



Understanding what's important®

**NOTICE OF (I) APPROVAL OF DISCLOSURE STATEMENT FOR  
CHAPTER 11 PLAN, (II) DEADLINE TO CAST BALLOTS WITH RESPECT TO  
CHAPTER 11 PLAN, (III) DEADLINE TO OBJECT TO CONFIRMATION OF  
CHAPTER 11 PLAN, AND (IV) HEARING ON CONFIRMATION OF  
CHAPTER 11 PLAN IN THE AMR CORPORATION AND  
AMERICAN AIRLINES, INC. BANKRUPTCY CASE  
TO HOLDERS OF**

**PUERTO RICO INDUSTRIAL, MEDICAL, HIGHER EDUCATION AND  
ENVIRONMENTAL POLLUTION CONTROL  
FACILITIES FINANCING AUTHORITY  
SPECIAL FACILITY REVENUE BONDS 1985 SERIES A  
(AMERICAN AIRLINES, INC. PROJECT)  
(the "BONDS")**

CUSIP Affected: 745271DK9\*

**NOTE: THIS NOTICE CONTAINS IMPORTANT INFORMATION THAT IS OF INTEREST TO THE REGISTERED AND BENEFICIAL OWNERS OF THE SUBJECT BONDS. IF APPLICABLE, ALL DEPOSITORIES, CUSTODIANS, AND OTHER INTERMEDIARIES RECEIVING THIS NOTICE ARE REQUESTED TO EXPEDITE RE-TRANSMITTAL TO BENEFICIAL OWNERS OF THE BONDS IN A TIMELY MANNER.**

Manufacturers and Traders Trust Company is successor indenture trustee (the "Trustee") under a Trust Agreement dated as of December 1, 1985 (the "Indenture") between Puerto Rico Industrial, Medical, Higher Education and Environmental Pollution Control Facilities Financing Authority (the "Authority") and National Westminster Bank USA, as trustee, pursuant to which the Bonds were issued in the original principal amount of \$36,160,000. In conjunction with the execution of the Indenture, the Authority and American entered into that certain Loan Agreement dated as of December 1, 1985 (the "Loan Agreement") pursuant to which American agreed to make payments sufficient to provide for the payment of the principal of, redemption premium, if any, and interest on the Bonds, when due (the "Loan Payments"). Pursuant to the Indenture, the Authority assigned to the Trustee certain of the Authority's rights and interest in and to the Loan Agreement. Unless otherwise noted, capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Indenture or the Loan Agreement, as applicable.

**Appointment of Manufacturers and Traders Trust Company as Successor Trustee**

You are hereby notified of the resignation of U.S. Bank National Association (the "Predecessor Trustee"), effective April 25, 2013, as trustee under the Indenture, pursuant to which the Bonds were issued and are outstanding, and the appointment of Manufacturers and Traders Trust Company, whose corporate office is located at 25 South Charles Street, 11th Floor, Mail Code: MD2-CS58, Baltimore, MD, 21201, as Successor Trustee under the Indenture, which appointment has been accepted and has become effective.

### **Chapter 11 Filing and Event of Default**

On November 29, 2011 (the “Petition Date”), American, AMR and eighteen (18) affiliates (collectively, the “Debtors”) filed voluntary petitions for relief under chapter 11 of the United States Bankruptcy Code (the “Chapter 11 Filing”) in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”). The main case number is 11-15463 (SHL). American’s Chapter 11 Filing constitutes an Event of Default under the Loan Agreement, which in turn constitutes an Event of Default under the Indenture.

On December 5, 2011, the U.S. Trustee for the Southern District of New York appointed the Trustee and eight other creditors to the Official Committee of Unsecured Creditors (the “Committee”).

### **Proposed Merger with US Airways Group, Inc.**

On February 14, 2013, AMR and US Airways Group, Inc. (“US Airways”) announced that their respective boards of directors had unanimously approved a definitive Merger Agreement (the “Merger”) dated as of February 13, 2013, by and between AMR, US Airways and a wholly-owned subsidiary of AMR. Following the Merger, AMR will (i) own, directly or indirectly, all of the equity interests of American, AMR Eagle Holding Corporation, US Airways and their direct and indirect subsidiaries and (ii) be renamed American Airlines Group Inc. (“New AAG”). Copies of the orders approving the merger are available through a special link on the website of the Trustee’s counsel: [www.drinkerbiddle.com/americanairlinesbondholders](http://www.drinkerbiddle.com/americanairlinesbondholders).

