or SARs and unvested US Airways Group stock options or SARs as of such date and (ii) the number of RSUs held by the director or executive officer as of such date. Each US Airways Group stock option, SAR, and/or RSU will convert, upon the Closing, into an AAG stock option, SAR, and/or RSU, as applicable, covering the same number of shares underlying the original US Airways Group equity award.

Name	Vested Stock Options	Unvested Stock Options	Vested Stock-Settled Stock Appreciation Rights	Unvested Stock-Settled Stock Appreciation Rights	Vested Cash-Settled Stock Appreciation Rights	Unvested Cash-Settled Stock Appreciation Rights	Stock-Settled Restricted Stock Units	Cash-Settled Restricted Stock Units
W. Douglas Parker	309,375	0	2,216,487	276,677	0	0	344,695	0
Bruce R. Lakefield	8,250	0	0	0	0	0	0	0
Matthew J. Hart	7,906	0	0	0	0	0	0	0
Richard C. Kraemer	16,500	0	0	0	0	0	0	0
Cheryl G. Krongard	8,250	0	0	0	0	0	0	0
Denise M. O Leary	16,500	0	0	0	0	0	0	0
George M. Philip	8,250	0	0	0	0	0	0	0
William J. Post	0	0	0	0	0	0	0	0
J. Scott Kirby	20,625	0	881,122	193,695	0	0	241,312	0
Robert D. Isom, Jr.	0	0	710,390	110,096	119,200	0	137,161	0
Derek J. Kerr	0	0	573,445	110,096	119,200	0	137,161	0
Elise R. Eberwein	0	0	359,611	110,096	119,200	0	137,161	0
Stephen L. Johnson	0	0	552,905	110,096	119,200	0	137,161	0

***Compensatory Arrangements with W. Douglas Parker***

That certain Amended and Restated Employment Agreement, by and among US Airways Group, US Airways, and W. Douglas Parker, dated November 28, 2007 (the Parker Agreement), provides certain benefits to Mr. Parker upon a change of control, including the Merger, and upon termination of employment by US Airways Group or US Airways in certain circumstances in connection with a change in control, including the Merger. For a detailed summary of the relevant provisions of the Parker Agreement, see the section entitled US Airways Group Executive Compensation Potential Payments upon Termination or Change in Control Parker Agreement Termination for Good Reason, without Misconduct, or following a Change in Control beginning on page 330. In addition, under Mr. Parker's individual equity award agreements, Mr. Parker would be entitled to accelerated vesting of his outstanding US Airways Group equity awards upon a change in control. Mr. Parker has agreed to waive his right to accelerated vesting of US Airways Group stock options, US Airways Group RSUs, and/or US Airways Group SARs, in each case, solely as a result of the Closing. Mr. Parker has retained his double trigger accelerated vesting of such equity awards upon a qualifying termination in connection with the Closing.

***Executive Change in Control Agreements***

Messrs. Kirby, Isom, Johnson, and Kerr and Ms. Eberwein have entered into executive change in control agreements with US Airways Group (US Airways Group Executive CIC Agreements). These agreements provide benefits to the executives upon a termination of employment by US Airways Group and US Airways for any reason other than misconduct or disability or by the executive with good reason, in each case within 24 months following a change in control (each as defined in the US Airways Group Executive CIC Agreements), including the Merger, or, subject to certain conditions described below, prior to a change in control in contemplation of that change in control.

For purposes of the US Airways Group Executive CIC Agreements, good reason includes any of the following acts or failures to act, if not consented to by the executive: (i) a material adverse alteration by US Airways Group of the executive's compensation, position, function, duties, or responsibilities; (ii) the relocation of the executive outside the metropolitan area in which the executive is based; or (iii) the failure of US Airways

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**Table of Contents**

Group to perform any material obligation owed to the executive, subject in each case to timely notification and US Airways Group's ability to cure.

Upon termination within 24 months following a change in control under the conditions described in the first paragraph above, the covered executive is entitled to receive the following payments and benefits, subject to the timely execution and non-revocation of a release:

a payment equal to two times the greater of the executive's then-current annual base salary or the annual base salary immediately preceding a change in control;

a payment equal to the greater of (i) 200% of the executive's then-current target incentive award under the applicable US Airways Group and US Airways annual incentive program, or (ii) the executive's actual incentive award under the US Airways Group and US Airways annual incentive program for the immediately preceding year;

a payment equal to 200% of the executive's target award under the applicable US Airways Group Long-Term Incentive Performance Program ( LTIPP ) that is in effect on the termination date or, if there is no LTIPP in effect and its suspension or termination constitutes a "good reason" to terminate employment, 200% of the executive's target award most recently established under the LTIPP;

a lump sum payment equal to the value of 24 months of continuation coverage premiums under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ( COBRA ) for healthcare benefits for the executive and eligible dependents, provided the executive is eligible to elect COBRA continuation coverage upon his or her termination;

extended exercisability of all vested US Airways Group stock options, SARs, or other similar stock awards for 18 months following the executive's termination of employment, but not beyond the maximum term of the awards; and

a tax gross-up payment in an amount that will have an after-tax value equal to taxes that are imposed if any severance payments due the executive are considered to be greater than 110% of the amount that would cause any portion of the payments to be "excess parachute payments" subject to excise tax under Section 4999 of the Code.

Any cash payments described in the bullet points above will be payable in a lump sum within 60 days following the executive's termination.

The US Airways Group Executive CIC Agreements also provide that termination benefits are to be provided to an executive who has been terminated prior to a change in control (if it can reasonably be demonstrated that the termination was at the request of a third party effecting the change in control) by US Airways Group for any reason other than misconduct or disability. The benefits and payments provided in these circumstances are identical to those described above except that (i) payments and benefits due upon the change in control are offset by any amounts received as a result of the executive's termination prior to the change in control, and (ii) instead of extended exercisability of stock awards and acceleration of equity vesting, the executive will receive an amount equal to the intrinsic value of any stock award (other than exercisable grants) forfeited at the time of termination that would have vested on the change in control, based on the value of the award as of the date of the change in control, and, as to exercisable grants, the difference between that stock award's exercise price and the value of the stock underlying the award on the date of the change in control.

The US Airways Group Executive CIC Agreements provide that upon a change in control, the executive's outstanding stock awards held pursuant to the US Airways Group, Inc. 2011 Incentive Award Plan (the "2011 Plan"), the US Airways Group, Inc. 2008 Equity Incentive Plan (the "2008 Plan"), and/or the US Airways Group, Inc. 2005 Equity Incentive Plan (the "2005 Plan"), or any successor plan, will become fully vested and exercisable and the executive will be entitled to top priority, first class, positive space travel privileges for the executive and his or her dependents, for the life of the executive. Messrs. Kirby, Isom, and Kerr and

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## **Table of Contents**

Ms. Eberwein previously became entitled to lifetime flight benefits, in the case of Messrs. Kirby and Kerr and Ms. Eberwein, in connection with the merger of US Airways Group and America West, and in the case of Mr. Isom, to replace a similar benefit provided by his previous employer that was forfeited when he commenced employment with US Airways Group.

Each of Messrs. Parker, Kirby, Isom, Johnson, and Kerr and Ms. Eberwein has agreed to waive his or her rights to accelerated vesting of US Airways Group stock options, US Airways Group RSUs, and/or US Airways Group SARs, in each case, solely as a result of the Closing. The executives instead have been provided a right to double trigger accelerated vesting of such equity awards upon a qualifying termination in connection with the Closing.

### ***Employee Benefits***

The Merger Agreement requires AAG (or the Surviving Corporation or any subsidiary thereof) to continue to provide certain compensation and benefits for at least a period of one year following the Effective Time, as well as take certain actions in respect of employee benefits provided to US Airways Group's employees, including its executive officers. As used herein, the Surviving Corporation means US Airways Group, with respect to time periods after the Effective Time pursuant to the Merger Agreement. For a detailed description of these requirements, please see the section entitled The Merger Agreement Employee Matters beginning on page 132.

### ***Director Flight Privileges***

The Merger Agreement provides that, as of the Effective Time, AAG will provide: (i) positive space, first class, flight privileges to each non-employee member of the US Airways Group board of directors for personal non-business related travel on substantially the same terms as provided as of the date of the Merger Agreement to the fully vested members of the US Airways Group board of directors, which will continue until the later of the death of such individual or such individual's spouse or life partner; (ii) to each non-employee member of the US Airways Group board of directors, participation in AAG's flight benefit program for directors, with the exception that only individuals then serving as members of the board of directors of AAG will be entitled to a tax gross-up with respect to their flight privileges or any flight benefit plan benefits; and (iii) flight privileges to each individual (and such individual's spouse, life partner, and dependent children) who, as of the date the Merger Agreement was executed, was a former member of the US Airways Group board of directors on substantially the same terms as such flight privileges were provided to such individual as of the date of the Merger Agreement. As of December 31, 2012, all but one of the US Airways Group non-employee directors was already fully vested in lifetime flight privileges.

### ***Indemnification***

US Airways Group directors and executive officers have rights to indemnification and directors' and officers' liability insurance that will survive the Closing.

### ***Treatment of US Airways Group Equity Awards***

The Merger Agreement provides that, at the Effective Time, (i) each US Airways Group stock option that is outstanding immediately prior to the Effective Time, whether or not vested, will be converted into an option to purchase a number of shares of AAG common stock equal to the number of shares of US Airways Group common stock underlying the applicable US Airways Group stock option, and AAG will assume such stock option, (ii)(a) each US Airways Group stock-settled SAR that is outstanding immediately prior to the Effective Time, whether or not vested, will be converted into a stock-settled SAR covering a number of shares of AAG common stock equal to the number of shares of US Airways Group common stock underlying the applicable US Airways Group stock-settled SAR, and (b) each US Airways Group cash-settled SAR that is outstanding immediately prior to the Effective Time will be converted into a cash-settled SAR to acquire an amount of cash



**Table of Contents**

determined by reference to a number of shares of AAG common stock equal to the number of shares of US Airways Group common stock referenced by the applicable US Airways Group cash-settled SAR and, in each case, AAG will assume such SAR, and (iii)(a) each US Airways Group stock-settled RSU, each of which represents the right to receive one share of US Airways Group common stock, that is outstanding immediately prior to the Effective Time will be converted into a stock-settled RSU with respect to one share of AAG common stock at the Effective Time, and (b) each US Airways Group cash-settled RSU, each of which represents the right to receive the value of one share of US Airways Group common stock, that is outstanding immediately prior to the Effective Time will be converted into the right to receive an amount in cash based on the value of one share of AAG common stock at the Effective Time and, in each case, AAG will assume such RSU. Each assumed US Airways Group stock option, US Airways Group SAR, and US Airways Group RSU will otherwise remain subject to the same terms and conditions of the applicable US Airways Group stock option, US Airways Group SAR, and US Airways Group RSU applicable immediately prior to the Effective Time, except that references to US Airways Group will be deemed to be AAG.

For more information, see the sections entitled *The Merger Agreement The Merger Consideration and the Plan Shares US Airways Group Stock Options and Other Stock Awards* beginning on page 120 and *The Merger Agreement The Merger Consideration and the Plan Shares US Airways Group Stock Options and Other Stock Awards US Airways Group Restricted Stock Units* beginning on page 121.

**Treatment of AMR Equity Awards**

Pursuant to the Merger Agreement and the Plan, all existing AMR equity awards, including, but not limited to, options to purchase AMR common stock and all awards of any kind consisting of shares of AMR common stock that have been or may be granted, held, awarded, outstanding, payable, or reserved for issuance, will be cancelled, retired, and cease to exist.

**New AAG Compensation Plan and Certain Equity Awards**

Prior to the Closing, AMR will adopt, to be effective as of the Effective Time, the new American Airlines Group Inc. 2013 Incentive Award Plan (the *AAG 2013 IAP*), which will be substantially in the form of US Airways Group's 2011 Plan, except that the aggregate number of shares of AAG common stock reserved for issuance pursuant to the AAG 2013 IAP will equal 40 million shares of AAG common stock. Employees, directors, and consultants of AAG or any of its affiliates will be eligible to receive awards under the AAG 2013 IAP. For more information relating to the AAG 2013 IAP, see the section entitled *AAG Equity Compensation Plan* beginning on page 196.

The Merger Agreement provides for new equity awards to be issued under the terms of the AAG 2013 IAP, which awards are effective only upon the Closing and will not be cancelled in connection with the Merger. These equity awards are described elsewhere in this proxy statement/prospectus. For more information, please see the sections entitled *Proposal 1: The Merger* beginning on page 76 and *AAG Equity Compensation Plan* beginning on page 196.

***2013 Equity Awards***

For the year 2013, AMR will award long-term incentive awards to its executive officers, which are currently expected to be granted in the form of stock-settled RSUs and which awards will be granted under the AAG 2013 IAP (the *2013 Equity Awards*). The amounts to be awarded to AMR's executive officers under the 2013 Equity Awards will be equal to the dollar amounts of the 2013 equity awards granted to similarly situated executive officers of US Airways Group. The RSUs will vest in equal amounts in April of 2014, 2015, and 2016, subject to continued service. A pro rata amount will vest upon any termination of employment other than a termination of employment by the applicable employer for cause or resignation by the employee without good reason.

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**Table of Contents*****Alignment Awards***

AMR will award to its executive officers additional long-term incentive awards, which are currently expected to be granted in the form of stock-settled RSUs and which awards will be granted under the AAG 2013 IAP (the "AMR Alignment Awards"). The AMR Alignment Awards will be in an amount equal to one-and-a-half times the prepetition target executive vice president award value for executive vice presidents and senior vice presidents and two times the prepetition target award value applicable to such manager's position for other eligible managers. One-third of the award will vest on each of (i) the Closing Date, (ii) 12 months after the Closing Date, and (iii) 24 months after the Closing Date, subject to continued service. The AMR Alignment Awards will fully vest on a termination of employment for which the employee becomes entitled to severance, or vest pro rata upon a termination as a result of retirement, death, or disability.

**Horton Letter Agreement**

In connection with AMR's reorganization, on February 13, 2013, AMR entered into a letter agreement with Thomas W. Horton governing his continued service to AAG following the Closing. Pursuant to this letter agreement, Mr. Horton's employment with American will end effective upon the Closing. Effective as of the Closing, Mr. Horton will serve as chairman of the board of AAG until the earlier of (i) one year after the Closing, (ii) the day immediately prior to the first annual meeting of stockholders of AAG (which must in no event occur prior to May 1, 2014), and (iii) the election of a new chairman by the affirmative vote of at least 75% of the members of the board of directors (rounded up to the next full director), which must include at least one director who was designated as a director by AMR pursuant to the Merger Agreement. Effective upon the Closing, Mr. Horton will receive a payment equal to \$9.9375 million in cash and \$9.9375 million in shares of AAG common stock. In addition, AMR will confirm all service credited to Mr. Horton and vested under the Supplemental Executive Retirement Plan for Officers of American Airlines, Inc. prior to the Closing (including any service credit provided under Mr. Horton's Employment Agreement with AMR and American, dated as of March 29, 2006 and amended as of July 15, 2008). Mr. Horton will also be reimbursed for his legal fees incurred in connection with the letter agreement. In addition, Mr. Horton will continue to receive lifetime flight and other travel privileges to which he is currently entitled, as well as an office and office support for a period of two years after the Closing. The letter agreement with Mr. Horton will become binding on AMR only upon its approval by the Bankruptcy Court.

**Exchange of Shares**

Prior to the Effective Time, AMR and US Airways Group will select an exchange agent to exchange shares of US Airways Group common stock for shares of AAG common stock. At the Effective Time, shares of US Airways Group common stock will be converted into the right to receive shares of AAG common stock. All shares of US Airways Group common stock will be cancelled and will cease to exist when so converted, and holders of US Airways Group common stock will cease to have any rights as stockholders of US Airways Group other than the right to receive the AAG common stock and any dividends or other distributions, without interest, provided that holders of US Airways Group common stock will not receive payment of any dividends or distributions with respect to such shares of AAG common stock with a record date after the Effective Time until such shares of US Airways Group common stock have been surrendered to the exchange agent for exchange.

As soon as reasonably practicable after the Effective Time, the exchange agent selected by AMR and US Airways Group will mail to each holder of record of shares of US Airways Group common stock that were converted into the right to receive common stock of AAG a letter of transmittal and instructions for surrendering such shares of US Airways Group common stock to the exchange agent for AAG common stock.

**Litigation Related to the Merger**

On March 1, 2013, a putative class action lawsuit captioned Plumbers & Steamfitters Local Union No. 248 Pension Fund v. US Airways Group, Inc., et al., No. CV2013-051605 was filed in the Superior Court of the

**Table of Contents**

State of Arizona in Maricopa County. On April 30, 2013, the plaintiffs amended the complaint. The amended complaint names as defendants US Airways Group and certain of its officers and directors, and generally alleges that the consideration to be received by US Airways Group's stockholders in the Merger is inadequate and that there are material omissions in the disclosures contained in this proxy statement/prospectus. The amended complaint also alleges that those officers and directors breached their fiduciary duties in connection with the proposed Merger and that US Airways Group aided and abetted those breaches of fiduciary duty. The amended complaint seeks (i) a declaration that the Merger Agreement is unenforceable, (ii) an injunction against the proposed Merger, or rescission in the event it has been consummated, (iii) a directive to the US Airways Group officers and directors named as defendants to exercise their fiduciary duties to obtain a transaction that is in the best interests of US Airways Group's shareholders, (iv) imposition of a constructive trust on any benefits improperly received by the defendants, (v) an award of fees and costs, including attorneys' and experts' fees, and (vi) other relief as determined by the court. On May 15, 2013, counsel for the named plaintiff filed a motion advising the court that the named plaintiff had sold its shares of US Airways Group common stock and thus was no longer eligible to be a plaintiff in the lawsuit, and seeking court approval to substitute another alleged stockholder as the named plaintiff in the case, which motion is pending with the court. The lawsuit is in a preliminary stage. US Airways Group believes this lawsuit is without merit and intends to vigorously defend against the allegations.

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**Table of Contents**

**THE MERGER AGREEMENT**

*This section of the proxy statement/prospectus describes material aspects of the Merger Agreement. This summary may not contain all of the information that is important to you. You should carefully read this entire proxy statement/prospectus, including the full text of the Merger Agreement, which is attached as Annex A, and the other documents to which AMR and US Airways Group refer for a more complete understanding of the Merger. In addition, US Airways Group incorporates important business and financial information about US Airways Group into this proxy statement/prospectus by reference. You may obtain the information incorporated by reference by US Airways Group into this proxy statement/prospectus without charge by following the instructions in the section entitled *Additional Information* beginning on page 347.*

**Structure of the Merger**

Under the terms of the Merger Agreement, AMR Merger Sub, a wholly-owned subsidiary of AMR, will merge with and into US Airways Group, with US Airways Group surviving as a wholly-owned subsidiary of AMR. Immediately following the Closing, AMR will change its name to American Airlines Group Inc., which will be the name of the combined company following the Closing.

**Effectiveness of the Merger Agreement**

On May 10, 2013, the Bankruptcy Court entered the Merger Support Order. In accordance with the Merger Agreement, upon entry of the Merger Support Order and execution of the Amendment, the Merger Agreement became effective and binding on, and enforceable against, each of the parties thereto retroactive to February 13, 2013.

**Closing and Effective Time of the Merger**

The Closing will occur on a date to be specified by AMR and US Airways Group, which will be no later than the fifth business day following the satisfaction or waiver of all of the closing conditions provided in the Merger Agreement, except for those conditions that, by their terms, are to be satisfied at the Closing (but subject to the satisfaction or waiver of those conditions), or on such other date as AMR and US Airways Group may agree. The Effective Date will occur contemporaneously with the Closing Date.

Upon the Closing, AMR and US Airways Group will cause an executed and acknowledged certificate of merger to be filed with the Secretary of State of the State of Delaware. At that time, or at such later date or time as the parties may agree in writing and specify in the certificate of merger, the Merger will become effective.

**Post-Merger Governing Documents, Directors and Officers, Corporate Name, and Headquarters**

*AAG Governing Documents.* Immediately prior to the Effective Time, the certificate of incorporation of AMR will be amended and restated in its entirety and, at the Effective Time, the bylaws of AMR will be amended and restated in their entirety, in each case until thereafter amended as provided therein or by applicable laws. Immediately following the Effective Time, AMR will further amend its certificate of incorporation to change its name to American Airlines Group Inc. The form of amended and restated certificate of incorporation of AMR, the form of certificate of designations for AAG Convertible Preferred Stock, and the form of amended and restated bylaws of AMR are each expected to be substantially in the form attached to this proxy statement/prospectus as Annexes B, C, and D, respectively.

