

US Department of Transportation

Air Carrier:

American Airlines, Inc.Research and Special Programs
Administration

Quarter Ended:

June 30, 2007**STATEMENT OF CASH FLOWS**

Cash Flow From Operating Activities:

Net Earnings (Loss):	321,751
Adjustments to reconcile net earnings to net cash:	
Depreciation and amortization	489,696
Equity based stock compensation	73,283
Loss (gain) on disposition of property and equipment	525
Gain on extinguished debt	-
Proceeds on disposition of other assets	-
Decrease (increase) in receivables	(236,708)
Decrease (increase) in inventories	(38,964)
Decrease (increase) in other current assets	(81,680)
Decrease (increase) in refundable deposits	-
Decrease (increase) in accounts payable and accrued liabilities	204,107
Decrease (increase) in air traffic liability	825,277
Change in other liabilities and deferred credits	(18,306)
Other-net	<u>(6,486)</u>
Net cash provided by (used for) operating activities	1,532,496

Cash Flow from Investing Activities:

Capital expenditures, including purchase deposits	(337,184)
Disposal of equipment and property	20,250
Cash collateral on Spare Parts Financing	4,423
Sale of Investments	-
Decrease (Increase) in short-term investments	<u>(1,082,497)</u>
Net cash used in investing activities	(1,395,007)

Cash Flow from Financing Activities:

Payments on long-term debt and capital lease obligations	(609,671)
Redemption of bonds	-
Special Facility bond transactions	-
Use (funding) of construction and reserve funds	59,397
Funds transferred from affiliates used by American, net	<u>505,356</u>
Net cash provided by (used for) financing activities	(44,918)

Net Increase/(decrease) in cash	92,570
Cash at beginning of period	<u>120,008</u>
Cash at end of period	212,578