### **Support and Settlement Agreement**

On May 14, 2013, the Debtors filed a motion with the Bankruptcy Court seeking authority to enter into, perform under and implement the Support and Settlement Agreement (the “SSA”) by and among the Debtors and certain members (the “Consenting Creditors”) of the Ad Hoc Committee of AMR Corporation Creditors and certain other creditors holding approximately \$1.2 billion in aggregate prepetition unsecured claims. The SSA attached a “Term Sheet,” which served as the basis for formulating the Plan (as defined below). Pursuant to the terms of the SSA, each Consenting Creditor has agreed, among other things, to vote in favor of the Plan, generally support confirmation and consummation of the Plan and not to support or solicit any plan in opposition to the Plan SSA. On June 4, 2013, the Bankruptcy Court entered an order granting the Debtors’ motion for authority to enter into, perform under and implement the SSA (the “SSA Approval Order”). Copies of the SSA and the SSA Approval Order are available through the special link on the website of the Trustee’s counsel: [www.drinkerbiddle.com/americanairlinesbondholders](http://www.drinkerbiddle.com/americanairlinesbondholders).

### **Filing of Amended Joint Chapter 11 Plan and Disclosure Statement**

On June 5, 2013, the Debtors filed their “Second Amended Joint Chapter 11 Plan” (as the same may be amended from time to time, the “Plan”) and “Proposed Disclosure Statement for Debtors’ Second Amended Joint Chapter 11 Plan” (as the same may be amended from time to time, the “Disclosure Statement”). The Plan provides for the treatment of claims of AMR and American’s

creditors, including the Bondholders. A copy of the Plan and Disclosure Statement is available through the special link on the website of the Trustee's counsel: [www.drinkerbiddle.com/americanairlinesbondholders](http://www.drinkerbiddle.com/americanairlinesbondholders). The Disclosure Statement contains, among other things, descriptions and summaries of the provisions of the Plan. The Disclosure Statement indicates that the Plan will be implemented and become effective in conjunction with the consummation of the Merger.

The Trustee hereby notifies Bondholders that the Bankruptcy Court entered an order approving the Disclosure Statement as containing adequate information on June 7, 2013, which allows the Plan to be sent to creditors for a vote.

### **Description of the Plan**

**The following summary of the Plan and the treatment of the Bondholders' claims are provided as a convenience by the Trustee. Each Bondholder should carefully review the Plan, Disclosure Statement, and exhibits. Terms not otherwise defined in this section shall have the meaning ascribed to them in the Plan.**

#### *Treatment of Bondholders' Claims Under the Plan*

Pursuant to the Plan, the claims arising from the Bonds are characterized as "Single-Dip General Unsecured Claims" and have been placed in American Class 5 - American Other General Unsecured Claims. The holders of American Other General Unsecured Claims in Class 5 are impaired and are entitled to vote on the Plan. The Plan fixes the allowed amount of claims for the Bonds and characterizes these fixed amounts as the "American Fixed Allowed Unsecured Special Facility Revenue Bond Claims." The claims with respect to the Bonds shall be allowed under the Plan as American Other General Unsecured Claims in the amount of \$41,705,087.00. The American Fixed Allowed Unsecured Special Facility Revenue Bond Claims shall override and supersede any individual claims filed by Bondholders.

The Plan provides that each holder of an Allowed American Other General Unsecured Claim shall receive:

- (i) on, or as soon as reasonably practicable after, the Initial Distribution Date, its Initial Pro Rata Share of a number of shares of New Mandatorily Convertible Preferred Stock equal to the quotient of (a) the Total Initial Stated Value, less the Double-Dip Full Recovery Amount,<sup>1</sup> divided by (b) the per share Initial Stated Value<sup>2</sup>; and
- (ii) as soon as reasonably practicable after the Final Mandatory Conversion Date its Initial Pro Rate Share of a number of Shares of New Common Stock equal to (a) the

---

<sup>1</sup> The Double-Dip Full Recovery Amount is defined in the Plan as an amount equal to the full amount of all Allowed Double-Dip General Unsecured Claims as of the Petition Date, plus interest thereon (including interest on overdue interest) on all such claims from the Petition Date through the Effective Date of the Plan. Schedules 1 and 2 attached to the Plan indicate that the Double-Dip Full Recovery Amount is equal to \$2,937,511,561.

<sup>2</sup> The Plan further indicates that the Initial Stated Value of the New Mandatorily Convertible Preferred Stock shall be \$25 per share.

Creditor New Common Stock Allocation, less (b) the number of Shares of New Common Stock issued upon conversion of all the shares of New Mandatorily Convertible Preferred Stock, less (c) the Labor Common Stock Allocation.