*AAG Board of Directors.* Following the Closing, the board of directors of AAG will consist of 12 members. Five of these directors have been designated by the Search Committee appointed by the UCC and a majority of the Consenting Creditors (and one of such directors will be the lead Independent Director); two of these directors have been designated by AMR and have been determined to be reasonably acceptable to the Search Committee; three of these directors have been designated by US Airways Group; and the two remaining directors are Thomas

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**Table of Contents**

W. Horton, the current chairman and chief executive officer of AMR, who will also serve as chairman of the board of directors of AAG; and W. Douglas Parker, the current chairman and chief executive officer of US Airways Group, who will also serve as chief executive officer of AAG.

Mr. Horton will serve as chairman of the board of directors of AAG until the earliest of:

the date that is the first anniversary of the Closing Date;

the day prior to the date of the first annual meeting of stockholders of AAG following the Closing Date (which will not occur prior to May 1, 2014); and

the election of a new chairman by the affirmative vote of at least 75% of the members of the board of directors (rounded up to the next full director), which must include at least one director who was nominated as a director by AMR pursuant to the Merger Agreement.

Following the earliest of such dates, Mr. Parker will serve as chairman of the board of directors of AAG until the election of a new chairman by the affirmative vote of the board of directors of AAG, which, prior to the date that is the 18 month anniversary of the Closing Date, will require the affirmative vote of at least 75% of the members of the board of directors of AAG (rounded up to the next full director), which must include at least one director who was designated as a director by US Airways Group pursuant to the Merger Agreement.

Promptly following the date of execution of the Merger Agreement, in accordance with the Merger Agreement, the Search Committee was established to identify and designate the directors to be selected by the Search Committee. The Search Committee is comprised of (i) four members designated by the UCC and (ii) four members designated by a majority of the Consenting Creditors. The Search Committee is being assisted by the UCC's Legal Adviser and a nationally recognized search firm retained by the UCC's Advisers. The Search Committee's mandate is to select director designees based on consensus, but in any event by not less than 75% of the voting members of the Search Committee.

*AAG Officers.* AMR will take all necessary action to cause Mr. Parker, chairman of the board and chief executive officer of US Airways Group, to be the chief executive officer of AAG as of the Effective Time. Mr. Parker will be the chief executive officer of AAG from the Closing Date until the election of a new chief executive officer by the affirmative vote of the board of directors, which, prior to the date that is the 18 month anniversary of the Closing Date, will require the affirmative vote of at least 75% of the members of the board of directors (rounded up to the next full director), which will include at least one director who was designated as a director by US Airways Group pursuant to the Merger Agreement. Mr. Parker will designate the additional officers of AAG, subject to the approval of the board of directors of AAG, and Mr. Parker will consult with Mr. Horton in connection with such selections. The vote on the adoption of the Merger Agreement may occur prior to the designation of the additional executive officers of AAG.

*US Airways Group Governing Documents.* Immediately following the Effective Time, the certificate of incorporation of US Airways Group will be amended and restated and, at the Effective Time, the bylaws of US Airways Group will be amended and restated in their entirety, in each case as set forth in the Merger Agreement and until thereafter amended as provided therein or by applicable laws.

*US Airways Group Board of Directors and Officers.* The directors and officers of US Airways Group immediately following the Effective Time will be determined by AAG in accordance with US Airways Group's certificate of incorporation and bylaws.

*Headquarters; Airline Name.* Immediately following the Effective Time, the headquarters of AAG and US Airways Group will be located at 4333 Amon Carter Blvd., Fort Worth, Texas. AAG will operate under the American Airlines® brand.

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**Table of Contents**

**The Merger Consideration and the Plan Shares**

*Conversion of US Airways Group Common Stock.* At the Effective Time, each share of US Airways Group common stock issued and outstanding immediately prior to the Effective Time (other than any shares of US Airways Group common stock directly owned by US Airways Group, AMR, or AMR Merger Sub) will be converted into the right to receive one share of AAG common stock. All shares of US Airways Group common stock will be cancelled and will cease to exist when so converted, and holders of US Airways Group common stock will cease to have any rights as stockholders of US Airways Group other than the right to receive the AAG common stock and any dividends or other distributions, without interest, as described under the heading *Exchange Procedures* below.

*Plan Shares.* Pursuant to and in accordance with the Plan, all allowed prepetition general unsecured claims against the Debtors (other than intercompany claims), all equity interests in AMR, and all rights of labor groups of the Debtors to receive AAG common stock in connection with the Plan, will be fully settled and satisfied with Plan Shares. The aggregate number of shares of AAG common stock constituting Plan Shares, when taken together with all shares of AAG common stock that are or may become issuable upon conversion or exchange of shares of AAG Convertible Preferred Stock constituting Plan Shares, will not exceed a number of shares of AAG common stock equal to the Maximum Plan Shares.

*Certificate of Designation of the AAG Convertible Preferred Stock.* AMR, US Airways Group, and AMR Merger Sub agreed to cooperate in good faith to approve a certificate or certificates of designations to the AAG Certificate of Incorporation as reasonably necessary to create the shares of AAG Convertible Preferred Stock prior to the date this proxy statement/prospectus is initially mailed to US Airways Group stockholders. See the section entitled *The Plan of Reorganization AAG Convertible Preferred Stock* beginning on page 157 and the form of certificate of designations for Series A Convertible Preferred Stock, which is expected to be substantially in the form attached to this proxy statement/prospectus as Annex C.

*Cancellation of Other US Airways Group Common Stock.* At the Effective Time, shares of US Airways Group common stock directly owned by US Airways Group, AMR, or AMR Merger Sub, will be cancelled without payment of any consideration therefor and will cease to exist.

*Conversion of AMR Merger Sub Stock.* At the Effective Time, each share of common stock of AMR Merger Sub issued and outstanding immediately prior to the Effective Time will be converted into one share of common stock of the Surviving Corporation.

*Exchange Procedures.* As soon as reasonably practicable after the Effective Time, an exchange agent selected by AMR and US Airways Group will mail to each holder of record of US Airways Group common stock that was converted into the right to receive AAG common stock a letter of transmittal and instructions for surrendering its shares of US Airways Group common stock to the exchange agent for AAG common stock. Upon the proper surrender of the holder's shares of US Airways Group common stock, the stockholder will be entitled to receive in exchange for the stockholder's shares:

whole shares of AAG common stock that the holder is entitled to receive pursuant to the Merger, as described under the heading *Conversion of US Airways Group Common Stock* above; and

a check in the amount of any dividends or other distributions that the holder has the right to receive as described in the next paragraph.

The shares of AAG common stock delivered and any cash paid in connection with any dividends or other distributions to which a US Airways Group stockholder is entitled as a result of the receipt of AAG common stock upon conversion of any shares of US Airways Group common stock will constitute full satisfaction of all rights pertaining to such shares of US Airways Group common stock.

**Table of Contents**

No dividends or other distributions declared or made with respect to AAG common stock with a record date after the Effective Time will be paid to the holder of any unsurrendered shares of US Airways Group common stock with respect to shares of AAG common stock deliverable upon surrender of shares of US Airways Group common stock until the surrender of such shares of US Airways Group common stock. Following surrender of any such shares, there will be paid to the holder of the shares, without interest, (i) at the time of such surrender, the amount of dividends or other distributions with a record date after the Effective Time theretofore paid with respect to such number of whole shares of AAG common stock that such holder has the right to receive, and (ii) at the appropriate payment date, the amount of dividends or other distributions with a record date after the Effective Time but prior to such surrender and a payment date subsequent to such surrender payable with respect to such number of whole shares of AAG common stock that such holder has the right to receive.

*AMR Equity.* At the Effective Time, and after giving effect to the Confirmation Order and the Plan, all outstanding shares of AMR common stock or preferred stock, all options to purchase shares of AMR common stock or preferred stock, and all awards of any kind consisting of shares of AMR common stock or preferred stock, that have been or may be granted, held, awarded, outstanding, payable, or reserved for issuance, and all other equity securities of AMR, including all securities or obligations convertible or exchangeable into or exercisable for shares of AMR common stock, preferred stock, or other equity securities of AMR, and each other right of any kind, contingent or accrued, to acquire or receive shares of AMR common stock, preferred stock, or other equity securities of AMR, whether upon exercise, conversion, or otherwise, whether vested or unvested, will, pursuant to the Plan, and without any action on the part of the holder thereof, be cancelled and retired and will cease to exist. AAG common stock, AAG Convertible Preferred Stock, and any other equity securities or rights to acquire or receive equity securities or any other awards of any kind relating to AAG that are issued in accordance with or pursuant to the Merger Agreement or the Plan will not be cancelled.

*No Dissenters' Rights.* In accordance with Section 262 of the DGCL, no appraisal rights will be available to holders of shares of US Airways Group common stock in connection with the Merger.

***US Airways Group Stock Options and Other Stock Awards***

*US Airways Group Stock Options and Stock Appreciation Rights.* At the Effective Time, each US Airways Group stock option and each US Airways Group stock-settled SAR outstanding immediately prior to the Effective Time, whether vested or unvested, will convert into a stock option or a stock-settled SAR, as applicable, to acquire a number of shares of AAG common stock equal to the number of shares of US Airways Group common stock subject to the US Airways Group stock option or US Airways Group stock-settled SAR, at an exercise price per share of AAG common stock equal to the exercise price per share subject to the original stock option or SAR, and subject to the terms and conditions applicable to the US Airways Group stock option or US Airways Group stock-settled SAR immediately prior to the Effective Time. In the case of any US Airways Group stock option to which Section 421 of the Code applies by reason of its qualification (as an incentive stock option ) under either Section 422 or 424 of the Code, the option price, the number of shares purchasable pursuant to such option, and the terms and conditions of exercise of such option will be determined in a manner that complies with Section 424(a) of the Code.

At the Effective Time, each US Airways Group cash-settled SAR outstanding immediately prior to the Effective Time, whether vested or unvested, will convert into a cash-settled SAR to acquire an amount of cash determined by reference to the number of shares of AAG common stock equal to the number of shares of US Airways Group common stock referenced by the US Airways Group cash-settled SAR, at an exercise price per share of AAG common stock equal to the exercise price per share of the US Airways Group common stock under such US Airways Group cash-settled SAR, and subject to the terms and conditions applicable to the US Airways Group cash-settled SAR immediately prior to the Effective Time.

Each US Airways Group stock option and each US Airways Group SAR will be adjusted in a manner that complies with Section 409A of the Code and that causes the resulting converted option, converted cash-settled

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**Table of Contents**

SAR, or converted stock-settled SAR not to constitute the grant of a new option or SAR or a change in the form of payment of an option or SAR, as provided under Treasury Regulation Section 1.409A-1(b)(5)(v)(D).

*US Airways Group Restricted Stock Units.* At the Effective Time, each award of US Airways Group stock-settled RSUs outstanding immediately prior to the Effective Time will convert into a number of stock-settled RSUs corresponding to shares of AAG common stock equal to the number of shares of US Airways Group common stock subject to such US Airways Group stock-settled RSU award, and will be subject to the same terms and conditions applicable to the US Airways Group stock-settled RSU award immediately prior to the Effective Time.

At the Effective Time, each award of US Airways Group cash-settled RSUs outstanding immediately prior to the Effective Time will convert into the right to receive an amount in cash based on a number of shares of AAG common stock equal to the number of shares of US Airways Group common stock referenced under the US Airways Group cash-settled RSU award immediately prior to the Effective Time and will be subject to the same terms and conditions applicable to the US Airways Group cash-settled RSU award immediately prior to the Effective Time.

Each award of US Airways Group stock-settled RSUs and each award of US Airways Group cash-settled RSUs will be adjusted in a manner that complies with Section 409A of the Code.

***US Airways Group Equity Plans***

At the Effective Time, AAG will assume all obligations of US Airways Group under the 2011 Plan, the 2008 Plan, the 2005 Plan, and the America West 2002 Incentive Equity Plan (the 2002 Plan ), each outstanding US Airways Group stock option, US Airways Group stock-settled SAR, US Airways Group stock-settled RSU, US Airways Group cash-settled SAR, and US Airways Group cash-settled RSU, and the agreements evidencing such grants. As soon as practicable after the Effective Time, AAG will deliver to holders of US Airways Group stock options, US Airways Group stock-settled SARs, US Airways Group stock-settled RSUs, US Airways Group cash-settled SARs, and US Airways Group cash-settled RSUs appropriate notices setting forth such holders' rights pursuant to the respective US Airways Group equity plans, and the agreements evidencing the grants of such awards will continue in effect on the same terms and conditions.

In connection with the Merger, AMR or AAG will file with the SEC a registration statement on Form S-8 for shares of AAG common stock issuable upon exercise or vesting of each converted US Airways Group stock option, stock-settled SAR, and stock-settled RSU.

***Withholding Rights***

AAG, AMR Merger Sub, the Surviving Corporation, and the exchange agent will be entitled to deduct and withhold from amounts otherwise payable under the Merger Agreement any amounts that they are required to deduct and withhold with respect to such payments under the Code, Treasury Regulations promulgated under the Code, or any provision of state, local, or foreign tax law. Any amounts so deducted and withheld will be timely paid to the appropriate governmental entity and treated for all purposes of the Merger Agreement as having been paid to the person in respect of which such deduction and withholding was made.

**Representations and Warranties**

The Merger Agreement contains representations and warranties made by AMR and AMR Merger Sub to US Airways Group and by US Airways Group to AMR and AMR Merger Sub. The assertions embodied in those representations and warranties are qualified by information in (i) the forms, statements, schedules, reports, and documents filed with the SEC by AMR or US Airways Group, respectively, on or after January 1, 2012 and prior to February 13, 2013 to the extent the qualifying nature of such disclosure with respect to a specific representation and warranty is readily apparent therefrom (excluding any disclosures included in any such report



**Table of Contents**

that are predictive or forward-looking in nature or included in any risk factor disclosure) and (ii) the disclosure letter delivered to US Airways Group by AMR concurrently with the execution and delivery of the Merger Agreement (the AMR Disclosure Letter ) and the disclosure letter delivered to AMR by US Airways Group concurrently with the execution and delivery of the Merger Agreement (the US Airways Disclosure Letter ). While US Airways Group and AMR do not believe that either the AMR Disclosure Letter or the US Airways Group Disclosure Letter contain information that securities laws require the companies to publicly disclose other than information that has already been so disclosed, the AMR Disclosure Letter and the US Airways Group Disclosure Letter may contain information that modifies, qualifies, and creates exceptions to the representations and warranties set forth in the attached Merger Agreement. Accordingly, these representations and warranties should not be relied on as characterizations of the actual state of facts, since they may be modified in important respects by the underlying AMR Disclosure Letter and the US Airways Group Disclosure Letter. Each of the AMR Disclosure Letter and the US Airways Group Disclosure Letter contains information that in some cases has been included in that company s general prior public disclosures and also may contain additional non-public information.

The Merger Agreement contains customary and substantially reciprocal representations and warranties by each of AMR, AMR Merger Sub, and US Airways Group relating to, among other things:

organization, good standing, and qualification;

capital structure;

corporate authority, approval and, as to US Airways Group, fairness matters;

governmental filings, absence of violations, and certain contracts;

SEC filings and financial statements;

absence of certain changes;

litigation;

employee benefits;

compliance with laws and licenses;

material contracts;

real property;

takeover statutes;

environmental matters;

taxes;

labor matters;

intellectual property and information technology assets;

Foreign Corrupt Practices Act and UK Bribery Act matters;

aircraft;

Slots;

major airports;

U.S. citizen and air carrier status;

insurance; and

brokers and finders.

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**Table of Contents**

**Conduct of Business pending the Merger**

The Merger Agreement provides that, after the date of the Merger Agreement until the Effective Time, except as otherwise expressly required by the Merger Agreement or applicable laws, or except as US Airways Group or AMR, as applicable, may approve in writing (which approval may not be unreasonably withheld, conditioned, or delayed), and subject to certain other agreed upon exceptions set forth in the AMR Disclosure Letter and the US Airways Disclosure Letter: (i) the business of the parties and their respective subsidiaries will be conducted in the ordinary and usual course (with respect to AMR, as such business was conducted prior to filing of the Chapter 11 Cases) and, to the extent consistent therewith, the parties and their respective subsidiaries will use their respective reasonable best efforts to preserve their business organizations intact and maintain existing relations and goodwill with governmental entities, customers, suppliers, distributors, creditors, lessors, employees, and business associates and keep available the services of the present employees and agents of the parties and their respective subsidiaries (with respect to AMR, provided that, this will not restrict the Debtors from carrying out their fiduciary and statutory responsibilities in the administration of the Chapter 11 Cases, including without limitation, but subject to the consent of US Airways Group in certain instances, the assumption and rejection of contracts) and (ii) without limiting the foregoing, each of the parties will not and will not permit its respective subsidiaries to:

adopt or propose any change in its certificate of incorporation or bylaws or other applicable governing instruments or amend any term of the shares of US Airways Group or AMR, as applicable;

merge or consolidate US Airways Group or AMR or any of their respective subsidiaries with any other person, except for any such transactions among wholly-owned subsidiaries of US Airways Group or AMR, as applicable, that are not obligors or guarantors of third-party indebtedness, or adopt a plan of liquidation;

acquire or dispose of any assets, properties, operations, or businesses or make any capital expenditures other than (i) capital expenditures made in accordance with AMR's or US Airways Group's capital expenditure budgets for calendar year 2013, as applicable, or (ii) certain other exceptions;

issue, sell, pledge, dispose of, grant, transfer, lease, license, guarantee, encumber, or authorize the issuance, sale, pledge, disposition, grant, transfer, lease, license, guarantee, or encumbrance of, any shares of capital stock of US Airways Group or AMR, as applicable, or any of its subsidiaries (or, with respect to AMR, of any successor or parent company thereof), or securities convertible or exchangeable into or exercisable for any shares of that capital stock, or any options, warrants, conversion rights, SARs, redemption rights, repurchase rights, agreements, arrangements, calls, commitments, or rights of any kind to acquire any shares of that capital stock or those convertible or exchangeable securities, other than (i) the issuance of shares in connection with the grant of certain permitted awards (including, with respect to US Airways Group, the grant of any US Airways Group stock-settled RSUs permitted prior to but not after the sixth trading day prior to the Closing, the issuance of shares of US Airways Group common stock upon the exercise or vesting of US Airways Group options, stock-settled SARs or stock-settled RSUs, or the conversion of the US Airways 7.25% Convertible Notes or the US Airways 7% Convertible Notes); (ii) the issuance of shares by US Airways Group of US Airways Group common stock prior to but not after the sixth trading day prior to the Closing, (iii) the issuance of shares by a wholly-owned subsidiary of US Airways Group or AMR, as applicable, to its respective parent company or a sister entity; and (iv) certain other exceptions;

create or incur any lien material to US Airways Group or AMR, as applicable, or any of its subsidiaries on any assets of the respective company or any of its subsidiaries having a value in excess of, in the aggregate, \$120 million with respect to AMR and \$50 million with respect to US Airways Group, subject to certain exceptions;

make any loans, advances, or capital contributions to or investments in any person in excess, in the aggregate, of \$140 million with respect to AMR and \$60 million with respect to US Airways Group, subject to certain exceptions;



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**Table of Contents**

declare, set aside, or pay any dividend or distribution on any shares of the common stock of US Airways Group or AMR, as applicable, or any shares of capital stock of any subsidiaries of the respective company, other than capital stock of wholly-owned subsidiaries and subject to certain other exceptions;

reclassify, split, combine, subdivide, or repurchase, redeem, or otherwise acquire, directly or indirectly, any of its capital stock or securities convertible or exchangeable into or exercisable for any shares of its capital stock;

incur any indebtedness or guarantee such indebtedness of another person, or issue or sell any debt securities or warrants or other rights to acquire any debt security of US Airways Group or AMR, as applicable, or any of its subsidiaries, except for:

