



Global Corporate Trust Services
214 North Tryon Street, 27th Floor
Charlotte, NC 28202

UPDATE TO BONDHOLDERS

Puerto Rico Industrial, Medical, Higher Education and Environmental Pollution Control Facilities Financing Authority Special Facility Revenue Bonds 1985 Series A (American Airlines Project)

*Cusip: 745271DK9

Please forward this notice to beneficial holders.

U.S. Bank National Association serves as successor bond trustee ("Bond Trustee") for the holders of the above-referenced Bonds ("Bonds") issued pursuant to a certain Trust Agreement dated as of December 1, 1985 (the "Indenture"). Obligations of American Air Lines, Inc. (the "Company") under a certain Loan Agreement related to the Bonds (the "Loan Agreement") are a primary source for the payment of principal, premium, if any, interest, and other amounts relating to the Bonds. The Indenture, Loan Agreement and other documents evidencing the Bonds and/or the Company's obligations associated with the Bonds are described herein as the "Bond Documents". All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in or by reference in the Indenture. As holders were informed in prior notices, defaults and Events of Default have occurred under the Bond Documents based on the Company's commencement of bankruptcy and the Company's failure to make scheduled payments when required under the Indenture and Loan Agreement. Prior notices reflect that the Company, its parent, AMR Corporation ("AMR"), and certain of their affiliates and/or subsidiaries are debtors (the "Debtors") in a proceeding under Chapter 11 of the U.S. Bankruptcy Code currently pending in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court").

The purpose of this notice is to inform you of the filing by the Debtors of (i) a Motion for Entry of an Order Pursuant to 11 U.S.C. §§ 105(a), 363(b) and 503(b) Authorizing and Approving, inter alia, a Merger Agreement Among AMR Corporation, AMR Merger Sub, Inc. and U.S. Airways Group, Inc. [Docket No. 6800] (the "Merger Motion"), and (ii) A Motion for Entry of a Revised Final Order Pursuant to §§105(a) and 362 Establishing Notification Procedures for Substantial Claimholders and Equity Security Holders and Approving Restrictions on Certain Transfers of Interests in the Debtors' Estates [Docket No. 6801] (the "Claims Trading Motion", and together with the Merger Motion, the "Motions"). **The deadline for objecting to the Merger Motion is 4:00 p.m. Eastern time on March 15, 2013; the deadline for objecting to the Claims Trading Motion is 4:00 p.m. Eastern time on March 20, 2013. A hearing on each of the Motions is scheduled for March 27, 2013 at 10:00 a.m.**

Merger Motion

The Merger Motion sets forth certain information with respect to the proposed merger of US Airways Group, Inc. with and into a wholly-owned subsidiary of AMR (the “Merger”), and seeks approval of AMR’s execution, delivery and performance of the Agreement and Plan of Merger attached thereto as an exhibit. The Merger Motion provides that the Merger is subject to and effective upon the confirmation and consummation of a chapter 11 plan of reorganization. The Merger Motion further provides, inter alia, that 72% of the diluted equity of the merged enterprise will be distributed to the stakeholders of the Debtors pursuant to a plan of reorganization. The Merger Motion also provides that if either party terminates the agreement, it shall be responsible for a termination fee ranging from \$55,000,000 to \$195,000,000, depending on the circumstances of the termination, all as set forth more fully in the Merger Motion. Certain Employee Arrangements, as defined and described in the Merger Motion, are also provided for therein. The Merger Motion states that the Official Committee of Unsecured Creditors of the Debtors, along with other creditor constituencies, unanimously supports the Merger and the relief requested in the Merger Motion.

Copies of certain documents referenced in the Merger Motion, including the related Support and Settlement Agreement and Term Sheet Regarding Certain Elements of a Proposed Joint Plan of Reorganization attached thereto as Exhibit A (collectively, the “Support Agreement”), are available on the Securities & Exchange Commission website, <http://www.sec.gov/Archives/edgar/data/4515/000119312513057477/d487280dex101.htm>. No motion is currently pending with respect to the Support Agreement, although the Debtors state their intention in the Merger Motion to separately seek Bankruptcy Court approval of the Support Agreement. The Support Agreement expressly states that it does not constitute a solicitation of votes on a Plan of Reorganization and, as of the date hereof, no Plan of Reorganization has been filed with the Bankruptcy Court. The Bond Trustee has reviewed the Merger Motion and is continuing to evaluate whether limited objections are appropriate but currently does not intend to object to the actual Merger or to the principal relief requested by the Debtors in the Merger Motion.

Claims Trading Motion

The Claims Trading Motion sets forth certain revised procedures that are to be followed prior to the sale, transfer or acquisition of “AMR Stock” and any options or similar interests to acquire AMR Stock and certain “Claims” against the Debtors (each such capitalized term as defined in the Claims Trading Motion). As was the case with the original Final Order pursuant to Sections 105(a) and 362 of the Bankruptcy Code Establishing Notification Procedures for Substantial Claimholders and Equityholders and Approving Restrictions on Certain Transfers of Interests in the Debtors’ Estate, entered on January 27, 2012 [Docket No. 890], which will be superseded by the revised order sought here (and which revised order will be effective nunc pro tunc to the bankruptcy commencement date of November 29, 2011), current holders of Notes (“Holders”), as well as individuals or institutions looking to sell or acquire Notes, may be impacted by the Claims Trading Motion. Specifically, and among other things, the revised order sought by the Claims Trading Motion takes into account the fact that certain holders of Claims could be or may become stockholders in US Airways Group, Inc. and may receive stock of the Reorganized Debtor through the Merger. Holders with questions as to whether they are bound by the terms of the order sought should

contact the Debtors. The Bond Trustee has reviewed the Claims Trading Motion and currently does not intend to object to the relief requested by the Debtors.

Any Holder wishing to provide direction or comments to the Bond Trustee with respect to either or both of the Motions should contact the Bond Trustee as soon as possible as set forth at the end of this notice. Holders wishing to take a position on the Motions should consult with their own counsel.

The description of the Motions contained herein is summary only and should not be relied upon. Holders are encouraged to obtain and independently analyze the Motions and any other information that may deem relevant in connection therewith. The Debtors have set up a free website, <http://www.amrcaseinfo.com/index.php> (the “Debtors’ Website”), where the public can view and download pleadings filed in the Chapter 11 case. The Bond Trustee is not responsible for, and makes no representations regarding, the completeness, accuracy or timeliness of the information on the Debtors’ Website.

Miscellaneous

Holders should not rely on the Bond Trustee as their sole source of information. The Bond Trustee makes no recommendations and gives no tax or investment advice. Holders should seek tax advice based on its particular circumstances from an independent tax advisor.

The Bond Trustee may invest funds held under the Indentures for which investment or advisory services are provided by it and/or an affiliate. As such, the Bond Trustee and its affiliates receive compensation for the investment advisory, custodial, distribution and other services provided. A schedule that explains the services and costs, including the rate, formula and method of calculating such compensation, is available by contacting the Bond Trustee.

Holders with questions regarding this notice should direct them, in writing, to Steve Hodges, Vice President, Corporate Trust Services, 214 North Tryon Street, 27th Floor, Charlotte, NC 28202, phone: (704) 335-4557, e-mail: steve.hodges@usbank.com. The Bond Trustee may conclude that a specific response to particular inquiries from individual holders is not consistent with equal and full dissemination of information to all holders.

U.S. Bank National Association,
as Bond Trustee

March 8, 2013

*Trustee is not responsible for selection or use of CUSIP. It is included solely for holder convenience.