The Plan also provides a mechanism for holders of American Other General Unsecured Claims to receive interim and final distributions from amounts reserved in the Disputed Claims Reserve as Disputed Single-Dip General Unsecured Claims are disallowed. The right of a holder of an Allowed American Other General Unsecured Claim to receive any distribution on a Mandatory Conversion Date, an Interim Distribution Date and a Final Distribution Date shall not be transferrable, except that shares of New Mandatorily Convertible Preferred Stock or the right to receive shares of New Common Stock pursuant to the conversion thereof shall be transferrable

The Debtors estimate a potential full recovery, including postpetition interest calculated at the non-default rate from the Petition Date through the Effective Date of the Plan, to holders of Allowed American General Unsecured Guaranteed Claims. The estimated recoveries set forth in the Disclosure Statement are subject to certain conditions and assumptions, which are set forth more fully in the Disclosure Statement.

#### *Distribution Mechanics*

Pursuant to the Plan, holders of Allowed American Other General Unsecured Claims (including the Bondholders' claims) will initially receive New Mandatorily Convertible Preferred Stock with a face amount equal to the allowed amount of their claims (including postpetition interest at the non-default rate and interest on overdue interest through the Effective Date of the Plan). One quarter of such New Mandatorily Convertible Preferred Stock shall be mandatorily convertible into shares of New Common Stock on each of the 30<sup>th</sup>, 60<sup>th</sup>, 90<sup>th</sup> and 120<sup>th</sup> days following the Effective Date. In addition, holders of New Mandatorily Convertible Preferred Stock have the right to optionally convert, in an aggregate for all holders, up to 10 million shares of New Mandatorily Convertible Preferred Stock into shares of New Common Stock during each 30-day period for which such Mandatorily Convertible Preferred Stock remains outstanding. The conversion price with respect to each mandatory conversion and each optional conversion will equal 96.5% of the VWAP (volume weighted average price) of the New Common Stock, subject to a cap and floor price.

Shares of New Common Stock equal to 23.6% of the total shares issued to holders of Allowed General Unsecured Claims under the Plan will also be distributed to holders of certain union claims asserted against American and certain other non-union employees of the Debtors. The Plan provides holders of AMR Equity Interests with (i) a guaranteed initial distribution of 3.5% of the New Common Stock and (ii) a right to receive additional shares of New Common Stock on each of the Mandatory Conversion Dates, all subject to dilution for equity-based awards to employees of AMR and its subsidiaries. The amount of additional shares of New Common Stock distributable to the holders of Allowed AMR, American and Eagle Other General Unsecured Claims and AMR Equity Interests depends on whether the price of the New Common Stock as of the relevant Mandatory Conversion Date exceeds the value which would imply that the New Common Stock distributable to holders of Allowed General Unsecured Claims is sufficient to effectively pay such claims in full, including postpetition interest, and including certain value to address market volatility

and liquidity concerns during the 120-days period following the Effective Date.

The Trustee has attached to this notice a copy of Exhibit B to the Disclosure Statement, which is an “Illustrative allocation of equity based on various stock price assumptions,” prepared by the Debtors’ advisors, which, among other things, indicates the implied value to the Debtors’ stakeholders 120 days after the Effective Date of the Plan based on a range of prices of the New Common Stock.

The Disclosure Statement indicates that the settlement embodied in the Plan and distributions provided for therein are intended to provide holders of Allowed Single-Dip General Unsecured Claims and Allowed Double-Dip General Unsecured Claims (as described below, the Bondholders’ claims are to be afforded the same treatment afforded to holders of Allowed Double-Dip General Unsecured Claims) with the potential for a full recovery. However, the Disclosure Statement notes that because the consideration to be provided to holders of Allowed Single-Dip General Unsecured Claims and Allowed Double-Dip General Unsecured Claims is not cash, but rather securities that will not be fully issued, or in some cases convertible into New Common Stock, for 120 days following the Effective Date of the Plan, such consideration includes the following protections to address (among other things) market volatility and liquidity concerns during the 120-day post-Effective Date period:

- (a) dividends on the New Mandatorily Convertible Preferred Stock at the rate of 6.25% per annum during the 120-day post-Effective Date period;
- (b) conversion of the New Mandatorily Convertible Preferred Stock into New Common Stock at a discount to the VWAP (volume weighted average price) of 96.5%; and
- (c) for holders of Single-Dip General Unsecured Claims, a 12% per annum accretion on the amount of such claims not satisfied with New Mandatorily Convertible Preferred Stock during the 120-day post-Effective Date period.