- i indebtedness incurred in the ordinary course of business not to exceed, in the aggregate, \$420 million with respect to AMR and \$180 million with respect to US Airways Group;
- i guarantees by US Airways Group or AMR of indebtedness of its wholly-owned subsidiaries or guarantees by subsidiaries of indebtedness of US Airways Group or AMR, as applicable;
- i purchase or acquisition financing with respect to certain aircraft or engines set forth in the AMR Disclosure Letter and the US Airways Disclosure Letter; or
- i interest rate swaps on customary commercial terms consistent with past practice and not to exceed \$420 million with respect to AMR and \$180 million with respect to US Airways Group of notional debt in the aggregate in addition to notional debt currently under swap or similar arrangements;

other than in the ordinary course of business, enter into (i) any contract that would have been a material contract for purposes of the Merger Agreement had it been entered into prior to the date of the Merger Agreement; (ii) any CBAs or other labor union contracts applicable to any employees of US Airways Group or AMR, as applicable, or any of its subsidiaries with respect to their employment with US Airways Group or AMR, as applicable, or any of its subsidiaries, or (iii) any lease which requires payments in excess of \$25 million per annum;

enter into any contract that is a material co-branded credit card agreement or credit card processing agreement, is a capacity purchase, regional carrier, or similar agreement, is any aircraft or engine purchase agreement, relates to or provides for a new replacement or material enhancement of any reservation system, flight operating system, crew, or maintenance system, frequent flyer system, or other system, or materially increases US Airways Group's or AMR's, as applicable, financial or term commitment to any such system, or is an information technology agreement with a term of over five years or that would reasonably be expected to require expenditures greater than \$25 million over its term;

make any changes with respect to material accounting policies, except as required by changes in GAAP or by applicable law or as US Airways Group or AMR, as applicable, after consultation with the other party to the Merger Agreement and its own independent auditors, determines in good faith is preferable;

settle any litigation or other proceedings before a governmental entity for an amount to be paid by US Airways Group or AMR, as applicable, or any of its subsidiaries, that is greater than \$120 million with respect to AMR and \$50 million with respect to US Airways Group and, in each case, which would be reasonably likely to have a material adverse impact on the applicable company's or its subsidiaries' operations, unless, in the case of AMR, such settlement is with respect to claims that would be exchanged for Plan

Shares;

other than in the ordinary course of business, amend or modify in any material respect, or terminate or waive any material right or benefit under, any (i) contract that would have been a material contract for purposes of the Merger Agreement had it been entered into prior to the date of the Merger

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**Table of Contents**

Agreement; (ii) CBAs or other labor union contracts applicable to any employees of US Airways Group or AMR, as applicable, or any of its subsidiaries with respect to their employment with US Airways Group or AMR, as applicable, or any of its subsidiaries; or (iii) lease which requires payments in excess of \$25 million per annum;

cancel, modify, or waive any debts or claims held by either party or waive any rights having in the aggregate a value in excess of \$70 million with respect to AMR and \$30 million with respect to US Airways Group, subject to certain exceptions;

amend or modify in any material respect, or terminate or waive any material right or benefit under, any contract that is a material co-branded credit card agreement or credit card processing agreement, is a capacity purchase, regional carrier, or similar agreement, is any aircraft or engine purchase agreement, relates to any existing reservation system, flight operating system, crew or maintenance system, frequent flyer system or other system, which amendment or modification would replace or materially enhance such system or materially increase the financial or term commitment of US Airways Group or AMR, as applicable, to such system, or is an information technology agreement with a term of over five years or that would reasonably be expected to require expenditures greater than \$25 million over its term;

amend any material tax return, make any material tax election, or take any material position on any material tax return filed on or after the date of the Merger Agreement or adopt any method therefor that is inconsistent with elections made, positions taken, or methods used in preparing or filing similar tax returns in prior periods, except as required by law or by any currently effective tax sharing agreement listed in the AMR Disclosure Letter or the US Airways Disclosure Letter, as applicable;

except in connection with the replacement or promotion of any existing employee on compensation terms that are consistent with past practice for the applicable position, as required by agreements executed and delivered prior to the date of the Merger Agreement, as contemplated by employee benefit plans or CBAs in effect as of the date of the Merger Agreement, or as otherwise required by applicable law:

- i enter into any commitment to provide any severance, termination, or change in control benefits to any director, officer, or employee of US Airways Group or AMR, as applicable, or its subsidiaries other than the payment of benefits in the ordinary course of business consistent with past practice for officers or employees of similar seniority or with respect to any newly-hired employees on terms that are consistent with past practice for the applicable position;
- i materially increase the benefits payable under any existing severance, termination, or change in control benefits policy or agreement;
- i enter into any employment agreement with any director, officer, or employee of US Airways Group or AMR or their subsidiaries, as applicable, except with respect to newly-hired employees on terms consistent with past practice;
- i establish, adopt, materially amend, or terminate any material employment agreement or material employee benefit plan;
- i materially increase the benefits payable under or make any new awards under, any material employment agreement or material employee benefit plan or pay any bonus to any director, officer, or employee of US Airways Group or AMR, as applicable, or any of its subsidiaries, except for increases, new awards, or payments in the ordinary course of business consistent with past practice;

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take any action to accelerate the vesting or payment of any compensation or benefits under any material employment agreement or material employee benefit plan, to the extent not already required in any such material employment agreement or material employee benefit plan;

- i materially change any actuarial or other assumptions used to calculate funding obligations with respect to any material employment agreement or material employee benefit plan or materially change the manner in which contributions to such plans are made (notwithstanding, with respect



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**Table of Contents**

to AMR, any failure to make contributions during the pendency of the Chapter 11 Cases and other than with respect to making all minimum required contributions (within the meaning of Section 303 of the Employee Retirement Income Security Act of 1974, as amended ( ERISA )) as required by the Merger Agreement) or the basis on which such contributions are determined, except as may be required by GAAP; or

i materially amend the terms of any outstanding equity-based award;

decrease or defer in any material respect the level of training provided to the employees of US Airways Group or AMR, as applicable, or any of its subsidiaries or the level of costs expended in connection therewith;

fail to keep in effect any governmental route authority in effect and used by any subsidiary of US Airways Group or AMR, as applicable, as of the date of the Merger Agreement, unless that failure occurs in the ordinary course of business consistent with past practice;

fail to maintain insurance at levels at least comparable to current levels or otherwise in a manner consistent with past practice;

take any action, or fail to take action, which action or failure could result in the loss to US Airways Group or AMR, as applicable, of Slots with an aggregate value in excess of \$60 million with respect to AMR and \$25 million with respect to US Airways Group;

fail to notify the other party in writing of any incidents or accidents occurring on or after the date of the Merger Agreement involving any property owned or operated by US Airways Group or AMR, as applicable, that resulted or could reasonably result in damages or losses in excess of \$140 million with respect to AMR and \$60 million with respect to US Airways Group;

fail to continue, in respect of all of AMR's and US Airways Group's aircraft, all material maintenance programs consistent with past practice (except as required or permitted by applicable law), including using reasonable best efforts to keep all such aircraft (except with respect to such aircraft in storage) in such condition as may be necessary to enable the airworthiness certification of such aircraft under the Federal Aviation Act to be maintained in good standing at all times;

knowingly take or permit any of its subsidiaries to take any action or refrain from taking any action the result of which would be reasonably expected to result in any of the closing conditions in the Merger Agreement not being satisfied; or

agree or commit or, in the case of AMR only, seek Bankruptcy Court approval, to do any of the foregoing.

**Bankruptcy Matters**

As required by the terms of the Merger Agreement, on February 22, 2013, AMR filed a motion with the Bankruptcy Court seeking entry of the Merger Support Order. On May 10, 2013, the Bankruptcy Court entered the Merger Support Order. In accordance with the Merger Agreement, upon entry of the Merger Support Order and execution of the Amendment, the Merger Agreement became effective and binding on, and enforceable against, each of the parties thereto retroactive to February 13, 2013.

The Debtors also agreed to prepare, as soon as reasonably practicable after the execution of the Merger Agreement, a draft Plan pursuant to which, among other things, the Merger will be consummated, as well as an accompanying Disclosure Statement. The Plan, the Disclosure Statement, and a proposed Confirmation Order must be provided in draft form to US Airways Group and its legal and financial advisers and the UCC's Advisers for review and comment a reasonable period of time in advance of any filing thereof. The Debtors also agreed to use their reasonable best efforts to provide drafts of any proposed modifications, amendments, supplements, exhibits, and similar documents related to the Plan or the Disclosure Statement to US Airways Group and its counsel and the UCC's Advisers within a reasonable period of time prior to the

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date on which the Debtors file such documents with the Bankruptcy Court, and all Plan Related Documents must be reasonably acceptable to US Airways Group.

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**Table of Contents**

AMR also agreed to cause each of the Debtors to include in the approved Disclosure Statement a statement that the AMR board of directors recommends that the stakeholders of the Debtors who are entitled to vote on the Plan accept the Plan and a statement provided by the UCC that the UCC recommends that the unsecured creditors holding claims against the Debtors who are entitled to vote on the Plan accept the Plan.

With respect to filing of the Plan and the Disclosure Statement, the Debtors are required to use their reasonable best efforts to file the Plan and the Disclosure Statement, in form and substance reasonably acceptable to US Airways Group, by the 30th day following the later of (i) the date on which US Airways Group provides initial comments to the same or (ii) entry of the Merger Support Order. Thereafter, the Debtors, in consultation with US Airways Group, will use their reasonable best efforts to (a) obtain approval of the Disclosure Statement pursuant to an order, in form and substance reasonably acceptable to AMR and US Airways Group, by the 75th day following the filing of the Plan and the Disclosure Statement and (b) commence solicitation of the Plan as soon as reasonably practicable after the Disclosure Statement is approved. Subject to the terms and provisions of the Merger Agreement, the Debtors will diligently pursue confirmation and consummation of the Plan and use their reasonable best efforts to file the proposed Confirmation Order promptly following the end of the period to solicit acceptances of the Plan. AMR and the other Debtors filed the Plan and the Disclosure Statement with the Bankruptcy Court on April 15, 2013 each of which was subsequently amended. On June 7, 2013, the Bankruptcy Court entered an order approving the Disclosure Statement.

US Airways Group, upon request from the Debtors, must use reasonable best efforts to assist and cooperate with the Debtors in the Plan solicitation process and/or assist the Debtors in obtaining entry of the proposed Confirmation Order. Additionally, US Airways Group may not unreasonably delay, condition, or withhold its consent to a proposed Plan, Disclosure Statement, proposed Confirmation Order, or any Plan Related Documents or withhold its consent to any Plan, Plan related document, or proposed Confirmation Order that is consistent with the terms of the Merger Agreement and satisfies the requirements of a conforming Plan (except with respect to financial projections relating to AAG which must be reasonably acceptable to US Airways Group). A conforming Plan must have the following components:

(i) a condition precedent to the occurrence of the Effective Date will be the occurrence of the Closing under the Merger Agreement; and (ii) any material conditions in the Plan that are not also conditions to the obligations of AMR under the Merger Agreement will be reasonably acceptable to US Airways Group (provided that US Airways Group may not object to the inclusion in the Plan of a condition precedent to the occurrence of the Effective Date that the aggregate estimated allowed prepetition general unsecured claims (excluding intercompany claims) against the Debtors will not exceed \$8 billion);

all allowed prepetition general unsecured claims against the Debtors (other than allowed convenience claims satisfied in cash and intercompany claims which will be extinguished or reinstated), all equity interests in AMR, and all rights of labor groups of the Debtors to receive shares of AAG common stock in connection with the Plan, will be fully settled and satisfied only with Plan Shares;

the aggregate amount of cash payable to satisfy allowed convenience claims will not exceed \$25 million; and

all equity held by a Debtor in any other Debtor (other than AMR) will not be cancelled and will continue to be owned by or for the benefit of the respective Debtor, as reorganized.

In addition, a Plan must provide that certain employee-related matters and employee arrangements set forth in the Merger Agreement and the AMR Disclosure Letter will be in effect.

The Debtors will also reasonably cooperate with US Airways Group and its counsel in connection with any discovery and hearings in connection with the Merger Agreement, the Disclosure Statement, or the Plan and any transactions contemplated by such documents. The Debtors must also timely file an objection, and prosecute such objection in good faith, to any motion seeking the entry of an order (i) modifying or terminating the Debtors' exclusive right to file and/or solicit acceptances of a Plan, (ii) directing the appointment of an examiner with expanded powers or a trustee, (iii) converting the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code, or (iv) dismissing the Chapter 11 Cases.

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**Table of Contents**

In addition, the Debtors will not, without the written consent of US Airways Group (such consent not to be unreasonably withheld, conditioned, or delayed):

move for or support any order authorizing or directing, or provide in the Plan for, the assumption or rejection of certain material contracts, leases, or CBAs of AMR, unless US Airways Group had previously consented to any amendment, modification, or termination of such contract or lease under the restrictions described above in the section entitled the *The Merger Agreement Conduct of Business pending the Merger* beginning on page 123;

settle, compromise, or otherwise agree to resolve any prepetition general unsecured claims against the Debtors or equity interests in AMR with any payment of cash or other assets or with any other right or benefits, other than (a) the right to receive the Plan Shares pursuant to the Plan, or (b) payments of cash not to exceed \$25 million in the aggregate;

settle, compromise, amend, or otherwise agree to resolve the other post-employment benefits accounted for under ASC 715-60 Defined Benefit Plans Other Postretirement of the Debtors, other than any settlement, compromise, or other agreement that satisfies all such obligations solely in exchange for a right to receive Plan Shares pursuant to the Plan;

prepay any prepetition secured indebtedness of any Debtor with any payment of cash or other assets except (a) as may be required by the existing terms of any contract governing such indebtedness, (b) in connection with a refinancing that is permitted by AMR under the covenants referred to in the section entitled the *The Merger Agreement Conduct of Business pending the Merger* beginning on page 123, or (c) payments of cash not to exceed \$25 million in the aggregate; or

assert any objection (and if requested by US Airways Group, consent in writing) to the standing of US Airways Group to appear and object before the Bankruptcy Court to any action that would be subject to US Airways Group's consent pursuant to the Merger Agreement, whether individually or in the aggregate, but to which US Airways Group has not provided such consent.

The Debtors must also use their reasonable best efforts to include in any release and exculpation provisions of the Plan that US Airways Group and (to the extent included for AMR) its agents, directors, officers, employees, representatives, advisers, attorneys, subsidiaries, and affiliates are beneficiaries of such provisions.

***Rights of the UCC***

Subject to existing confidentiality agreements and the protective order entered by the Bankruptcy Court on January 27, 2012 and amended on March 23, 2012 in connection with the Chapter 11 Cases, AMR and US Airways Group have agreed, from February 13, 2013 to the Closing, to (i) keep the UCC's Advisers reasonably apprised of the status of matters relating to the completion of the transactions contemplated by the Merger Agreement, (ii) furnish the UCC's Legal Adviser with all notices, correspondence, and other communications exchanged pursuant to the Merger Agreement, and (iii) promptly provide the UCC's Advisers with any information reasonably requested by the UCC's Advisers relating to the completion of the transactions contemplated by the Merger Agreement. AMR and US Airways Group will also provide prompt notice to the UCC's Legal Adviser of any change, fact, or condition that, to its knowledge, is reasonably expected to result in a failure of any condition to effect the Merger. AMR and US Airways Group also agree to negotiate in good faith with the UCC's Advisers with respect to any consent rights requested by the UCC under the Plan.

**Acquisition Proposals**

As further described below, the Merger Agreement restricts US Airways Group and AMR and their respective representatives from initiating, soliciting, knowingly encouraging, or facilitating certain inquiries, proposals, or offers with respect to a competing acquisition proposal, including the acquisition of a significant equity interest in US Airways Group or AMR (including AMR as reorganized pursuant to the Bankruptcy Code) or the acquisition of a significant portion of the assets of US Airways Group or AMR, or, in the case of AMR, the



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**Table of Contents**

acquisition of claims against AMR that would entitle the purchaser to a significant equity interest in AMR (as reorganized pursuant to the Bankruptcy Code) or any plan of reorganization of AMR other than the Plan. However, each of US Airways Group or AMR may consider competing, unsolicited acquisition proposals and enter into discussions or negotiations regarding such acquisition proposals, if its board of directors determines that any such acquisition proposal constitutes, or is reasonably likely to lead to, a superior proposal and that the failure to take such action is reasonably likely to be inconsistent with its fiduciary duties under applicable law.

The Merger Agreement provides that, unless otherwise permitted by the Merger Agreement, neither AMR nor US Airways Group, as applicable, nor any of their respective subsidiaries nor any of the officers and directors of either or any of their subsidiaries will, and that it will not authorize, permit, or cause its and its subsidiaries' representatives to, directly or indirectly:

initiate, solicit, or knowingly encourage or facilitate any acquisition proposal;

provide any confidential information or data to, or engage in any discussions or negotiations with, any party relating to any acquisition proposal;

enter into a letter of intent or other agreement or arrangement with respect to any acquisition proposal or, with respect to AMR, seek authority from the Bankruptcy Court to enter into such agreement; or

otherwise knowingly encourage or facilitate any effort or attempt by any party other than AMR or US Airways Group, as applicable, to make or implement an acquisition proposal.

Pursuant to the Merger Agreement, an acquisition proposal is any inquiry, proposal, or offer with respect to any:

merger, consolidation, or similar transaction (other than the Merger contemplated by the Merger Agreement) pursuant to which any third party would become the beneficial owner of 10% or more of the outstanding shares of common stock or the outstanding voting power of, with respect to US Airways Group, US Airways Group or US Airways or, with respect to AMR, AMR, American, AMR Eagle, or American Eagle (as reorganized pursuant to the Bankruptcy Code or prior to such reorganization if acquired to influence acceptance or rejection of the Plan, the management or control of AMR and its subsidiaries or the reorganization of the Debtors), or, if applicable, any surviving entity or the parent entity resulting from any such transaction, immediately upon consummation thereof;

purchase of 10% or more of the equity securities or other ownership interests in, with respect to US Airways Group, US Airways Group or US Airways (other than a public offering of equity securities registered pursuant to the Securities Act) or, with respect to AMR, AMR, American, AMR Eagle, or American Eagle (as reorganized pursuant to the Bankruptcy Code or prior to such reorganization if acquired to influence acceptance or rejection of the Plan, the management or control of AMR and its subsidiaries or the reorganization of the Debtors);

purchase of 10% or more of the assets of AMR or US Airways Group, as applicable;

with respect to AMR only, purchase of outstanding claims in an amount that would entitle the purchaser of such claims to 10% or more of the equity securities or other ownership interests in AMR or American (as reorganized pursuant to the Bankruptcy Code); or

with respect to AMR only, plan of reorganization of any Debtor other than the Plan.

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In addition, except as permitted by the Merger Agreement, from the date of the Merger Agreement until the Effective Time or the termination of the Merger Agreement in accordance with its terms, neither AMR nor US Airways Group, as applicable, nor their respective boards of directors nor any committee thereof, will do any of the following, any of which would constitute a change in recommendation by such board of directors:

withdraw or modify in a manner adverse to the other party to the Merger Agreement the recommendation of that board of directors of the Merger Agreement or the Merger;

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**Table of Contents**

recommend any acquisition proposal;

fail to include the recommendation of that board of directors of the Merger, with respect to AMR, in the Disclosure Statement or, with respect to US Airways Group, in this prospectus/proxy statement; or

take, resolve to take, or permit AMR or US Airways Group, as applicable, or any of their respective subsidiaries or representatives to take, any action described in the preceding three bullet points.

However, before, but not after, with respect to AMR, the entry of the Confirmation Order by the Bankruptcy Court or, with respect to US Airways Group, receipt of the stockholder approval, nothing in the Merger Agreement prevents either AMR or US Airways Group, as applicable (or any of their respective subsidiaries or representatives, or their boards of directors or any committee thereof), from (i) complying with its disclosure obligations under applicable law with regard to an acquisition proposal, provided that, except in specified circumstances, any such disclosure will be deemed a change in recommendation unless the applicable board of directors publicly reaffirms its recommendation of the Merger Agreement and the Merger in such disclosure, (ii) providing information in response to a request for information by the party who has made an unsolicited bona fide written acquisition proposal, or (iii) engaging in any discussions or negotiations with any party who has made an unsolicited bona fide written acquisition proposal, provided that:

AMR or US Airways Group, as applicable, has not otherwise breached its obligations regarding acquisition proposals in connection with the receipt of the unsolicited bona fide written acquisition proposal;

the party making such acquisition proposal executes a customary confidentiality agreement (excluding standstill provisions) that is no less favorable in any material respect to AMR or US Airways Group, as applicable, than those contained in the non-disclosure agreements between AMR and US Airways Group entered into in connection with the Merger;

the board of directors of AMR or US Airways Group, as applicable, reasonably determines that the unsolicited bona fide written acquisition proposal constitutes, or is reasonably likely to lead to a superior proposal; and

the board of directors of AMR or US Airways Group, as applicable, reasonably determines, after consultation with its outside legal counsel, that, in light of the unsolicited bona fide written acquisition proposal, a failure to take such action is reasonably likely to be inconsistent with its fiduciary duties under applicable law to, with respect to AMR, the stakeholders of the Debtors or, with respect to US Airways Group, the stockholders of US Airways Group.

A superior proposal is an acquisition proposal by a party other than, with respect to AMR, US Airways Group or its subsidiaries or the Debtors or their subsidiaries or, with respect to US Airways Group, AMR or its subsidiaries or US Airways Group or its subsidiaries that, (i) with respect to AMR, is not, or is not substantially equivalent to, a plan of reorganization in which the Debtors would emerge from the Chapter 11 Cases without entering into a strategic business combination and without obtaining new equity investments of more than \$1 billion, and, (ii) with respect to AMR and US Airways Group, involves:

a merger, consolidation, or similar transaction pursuant to which such third party or its stockholders would become the beneficial owner or owners of at least 30% of the outstanding shares of common stock or the outstanding voting power of, with respect to AMR, AMR or American (as reorganized pursuant to the Bankruptcy Code), or, if neither AMR or American is the surviving entity, any surviving entity resulting from any such transaction, immediately upon consummation thereof, or, with respect to US Airways Group, US Airways Group or US Airways, or, if applicable, any surviving entity (if neither US Airways Group or US Airways is the surviving entity) resulting from any such transaction, immediately upon consummation thereof;



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the acquisition of at least 30% of the equity securities or other ownership interests in, with respect to AMR, AMR or American (as reorganized pursuant to the Bankruptcy Code) or, with respect to US Airways Group, US Airways Group or US Airways; or

the acquisition of at least 30% of the assets of AMR or US Airways Group, as applicable.

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**Table of Contents**

In addition, AMR or US Airways Group, as applicable, may make a change in recommendation with respect to the Merger Agreement and the Merger without breaching the Merger Agreement before, but not after, with respect to AMR, the entry of the Confirmation Order by the Bankruptcy Court and consultation with the UCC's Advisers or, with respect to US Airways Group, receipt of the stockholder approval:

if such change in recommendation does not relate to an acquisition proposal and the board of directors of AMR or US Airways Group, as applicable, determines in good faith, after consultation with its outside legal counsel, that a failure to take such action is reasonably likely to be inconsistent with its fiduciary duties under applicable law to, with respect to AMR, the stakeholders of the Debtors or, with respect to US Airways Group, the stockholders of US Airways Group, taking into account any revisions to the terms of the transactions contemplated by the Merger Agreement proposed by US Airways Group or AMR, respectively, in response to receipt by such party of a notification from AMR or US Airways Group, respectively, that it intends to effect a change in recommendation;

if such change in recommendation relates to an acquisition proposal and:

- i AMR or US Airways Group, as applicable, has not otherwise breached its obligations regarding acquisition proposals in connection with the receipt of the unsolicited bona fide written acquisition proposal;
- i the board of directors of AMR or US Airways Group, as applicable, determines in good faith, after consultation with its financial adviser and outside counsel, taking into account all relevant factors, including legal, financial, and regulatory aspects of the proposal, the likelihood of obtaining financing, the likelihood of consummation and the party making the proposal, that such acquisition proposal is, with respect to AMR, the highest or otherwise best offer available to the stakeholders of the Debtors (to whom fiduciary duties are owed by the board of directors of AMR) as compared to the transactions contemplated by the Merger Agreement and the Plan, or, with respect to US Airways Group, more favorable, from a financial point of view, to US Airways Group's stockholders, than the transactions contemplated by the Merger Agreement; and
- i the board of directors of AMR or US Airways Group, as applicable, determines in good faith, after consultation with its outside legal counsel, that a failure to take such action is reasonably likely to be inconsistent with its fiduciary duties to, with respect to AMR, the stakeholders of the Debtors or, with respect to US Airways Group, the stockholders of US Airways Group, under applicable law, taking into account any revisions to the terms of the transactions contemplated by the Merger Agreement proposed by US Airways Group or AMR, respectively, in response to receipt by such party of a notification from AMR or US Airways Group, respectively, that it intends to effect a change in recommendation; and

AMR or US Airways Group, as applicable, provided written notice to the other party of its intention to make (and with respect to AMR, after consulting with the UCC's Advisers), a change in recommendation, at least five business days before making such change in recommendation.

Each of AMR and US Airways Group also agreed that it would immediately cease and cause to be terminated any existing activities, discussions, or negotiations with any third party with respect to any acquisition proposal as of the date of the Merger Agreement, that it would notify US Airways Group or AMR, respectively, as promptly as practicable (and, in any event, within 24 hours) if any inquiries, proposals, or offers with respect to any acquisition proposals or potential acquisition proposals were received by, any such information is requested from, or any such discussions or negotiations are sought to be initiated or continued with, it or any of its representatives, indicating the name of the applicable third party and the material terms and conditions of any related proposal or offer, and to thereafter keep US Airways Group or AMR, respectively, informed, on a current basis, on the status and terms of any such proposal or offer and the status of any such discussions or negotiations.

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**Table of Contents**

**US Airways Group Stockholders Meeting**

The Merger Agreement requires US Airways Group to call and hold a stockholders meeting to vote upon the adoption of the Merger Agreement, which may be the 2013 Annual Meeting of Stockholders, as promptly as practicable after the date of the Merger Agreement and in any event within 45 days after the date that is the later of (i) the date this registration statement becomes effective and (ii) the date on which the Bankruptcy Court orders approval of the Disclosure Statement. Additionally, subject to specified conditions related to its fiduciary duties, the board of directors of US Airways Group has agreed to recommend that its stockholders vote in favor of the adoption of the Merger Agreement.

**Publicity**

AMR and US Airways Group have agreed to consult with each other prior to issuing any press releases or public announcements with respect to the Merger, the Plan, and the other transactions contemplated by the Merger Agreement and prior to making any substantive filings with any third party or governmental entity with respect thereto, except as may be required by applicable law or by obligations pursuant to any listing agreement with, or rules of, any national securities exchange or by the request of any governmental entity, other than certain permitted actions in respect of an alternative acquisition proposal.

**Employee Matters**

Prior to the Closing, US Airways Group will use its best efforts to cause each employee of US Airways Group that is party to a US Airways Group Executive CIC Agreement to waive his or her rights under such agreement to accelerated vesting of US Airways Group stock options, US Airways Group stock-settled RSUs, US Airways Group stock-settled SARs, US Airways Group cash-settled RSUs, and/or US Airways Group cash-settled SARs, in each case, solely as a result of the Closing. Instead, such employees are expected to be provided a right to double trigger accelerated vesting of such equity awards upon a qualifying termination in connection with the Closing. Each US Airways Group executive officer has agreed to this arrangement.

Prior to the Closing, AMR and/or its subsidiaries will make all minimum required contributions to each AMR compensation and benefit plan that are required to have been made and were not made prior to the Effective Date.

Prior to the Closing, AMR will adopt and approve, to be effective as of the Effective Time, the AAG 2013 IAP, which will be substantially in the form of the 2011 Plan except that references to US Airways Group will be revised to references to AAG and the aggregate number of shares of AAG common stock reserved for issuance pursuant to the AAG 2013 IAP will be equal to 40 million shares of AAG common stock.

AMR has agreed it will, or will cause its subsidiaries to, adopt or otherwise put into effect (i) prior to the Closing, the ordinary course changes (as defined and set forth in the AMR Disclosure Letter), which consists of changes in compensation and employee benefits in the ordinary course of business for applicable employees and (ii) promptly after the Merger Support Order is entered by the Bankruptcy Court, the employee protection arrangements (as defined and set forth in the AMR Disclosure Letter), which consist of annual and other short term incentive plans for applicable employees, the AMR Alignment Awards, the 2013 Equity Awards, severance agreements with certain senior level managers, severance plans for other applicable employees, a key employee retention program for applicable employees, and the assumption of the long-term incentive plan program awards for certain eligible plan participants, in each case, in the amounts and upon the terms and conditions set forth in the AMR Disclosure Letter, which awards will be effective as of the Effective Time). For additional information about the AMR Alignment Awards and the 2013 Equity Awards, see the section entitled The Merger New AAG Compensation Plan and Certain Equity Awards beginning on page 114.

US Airways Group and AMR have agreed that each employee of US Airways Group, AMR, or any of their respective subsidiaries as of the Closing (including any employee who is full-time, part-time, temporary, on vacation, or on a medical or disability or any other paid or unpaid approved leave of absence) who continues

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**Table of Contents**

employment with AAG or the Surviving Corporation following the Closing Date (a continuing employee), who is not represented by a labor union and/or whose employment is not covered by a CBA (a non-union continuing employee), will continue to receive, during the one-year period beginning on the Closing Date, base salary or wages that are no less favorable than the base salary or wages received by such non-union continuing employee immediately prior to the Closing Date. During the two-year period beginning on the Closing Date, each non-union continuing employee will be entitled to receive severance pay and benefits that are no less favorable than the severance pay and benefits such non-union continuing employee would have received under the applicable AMR compensation and benefit plan in effect immediately prior to the Closing Date, including as amended or supplemented in accordance with the AMR Disclosure Letter, or any US Airways Group compensation and benefit plan in effect immediately prior to the Closing Date, including as amended or supplemented in accordance with the US Airways Group Disclosure Letter. The employment terms and conditions of each continuing employee who is not a non-union continuing employee will be governed by the applicable labor union agreement and/or CBA.

To the extent permitted by applicable law, AAG will credit, or will cause the Surviving Corporation and its subsidiaries to credit, each non-union continuing employee with his or her years of service with US Airways Group, AMR, or any of their respective subsidiaries and predecessor entities, under any employee benefit plans, programs, and arrangements in which such non-union continuing employee participates following the Closing (the post-closing plans) to the same extent as such non-union continuing employee was entitled immediately prior to the Closing to credit for such service under any similar US Airways Group compensation and benefit plan or AMR compensation and benefit plan, for purposes of eligibility, vesting and, to the extent applicable, calculation of the amount of vacation, travel, and/or severance benefits. Notwithstanding the foregoing, no service prior to the Closing Date will be credited for the purpose of benefit accrual or eligibility for any defined benefit pension plan, early retirement benefits, or subsidies under any defined benefit pension plan, nor for purposes of eligibility under any retiree medical plan, except to the extent required by applicable law (and then only to the extent crediting such service would not result in the duplication of benefits).

In addition, (i) for purposes of each post-closing plan providing medical, dental, pharmaceutical, vision, and/or other health benefits to any non-union continuing employee and his or her dependents, AAG will, or will cause the Surviving Corporation and its subsidiaries to, cause all pre-existing condition exclusions and actively-at-work requirements of such post-closing plan to be waived for such non-union continuing employee and his or her covered dependents, to the extent any such pre-existing condition exclusions or actively-at-work requirements were waived or were inapplicable under the comparable US Airways Group compensation and benefit plan or AMR compensation and benefit plan, and (ii) the post-closing plans will not deny non-union continuing employees coverage on the basis of pre-existing conditions and will credit such non-union continuing employees for any deductibles and out-of-pocket expenses paid in the year of initial participation in the post-closing plans.

On the date the employment of any non-union continuing employee is transferred to AAG or a different subsidiary of AAG, the accrued and unused vacation and any positive account balance under any medical or dependent care expense reimbursement account of such non-union continuing employee will be transferred to such new employer, and such new employer will be responsible for such obligations at or after the date of such transfer, except in the case of a transfer of such expense reimbursement account balances to a new employer that does not maintain any dependent care or medical expense reimbursement account plan. Each non-union continuing employee also will be permitted to continue to have payroll deductions made as most recently elected by him or her under the applicable flexible spending account plan.

AAG will, or will cause the Surviving Corporation and its subsidiaries to, explicitly assume and agree to perform, or cause to be performed, the obligations of US Airways Group or its subsidiaries under those plans and agreements set forth in the US Airways Group Disclosure Letter, which provide severance payments and/or benefits applicable to non-union continuing employees.

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**Table of Contents**

Each non-union continuing employee who satisfies the eligibility requirements of a US Airways Group compensation and benefit plan or an AMR compensation and benefit plan that is a 401(k) plan will be eligible to participate in a 401(k) plan maintained by AAG or the Surviving Corporation following the Closing (a post-closing 401(k) plan), and will be credited with eligibility service and vesting service for all periods of service with US Airways Group and AMR, and their respective subsidiaries to the extent so credited with such service under the applicable 401(k) plan as of the Closing Date. Additionally, in the event AAG or any of its subsidiaries terminates a 401(k) plan after the Closing Date, each non-union continuing employee who participates in such plan will, following such termination, become eligible to participate in a post-closing 401(k) plan for purposes of making rollover contributions and, at his or her election, be entitled to roll over his or her outstanding participant loan and related promissory note under the terminated 401(k) plan. During the period commencing on the date of such termination and ending at the time of the rollover of such loan and related promissory notes and related account balances, such loans will continue to be maintained under the applicable 401(k) plan, and AAG will, or will cause the Surviving Corporation to, make payroll deductions in respect of required payments under any such loan and timely remit such amounts to the applicable 401(k) plan as payments on such loan. During such period, provided that the participant continues to make all required installment payments with respect to such loan, such loan will not be placed in default, and AAG or the Surviving Corporation or one of its subsidiaries will take all necessary action to cause such loan not to be placed in default.

Except as otherwise required under applicable law or to the extent expressly set forth in a binding written agreement with AAG, the Surviving Corporation, or any of their respective subsidiaries, non-union continuing employees will be considered to be employed at will and nothing will be construed to limit the ability of AAG, the Surviving Corporation, or any of their respective subsidiaries to terminate the employment of any such employee at any time, subject to any applicable severance and related benefits (including any governmental or statutory severance).

With respect to any continuing employee who is located in a jurisdiction where local employment laws provide for an automatic transfer of employees upon transfer of a business as a going concern and such transfer occurs by operation of law (the automatic transferred employees), in the event that the applicable laws of any country require AAG, the Surviving Corporation, or any of their respective subsidiaries to (i) maintain terms and conditions of employment with respect to any automatic transferred employees following the Closing, or (ii) continue or cause to be continued any employment contract of any automatic transferred employees, AAG will cause the entity that employs such automatic transferred employee following the Closing to comply with such requirements to the extent required by such applicable laws; provided, however, that nothing will prevent AAG or the Surviving Corporation from terminating the employment of any automatic transferred employees after the Closing (for which AAG and its subsidiaries will be responsible for any costs or liabilities) or otherwise modifying the terms and conditions of employment of any automatic transferred employees to the extent permitted by law or otherwise agreed with applicable employee(s) or representative(s) thereof. For purposes of the Merger Agreement, terms and conditions of employment means the rights of automatic transferred employees according to their individual terms and conditions of employment with US Airways Group or its subsidiaries immediately prior to the Closing and, where applicable, under company or shop agreements, and any arrangements based on works customs and unilateral undertakings, if and to the extent they provide to an automatic transferred employee direct and enforceable causes of action against the employer.

AAG will take, and may cause any of its subsidiaries to take, any and all actions necessary or appropriate (including, to the extent necessary, under the Plan) to, as of the Effective Time, (i) assume and adopt each US Airways Group compensation and benefit plan and each AMR compensation and benefit plan (including all matters set forth in the Merger Agreement and the AMR Disclosure Letter, but excluding any prepetition equity or equity-equivalent plan or agreement of AMR and its subsidiaries) and to maintain and to perform under such plans and agreements to the same extent as US Airways Group or AMR or their respective subsidiaries would be required to perform under such plans and agreements if the Merger did not take place, and (ii) to the extent applicable, become, or cause the Surviving Corporation to become, a participating employer (as applicable) under such US Airways Group compensation and benefits plans and AMR compensation and benefits plans. Without limiting the generality

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**Table of Contents**

of the foregoing, AAG will assume, as of the Effective Time, all of the AMR compensation and benefits plans which constitute retirement plans, including all such plans subject to Title IV of ERISA and AMR's Supplemental Executive Retirement Plan (the "AMR Non-Qualified Plan"). US Airways Group will cooperate with AMR and AAG and will take or cause to be taken any and all actions reasonably necessary or appropriate in order to effect this requirement.

The Merger Agreement will not be interpreted as an amendment to any AMR compensation and benefit plan or any US Airways Group compensation and benefit plan or any other compensation and benefits plans maintained for or provided to directors, officers, employees, or consultants of AMR, US Airways Group, AAG, or the Surviving Corporation prior to or following the Effective Time. Nothing in the Merger Agreement will interfere with or limit AAG's or the Surviving Corporation's right to amend or terminate any individual plan, program, policy, or arrangement of US Airways Group or any of its subsidiaries, and nothing contained therein will obligate AAG, the Surviving Corporation, or any of their respective subsidiaries to maintain or continue any individual plan, program, policy, or arrangement.

The provisions of the Merger Agreement concerning employee matters are not intended to be for the benefit of or otherwise enforceable by any third person, including any employee of AMR or US Airways Group, or any collective bargaining unit or employee organization. Without limiting the foregoing, nothing contained in the Merger Agreement creates or implies any obligation on the part of US Airways Group, AMR, AAG, the Surviving Corporation, or any of their respective subsidiaries, to provide any continuing employment right to any individual on or after the Closing.

**Conditions to the Merger**

***Conditions to Each Party's Obligations to Effect the Merger***

The respective obligations of each of AMR, AMR Merger Sub, and US Airways Group to complete the Merger are conditioned upon the satisfaction or waiver prior to the Effective Time of each of the following conditions:

the Merger Agreement must have been duly adopted by holders of a majority of the outstanding shares of US Airways Group common stock at a meeting of holders of shares of US Airways Group common stock;

the waiting period applicable to the Closing under the HSR Act must have expired or been earlier terminated;

any approval or authorization required to be obtained under the EU Merger Regulation for the Closing must have been obtained;

any approval or authorization required to be obtained from the FAA and the DOT for the Closing must have been obtained;

any approval or authorization required to be obtained from any other governmental entity for the Closing must have been obtained, except for those the failure of which to obtain would not, individually or in the aggregate, reasonably be expected to result in a material adverse effect on AMR, US Airways Group, or AAG or provide a reasonable basis to conclude that AMR, US Airways Group, or any of their respective directors or officers would be subject to the risk of criminal liability;

any approvals or authorization required to be obtained under any other foreign antitrust, competition, or similar laws for the Closing must have been obtained, except for those the failure of which to obtain would not, individually or in the aggregate, reasonably be expected to result in a material adverse effect on AMR, US Airways Group, or AAG or provide a reasonable basis to conclude that AMR, US Airways Group, or any of their respective directors or officers would be subject to the risk of criminal liability;

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**Table of Contents**

no governmental entity of competent jurisdiction may have enacted, issued, promulgated, enforced, or entered any law (whether temporary, preliminary, or permanent) that is in effect and restrains, enjoins, makes illegal, or otherwise prohibits the Closing or the consummation of the other transactions contemplated by the Merger Agreement and no government entity of competent jurisdiction may have proposed (and not withdrawn) an order that could have a material adverse effect on AAG or provide a reasonable basis to conclude that AMR, US Airways Group, or any of their respective directors or officers would be subject to the risk of criminal liability;

the shares of AAG common stock to be issued in the Merger and under the Plan must have been authorized for listing on the NYSE or NASDAQ upon official notice of issuance; and

the registration statement of which this proxy statement/prospectus forms a part must have become effective under the Securities Act and no stop order suspending its effectiveness may have been issued and no proceedings for that purpose may have been initiated or be threatened by the SEC.

***Conditions to Obligations of AMR and AMR Merger Sub***

The obligations of AMR and AMR Merger Sub to effect the Merger are also subject to the satisfaction or waiver by AMR at or prior to the Effective Time of the following conditions:

each of the representations and warranties made by US Airways Group in the Merger Agreement (without giving effect to any materiality or material adverse effect on US Airways Group qualifications contained therein) must be true and correct in all respects as of the date of the Merger Agreement and as of the Closing Date as though made on and as of the Closing Date (except to the extent any such representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty will be true and correct as of such earlier date) except (i) where the failure of such representations and warranties to be true and correct (other than with respect to specified representations and warranties relating to the capitalization of US Airways Group) would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on US Airways Group and (ii) where the failure of such specified representations and warranties relating to the capitalization of US Airways Group to be true and correct is not material;

US Airways Group must have performed in all material respects all obligations required to be performed by it under the Merger Agreement at or prior to the Closing Date;

AMR must have received a certificate signed on behalf of US Airways Group by the chief executive officer or chief financial officer of US Airways Group to the effect that the conditions in the prior two bullets have been satisfied;

AMR must have received the opinion of Weil, Gotshal & Manges LLP, counsel to AMR, in form and substance reasonably satisfactory to AMR, dated the Closing Date, substantially to the effect that the Merger in conjunction with the Plan will be treated for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code; and

(i) any modifications, amendments, or supplements to the Plan, the Plan Related Documents, or the Confirmation Order that were not filed with the Bankruptcy Court by the Debtors must be in form and substance reasonably acceptable to AMR, (ii) the Plan must have been confirmed by the Bankruptcy Court pursuant to the Confirmation Order, (iii) the Confirmation Order must be in full force and effect and must not have been stayed, modified, or vacated, and (iv) the Effective Date must occur contemporaneously with the Closing Date.