#### *Releases and Exculpation*

Article 10 of the Plan provides that claimholders, including Bondholders, shall release the Debtors from any and all claims upon the Effective Date of the Plan, and shall exculpate the Debtors and US Airways, the Creditor’s Committee, the Retiree Committee, the Indenture Trustees, Servicers, the Unions, the Search Committee, the Ad Hoc Committee, Nuveen Asset Management, LLC, Oppenheimerfunds, Inc., as well as any of their respective members including professionals (the “Exculpated Parties”) for any act or omission in connection with, related to, or arising out of the Chapter 11 Cases; negotiations regarding or concerning the Plan, the Merger Agreement, the Merger, and any settlement or agreement in the Chapter 11 Cases; the pursuit of confirmation of the Plan and consummation of the Merger; the offer, issuance, and distribution of any securities issued or to be issued pursuant to the Plan; or the administration of the Plan or property to be distributed under the Plan. Bondholders should carefully read Section 10.7 of the Plan regarding the exculpation provisions, as Bondholders rights to bring future causes of action against the Exculpated Parties are being released.

### **Voting on the Plan**

Solicitation packages containing, among other things, copies of the Plan and Disclosure Statement and a ballot, were to be mailed no later than June 20, 2013, to Bondholders as of the voting record date (May 1, 2013) or to nominee holders for beneficial Bondholders. The voting agent will provide nominee holders with sufficient copies of the solicitation package to distribute to their beneficial owners. Bondholders should monitor their receipt of the solicitation package. **The deadline for delivering votes on the Plan is July 29, 2013, at 5:00 p.m., Prevailing Eastern Time.**

**A hearing on confirmation of the Plan has been set to commence on August 15, 2013, at 10:00 a.m., Prevailing Eastern Time, before the Honorable Sean H. Lane, United States Bankruptcy Judge, United States Bankruptcy Court for the Southern District of New York, Court Room 701, One Bowling Green, New York, New York 10004. Objections to confirmation of the Plan must be filed and served on or before July 30, 2013 at 4:00 p.m., Prevailing Eastern Time.**

### **Remedies/Direction to the Trustee**

Under the Indenture, the holders of a majority in principal amount of the Bonds currently Outstanding have the right, after furnishing indemnity satisfactory to the Trustee, to direct the method and place of conducting all proceedings by the Trustee to be taken in connection with the enforcement of the Trustee's rights and remedies under the Loan Agreement or the Bondholders' or the Trustee's rights and remedies under the Indenture, provided such direction is in accordance with law and the provisions of the Indenture. The holders' ability to direct the Trustee is further subject to the requirements of the Indenture (including, *inter alia*, Section 902 of the Indenture), which, among other things, state that the Trustee shall be under no obligation to institute any suit or to take any remedial action under the Indenture or any other documents relating to the Bonds until it shall be indemnified to its satisfaction against any and all reasonable compensation for services, costs and expenses, outlays, and counsel fees and other disbursements.

### **Retention of Counsel**

The Trustee has retained the law firm of Drinker Biddle & Reath LLP and specifically, Kristin Going of that firm, to represent it in connection with the Chapter 11 Filing, the Events of Default, and the Bonds. Ms. Going's address is Drinker Biddle & Reath LLP, 1500 K Street, N.W., Suite 1100, Washington, D.C. 20005 and her telephone number is 202-230-5177.

### **Trustee's Fees and Expenses**

Manufacturers and Traders Trust Company, in its capacity as Trustee for the Bonds, has incurred and will continue to incur fees and expenses, including attorney's fees, from time to time. Although the proposed Plan contemplates payment of the Trustee's fees, expenses and disbursements and the reasonable fees and expenses of its counsel on the Effective Date of the Plan, the Trustee reserves its rights to payment of its fees, expenses and disbursements, including the fees and



# M&T Bank

Understanding what's important®

expenses of its counsel, pursuant to the Indentures prior to the payment of the Bonds. These expenses include, but are not limited to, compensation for Trustee time spent and the fees and costs of counsel and other agents, and its employees, to pursue remedies or other actions to protect the interests of holders.

### **Website for Accessing Certain Publicly Available Information**

Certain publicly available information which may be of interest to Bondholders, as well as prior notices given to Bondholders by the Predecessor Trustee, is available to Bondholders through a special link on the website of the Trustee's counsel. Bondholders wishing to access this information should go to the following web page: [www.drinkerbiddle.com/americanairlinesbondholders](http://www.drinkerbiddle.com/americanairlinesbondholders).

### **Future Events**

The Trustee will periodically communicate with all holders of each series of Bonds through written notice of material events of a public nature of which the Trustee has knowledge.