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**Table of Contents**

***Conditions to Obligations of US Airways Group***

The obligation of US Airways Group to effect the Merger is also subject to the satisfaction or waiver by US Airways Group at or prior to the Effective Time of the following conditions:

each of the representations and warranties made by AMR and AMR Merger Sub in the Merger Agreement (without giving effect to any materiality or material adverse effect on AMR qualifications contained therein) must be true and correct in all respects as of the date of the Merger Agreement and as of the Closing Date as though made on and as of the Closing Date (except to the extent any such representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty must be true and correct as of that earlier date) except (i) where the failure of such representations and warranties to be true and correct (other than with respect to specified representations and warranties relating to the capitalization of AAG) would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on AMR and (ii) where the failure of such specified representations and warranties relating to the capitalization of AAG to be true and correct is less than a certain threshold of shares of AAG common stock;

each of AMR and AMR Merger Sub must have performed in all material respects all obligations required to be performed by it under the Merger Agreement at or prior to the Closing Date;

US Airways Group must have received a certificate signed on behalf of AMR and AMR Merger Sub by the chief executive officer or chief financial officer of AMR that the conditions in the first, second, sixth, and seventh bullets under this heading *Conditions to Obligations of US Airways Group* have been satisfied;

US Airways Group must have received the opinion of Latham & Watkins LLP, counsel to US Airways Group, in form and substance reasonably satisfactory to US Airways Group, dated the Closing Date, substantially to the effect that the Merger in conjunction with the Plan will be treated for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code;

(i) the Plan, the Plan Related Documents, and the Confirmation Order must be in form and substance reasonably acceptable to US Airways Group (such acceptance not to be unreasonably delayed, conditioned, or withheld; it being agreed that it would not be reasonable for US Airways Group to object to any Plan, Plan related document, or Confirmation Order that is consistent with the terms of the Merger Agreement, including the requirements of a conforming Plan), (ii) the Plan must have been confirmed by the Bankruptcy Court pursuant to the Confirmation Order, (iii) the Confirmation Order must be in full force and effect and must not have been stayed, modified, or vacated, and (iv) the Effective Date must occur contemporaneously with the Closing Date;

the Plan must include each of the components of a conforming Plan as set forth under the heading *Bankruptcy Matters* ; and

immediately prior to the effectiveness of the Plan:

secured indebtedness of the Debtors (other than secured indebtedness with respect to municipal bonds) must not exceed \$6.8 billion in aggregate principal amount, subject to certain exceptions;

secured indebtedness of the Debtors with respect to municipal bonds must not exceed \$1.7 billion in aggregate principal amount, subject to certain exceptions; and



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certain unpaid administrative expense claims and unpaid claims entitled to priority status under the Bankruptcy Code (other than priority claims related to pensions) must not exceed \$400 million in aggregate principal amount.

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**Table of Contents**

**Termination of the Merger Agreement**

***Termination by AMR or US Airways Group***

The Merger Agreement may be terminated and the Merger may be abandoned at any time prior to the Effective Time by action taken by the board of directors of the terminating party or parties:

by mutual written consent of AMR and US Airways Group, whether before or after the adoption of the Merger Agreement by US Airways Group's stockholders or the entry of the Confirmation Order;

if the Merger is not completed by October 14, 2013, whether that date is before or after the adoption of the Merger Agreement by US Airways Group's stockholders or the entry of the Confirmation Order, unless (i) as of October 14, 2013, the closing conditions described in the second, third, fourth, fifth, or sixth bullet points under the heading "Conditions to the Merger - Conditions to Each Party's Obligation to Effect the Merger" above have not been satisfied, in which case the termination date may be extended from time to time by either AMR or US Airways Group one or more times to a date not beyond December 13, 2013; provided that in the event that a party fails to certify compliance with any Second Request for additional information issued by the DOJ or the FTC in connection with the transactions contemplated by the Merger Agreement prior to the 60th day following the issuance of such Second Request, such termination date may be extended by the other party one or more times for an additional number of days beyond December 13, 2013 equal to the number of days that elapsed between such 60th day and the day on which the first party actually certifies compliance with such Second Request, or (ii) as of October 14, 2013, the condition set forth in either the fifth bullet point under the heading "Conditions to the Merger - Conditions to Obligations of AMR and AMR Merger Sub" or the fifth bullet point under the heading "Conditions to the Merger - Conditions to Obligations of US Airways Group" has not been satisfied, the termination date may be extended from time to time by AMR or US Airways Group one or more times to a date not beyond December 13, 2013;

if the adoption of the Merger Agreement by US Airways Group common stockholders is not obtained at a stockholders meeting or at any adjournment or postponement of that meeting at which a vote thereon was taken;

if 20 days have elapsed after the Bankruptcy Court enters an order denying confirmation of the Plan; or

if any order of a governmental entity permanently restraining, enjoining, or otherwise prohibiting the Closing becomes final and non-appealable, except for orders the existence of which would not result in the failure of the closing condition described in the seventh bullet point under the heading "Conditions to the Merger - Conditions to Each Party's Obligations to Effect the Merger" above.

The foregoing rights to terminate the Merger Agreement will not be available to any party that has breached its obligations under the Merger Agreement in any manner that is the principal contributing factor to the occurrence of the events giving rise to the right to terminate the Merger Agreement.

***Termination by US Airways Group***

The Merger Agreement may be terminated and the Merger may be abandoned at any time prior to the Effective Time by US Airways Group, whether before or after adoption of the Merger Agreement by US Airways Group's stockholders, if:

there is a breach of any representation, warranty, covenant, or agreement made by AMR or AMR Merger Sub in the Merger Agreement, or any representation or warranty becomes untrue or incorrect after the execution of the Merger Agreement, such that the first and second bullet points under the heading "Conditions to the Merger - Conditions to Obligations of US Airways Group" would not then be satisfied and such breach or failure to be true and correct is not cured (if curable) within 45 days of US Airways Group's providing notice of the breach or failure to AMR;



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**Table of Contents**

US Airways Group is authorized, by duly authorized action of its board of directors, to enter into a binding written agreement concerning a transaction that constitutes a superior proposal with respect to US Airways Group;

AMR knowingly, willfully, and materially, and not inadvertently, breaches any of its obligations under the Merger Agreement relating to acquisition proposals;

AMR (i) withdraws or modifies in a manner adverse to US Airways Group the board of directors of AMR's recommendation of the acceptance of the Plan by the stakeholders of the Debtors who are entitled to vote on the Plan, or fails to include such recommendation in the Disclosure Statement, or (ii) recommends an acquisition proposal with respect to AMR; or

the UCC, subject to certain exceptions, (i) withdraws or modifies in a manner materially adverse to US Airways Group the UCC's recommendation of the acceptance of the Plan by the unsecured creditors holding claims against the Debtors who are entitled to vote on the Plan, or fails to provide to AMR for inclusion in the Disclosure Statement such recommendation, or (ii) recommends an acquisition proposal with respect to AMR; provided that such a withdrawal, modification, failure to provide, or recommendation will not be deemed to have occurred in any event if prior to the earlier of (a) ten business days after the occurrence thereof or (b) two business days prior to the end of the solicitation period for acceptances of the Plan, the AMR board of directors publicly reaffirms its recommendation that the stakeholders of the Debtors who are entitled to vote on the Plan accept the Plan.

***Termination by AMR***

The Merger Agreement may be terminated and the Merger may be abandoned at any time prior to the Effective Time by AMR, whether before or after adoption of the Merger Agreement by US Airways Group's stockholders, if:

there is a breach of any representation, warranty, covenant, or agreement made by US Airways Group, or any such representation or warranty becomes untrue or incorrect after the execution of the Merger Agreement, such that the first and second bullet points under the heading "Conditions to the Merger" "Conditions to Obligations of AMR" would not then be satisfied and such breach or failure to be true and correct is not cured (if curable) within 45 days of AMR's providing notice of the breach or failure to US Airways Group;

AMR, by duly authorized action of its board of directors or by order of the Bankruptcy Court, is authorized to enter into a binding written agreement concerning a transaction that constitutes a superior proposal with respect to AMR;

US Airways Group knowingly, willfully, and materially, and not inadvertently, breaches any of its obligations under the Merger Agreement relating to acquisition proposals with respect to US Airways Group; or

the board of directors of US Airways Group withdraws or modifies in any manner adverse to AMR or AMR Merger Sub its recommendation that the holders of US Airways Group common stock vote to adopt the Merger Agreement, recommends an acquisition proposal with respect to US Airways Group, or fails to include its recommendation that the holders of US Airways Group common stock vote to adopt the Merger Agreement in this proxy statement/prospectus.

Prior to any such termination of the Merger Agreement, AMR will consult with the UCC's Advisers.

**Effect of Termination**

If the Merger Agreement is terminated and the Merger is abandoned as described above, the Merger Agreement will be void and of no effect, with no liability on the part of any party to the Merger Agreement, except that certain designated provisions of the Merger Agreement, including the payment of fees and expenses, the confidential treatment of information, and, if applicable, the termination fees described below, will survive the termination of the Merger Agreement.



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**Table of Contents**

**Termination Fees and Expenses**

US Airways Group will promptly, but in no event later than two business days after the date a specified acquisition proposal of US Airways Group is consummated or an agreement with respect thereto is entered into, pay to AMR a termination fee of \$55 million, if AMR or US Airways Group, as the case may be, terminates the Merger Agreement because the adoption of the Merger Agreement by US Airways Group common stockholders is not obtained at the stockholders meeting or at any adjournment or postponement of that meeting at which the vote was taken, prior to such termination a specified acquisition proposal was made to US Airways Group or any of its subsidiaries or its stockholders and became publicly known, or any person publicly announced its intention to make such a specified acquisition proposal (and such acquisition proposal was not withdrawn prior to the 2013 Annual Meeting of Stockholders) and within 18 months of termination, US Airways Group consummates or enters into an agreement with respect to a specified acquisition proposal.

US Airways Group will promptly, but in no event later than two business days after the date of termination, pay to AMR a termination fee of \$55 million, if:

AMR terminates the Merger Agreement because US Airways Group knowingly, willfully, and materially, and not inadvertently, breaches any of its obligations under the Merger Agreement relating to acquisition proposals with respect to US Airways Group;

AMR terminates the Merger Agreement because the board of directors of US Airways Group withdraws or modifies in any manner adverse to AMR or AMR Merger Sub its recommendation that the holders of US Airways Group common stock vote to adopt the Merger Agreement, recommends an acquisition proposal with respect to US Airways Group, or fails to include its recommendation that the holders of US Airways Group common stock vote to adopt the Merger Agreement in this proxy statement/prospectus; or

US Airways Group terminates the Merger Agreement because US Airways Group, by duly authorized action of its board of directors, is authorized to enter into a binding written agreement concerning a transaction that constitutes a superior proposal with respect to US Airways Group.

US Airways Group will promptly, but in no event later than two business days after the date of termination, pay to AMR a termination fee of \$195 million, if:

AMR terminates the Merger Agreement because a specified officer of US Airways Group had actual knowledge of a material breach of a representation and warranty as of the date of the Merger Agreement and willfully failed to disclose such breach to AMR such that closing condition to AMR's obligation to effect the Merger described in the first bullet point under the heading "Conditions to the Merger" Conditions to Obligations of AMR and AMR Merger Sub above would not be satisfied and that breach is not cured (if curable) within 45 days of AMR's providing notice of that breach or failure to US Airways Group; or

AMR terminates the Merger Agreement because US Airways Group willfully took or failed to take action with actual knowledge of a specified officer of US Airways Group that such action so taken or omitted to be taken constituted a material breach of a covenant under the Merger Agreement such that closing conditions to AMR's obligation to effect the Merger described in the second bullet point under the heading "Conditions to the Merger" Conditions to Obligations of AMR and AMR Merger Sub above would not be satisfied and that breach is not cured (if curable) within 45 days of AMR's providing notice of that breach or failure to US Airways Group.

If US Airways Group fails to promptly pay the termination fee and, in order to obtain that payment, AMR commences a lawsuit which results in judgment against US Airways Group for the termination fee, then US Airways Group will pay AMR its costs and expenses, including attorneys fees, in connection with the lawsuit with interest on such amount, and any such costs and expenses, at Citibank's prime rate effective at the time the termination fee was due. If the termination fee is paid by US Airways Group, those amounts will be AMR's sole and exclusive remedy under the Merger Agreement.



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**Table of Contents**

AMR will promptly, but in no event later than two business days after the date a specified acquisition proposal of AMR is consummated or an agreement with respect thereto is entered into, pay to US Airways Group a termination fee of \$135 million, if:

AMR or US Airways Group, as the case may be, terminates the Merger Agreement because 20 days have elapsed after the Bankruptcy Court enters an order denying confirmation of the Plan, prior to such termination a specified acquisition proposal was made to AMR and became publicly known, or any person publicly announced its intention to make such a specified acquisition proposal (and such acquisition proposal was not withdrawn prior to the time of solicitation of votes on the Plan), and within 18 months of termination, AMR consummates or enters into an agreement with respect to a specified acquisition proposal.

AMR will promptly, but in no event later than two business days after the date of termination, pay to US Airways Group a termination fee of \$135 million, if:

US Airways Group terminates the Merger Agreement because AMR knowingly, willfully, and materially, and not inadvertently, breaches any of its obligations under the Merger Agreement relating to acquisition proposals with respect to AMR;

US Airways Group terminates the Merger Agreement because AMR (i) withdraws or modifies in a manner adverse to US Airways Group the statement that the board of directors of AMR has recommended the acceptance of the Plan by the stakeholders of the Debtors who are entitled to vote on the Plan, or fails to include such statement in the Disclosure Statement, or (ii) recommends a specified acquisition proposal with respect to AMR;

AMR terminates the Merger Agreement because AMR, by duly authorized action of its board of directors or by order of the Bankruptcy Court, is authorized to enter into a binding written agreement concerning a transaction that constitutes a superior proposal; or

US Airways Group terminates the Merger Agreement because the UCC (i) withdraws or modifies in a manner materially adverse to US Airways Group the statement that the UCC recommends the acceptance of the Plan by the unsecured creditors holding claims against the Debtors who are entitled to vote on the Plan, or fails to include such statement in the Disclosure Statement, or (ii) recommends a specified acquisition proposal; provided that, any action taken by the UCC in order to comply with its disclosure obligations under applicable law will not be such a withdrawal or modification if concurrently with such action the UCC publicly reaffirms the UCC's recommendation of the acceptance of the Plan by the unsecured creditors holding claims against the Debtors who are entitled to vote on the Plan; provided that such a withdrawal, modification, or failure to include a recommendation in the Disclosure Statement will not be deemed to have occurred in any event if prior to the earlier of (a) ten business days after the occurrence thereof or (b) two business days prior to the end of the solicitation period for acceptances of the Plan, the AMR board of directors publicly reaffirms its recommendation that the stakeholders of the Debtors who are entitled to vote on the Plan accept the Plan.

AMR will promptly, but in no event later than two business days after the date of termination, pay to US Airways Group a termination fee of \$195 million, if:

US Airways Group terminates the Merger Agreement because a specified officer of AMR had actual knowledge of a material breach of a representation and warranty as of the date of the Merger Agreement and willfully failed to disclose such breach to US Airways Group such that closing conditions to US Airways Group's obligation to effect the Merger described in the first bullet point under the heading "Conditions to the Merger" "Conditions to Obligations of US Airways Group" above would not be satisfied and that breach is not cured (if curable) within 45 days of US Airways Group's providing notice of that breach or failure to AMR; or



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**Table of Contents**

US Airways Group terminates the Merger Agreement because AMR willfully took or failed to take action with actual knowledge of a specified officer of AMR that such action so taken or omitted to be taken constituted a material breach of a covenant under the Merger Agreement such that the closing conditions to US Airways Group's obligation to effect the Merger described in the second bullet point under the heading "Conditions to the Merger" "Conditions to Obligations of US Airways Group" above would not be satisfied and that breach is not cured (if curable) within 45 days of US Airways Group's providing notice of that breach or failure to AMR.

If AMR fails to promptly pay the termination fee and, in order to obtain that payment, US Airways Group commences a lawsuit which results in a judgment against AMR for the termination fee, then AMR will pay US Airways Group its costs and expenses, including attorneys' fees, in connection with the lawsuit with interest on such amount, and any such costs and expenses, at Citibank's prime rate effective at the time the termination fee was due. If the termination fee is paid by AMR, those amounts will be US Airways Group's sole and exclusive remedy under the Merger Agreement.

**Amendment and Waiver**

At any time prior to the Effective Time, the parties to the Merger Agreement (with respect to AMR, after consultation with the UCC's Advisers) may modify or amend the Merger Agreement by written agreement executed and delivered by duly authorized officers of the respective parties, subject to applicable law. However, any material modification to the Merger Agreement prior to the Effective Time will be subject to the approval of the Bankruptcy Court; and (i) any material amendment or modification to the Merger Agreement relating to the composition of the board of directors of AAG or the rights of the UCC or (ii) any amendment or modification to any other provision of the Merger Agreement that materially adversely affects the notice, consent, consultation, or participation rights expressly granted to the UCC or the UCC's Advisers under the Merger Agreement will require the prior approval of the UCC's Legal Adviser.

**SEC Filings**

AMR and US Airways Group agreed to prepare promptly after the date of the Merger Agreement this registration statement on Form S-4 and the related prospectus in connection with the issuance of shares of AAG common stock to stockholders of US Airways Group and to include in this registration statement a proxy statement in connection with the 2013 Annual Meeting of Stockholders that US Airways Group has called and is giving notice of herewith, to, among other things, consider and approve the adoption of the Merger Agreement. AMR agreed to use its reasonable best efforts to file this registration statement with the SEC as promptly as practicable after it was prepared. Each of AMR and US Airways Group, in consultation with the other and, in the case of AMR, in consultation with the UCC's Advisers, further agreed to use its reasonable best efforts to (i) respond to any comments to this registration statement or this proxy statement/prospectus or requests for additional information from the SEC as soon as reasonably practicable after receipt of any such comments or requests and (ii) have this registration statement declared effective under the Securities Act by the date that is 120 days after the date of the Merger Agreement. US Airways Group also agreed to use its reasonable best efforts to promptly mail this proxy statement/prospectus to the holders of shares of US Airways Group common stock promptly after this registration statement is declared effective by the SEC. AMR agreed to provide the registration statement, and any proposed modifications, amendments, supplements, exhibits, and other similar documents, to US Airways Group and the UCC's Advisers prior to filing the documents with the SEC and receive US Airways Group's reasonable approval (such approval not to be unreasonably delayed, conditioned, or withheld) of the form and substance of the documents. US Airways Group agreed to provide this proxy statement/prospectus, and any proposed modifications, amendments, supplements, exhibits, and other similar documents, to AMR prior to mailing it to the stockholders of US Airways Group and receive AMR's reasonable approval (such approval not to be unreasonably delayed, conditioned, or withheld) of their form and substance.

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**Table of Contents****Reasonable Best Efforts and Regulatory Matters**

AMR and US Airways Group agreed to cooperate with each other and use their respective reasonable best efforts to take all actions necessary, proper, or advisable on each of their parts under the Merger Agreement and applicable laws (i) to consummate and make effective the Merger and the other transactions contemplated by the Merger Agreement as soon as practicable, including preparing and filing as soon as practicable all documentation to effect all necessary notices, reports, and other filings (including any required filings under the EU Merger Regulation) and (ii) to obtain as promptly as practicable all material consents, registrations, approvals, permits, and authorizations necessary or advisable to be obtained from any third party and/or any governmental entity in order to consummate the Merger or any of the other transactions contemplated by the Merger Agreement. AMR and US Airways Group agreed to use reasonable best efforts to complete a certification of compliance with any Second Request in connection with the transactions contemplated by the Merger Agreement no later than 60 days following the issuance of such Second Request.