### **Future Communications with Trustee**

If you have any questions concerning this notice, inquiries may be directed to Dante (Dan) M. Monakil at the Trustee at (410) 949-3268 or [dmonakil@mtb.com](mailto:dmonakil@mtb.com) or to Kristin Going at Drinker Biddle & Reath LLP at (202) 230-5177 or [Kristin.Going@dbr.com](mailto:Kristin.Going@dbr.com). The Trustee may conclude, however, that a specific response to particular inquiries from individual holders is not consistent with equal and full dissemination of information to all holders. Holders should not rely on the Trustee as their sole source of information. The Trustee makes no recommendations and gives no investment advice.

Manufacturers and Traders Trust Company,  
as Trustee

Dated: June 28, 2013

\* The Trustee makes no representation as to the accuracy of the CUSIP number provided and used herein.

CH01/ 26171387.4

**EXHIBIT B**

May 30, 2013

EXHIBIT B

Illustrative allocation of equity based on various stock price assumptions<sup>(1)</sup>

Based on proposed Plan of Reorganization

(\$ in millions, except share price)

Ownership and recovery assume constant share price between Effective Date and 120 days post-Effective Date

Implied value to AMR stakeholders 120 days after Effective Date

	Estimated Claims <sup>(2)</sup>	Illustrative New Common Stock price range				
		\$12	\$14	\$16	\$18	\$20
Double-Dip General Unsecured Claims <sup>(3)(4)</sup>	\$2,938	\$3,084	\$3,084	\$3,084	\$3,084	\$3,084
Single-Dip Preferred Allocation <sup>(3)</sup>	1,275	1,338	1,338	1,338	1,338	1,338
Single-Dip Non-Preferred Amount <sup>(5)</sup>	1,355	287	1,071	1,460	1,460	1,460
Sub-total (Single-Dip General Unsecured Claims)	2,630	1,625	2,410	2,799	2,799	2,799
Labor Common Stock Allocation <sup>(6)</sup>	1,720	1,454	1,697	1,817	1,817	1,817
Sub-total (Creditor New Common Stock Allocation)	\$7,287	\$6,163	\$7,190	\$7,699	\$7,699	\$7,699
Initial Old Equity Allocation <sup>(7)</sup>		315	367	420	472	525
Market Based Old Equity Allocation <sup>(8)</sup>		-	-	518	1,545	2,572
Sub-total (AMR Equity Interests)		\$315	\$367	\$938	\$2,018	\$3,097
Total value to AMR stakeholders <sup>(9)</sup>		\$6,478	\$7,558	\$8,637	\$9,717	\$10,796

▪ Implied par plus accrued price of \$14.99 (Value Hurdle Price)  
- Minimum price at which additional shares are distributed to Market Based Old Equity Allocation

Notes

- Subject in all respects to the terms and conditions of the Plan and the Merger Agreement; there can be no assurances that values can be realized at market prices and recoveries are subject to certain risks, including among other things, market risk and liquidity and transaction risk. It is unlikely that the New AAG stock price will remain constant between the Effective Date and the final Mandatory Conversion Date. As set forth in the Plan, the Preferred Conversion Cap is set as of the Effective Date. To the extent that the stock price of New AAG's common stock exceeds the Preferred Conversion Cap during the 120 days following the Effective Date, certain general unsecured creditors may receive Shares in Excess of Cap. As a result, in certain potential scenarios, certain general unsecured creditors may be allocated additional shares in excess of the number of shares required to achieve par-plus-acrued recoveries
- For illustrative purposes only. Assumes no dilution from AMR employee equity awards; if the ultimate allowed amount of Single-Dip General Unsecured Claims exceeds the estimated amount of \$2.63 billion, the percentage recoveries to holders of Single-Dip General Unsecured Claims, in respect of the American Labor Allocation and to holders of AMR Equity Interests may be reduced. The illustrative Value Hurdle Price assumes Allowed Single-Dip General Unsecured Claims of approximately \$2.63 billion. To the extent Allowed Single-Dip General Unsecured Claims exceed this amount, this increase will raise the Value Hurdle Price. One of the conditions precedent to the Effective Date of the Plan requires that the aggregate amount of estimated Allowed Single-Dip General Unsecured Claims plus the amount of Disputed Single-Dip General Unsecured Claims used to determine the Disputed Claims Reserve not exceed \$3.2 billion
- Includes principal, accrued interest and interest on overdue interest; includes 6.25% annual rate of accretion which is assumed to convert into New Common Stock; includes 96.5% VWAP discount
- For illustrative purposes, assumes that no holders of AMR Convertible Note Claims have elected to convert their claims into existing AMR Equity Interests
- Includes principal, accrued interest and interest on overdue interest; includes 12.0% annual rate of accretion which is assumed to convert into New Common Stock; includes 96.5% VWAP discount
- Labor recovery equal to 23.6% of Creditor New Common Stock Allocation
- Includes 3.5% of New Common Stock
- Value in excess of Value Hurdle Price allocated to AMR Equity Interests
- Equity value for all illustrative scenarios based on fully diluted US Airways share count of approximately 209.9 million as of 5/30/13

May 30, 2013

EXHIBIT B

Illustrative allocation of equity based on various stock price assumptions<sup>(1)</sup>

Based on proposed Plan of Reorganization

(\$ in millions, except share price)

Ownership and recovery assume constant share price between Effective Date and 120 days post-Effective Date

Ownership in New AAG 120 days after Effective Date

	Illustrative New Common Stock price range				
	\$12	\$14	\$16	\$18	\$20
Double-Dip General Unsecured Claims <sup>(2) (3)</sup>	34.3%	29.4%	25.7%	22.8%	20.6%
Single-Dip Preferred Allocation <sup>(2)</sup>	14.9%	12.7%	11.2%	9.9%	8.9%
Single-Dip Non-Preferred Amount <sup>(4) (5)</sup>	3.2%	10.2%	12.2%	10.8%	9.7%
Sub-total (Single-Dip General Unsecured Claims)	18.1%	23.0%	23.3%	20.7%	18.7%
Labor Common Stock Allocation <sup>(6)</sup>	16.2%	16.2%	15.1%	13.5%	12.1%
Sub-total (Creditor New Common Stock Allocation)	68.5%	68.5%	64.2%	57.1%	51.3%
<b>Initial Old Equity Allocation<sup>(7)</sup></b>	<b>3.5%</b>	<b>3.5%</b>	<b>3.5%</b>	<b>3.5%</b>	<b>3.5%</b>
<b>Market Based Old Equity Allocation<sup>(8)</sup></b>	<b>-</b>	<b>-</b>	<b>4.3%</b>	<b>11.4%</b>	<b>17.2%</b>
<b>Sub-total (AMR Equity Interests)</b>	<b>3.5%</b>	<b>3.5%</b>	<b>7.8%</b>	<b>14.9%</b>	<b>20.7%</b>
Total ownership of New AAG by AMR stakeholders <sup>(9)</sup>	72.0%	72.0%	72.0%	72.0%	72.0%

▪ Implied par plus accrued price of **\$14.99 (Value Hurdle Price)**  
- Minimum price at which additional shares are distributed to Market Based Old Equity Allocation

Notes

- Subject in all respects to the terms and conditions of the Plan and the Merger Agreement; there can be no assurances that values can be realized at market prices and recoveries are subject to certain risks, including among other things, market risk and liquidity and transaction risk. It is unlikely that the New AAG stock price will remain constant between the Effective Date and the final Mandatory Conversion Date. As set forth in the Plan, the Preferred Conversion Cap is set as of the Effective Date. To the extent that the stock price of New AAG's common stock exceeds the Preferred Conversion Cap during the 120 days following the Effective Date, certain general unsecured creditors may receive Shares in Excess of Cap. As a result, in certain potential scenarios, certain general unsecured creditors may be allocated additional shares in excess of the number of shares required to achieve par-plus-acrued recoveries
- Includes principal, accrued interest and interest on overdue interest; includes 6.25% annual rate of accretion which is assumed to convert into New Common Stock; includes 96.5% VWAP discount
- For illustrative purposes, assumes that no holders of AMR Convertible Note Claims have elected to convert their claims into existing AMR Equity Interests
- For illustrative purposes only. Assumes no dilution from AMR employee equity awards; if the ultimate allowed amount of Single-Dip General Unsecured Claims exceeds the estimated amount of \$2.63 billion, the percentage recoveries to holders of Single-Dip General Unsecured Claims, in respect of the American Labor Allocation and to holders of AMR Equity Interests may be reduced. The illustrative Value Hurdle Price assumes Allowed Single-Dip General Unsecured Claims of approximately \$2.63 billion. To the extent Allowed Single-Dip General Unsecured Claims exceed this amount, this increase will raise the Value Hurdle Price. One of the conditions precedent to the Effective Date of the Plan requires that the aggregate amount of estimated Allowed Single-Dip General Unsecured Claims plus the amount of Disputed Single-Dip General Unsecured Claims used to determine the Disputed Claims Reserve not exceed \$3.2 billion
- Includes principal, accrued interest and interest on overdue interest; includes 12.0% annual rate of accretion which is assumed to convert into New Common Stock; includes 96.5% VWAP discount
- Labor recovery equal to 23.6% of Creditor New Common Stock Allocation
- Includes 3.5% of New Common Stock
- Value in excess of Value Hurdle Price allocated to AMR Equity Interests
- Ownership amounts will be diluted by the AMR employee equity awards contemplated by the Plan and the Merger Agreement; the aggregate value of such awards is approximately \$140 million; the actual number of shares of New Common Stock represented by the AMR employee equity awards and the dilutive impact of such shares are subject to the terms of the Merger Agreement and the Plan treatment and will vary depending upon the US Airways stock price as of the Share Determination Date