Subject to applicable laws relating to the exchange of information, AMR and US Airways Group have agreed to cooperate and consult with one another with respect to communications and filings with governmental entities in connection with the Merger. To the extent permitted by applicable laws, AMR and US Airways Group each will provide the other with all information concerning itself as may be reasonably necessary or advisable in connection with any statement, filing, notice, or application made by or on behalf of AMR, US Airways Group, or any of their respective subsidiaries to any third party and/or any governmental entity in connection with the Merger and the transactions contemplated by the Merger Agreement. Subject to applicable laws and the instructions of any governmental entity, AMR and US Airways Group each will update one another regarding the progress of the transactions contemplated in the Merger Agreement, including promptly providing each other with notices or other communications received from any third party and/or any governmental entity with respect to the Merger and the other transactions contemplated by the Merger Agreement. Each party will give prompt notice to the other of any matter which, to the knowledge of certain specified officers of the reporting party, would be reasonably expected to result in a material adverse effect or of any failure of any condition to the other party's obligations to effect the Merger. The delivery of any such notice will not affect the remedies available to the party receiving such notice or the conditions to such party's obligation to consummate the Merger.

AMR and US Airways Group must cooperate with each other and use their respective reasonable best efforts to defend any lawsuits or legal proceedings or any actions by a governmental entity challenging the Closing or the other transactions contemplated by the Merger Agreement. This obligation to use reasonable best efforts to consummate and make effective the Merger may require, if necessary, that AMR or US Airways Group (i) sell, hold separate, or otherwise dispose of its assets or the assets of its subsidiaries or conduct its business in a specified manner or (ii) permit its assets or the assets of its subsidiaries to be sold, held separate, or disposed of or permit its business to be conducted in a specified manner. However, neither AMR nor US Airways Group is obligated to effect any divestiture or take any other action (a) if doing so would, individually or in the aggregate, reasonably be expected to result in a material adverse effect to AAG, (b) if any such sale, holding separate, or other disposition of assets or conduct of business in a specified manner would be required to be effected prior to the occurrence of the Effective Time, or (c) in the case of AMR, that is not permitted by the Bankruptcy Court after AMR has used its reasonable best efforts to promptly obtain permission from the Bankruptcy Court to take such action.

**Treatment of US Airways Group Convertible Debt**

If any such notes remain outstanding at the Effective Time, AMR and US Airways Group, and, if advisable, AMR Merger Sub, will enter into a supplemental indenture regarding the US Airways 7.25% Convertible Notes that will contain such provisions as may be required or advisable as a result of the Merger pursuant to the terms of the 7.25% Convertible Note Indenture. Such supplemental indenture is expected to (i) include certain provisions required by the 7.25% Convertible Note Indenture as a result of the Merger, including a provision causing each outstanding US Airways 7.25% Convertible Note to be convertible into the number of shares of AAG common stock that the holder would have received pursuant to the Merger if such holder had converted its

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## **Table of Contents**

US Airways 7.25% Convertible Notes into shares of US Airways Group common stock immediately prior to the Effective Time and (ii) provide for the guarantee by AAG of US Airways Group's obligations under the 7.25% Convertible Note Indenture and the US Airways 7.25% Convertible Notes following the Effective Time.

If any such notes remain outstanding at the Effective Time, AMR and US Airways Group, and, if advisable, AMR Merger Sub, will enter into a supplemental indenture in respect of the US Airways 7% Convertible Notes that will contain such provisions as may be required or advisable as a result of the Merger pursuant to the terms of the 7% Convertible Note Indenture. Such supplemental indenture is expected to (i) include the provisions required by the 7% Convertible Note Indenture, including a provision causing each outstanding US Airways 7% Convertible Note to be convertible solely into the number of shares of AAG common stock that the holder would have received pursuant to the Merger if such holder had converted its US Airways 7% Convertible Notes into shares of US Airways Group common stock immediately prior to the Effective Time and (ii) provide for the guarantee by AAG of US Airways Group's obligations under the 7% Convertible Note Indenture and the US Airways 7% Convertible Notes following the Effective Time.

### **Fees and Expenses**

Whether or not the Merger is completed, the parties will pay all of their own costs and expenses incurred by them in connection with the Merger Agreement and the Merger, except that AMR and US Airways Group will each be responsible for half of the filing or similar fees incurred in connection with any filings made under the HSR Act, the EU Merger Regulation, and any other applicable foreign antitrust, competition, or similar laws.

### **Director Flight Benefits**

The Merger Agreement provides that, as of the Effective Time, AAG will provide: (i) positive space, first class flight privileges to each non-employee member of the AMR board of directors and the US Airways Group board of directors for personal non-business related travel on substantially the same terms as provided as of the date of the Merger Agreement to the fully vested members of the US Airways Group board of directors, which will continue until the later of the death of such individual or such individual's spouse or life partner, (ii) to each non-employee member of the AMR board of directors and the US Airways Group board of directors, participation in AAG's flight benefit program for directors, with the exception that only individuals then serving as members of the board of directors of AAG will be entitled to a tax gross-up with respect to their flight privileges or any flight benefit plan benefits, and (iii) flight privileges to each individual (and such individual's spouse or life partner and dependent children) who, as of the date the Merger Agreement was executed, was a former member of the AMR board of directors and the US Airways Group board of directors on substantially the same terms as such travel privileges were provided to such individual as of the date of the Merger Agreement. As of December 31, 2012, all but one of the US Airways Group non-employee directors was already fully vested in lifetime flight privileges.

### **Indemnification; Directors and Officers Insurance**

In the Merger Agreement, AAG has agreed to indemnify and hold harmless each director and officer of AMR and its subsidiaries and each director and officer of US Airways Group and its subsidiaries, in each case, who were directors or officers at any time on or after November 29, 2005 in such capacity, for costs, judgments, fines, losses, claims, damages, or liabilities incurred in connection with claims, actions, suits, proceedings, or investigations arising out of matters existing or occurring at or prior to the Effective Time to the fullest extent permitted by applicable law, and to advance expenses as incurred to the fullest extent permitted by applicable law, subject to certain requirements and procedures. AMR will, and if AMR is unable to, AAG will, purchase the six-year tail officers' and directors' liability and fiduciary insurance policies described in the AMR Disclosure Letter and US Airways Group will, and if US Airways Group is unable to, AAG will cause US Airways Group to, purchase the six-year tail officers' and directors' liability and fiduciary insurance policies described in the US Airways Disclosure Letter, as applicable, or comparable policies from other reputable insurance providers;

## **Table of Contents**

provided that the amount paid for each such policy will not exceed 200% of the annual premium for AMR's or US Airways Group's, as applicable, then current policies. AAG will maintain such policies in full force and effect, for their full terms, and continue to honor the obligations thereunder, or if such policies are not obtained, AAG will maintain comparable insurance policies for a period of six years following the Closing, subject to certain limitations.

In addition, all rights to indemnification, advancement of expenses, and exculpation from liabilities now existing in favor of the current or former directors or officers of AMR, US Airways Group, or their respective subsidiaries pursuant to contracts therewith will be assumed by AAG. AAG will honor and perform under all indemnification contracts and organizational documents of AMR, US Airways Group, and their respective subsidiaries. AAG will not, directly or indirectly, amend any such contracts, documents, or provisions of organizational documents with respect to their respective rights to indemnification, advancement of expenses, and exculpation from liabilities for acts or omissions occurring prior to the Effective Time, in any manner adverse to the current or former directors or officers of AMR, US Airways Group, and their respective subsidiaries.

## **Transition Committee**

In order to facilitate the integration of the operations of AMR and US Airways Group and to permit the coordination of their related operations on a timely basis, prior to the Effective Time, AMR and US Airways Group established a transition committee. The transition committee was created in an effort to accelerate to the earliest time practicable following the Effective Time the realization of synergies, operating efficiencies, and other benefits expected to be realized by the parties as a result of the Merger. The transition committee will be managed by the chief executive officers of each of AMR and US Airways Group and with such other members as they mutually agree.

The transition committee will have responsibility for coordinating and directing the efforts of the parties with respect to: (i) the integration of operations and fleet plan of AMR and US Airways Group, (ii) obtaining the required consents and approvals from governmental entities as contemplated by the Merger Agreement, (iii) communications, public relations and investor relations strategy, and approach of the parties regarding the Plan, the Merger, and other transactions contemplated by the Merger Agreement (other than actions in connection with an alternative acquisition proposal), and (iv) other business and operational matters, including the financing needs of AAG and its subsidiaries following the Effective Time, in each case to the extent not in violation of applicable laws. The UCC will have the right to have up to two designees from the UCC's Advisers attend meetings of the transition committee.

On February 25, 2013, AMR and US Airways Group announced that US Airways Group president J. Scott Kirby and AMR chief restructuring officer Beverly K. Goulet had been named to direct the transition committee efforts.

## **Specific Performance**

AMR, US Airways Group, and AMR Merger Sub agreed that irreparable damage for which monetary damages would not be an adequate remedy would occur were the parties to fail to perform under the Merger Agreement or to take the actions required of them pursuant to the Merger Agreement to consummate the Closing. AMR, US Airways Group, and AMR Merger Sub agreed that each of them will be entitled to an injunction, specific performance, and other equitable relief to prevent breaches of the Merger Agreement and to enforce specifically the terms and provisions of the Merger Agreement, including specific performance in connection with enforcing a party's obligation to consummate the Closing in accordance with the terms of the Merger Agreement. A party seeking such an injunction will not be required to provide any bond or other security in connection with any such order or injunction. Each of AMR, US Airways Group, and AMR Merger Sub agreed that it will not oppose the granting of an injunction, specific performance, and other equitable relief consistent with the Merger Agreement on the basis that the other parties have an adequate remedy at law.

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**Table of Contents**
**US Airways Group Tax Plan**

On February 13, 2013, in connection with the execution of the Merger Agreement, the board of directors of US Airways Group adopted a Tax Benefit Preservation Plan between US Airways Group and American Stock Transfer & Trust Company, LLC, as rights agent (the Tax Plan). The following is a summary of the material terms of the Tax Plan. The full text of the Tax Plan specifying the terms of the Rights (as defined below) is filed as an exhibit to the Current Report on Form 8-K dated February 13, 2013 of US Airways Group and US Airways.

The Tax Plan is designed to help preserve the value of certain deferred tax benefits, including those generated by NOLs and certain other tax attributes (collectively, the Tax Benefits), of US Airways Group and AAG. The Tax Plan is designed to reduce the likelihood that changes in US Airways Group's investor base would limit the future use of the Tax Benefits by US Airways Group or AAG, which would significantly impair the value of the benefits to all stockholders. The board of directors of US Airways Group determined that it was in the best interest of US Airways Group and its stockholders that US Airways Group provide for the protection of the Tax Benefits by adopting the Tax Plan.

The Tax Plan is intended to act as a deterrent to any person acquiring beneficial ownership of 4.9% or more of the outstanding shares of US Airways Group's common stock, or any existing 4.9% or greater beneficial owner from increasing its percentage of stock ownership, in each case, without the approval of the board of directors of US Airways Group. This would protect the Tax Benefits because changes in beneficial ownership by a person owning less than 4.9% of US Airways Group's stock are not included in the calculation of ownership change for purposes of Section 382 of the Code. The board of directors of US Airways Group has established procedures to consider requests to exempt certain acquisitions of US Airways Group's securities from the Tax Plan if the board of directors of US Airways Group determines that doing so would not limit or impair the availability of the Tax Benefits of US Airways Group and AAG or is otherwise in the best interests of US Airways Group. For these purposes, a person's beneficial ownership is determined in accordance with Section 382 of the Code, subject to certain adjustments as set forth in the Tax Plan.

***Dividend of Common Stock Purchase Rights***

In connection with its adoption of the Tax Plan, the board of directors of US Airways Group declared a dividend of one common stock purchase right (individually, a Right and collectively, the Rights) for each share of common stock of US Airways Group outstanding at the close of business on February 27, 2013. As long as the Rights are attached to the common stock of US Airways Group, US Airways Group will issue one Right (subject to adjustment) with each new share of the common stock of US Airways Group so that all such shares will have attached Rights. When exercisable, each Right will entitle the registered holder to purchase from US Airways Group one tenth of a share of common stock of US Airways Group at a price of \$3.00 per one tenth of a share of common stock of US Airways Group (equivalent to \$30.00 per whole share of common stock of US Airways Group), subject to adjustment (the Purchase Price).

***Transfer, Flip In, and Exercise of the Rights***

The Rights detach from the common stock of US Airways Group and become exercisable at the close of business on the tenth business day following a public announcement that a person or group of affiliated or associated persons has acquired, or obtained the right to acquire, beneficial ownership of 4.9% or more of the common stock of US Airways Group (each such person, an Acquiring Person), or such earlier date that a majority of the board of directors of US Airways Group becomes aware of the existence of an Acquiring Person (the Distribution Date). The board of directors of US Airways Group may postpone the Distribution Date under certain circumstances.

The Tax Plan provides that any person who beneficially owned shares of common stock of US Airways Group equal to or exceeding 4.9% of the outstanding common stock of US Airways Group immediately prior to the first public announcement of the adoption of the Tax Plan (each, an Existing Holder), shall not be deemed

**Table of Contents**

to be an Acquiring Person for purposes of the Tax Plan unless the Existing Holder becomes the beneficial owner of one or more additional shares of common stock of US Airways Group (other than pursuant to a dividend or distribution paid or made by US Airways Group on the outstanding common stock of US Airways Group in common stock of US Airways Group, pursuant to a split or subdivision of the outstanding common stock of US Airways Group, pursuant to any unilateral grant of any common stock of US Airways Group by US Airways Group). However, if upon acquiring beneficial ownership of one or more additional shares of common stock of US Airways Group, the Existing Holder does not beneficially own shares of common stock of US Airways Group equal to or exceeding 4.9% of the common stock of US Airways Group outstanding, the Existing Holder shall not be deemed to be an Acquiring Person for purposes of the Tax Plan.

The Rights will be transferred only with the common stock of US Airways Group until the Distribution Date (or earlier redemption, exchange, termination or expiration of the Rights). After the Distribution Date, separate rights certificates will be issued evidencing the Rights and become separately transferable apart from the common stock of US Airways Group.

Unless redeemed or exchanged earlier by US Airways Group or terminated, the Rights will expire upon the earliest to occur of (i) the close of business on February 13, 2014, (ii) the close of business on the effective date of the repeal of Section 382 of the Code if the board of directors of US Airways Group determines that the Tax Plan is no longer necessary or desirable for the preservation of the Tax Benefits, (iii) the time at which the board of directors of US Airways Group determines that the Tax Benefits are fully utilized or no longer available under Section 382 of the Code or that an ownership change under Section 382 of the Code would not adversely impact in any material respect the time period in which US Airways Group or any successor or the combined company could use the Tax Benefits, or materially impair the amount of the Tax Benefits that could be used by US Airways Group or any successor or the combined company in any particular time period, for applicable tax purposes, (iv) the time at which the Merger Agreement is terminated, or (v) immediately prior to the consummation of the transactions contemplated by the Merger Agreement. Accordingly, neither the Rights nor the Tax Plan will survive the Merger and therefor neither will be applicable to AAG or its stockholders.

***Purchase Price for Exercise of Rights***

The Purchase Price payable, and the number of one tenths of a share of common stock of US Airways Group or other securities or property issuable, upon exercise of the Rights is subject to adjustment from time to time to prevent dilution (i) in the event of a stock dividend on, or a subdivision, combination or reclassification of, the common stock of US Airways Group, (ii) upon the grant to holders of the common stock of US Airways Group of certain rights or warrants to subscribe for or purchase common stock of US Airways Group or convertible securities at less than the then current market price of the common stock of US Airways Group or (iii) upon the distribution to holders of the common stock of US Airways Group of evidences of indebtedness, cash, securities, or assets (other than a regular periodic cash dividend out of earnings or retained earnings of US Airways Group) or of subscription rights or warrants (other than those referred to above).

***Merger, Exchange, or Redemption of the Rights***

In the event that a person becomes an Acquiring Person or if US Airways Group were the surviving corporation in a merger with an Acquiring Person (other than the Merger to which the Tax Plan is inapplicable by its terms) and shares of the common stock of US Airways Group were not changed or exchanged, each holder of a Right, other than Rights that are or were acquired or beneficially owned by the Acquiring Person (which Rights will thereafter be void), will thereafter have the right to receive upon exercise and payment of ten times the then-current Purchase Price that number of whole shares of common stock of US Airways Group having a market value of twenty times the then-current Purchase Price of one Right. In the event that, after a person has become an Acquiring Person, US Airways Group were acquired in a merger or other business combination transaction or more than 50% of its assets or earning power were sold, proper provision shall be made so that each holder of a Right shall thereafter have the right to receive, upon the exercise thereof and payment of ten times the then-

**Table of Contents**

current Purchase Price of the Right, that number of shares of common stock of the acquiring company which at the time of such transaction would have a market value of twenty times the then-current Purchase Price of one Right.

At any time after a person becomes an Acquiring Person and prior to the earlier of one of the events described in the last sentence of the previous paragraph or the acquisition by such Acquiring Person of 50% or more of the then outstanding common stock of US Airways Group, the board of directors of US Airways Group may cause US Airways Group to exchange the Rights (other than Rights owned by an Acquiring Person which will have become null and void), in whole or in part, for shares of common stock of US Airways Group at an exchange rate of one share of common stock of US Airways Group per Right (subject to adjustment, or a lesser ratio determined by the board of directors of US Airways Group, if US Airways Group does not have sufficient authorized and unreserved shares of common stock of US Airways Group).

The Rights may be redeemed in whole, but not in part, at a price of \$0.0001 per Right (the Redemption Price ) by the board of directors at any time prior to the time that an Acquiring Person has become such. The redemption of the Rights may be made effective at such time, on such basis and with such conditions as the board of directors of US Airways Group in its sole discretion may establish. Immediately upon any redemption of the Rights, the right to exercise the Rights will terminate and the only right of the holders of Rights will be to receive the Redemption Price.

Until a Right is exercised, the holder thereof, as such, will have no rights as a stockholder of US Airways Group beyond those as an existing stockholder, including, without limitation, the right to vote or to receive dividends.

***Amendment of Tax Benefit Preservation Plan***

Any of the provisions of the Tax Plan may be amended by the board of directors of US Airways Group, or a duly authorized committee thereof, for so long as the Rights are then redeemable, and after the Rights are no longer redeemable, US Airways Group may amend or supplement the Tax Plan in any manner that does not adversely affect the interests of the holders of the Rights (other than an Acquiring Person or any affiliate or associate of an Acquiring Person).

**Table of Contents****COMPARATIVE PER SHARE MARKET PRICE DATA**

US Airways Group common stock currently trades on the NYSE under the symbol LCC. Prior to the Chapter 11 Cases and continuing through January 5, 2012, AMR's common stock was traded on the NYSE under the symbol AMR. On December 29, 2011, the NYSE announced that it would suspend trading and move to delist AMR's common stock. AMR's common stock was delisted effective January 5, 2012. As a result, on January 5, 2012, the common stock began trading on the over-the-counter market under the symbol AAMRQ.

The table below sets forth, for the periods indicated, the range of high and low per share sales prices for AMR common stock as reported on the NYSE and over-the-counter market, as applicable, and for US Airways Group common stock as reported on the NYSE. For current price information, you should consult publicly available sources. Neither AMR nor US Airways Group paid any dividends during these periods.

The historical price information of US Airways Group stock does not necessarily reflect, and the historical price information of AMR common stock does not reflect the price at which AAG common stock will trade following the Closing. The Plan contemplates the cancellation of all currently outstanding equity securities of AMR. Therefore, it is not meaningful to determine the value of the Merger consideration by reference to current trading values of AMR common stock. Neither AMR nor US Airways Group can anticipate the price at which AAG common stock will trade following the Closing.