May 30, 2013

EXHIBIT B-1

Illustrative allocation of equity based on various stock price assumptions<sup>(1)</sup>

Based on proposed Plan of Reorganization

(\$ in millions, except share price)

Ownership and recovery assume constant share price between Effective Date and 120 days post-Effective Date

Implied value to AMR stakeholders 120 days after Effective Date

	Estimated Claims <sup>(2)</sup>	<u>Illustrative New Common Stock price range (cont'd)</u>	
		<u>\$22</u>	
Double-Dip General Unsecured Claims <sup>(3) (4)</sup>	\$2,421	\$2,542	<i>Assumes conversion of claims associated with the AMR 6.25% convertible notes into AMR Equity Interests</i>
Single-Dip Preferred Allocation <sup>(3)</sup>	1,791	1,880	
Single-Dip Non-Preferred Amount <sup>(5)</sup>	839	904	
Sub-total (Single-Dip General Unsecured Claims)	2,630	2,784	
Labor Common Stock Allocation <sup>(6)</sup>	1,720	1,817	
Sub-total (Creditor New Common Stock Allocation)	\$6,771	\$7,143	
<b>Initial Old Equity Allocation<sup>(7)</sup></b>		<b>577</b>	
<b>Market Based Old Equity Allocation<sup>(8)</sup></b>		<b>4,156</b>	
<b>Sub-total (AMR Equity Interests)</b>		<b>\$4,733</b>	
Total value to AMR stakeholders <sup>(9)</sup>		\$11,876	

▪ Implied par plus accrued price of **\$13.57 (Value Hurdle Price)**  
- Minimum price at which additional shares are distributed to Market Based Old Equity Allocation

Notes

- Subject in all respects to the terms and conditions of the Plan and the Merger Agreement; there can be no assurances that values can be realized at market prices and recoveries are subject to certain risks, including among other things, market risk and liquidity and transaction risk. It is unlikely that the New AAG stock price will remain constant between the Effective Date and the final Mandatory Conversion Date. As set forth in the Plan, the Preferred Conversion Cap is set as of the Effective Date. To the extent that the stock price of New AAG's common stock exceeds the Preferred Conversion Cap during the 120 days following the Effective Date, certain general unsecured creditors may receive Shares in Excess of Cap. As a result, in certain potential scenarios, certain general unsecured creditors may be allocated additional shares in excess of the number of shares required to achieve par-plus-acrued recoveries
- For illustrative purposes only. Assumes no dilution from AMR employee equity awards; if the ultimate allowed amount of Single-Dip General Unsecured Claims exceeds the estimated amount of \$2.63 billion, the percentage recoveries to holders of Single-Dip General Unsecured Claims, in respect of the American Labor Allocation and to holders of AMR Equity Interests may be reduced. The illustrative Value Hurdle Price assumes Allowed Single-Dip General Unsecured Claims of approximately \$2.63 billion. To the extent Allowed Single-Dip General Unsecured Claims exceed this amount, this increase will raise the Value Hurdle Price. One of the conditions precedent to the Effective Date of the Plan requires that the aggregate amount of estimated Allowed Single-Dip General Unsecured Claims plus the amount of Disputed Single-Dip General Unsecured Claims used to determine the Disputed Claims Reserve not exceed \$3.2 billion
- Includes principal, accrued interest and interest on overdue interest; includes 6.25% annual rate of accretion which is assumed to convert into New Common Stock; includes 96.5% VWAP discount
- For illustrative purposes, assumes that all holders of AMR 6.25% convertible notes have elected to convert the full amount of their claims into existing AMR Equity Interests
- Includes principal, accrued interest and interest on overdue interest; includes 12.0% annual rate of accretion which is assumed to convert into New Common Stock; includes 96.5% VWAP discount
- Base Labor recovery equal to 23.6% of Creditor New Common Stock Allocation; in the event that holders of AMR 6.25% convertible notes have elected to convert all or a portion of their claims, appropriate adjustments shall be made to the distributions hereunder to assure that the Labor Common Stock Allocation is unaffected by such election
- Includes 3.5% of New Common Stock
- Value in excess of Value Hurdle Price allocated to AMR Equity Interests
- Equity value for all illustrative scenarios based on fully diluted US Airways share count of approximately 209.9 million as of 5/30/13