	US Airways Group		AMR	
	High	Low	High	Low
<b>Fiscal Year 2013</b>				
Second Quarter (through June 7, 2013)	\$ 19.70	15.03	\$ 6.85	4.43
First Quarter	17.43	12.70	4.52	0.80
<b>Fiscal Year 2012</b>				
Fourth Quarter	\$ 13.75	10.32	\$ 0.99	0.36
Third Quarter	14.51	9.74	0.56	0.36
Second Quarter	13.80	7.41	0.60	0.44
First Quarter	9.91	4.97	0.83	0.24
<b>Fiscal Year 2011</b>				
Fourth Quarter	\$ 6.48	3.96	\$ 3.10	0.20
Third Quarter	9.15	4.68	5.54	2.94
Second Quarter	10.35	7.76	6.79	5.40
First Quarter	11.56	7.71	8.89	6.05
<b>Fiscal Year 2010</b>				
Fourth Quarter	\$ 12.26	8.94	\$ 8.98	5.92
Third Quarter	11.40	8.02	7.48	5.86
Second Quarter	10.87	5.70	9.35	5.91
First Quarter	8.17	4.47	10.50	6.79
<b>Fiscal Year 2009</b>				
Fourth Quarter	\$ 5.40	2.82	\$ 8.33	5.11
Third Quarter	5.60	2.00	9.24	3.93
Second Quarter	5.35	2.11	6.50	3.10
First Quarter	9.70	1.88	12.48	2.40

The following table presents:

the last reported sale price of a share of AMR common stock, as reported on the over-the-counter market; and

the last reported sale price of a share of US Airways Group common stock, as reported on the NYSE; in each case, on February 13, 2013, the last full trading day prior to the public announcement of the proposed Merger, and on June 7, 2013, the last practicable trading day prior to the date of this proxy statement/ prospectus.

Date

AMR



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	US Airways Group	
February 13, 2013	\$ 14.66	\$ 1.30
June 7, 2013	\$ 17.02	\$ 4.85

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**Table of Contents****THE COMBINED COMPANY AFTER THE MERGER****General*****American Airlines Group Inc.***

Following the Closing, AMR will change its name to American Airlines Group Inc., or AAG, and will operate its airlines under the American Airlines® brand, principally through its mainline operating subsidiaries, American and US Airways. AAG is expected to integrate American and US Airways into a single airline, under a single FAA operating certificate, within two years following the Closing, subject to receipt of FAA approval. Following the Closing, US Airways will withdraw from the Star Alliance and join the oneworld® alliance. After giving effect to the Merger, AAG is expected to offer more than 6,700 daily flights to 336 destinations in 56 countries around the world. AMR and US Airways Group expect that AAG will maintain all nine hubs currently served by American and US Airways, resulting in a significantly larger network and more travel options for customers. AMR and US Airways Group also expect that the American Eagle Carriers and the US Airways Group regional carriers will continue to operate as distinct entities, providing seamless service to customers of AAG. AAG will be headquartered in Dallas-Fort Worth and will maintain a significant corporate and operational presence in the Phoenix metropolitan area. AMR and US Airways Group expect AAG to employ approximately 100,000 people around the world. AAG will also provide customers with more choices and increased service across a larger worldwide network, including an enhanced oneworld® alliance, than either American or US Airways could offer independently. Upon integration of the American and US Airways frequent flyer programs, AMR and US Airways Group expect that the AAdvantage® program will become the industry's leading frequent flyer loyalty program, based on AMR's and US Airways Group's anticipation that the AAdvantage® program will have the world's largest passenger network, the most available award destinations, and the largest number of participants.

***Expansive Global Network***

AAG is expected to create a competitive alternative to Delta Air Lines and United Airlines by offering a comprehensive domestic flight network as well as a world-class global flight network that will have the scale, breadth, and capabilities to compete with the world's largest airlines. AAG will combine the flight networks of AMR and US Airways Group, which are highly complementary with few route overlaps. Out of the more than 680 domestic nonstop routes that American and US Airways fly, only 12 nonstop flights overlap. Systemwide, American serves 130 cities not served by US Airways, and US Airways serves 62 cities not served by American. By combining these complementary flight networks, AAG expects to fill gaps in the flight networks provided by each airline individually, improve traffic flows through the existing hubs of American and US Airways, and expand service from those hubs to offer increased connectivity to existing markets and service to new cities. The combination of the two networks will enhance connectivity within the oneworld® alliance including joint businesses with British Airways and Iberia across the Atlantic, to which Finnair is expected to be added, and with Japan Airlines and Qantas across the Pacific by creating more options for travel and benefits both domestically and internationally, with connecting service to 83 destinations in Latin America and the Caribbean, 21 destinations in Europe and the Middle East, and five destinations in Asia.

***Revitalized Fleet***

Including aircraft delivered or scheduled to be delivered to AMR and US Airways Group in 2013, AAG is scheduled to take delivery of more than 600 new aircraft through 2022, including 517 narrowbody aircraft and 90 widebody international aircraft. AAG's fleet is expected to feature fully lie-flat, all-aisle access premium seating on American's new Boeing 777-300ER aircraft similar to US Airways' Airbus A330 international Envoy service. AAG will also retrofit some of its widebody fleet to include fully lie-flat premium seating in an effort to provide a consistent experience for customers. AMR and US Airways Group expect AAG to have one of the most modern and efficient fleets in the industry with features that will be particularly appealing to business customers.

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## **Table of Contents**

### ***Expected Synergies***

In considering the Merger, management of AMR and US Airways Group analyzed the potential cost and revenue synergies that could be generated by combining the companies, taking into account the benefits already achieved by AMR's restructuring. AMR and US Airways Group management have estimated that AAG will achieve more than \$1 billion in annual net synergies in 2015, including cost synergies of approximately \$150 million (after taking into account the improved compensation arrangements negotiated with employees of AAG) and revenue synergies of approximately \$900 million. AMR and US Airways Group expect to realize the cost synergies principally by reducing management and administrative overhead, consolidating information technology systems, and combining facilities. AMR and US Airways Group expect to realize the revenue synergies principally from providing significantly enhanced connectivity throughout the world to permit customers, particularly corporate clients, to use AAG for more of their travel needs and from optimizing the scheduling of the combined fleet to better match aircraft size with consumer demand. AMR and US Airways Group also expect to incur transition costs in connection with the Merger and the integration of the businesses of AMR and US Airways Group of approximately \$1.2 billion. There can be no assurance that AAG will be able to achieve these cost and revenue synergies at all, or that, if achieved, they can be achieved in a timely manner. In addition to the transition costs expected to be incurred in connection with the Merger, AMR will pay approximately \$1.4 billion in cash at emergence to settle certain obligations in connection with the Plan.

### **Board of Directors and Management of AAG after the Merger**

#### ***Board of Directors***

Following the Closing, the board of directors of AAG will be comprised of 12 members consisting of:

five directors designated by the Search Committee, (a) each of whom will be an Independent Director and (b) one of whom will serve as the initial lead Independent Director in accordance with the AAG Bylaws;

two directors designated by AMR, each of whom will be an Independent Director and reasonably acceptable to the Search Committee;

three directors designated by US Airways Group, each of whom will be an Independent Director;

Mr. Horton, the current chairman of the board and chief executive officer of AMR, who will serve as the initial chairman of the board of directors of AAG in accordance with the AAG Bylaws; and

Mr. Parker, the current chairman of the board and chief executive officer of US Airways Group.

The Search Committee has designated James F. Albaugh, Jeffrey D. Benjamin, John T. Cahill, Michael J. Embler, and Richard P. Schifter as members of the board of directors of AAG following the Closing, with Mr. Cahill to serve as lead independent director. Biographical information with respect to such individuals is set forth below:

*James F. Albaugh* (Age 63). Mr. Albaugh has been a senior advisor to The Blackstone Group L.P. since December 2012. Prior thereto, he was President and Chief Executive Officer of The Boeing Company's Commercial Airplanes business unit from September 2009 through June 2012. Prior to that position, Mr. Albaugh was President and Chief Executive Officer of Boeing's Integrated Defense Systems business unit from July 2002 to September 2009. Prior to that time, Mr. Albaugh, who joined Boeing in 1975, held various executive positions, including President and Chief Executive of Space and Communications and President of Space Transportation. Mr. Albaugh was a member of Boeing's Executive Council from 1998 through 2012. Mr. Albaugh is a member of the board of directors of TRW Automotive Holdings Corp. He is also President Elect of the American Institute of Aeronautics and Astronautics; a fellow of the Royal Aeronautical Society; an elected member of the International Academy of Aeronautics and the National Academy of Engineering; a member of the Board of Governors of the Wings Club; a member of the Board of Trustees of Willamette University and a member of the Board of Visitors of Columbia Engineering School. Mr. Albaugh's experience in



**Table of Contents**

the airplane and airline industry, including experience with complex systems, contracts and governmental oversight, as well as his accounting and financial literacy and public company board and corporate governance experience, make him qualified to serve as a member of AAG's board of directors.

*Jeffrey D. Benjamin* (Age 51). Mr. Benjamin has been a senior advisor to Cyrus Capital Partners, L.P., a registered investment adviser, since June 2008 and serves as a consultant to Apollo Global Management, LLC, a private investment fund. He was a senior advisor to Apollo Global Management, LLC from 2002 to 2008. Mr. Benjamin serves on the boards of directors of Caesars Entertainment Corp., Exco Resources, Inc., and Chemtura Corporation. He is also Chairman of the board of directors of Spectrum Group International, Inc. He previously served on the boards of directors of Virgin Media Inc., Goodman Global Holdings, Inc., Dade Behring Holdings, Inc., Chiquita Brands International, Inc., McLeodUSA LLC and Mandalay Resort Group, among others. Mr. Benjamin's experience in the investment industry and extensive experience serving on the boards of directors of public and private companies make him qualified to serve as a member of AAG's board of directors.

*John T. Cahill* (Age 56). Mr. Cahill has served as the Executive Chairman of Kraft Foods Group, Inc., a food and beverage company, since October 2012. He joined Kraft Foods, Inc., the former parent of Kraft Foods Group, in January 2012 as Executive Chairman, North American Grocery, and served in that capacity until October 2012. Prior thereto, he served as an industrial partner at Ripplewood Holdings LLC, a private equity firm, from 2008 to 2011. Mr. Cahill spent nine years with The Pepsi Bottling Group, Inc., a beverage manufacturing company, most recently as Chairman and Chief Executive Officer from 2003 to 2006 and Executive Chairman until 2007. Mr. Cahill previously spent nine years with PepsiCo, Inc., a food and beverage company, in a variety of leadership positions. Mr. Cahill currently serves as a member of the board of directors of Colgate-Palmolive Company, a consumer products company, and as a director of Legg Mason, Inc., an investment management firm. Mr. Cahill has also served on the board of directors of Frontier Holdings, Inc., the parent of Frontier Airlines. Mr. Cahill's leadership and operations experience in management roles at global public companies, as well as his accounting and financial expertise and public company board and corporate governance experience, make him qualified to serve as a member of AAG's board of directors.

*Michael J. Embler* (Age 49). Mr. Embler served as the Chief Investment Officer of Franklin Mutual Advisers LLC, an asset management subsidiary of Franklin Resources, Inc., from 2005 to 2009. Mr. Embler joined Franklin Mutual Advisers in 2001 and, prior to becoming Chief Investment Officer in 2005, served as head of its Distressed Investment Group. From 1992 until 2001, he worked at Nomura Holdings America in positions of increasing responsibility culminating in the position of Managing Director co-heading Nomura's proprietary distressed debt/special situations group. Mr. Embler currently serves on the boards of directors of CIT Group Inc. and NMI Holdings, Inc. He also serves on the Board of Trustees of The Corlears School, a non-profit institution. Mr. Embler has also served on the boards of directors of Abovenet Inc., Kindred Healthcare Inc. and Dynegey Inc. Mr. Embler's experience in finance, asset management and restructurings, capital markets and capital management make him qualified to serve as a member of AAG's board of directors.

*Richard P. Schifter* (Age 60). Mr. Schifter has been a partner at TPG Capital (formerly Texas Pacific Group) since 1994. Prior to joining TPG, Mr. Schifter was a partner at the law firm of Arnold & Porter in Washington, D.C., where he specialized in bankruptcy law and corporate restructuring and represented Air Partners in connection with the acquisition of Continental Airlines in 1993. Mr. Schifter joined Arnold & Porter in 1979 and was a partner from 1986 through 1994. Mr. Schifter is a member of the boards of directors of Republic Airways Holdings Inc., EverBank Financial Corp., American Beacon Advisors, Inc., Direct General Corporation and ProSight Specialty Insurance Holdings, Inc. Mr. Schifter has advised AAG that he will resign from the board of directors of Republic Airways Holdings Inc. prior to becoming a director of AAG. Mr. Schifter has also served on the boards of directors of Ryanair Holdings, PLC, America West Holdings, US Airways Group and Midwest Airlines, Inc. Mr. Schifter is also a member of the board of overseers of the University of Pennsylvania Law School and a member of the board of directors of Youth, I.N.C. (Improving Non-Profits for Children). Mr. Schifter's experience with airline management, as well as his legal experience and public company board and corporate governance experience, make him qualified to serve as a member of AAG's board of directors.

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**Table of Contents**

AMR has designated Alberto Ibarguen and Ray M. Robinson, current members of the AMR board of directors, as members of the board of directors of AAG following the Closing. For more information about these individuals, see the sections entitled "AMR Board of Directors and Corporate Governance Information - Directors, Executive Officers, and Corporate Governance" beginning on page 245 and "AMR'S Compensation Discussion and Analysis" beginning on page 251.

US Airways Group has designated Matthew J. Hart, Richard C. Kraemer, and Denise M. O'Leary, current members of the US Airways Group board of directors, as members of the board of directors of AAG following the Closing. For more information about these individuals, see the section entitled "Proposal 4: Election of Directors" beginning on page 283 and "US Airways Group Director Compensation" beginning on page 297.

If, prior to the Closing, any of these prospective directors becomes unavailable for any reason to serve as a member of the board of directors of AAG following the Closing (which is not anticipated), a substitute will be designated in accordance with the Merger Agreement.

Each of AMR and US Airways Group believes that these prospective directors are independent within the meaning of the relevant NYSE and NASDAQ rules. In accordance with stock exchange rules, a formal independence determination with respect to each such individual will be made following the Closing by the board of directors of AAG. As of the date of this proxy statement/prospectus, the compensation to be paid to the non-employee directors of AAG has not yet been determined, nor has any determination been made as to committee memberships.

The Search Committee is comprised of (i) four members designated by the UCC and (ii) four members designated by a majority of the initial Consenting Creditors. The Search Committee will be assisted by the UCC's Legal Adviser and a nationally recognized search firm retained by the UCC's Advisers. The Search Committee's mandate is to select director designees based on consensus, but in any event by not less than 75% of the voting members of the Search Committee. For biographical information with respect to Mr. Horton and Mr. Parker, see the sections entitled "AMR Board of Directors and Corporate Governance Information" beginning on page 245 and "Proposal 4: Election of Directors - Continuing Directors" beginning on page 284.

Mr. Horton will serve as chairman of the board of directors of AAG until the earlier of (i) the date that is the first anniversary of the Closing Date, (ii) the day prior to the date of the first annual meeting of stockholders of AAG following the Closing Date (which will in no event occur prior to May 1, 2014), and (iii) the election of a new chairman by the affirmative vote of at least 75% of the members of the board of directors of AAG (rounded up to the next full director), which must include at least one director who was designated as a director by AMR pursuant to the Merger Agreement. Following such time, Mr. Parker will serve as chairman of the board of directors of AAG until the election of a new chairman by the affirmative vote of the board of directors of AAG, which, prior to the date that is the 18 month anniversary of the Closing Date, will require the affirmative vote of at least 75% of the members of the board of directors of AAG (rounded up to the next full director), which must include at least one director who was designated as a director by US Airways Group pursuant to the Merger Agreement.

***Management***

Mr. Parker will serve as chief executive officer of AAG from the Closing Date until the election of a new chief executive officer by the affirmative vote of the board of directors of AAG, which, prior to the date that is the 18 month anniversary of the Closing Date, will require the affirmative vote of at least 75% of the members of the board of directors of AAG (rounded up to the next full director), which must include at least one director who was designated as a director by US Airways Group pursuant to the Merger Agreement. Mr. Horton will not continue as an officer or employee of AAG following the Closing.

**Table of Contents**

On June 10, 2013, AMR and US Airways Group jointly announced their intention to retain the following individuals, subject to the approval of the board of directors of AAG, as the senior leadership team of AAG or its principal operating subsidiaries following the Closing (in addition to Mr. Parker):

J. Scott Kirby, as president (currently president of US Airways Group);

Elise R. Eberwein, as executive vice president people and communications (currently executive vice president people, communications and public affairs of US Airways Group);

Beverly K. Goulet, as chief integration officer (currently senior vice president and chief integration officer of AMR);

Robert D. Isom, Jr., as chief operating officer and as chief executive officer of US Airways (currently executive vice president and chief operating officer of US Airways Group);

Stephen L. Johnson, as executive vice president, corporate affairs (currently executive vice president corporate and government affairs of US Airways Group);

Derek J. Kerr, as chief financial officer (currently chief financial officer of US Airways Group);

Maya Leibman, as chief information officer (currently senior vice president technology and chief information officer of AMR); and

William K. Ris, Jr., as senior vice president, government affairs (currently senior vice president government and regulatory affairs of AMR).

The designation of the executive officers of AAG will be determined by the board of directors of AAG after the Closing and is expected to be drawn from the executives identified above. As of the date of this proxy statement/prospectus, AAG had not entered into any new plan, contract, or arrangement with any of these individuals with respect to compensation and benefits following the Closing. The compensation programs and policies for AAG are expected to be established by the board of directors of AAG following the Closing. For more information with respect to the foregoing individuals who are current US Airways executive officers, see the sections entitled "US Airways Group Compensation Discussion and Analysis" beginning on page 310 and "US Airways Group Executive Officers" beginning on page 324.

**Table of Contents****THE PLAN OF REORGANIZATION**

*The disclosure below provides a summary of the material provisions of the Plan. The Plan, which specifies the terms of the Debtors' emergence from the Chapter 11 Cases, can be found at [www.amrcaseinfo.com](http://www.amrcaseinfo.com). Information on the website identified in the preceding sentence is not incorporated by reference into this proxy statement/prospectus.*

**The Plan**

On April 15, 2013, AMR and the other Debtors filed the Plan and the Disclosure Statement with the Bankruptcy Court, each of which was subsequently amended. On June 7, 2013, the bankruptcy Court entered an order approving the Disclosure Statement. The Plan incorporates and will implement the Merger pursuant to the Merger Agreement. Under the Merger Agreement, US Airways Group's equity holders will receive 28% of the diluted equity ownership of AAG and the remaining 72% of the diluted equity ownership of AAG will be distributed to the stakeholders, labor unions, and certain employees of AMR and the other Debtors pursuant to the Plan. The aggregate number of shares of AAG common stock issuable under the Plan, whether directly or upon the conversion of AAG Convertible Preferred Stock, will not exceed 72% of the diluted equity ownership of AAG as of the time of the Merger. Upon the effectiveness of the Plan and the Merger, which are anticipated to occur substantially contemporaneously, all shares of existing AMR common stock and other equity interests in AMR will be cancelled and all rights with respect thereto will cease to exist.

Generally, for purposes of the Plan, all 20 Debtors will be substantively consolidated into three nodes, consisting of: (i) AMR and certain of its subsidiaries (the AMR Debtors), (ii) American and certain of its subsidiaries (the American Debtors), and (iii) AMR Eagle and certain of its subsidiaries (the Eagle Debtors). As among the AMR Debtors, the American Debtors, and the Eagle Debtors, the Plan will separately classify creditor claims. However, pursuant to the compromises incorporated into the Plan relating to certain inter-creditor issues and the treatment of intercompany claims among the Debtors, general unsecured claims of similar rank and priority will be treated the same under the Plan regardless of the Debtor against which such claim was filed.

Specifically, all creditors holding general unsecured claims against American that are guaranteed by AMR and general unsecured claims against AMR that are guaranteed by American (Double-Dip Unsecured Claims) will be treated the same under the Plan. Similarly, all creditors asserting Single-Dip Unsecured Claims will be treated the same regardless of whether the claim is asserted against the AMR Debtors, the American Debtors, or the Eagle Debtors. As used herein, Single-Dip Unsecured Claims means the general unsecured claims against the Debtors that are not guaranteed by any other Debtor, other than the claims of the Debtors' labor unions. In addition, as a result of the economics of the distributions, including the anticipated distributions to holders of existing equity interests in AMR, no distributions will be made with respect to prepetition intercompany claims among the Debtors. The Plan also incorporates the compromise of certain disputes related to three series of DFW revenue bonds by granting them an allowed Single-Dip Unsecured Claim in the amount of 150% of the par amount of the claim plus non-default interest through the Effective Date, subject, however, to a recovery limited to 100% of the allowed claim. The Eagle Debtors have only Single-Dip Unsecured Claims.

The Plan contains the following provisions relating to the treatment of prepetition claims against the Debtors and equity interests in AMR:

unless they elect treatment as holders of Single-Dip Unsecured Claims, holders of Double-Dip Unsecured Claims will receive their recovery in shares of AAG Convertible Preferred Stock with a face amount equal to the allowed amount of their claims, including post-petition interest at the non-default rate;

holders of Single-Dip Unsecured Claims, and holders of Double-Dip Unsecured Claims that elect to receive such treatment, will receive a portion of their recovery in shares of AAG Convertible Preferred Stock and a portion in shares of AAG common stock;

one quarter of the shares of AAG Convertible Preferred Stock will be mandatorily convertible into shares of AAG common stock on each of the 30th, 60th, 90th, and 120th day after the Effective Date.



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## **Table of Contents**

In addition, subject to certain limitations, holders of AAG Convertible Preferred Stock may elect to convert up to \$250 million of the AAG Convertible Preferred Stock during each 30-day period following the Effective Date. Upon the conversion of the remaining AAG Convertible Preferred Stock on the 120th day after the Effective Date, all AAG Convertible Preferred Stock will have been converted to AAG common stock and no AAG Convertible Preferred Stock will then remain outstanding (the conversion price of the AAG Convertible Preferred Stock will vary on each conversion date, based on the volume weighted average price of the shares of the AAG common stock on the five trading days immediately preceding each conversion date, at a 3.5% discount, subject to a cap and a floor price);

holders of existing equity securities in AMR will receive an initial distribution of shares of AAG common stock representing 3.5% of the total number of shares of AAG common stock (on an as-converted basis) in addition to the potential to receive additional shares of AAG common stock on each conversion date if the conversion formula provides holders of unsecured claims with shares having a value equal to the allowed amount of their claims;

the satisfaction of certain labor-related claims through the allocation to such claims of shares of AAG common stock representing 23.6% of the total number of shares of AAG common stock ultimately distributed to holders of prepetition general unsecured creditors against the Debtors; and

the satisfaction in full of all secured, priority, and administrative claims against the AMR Debtors, the American Debtors, and the Eagle Debtors in accordance with the requirements of the Bankruptcy Code.

The distributions made to each of the foregoing stakeholders of the Debtors will be adjusted to take into account any reserves made for disputed claims under the Plan. In addition, as a result of the conversion mechanics of the AAG Convertible Preferred Stock, not all shares of AAG common stock to be distributed to the foregoing stakeholders can be distributed on the Effective Date. However, the number of shares of AAG common stock issued on the Effective Date on account of the labor claims and the existing equity interests in AMR is intended to be the maximum amount possible consistent with their unconditional entitlement to a fixed number of shares under the distribution scheme contemplated by the Plan.

### **Plan Approval Process**

The Closing is conditioned on, among other things, the confirmation of the Plan by the Bankruptcy Court in accordance with the requirements of Chapter 11 and the conditions to the effectiveness of the Plan having been satisfied or waived. Following the filing of the Plan and the Disclosure Statement, the Bankruptcy Court holds a hearing to consider approval of the Disclosure Statement pursuant to Section 1125 of the Bankruptcy Code at which parties in interest may object. After the Disclosure Statement is approved, the Debtors are authorized to solicit votes for the Plan from holders of claims against or equity interests in the Debtors who are entitled to vote on the Plan under the Bankruptcy Code. The Bankruptcy Court held a hearing to approve the Disclosure Statement on June 4, 2013, and entered an order approving the Disclosure Statement on June 7, 2013. Once Plan voting has been completed, the Bankruptcy Court will hold a hearing to consider confirmation of the Plan in accordance with the requirements of the Bankruptcy Code at which parties in interest may object. It is presently anticipated that a confirmation hearing with respect to the Plan will be held on August 15, 2013.

### **The Support and Settlement Agreement**

On February 13, 2013, the Debtors entered into the Support and Settlement Agreement with Consenting Creditors aggregating approximately \$1.2 billion of prepetition unsecured claims. Since February 13, 2013, additional Consenting Creditors holding approximately \$400 million of prepetition unsecured claims have signed joinders to the Support and Settlement Agreement. On May 14, 2013, the Debtors filed a motion in the Bankruptcy Court seeking approval of the Support and Settlement Agreement. The Bankruptcy Court entered an order approving the Support and Settlement Agreement on June 4, 2013. The Support and Settlement Agreement, together with that certain term sheet attached to the Support and Settlement Agreement (the Term Sheet ), is intended to address, compromise, and resolve certain inter-creditor issues among unsecured creditors and issues raised as to the validity of the prepetition intercompany claims among American, AMR, and AMR Eagle. The

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**Table of Contents**

Support and Settlement Agreement provides a mechanism for holders of allowed prepetition unsecured claims to receive a distribution based on the market value of AAG common stock. It also provides holders of existing AMR equity interests with a guaranteed initial distribution of AAG common stock and the potential to receive additional distributions after all prepetition unsecured creditors are paid in full based upon such market value.

Pursuant to the terms of the Support and Settlement Agreement, each Consenting Creditor has agreed, among other things, and subject to certain conditions, to (i) vote in favor of the Plan, (ii) generally support confirmation and consummation of the Plan, and (iii) not support or solicit any other plan of reorganization in opposition to the Plan.

The Support and Settlement Agreement may be terminated upon the occurrence of certain events, including: (i) certain breaches by the Debtors or Consenting Creditors of the Support and Settlement Agreement; (ii) termination of the Merger Agreement or the announcement by either AMR or US Airways Group of its intent to terminate the Merger Agreement (in which case the Support and Settlement Agreement would terminate automatically); (iii) the failure to meet certain milestones to achieving confirmation and consummation of the Plan; (iv) the filing, amendment, or modification of certain documents, including the Plan, in a manner that is materially inconsistent with the Support and Settlement Agreement and is materially adverse to a Consenting Creditor (in which case the Support and Settlement Agreement may be terminated by such Consenting Creditor solely with respect to itself); (v) the amendment or modification of the Merger Agreement in a manner that is materially adverse to a Consenting Creditor (in which case the Support and Settlement Agreement may be terminated by such Consenting Creditor solely with respect to itself); and (vi) if the volume weighted average price of US Airways Group's common stock for the 30 trading days ending on the last trading day immediately prior to the date of termination is less than \$10.40. Termination of the Support and Settlement Agreement would give the Consenting Creditors the right to withdraw their support of the Plan.

**AAG Convertible Preferred Stock**

On the Effective Date, AAG will designate the AAG Convertible Preferred Stock. The following summary of the terms of the AAG Convertible Preferred Stock is subject to, and qualified in its entirety by reference to, the provisions of the certificate of designations for the AAG Convertible Preferred Stock. The certificate of designations is expected to be substantially in the form attached to this proxy statement/prospectus as Annex C.

***Mandatory Conversion***

On each Mandatory Conversion Date (as defined below), a number of shares of AAG Convertible Preferred Stock equal to the lesser of (i) 25% of the total number of shares of AAG Convertible Preferred Stock issued on the Effective Date and (ii) the number of shares of AAG Convertible Preferred Stock outstanding on such Mandatory Conversion Date will automatically be converted into that number of shares of AAG common stock for each share of AAG Convertible Preferred Stock equal to the quotient of (a) the Stated Value (as defined below) of such share of AAG Convertible Preferred Stock divided by (b) the Conversion Price (as defined below) in effect at such Mandatory Conversion Date, with fractional shares being rounded to the nearest full share of AAG common stock.

With respect to each Mandatory Conversion Date, the conversion of shares of AAG Convertible Preferred Stock will be effectuated pro rata among all holders of AAG Convertible Preferred Stock, after giving effect to any Optional Conversions (as defined below) occurring on such conversion date.

**Mandatory Conversion Date** means each of the 30th, 60th, 90th, and 120th days following the Effective Date.

**Conversion Price** means, with respect to any Mandatory Conversion Date or Optional Conversion date, an amount equal to 96.5% of the VWAP calculated with respect to such date; provided, however, that such amount (i) not be less than \$10.875 per share of AAG common stock,

**Table of Contents**

subject to certain adjustments for dividends, distributions, subdivisions, or combinations (the Conversion Price Floor) and (ii) not greater than the greater of (a) \$19.00 and (b) the initial VWAP (based on the volume weighted average price per share of US Airways Group common stock for the five trading days prior to the Effective Date) less the Conversion Price Floor plus such initial VWAP, subject to certain adjustments for dividends, distributions, subdivisions, or combinations (the Conversion Price Cap).

VWAP means, with respect to any Mandatory Conversion Date, Optional Conversion date, or any other date of determination, the volume weighted average price of AAG's common stock for the five trading days ending on the last trading day immediately prior to such date; provided, however, that VWAP, as of the Effective Date and until the AAG common stock is trading on a nationally recognized stock exchange, shall be calculated as the volume weighted average price of the common stock of US Airways Group for the five trading days ending on the last trading day immediately prior to such date. The VWAP shall be calculated by using the VWAP function on a Bloomberg terminal by typing either LCC or the stock symbol for AAG common stock, as applicable, and then pressing the EQUITY key, typing VWAP, and then pressing the GO key. Once directed to the VWAP screen, the beginning time and date shall be entered as 9:30 a.m. (Eastern Time) on the date five (5) trading days prior to the previous trading day and the ending time and date shall be entered as of 4:30 p.m. (Eastern Time) on the last trading date, and then pressing the GO key. For the avoidance of doubt, the Bloomberg calculation shall be used for purposes of calculating VWAP.

***Optional Conversion***

At any time following the fifth trading day after the Effective Date, and from time to time prior to the final Mandatory Conversion Date, each holder of AAG Convertible Preferred Stock has the right to convert all or any portion of the holder's AAG Convertible Preferred Stock into shares of AAG common stock on the terms and conditions below (each, an Optional Conversion).

Any holder of AAG Convertible Preferred Stock may elect to convert all or any portion of the holder's AAG Convertible Preferred Stock into that number of shares of AAG common stock equal to the quotient of (i) the Stated Value of such AAG Convertible Preferred Stock divided by (ii) the Conversion Price in effect on the date of such conversion, with fractional shares being rounded to the nearest full share of AAG common stock; provided, however, that the aggregate number of shares of AAG Convertible Preferred Stock converted by all holders of AAG Convertible Preferred Stock pursuant to the Optional Conversion during any Conversion Period (as defined below) will not exceed 10,000,000 shares of AAG Convertible Preferred Stock (the Optional Conversion Cap). The Conversion Periods are each period of time ending on a Mandatory Conversion Date and beginning on (a) the day following the immediately preceding Mandatory Conversion Date or (b) the Effective Date, in the case of the first Conversion Period; provided no Optional Conversion may be exercised during certain specified periods at the time of a Mandatory Conversion.

During each Conversion Period, the shares of AAG Convertible Preferred Stock will, subject to the Optional Conversion Cap, be converted on a first come, first serve basis, based on when the Optional Conversion became effective.

***Liquidation Preference***

In the event of liquidation, dissolution, or winding up of AAG, whether voluntary or involuntary (a Liquidation Event) each holder of AAG Convertible Preferred Stock will be entitled to receive, on a pro rata basis with AAG common stock and without preference with respect to AAG common stock, the distribution(s) that such holder would have been entitled to receive as a result of such Liquidation Event with respect to AAG's common stock assuming the holder's AAG Convertible Preferred Stock was converted pursuant to an Optional Conversion as of immediately prior to such Liquidation Event.

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## **Table of Contents**

### ***Redemption***

The AAG Convertible Preferred Stock will not be redeemable but will be mandatorily or optionally converted as described above.

### ***Voting Rights***

The holders of AAG Convertible Preferred Stock will not have voting rights other than those described below, and except as specifically required by Delaware law.

Each share of AAG Convertible Preferred Stock entitles the holder of the AAG Convertible Preferred Stock to vote with the holders of AAG's common stock, voting together as a single class, with respect to any and all matters presented to holders of AAG's common stock for their action, consideration or consent, whether at any special or annual meeting of stockholders, by written action of stockholders in lieu of a meeting, or otherwise. With respect to any such vote, each share of AAG Convertible Preferred Stock held on the record date for determining the stockholders eligible to participate in such vote entitles the holder thereof to cast 2.2989 votes, subject to certain anti-dilution adjustments described below (such number of votes, the Preferred Stock Voting Ratio).

For so long as any shares of AAG Convertible Preferred Stock remain outstanding, AAG will not, without the written consent or affirmative vote at a meeting called for such purpose, given in person or by proxy, by holders of AAG Convertible Preferred Stock holding, in the aggregate, at least a majority of the outstanding shares thereof (excluding any such shares beneficially owned directly or indirectly by AAG or any of its subsidiaries), voting as a separate class, amend, alter, or repeal any provisions of the AAG Certificate of Incorporation or the certificate of designations for the AAG Convertible Preferred Stock that would alter or change the rights, preferences, or privileges of the AAG Convertible Preferred Stock in a manner adverse to the holders of the AAG Convertible Preferred Stock.

In any case in which the holders of the AAG Convertible Preferred Stock will be entitled to vote as a separate class, each holder of AAG Convertible Preferred Stock will be entitled to one vote for each share of AAG Convertible Preferred Stock held on the record date for determining the stockholders eligible to participate in such vote.

### ***Accruals and Dividends***

From and after the Effective Date, whether or not there are funds legally available for the payment of dividends and without any action to be taken by the AAG board of directors, the Initial Stated Value (as defined below) of each share of AAG Convertible Preferred Stock will automatically increase in arrears on a daily basis at the rate of 6.25% per annum to and excluding the applicable Mandatory Conversion Date or Optional Conversion date of the share (the cumulative amount of such increase, as of any date or time of determination, is defined herein as the Accrued Stated Value). The Stated Value of any share of AAG Convertible Preferred Stock, as of any date or time of determination, is equal to the sum of (i) \$25 (the Initial Stated Value) and (ii) the amount of Accrued Stated Value.

Additionally, in the event that AAG declares or pays any dividends or distribution with respect to AAG's common stock (excluding any dividends or distributions paid in the form of additional shares of common stock), each holder of AAG Convertible Preferred Stock will be entitled to receive a dividend or distribution per share of AAG Convertible Preferred Stock equal to the dividend or distribution the holder would have received assuming the holder's AAG Convertible Preferred Stock was converted pursuant to an Optional Conversion.

### ***Adjustments for Stock Splits, Business Combinations, Etc.***

The Conversion Price and related Conversion Price Cap, Conversion Price Floor, and Preferred Stock Voting Ratio will be adjusted to give effect to any dividend, distribution, or the other similar adjustment to the AAG common stock during the period that the AAG Convertible Preferred Stock is outstanding.

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**Table of Contents****UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS**

The Unaudited Pro Forma Condensed Combined Balance Sheet combines the historical consolidated balance sheets of AMR and US Airways Group, giving effect to the Merger as if it had been consummated on March 31, 2013, and the Unaudited Pro Forma Condensed Combined Statements of Operations for the three months ended March 31, 2013 and the year ended December 31, 2012 combines the historical consolidated statements of operations of AMR and US Airways Group, giving effect to the Merger as if it had occurred January 1, 2012, the beginning of the earliest period presented. The historical consolidated financial statements of AMR and US Airways Group have been adjusted to reflect certain reclassifications in order to conform the financial statements presentation.

The unaudited pro forma condensed combined financial statements were prepared using the acquisition method of accounting with AMR treated as the accounting acquirer. Accordingly, US Airways Group's identifiable assets acquired and liabilities assumed are recognized at their estimated fair values as of the closing date. Goodwill is measured as the excess of the fair value of the consideration transferred in the Merger over the fair value of the identifiable net assets. As of the date of this proxy statement/prospectus, pro forma adjustments made to historical US Airways Group assets and liabilities have been based upon current estimates of fair value that should be considered preliminary and subject to further adjustment as additional information becomes available, additional analyses are performed, and as warranted by changes in current conditions and future expectations. While pro forma adjustments to historical US Airways Group assets and liabilities were based on fair value estimates determined from initial discussions between AMR and US Airways Group management, due diligence efforts, and information available in public filings, the detailed valuation studies necessary to arrive at the required estimates of the fair value of the US Airways Group assets to be acquired and the liabilities to be assumed, as well as the identification of all adjustments necessary to conform AMR and US Airways Group accounting policies, remain subject to completion because prior to the Closing both companies are limited in their ability to share information. Upon the Closing, final valuations and additional analysis will be performed. Finalization of the acquisition accounting may result in material differences to the estimates provided herein.

As more fully described in Note 3 AMR Fresh Start Accounting, the historical consolidated balance sheet and statement of operations of AMR used to prepare the Unaudited Pro Forma Condensed Combined Balance Sheet and the Unaudited Pro Forma Condensed Combined Statements of Operations as of and for the three months ended March 31, 2013 and the year ended December 31, 2012 reflect on a pro forma basis fresh start accounting adjustments that give effect to AMR's emergence from Chapter 11 as if it had occurred, for purposes of the historical consolidated balance sheet of AMR, on March 31, 2013 immediately prior to the assumed closing, and for purposes of the historical consolidated statement of operations of AMR, as of the beginning of the year ended December 31, 2012 immediately prior to the assumed closing. The pro forma adjustments made to historical AMR assets and liabilities were based on preliminary estimates of fair value. The detailed valuation studies necessary to arrive at the required estimates of the fair value remain subject to completion. Accordingly, finalization of the fresh start accounting adjustments may result in material differences to the estimates provided herein.

These unaudited pro forma condensed combined financial statements have been developed from and should be read in conjunction with the AMR unaudited interim condensed consolidated financial statements for the three months ended March 31, 2013 and the AMR 2012 consolidated financial statements both included herein and US Airways Group's Quarterly Report on Form 10-Q for the three months ended March 31, 2013 and the Annual Report on Form 10-K for the fiscal year ended December 31, 2012, which are incorporated by reference into this proxy statement/prospectus. The unaudited pro forma condensed combined financial statements are provided for illustrative purposes only and do not purport to represent what the actual consolidated results of operations or the consolidated financial position of AMR would have been had AMR emerged from Chapter 11 and the Merger occurred on the dates assumed, nor are they necessarily indicative of future consolidated results of operations or consolidated financial position.

**Table of Contents**

AMR expects to incur significant costs associated with integrating the operations of AMR and US Airways Group. The unaudited pro forma condensed combined financial statements do not reflect the costs of any integration activities or benefits that may result from realization of future cost savings from operating efficiencies or revenue synergies expected to result from the Merger. In addition, the unaudited pro forma condensed combined financial statements do not include one-time costs directly attributable to the transaction, employee retention costs, or professional fees incurred by US Airways Group or AMR in connection with the Merger.

**Table of Contents****UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET****MARCH 31, 2013**

	AMR Pro Forma Note 3	US Airways Group Historical	Pro Forma Adjustments Note 2 (In millions)	Condensed Combined Pro Forma
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 606	\$ 2,428	\$	\$ 3,034
Short-term investments	3,638	100		3,738
Restricted cash and short-term investments	853			853
Accounts receivable	1,243	490		1,733
Aircraft fuel, spare parts and supplies	605	335	55 (a)	995
Prepaid expenses and other	590	715	(299) (b)	1,006
<b>Total current assets</b>	<b>7,535</b>	<b>4,068</b>	<b>(244)</b>	<b>11,359</b>
<b>Operating property and equipment</b>	<b>11,454</b>	<b>4,959</b>	<b>(211) (c)</b>	<b>16,202</b>
<b>Other assets</b>				
Goodwill	13,452		3,767 (d)	17,219
Intangibles	6,570	534	839 (e)	7,943
Restricted cash		352		352
Other assets	2,167	234	(57) (b) (56) (f)	2,288
<b>Total other assets</b>	<b>22,189</b>	<b>1,120</b>	<b>4,493</b>	<b>27,802</b>
<b>Total assets</b>	<b>\$ 41,178</b>	<b>\$ 10,147</b>	<b>\$ 4,038</b>	<b>\$ 55,363</b>
<b>Liabilities and stockholders equity</b>				
<b>Current liabilities</b>				
Current maturities of long-term debt and capital leases	\$ 1,286	\$ 1,616	\$	\$ 2,902
Accounts payable	1,840	656		2,496
Air traffic liability	3,454	1,537		4,991
Frequent flyer deferred revenue	1,509		238 (g)	1,747
Accrued liabilities	2,084	1,293	(70) (b) 138 (b) (450) (g) 27 (h) (41) (i)	2,981
<b>Total current liabilities</b>	<b>10,173</b>	<b>5,102</b>	<b>(158)</b>	<b>15,117</b>
<b>Noncurrent liabilities</b>				
Long-term debt and capital leases, net of current maturities	7,359	3,278	365 (f)	11,002
Frequent flyer deferred revenue	2,296		879 (g)	3,175
Pension and post-retirement benefits	7,966	172	13 (h)	8,151
Other liabilities	3,914	754	579 (b)	5,440