May 30, 2013

EXHIBIT B-1

Illustrative allocation of equity based on various stock price assumptions<sup>(1)</sup>

Based on proposed Plan of Reorganization

(\$ in millions, except share price)

Ownership and recovery assume constant share price between Effective Date and 120 days post-Effective Date

Ownership in New AAG 120 days after Effective Date

	<u>Illustrative New Common Stock price range (cont'd)</u>	
	<u>\$22</u>	
Double-Dip General Unsecured Claims <sup>(2) (3)</sup>	15.4%	<i>Assumes conversion of claims associated with the AMR 6.25% convertible notes into AMR Equity Interests</i>
Single-Dip Preferred Allocation <sup>(2)</sup>	11.4%	
Single-Dip Non-Preferred Amount <sup>(4) (5)</sup>	5.5%	
Sub-total (Single-Dip General Unsecured Claims)	16.9%	
Labor Common Stock Allocation <sup>(6)</sup>	11.0%	
Sub-total (Creditor New Common Stock Allocation)	43.3%	
<b>Initial Old Equity Allocation<sup>(7)</sup></b>	<b>3.5%</b>	
<b>Market Based Old Equity Allocation<sup>(8)</sup></b>	<b>25.2%</b>	
<b>Sub-total (AMR Equity Interests)</b>	<b>28.7%</b>	
Total ownership of New AAG by AMR stakeholders <sup>(9)</sup>	72.0%	

▪ Implied par plus accrued price of **\$13.57 (Value Hurdle Price)**  
- Minimum price at which additional shares are distributed to Market Based Old Equity Allocation

Notes

- Subject in all respects to the terms and conditions of the Plan and the Merger Agreement; there can be no assurances that values can be realized at market prices and recoveries are subject to certain risks, including among other things, market risk and liquidity and transaction risk. It is unlikely that the New AAG stock price will remain constant between the Effective Date and the final Mandatory Conversion Date. As set forth in the Plan, the Preferred Conversion Cap is set as of the Effective Date. To the extent that the stock price of New AAG's common stock exceeds the Preferred Conversion Cap during the 120 days following the Effective Date, certain general unsecured creditors may receive Shares in Excess of Cap. As a result, in certain potential scenarios, certain general unsecured creditors may be allocated additional shares in excess of the number of shares required to achieve par-plus-accrued recoveries
- Includes principal, accrued interest and interest on overdue interest; includes 6.25% annual rate of accretion which is assumed to convert into New Common Stock; includes 96.5% VWAP discount
- For illustrative purposes, assumes that all holders of AMR 6.25% convertible notes have elected to convert the full amount of their claims into existing AMR Equity Interests
- For illustrative purposes only. Assumes no dilution from AMR employee equity awards; if the ultimate allowed amount of Single-Dip General Unsecured Claims exceeds the estimated amount of \$2.63 billion, the percentage recoveries to holders of Single-Dip General Unsecured Claims, in respect of the American Labor Allocation and to holders of AMR Equity Interests may be reduced. The illustrative Value Hurdle Price assumes Allowed Single-Dip General Unsecured Claims of approximately \$2.63 billion. To the extent Allowed Single-Dip General Unsecured Claims exceed this amount, this increase will raise the Value Hurdle Price. One of the conditions precedent to the Effective Date of the Plan requires that the aggregate amount of estimated Allowed Single-Dip General Unsecured Claims plus the amount of Disputed Single-Dip General Unsecured Claims used to determine the Disputed Claims Reserve not exceed \$3.2 billion
- Includes principal, accrued interest and interest on overdue interest; includes 12.0% annual rate of accretion which is assumed to convert into New Common Stock; includes 96.5% VWAP discount
- Base Labor recovery equal to 23.6% of Creditor New Common Stock Allocation; in the event that holders of AMR 6.25% convertible notes have elected to convert all or a portion of their claims, appropriate adjustments shall be made to the distributions hereunder to assure that the Labor Common Stock Allocation is unaffected by such election
- Includes 3.5% of New Common Stock
- Value in excess of Value Hurdle Price allocated to AMR Equity Interests
- Ownership amounts will be diluted by the AMR employee equity awards contemplated by the Plan and the Merger Agreement; the aggregate value of such awards is approximately \$140m; the actual number of shares of New Common Stock represented by the AMR employee equity awards and the dilutive impact of such shares are subject to the terms of the Merger Agreement and the Plan treatment and will vary depending upon the US Airways stock price as of the Share Determination Date