

REPORT OF FINANCIAL
AND OPERATING STATISTICS FOR
LARGE CERTIFICATED
AIR CARRIERS

Period ended June 30, 2000

American Eagle Airlines, Inc.
(Full name of reporting company)


MP ✓

CERTIFICATION*

I, the undersigned Vice President Finance
(Title of Office in charge of accounts)

of the American Eagle Airlines, Inc.
(Full name of reporting company)

do certify that this report and all schedules, ADP-media submissions, Passenger Origin-Destination Survey submissions and supporting documents which are submitted herewith or have been submitted heretofore as parts of this report filed for the above indicated period have been prepared under my direction; that I have carefully examined them and declare that they correctly reflect the accounts and records of the company; and to the best of my knowledge and belief are a complete and accurate statement, after adjustments to reflect full accruals, of the operating revenues and expenses, income items, assets, liabilities, capital, retained earnings, and operating statistics for the periods reported in the several schedules, the Schedule T-100 ADP-media submissions, and the Passenger Origin-Destination Survey; that the various items herein reported were determined in accordance with the Uniform System of Accounts and Reports for Large Certificated Air Carriers prescribed by the Department of Transportation; and that the data contained herein are reported on a basis consistent with that of the preceding report except as specifically noted in the financial and statistical statements.


(Signature)

POBox 619616, DFW Airport, TX 75261-9616
(Air Carrier Post Office Address)

Dated: August 10, 2000

*Title 18 U.S.C. Sec. 10001, Crimes and Criminal Procedure, makes it a criminal offense subject to a maximum fine of \$10,000 or imprisonment for not more than 5 years, or both, to knowingly and willfully make or cause to be made any false or fraudulent statements or representations in any matter within jurisdiction of any agency of the United States.

BTS Form 41 Schedule A

BALANCE SHEET

As At: June 30, 2000

Air Carrier:

Schedule B-1

Operation : Domestic MQD

ACCT# DESCRIPTION

AMOUNT

| | | |
|------|---------------------------------|---------------|
| | ASSETS | |
| | CURRENT ASSETS | |
| 1010 | Cash | 104,788 |
| 1100 | Short-Term Investments | 211,866,620 |
| 1200 | Notes Receivable | 0 |
| 1270 | Accounts Receivable | 4,152,246 |
| 1290 | Less Allow. for Bad Debts | 206,400 |
| 1299 | Net Notes & Accounts Receivable | 3,945,846 |
| 1399 | Net Spare Parts & Supplies | 77,090,263 |
| 1410 | Prepaid Items | 157,657 |
| 1420 | Other Current Assets | 42,084 |
| 1499 | Total Current Assets | 293,207,258 |
| | INVESTMENTS IN SPECIAL FUNDS | |
| 1510 | Inv. in Associated Companies | -39,284,564 |
| 1530 | Other Investments & Receivables | 13,885,374 |
| 1550 | Special Funds | 0 |
| 1599 | Total Inv. & Special Funds | -25,399,190 |
| | OPERATING PROPERTY & EQUIPMENT | |
| 1609 | Flight Equipment | 1,041,847,094 |
| 1649 | Ground-Property and Equipment | 86,299,884 |
| 1668 | Less Allowance for Depreciation | 140,252,780 |
| 1675 | Property & Equipment - Net | 987,894,198 |
| 1679 | Land | 155,000 |
| 1685 | Purchase Dep. & Adv. Payments | 66,381,174 |
| 1689 | Construction Work-in-progress | 17,312,245 |
| 1695 | Leased Property - Cap. Leases | 304,244,313 |
| 1696 | Accum. Amort. Capital Leases | 134,507,452 |
| 1699 | Total Oper. Prop. & Equipment | 1,241,479,478 |
| | NONOPERATING PROP. & EQUIPMENT | |
| 1791 | | 0 |
| 1792 | Less Allow. for Depr. - Nonop. | 0 |
| 1799 | Net Nonoperating Prop. & Eqmt. | 0 |
| | OTHER ASSETS | |
| 1820 | Long-term Prepayments | 0 |
| 1830 | Unamort. Dev. & Preop. Costs | 0 |
| 1890 | Other Assets and Def. Charges | 1,226,772,527 |
| 1895 | Total Other Assets | 1,226,772,527 |
| 1899 | TOTAL ASSETS | 2,736,060,073 |

BALANCE SHEET

As At: June 30, 2000

Air Carrier:

Schedule B-1

Operation : Domestic MQD

ACCT# DESCRIPTION

AMOUNT

| | | |
|-------|---------------------------------|---------------|
| | LIABILITIES & STOCKHOLDERS' EQ. | |
| | CURRENT LIABILITIES | |
| 2000 | Curr. Maturities of L-T Debt | 48,621,162 |
| 2005 | Notes Payable - Banks | 0 |
| 2015 | Notes Payable - Others | 0 |
| 2021 | Trade Accts. Payable | 50,281,430 |
| 2025 | Accts. Payable - Other | 2,586,544 |
| 2080 | Curr. Oblig. Under Cap. Leases | 20,173,373 |
| 2110 | Accrued Salaries & Wages | 7,527,510 |
| 2120 | Accrued Vacation Pay | 9,668,435 |
| 2125 | Accrued Interest | 19,241,869 |
| 2130 | Accrued Taxes | 19,341,291 |
| 2140 | Dividends Declared | 0 |
| 2160 | Air Traffic Liability | 0 |
| 2190 | Other Current Liabilities | 48,349,380 |
| 2199 | Total Current Liabilities | 225,790,994 |
| | NONCURRENT LIABILITIES | |
| 2210 | Long-term Debt | 2,002,074,137 |
| 2240 | Advances from Assoc. Companies | 0 |
| 2250 | Pension Liability | 0 |
| 2280 | Noncurrent Obgl.-Capital Leases | 145,297,177 |
| 2290 | Other Noncurrent Liabilities | 8,374,788 |
| 2299 | Total Noncurrent Liabilities | 2,155,746,102 |
| | DEFERRED CREDITS | |
| 2340 | Deferred Income Taxes | 70,362,481 |
| 2345 | Deferred Investment Tax Credits | 0 |
| 2390 | Other Deferred Credits | 20,938,594 |
| 2399 | Total Deferred Credits | 91,301,075 |
| | STOCKHOLDERS' EQUITY | |
| 2820 | Preferred Shares Issued | 0 |
| 2840 | Common Shares Issued | 1,000 |
| 2860 | Subscribed & Unissued | 0 |
| 2869 | Total Capital Stock | 1,000 |
| 2890 | Additional Capital Invested | 174,030,261 |
| 2899 | Total Paid in Capital | 174,031,261 |
| 2900 | Retained Earnings | 89,190,641 |
| 2959 | Total Stockholders' Equity | 263,221,902 |
| 2990 | Less Treasury Stock | 0 |
| 2995 | Net Stockholders' Equity | 263,221,902 |
| 2999 | Total Liab. & Stockholders' Eq. | 2,736,060,073 |
| 2820A | No. of Preferred Shares Issued | 0 |
| 2840A | No. of Common Shares Issued | 0 |

| U.S. DEPARTMENT OF TRANSPORTATION RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION | | | | | | | | Air Carrier American Eagle Airlines, Inc. Quarter Ended June 30, 2000 | | | | |
|--|---|---|-----------------------------|---|---------------------------------|---|------------------------------|--|------|-----------------------------------|-------------|------------------------------|
| AIRFRAMES AND AIRCRAFT ENGINE ACQUISITIONS AND RETIREMENTS | | | | | | | | | | | | |
| L I N E | Year of First Delivery (Airframe) | Airframe Manufacturer's Serial Number | Date Acquired or Retired | Acquisition or Retirement A or R | Airframe License Number * | Number of Aircraft Engines (by type) | Type, Model and Cabin Design | Maximum Seating Capacity | Cost | Amortized/ Depreciated Cost | Realization | Acquired From Disposition |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) |
| 1 | | | | | | | | | | | | |
| 2 | AIRCRAFT RETIRED FROM AMERICAN EAGLE AIRLINES | | | | | | | | | | | |
| 3 | OWNED - AIRFRAMES | | | | | | | | | | | |
| 4 | 1990 | AC191 | 04/04/2000 | R | N191AE | 2 | Saab 340B | 34 | | | | Sold to Chicago Express |
| 5 | 1990 | AC198 | 04/13/2000 | R | N198AE | 2 | Saab 340B | 34 | | | | Sold to Chicago Express |
| 6 | 1990 | AC203 | 05/18/2000 | R | N203AE | 2 | Saab 340B | 34 | | | | Sold to Chicago Express |
| 7 | 1990 | AC193 | 06/23/2000 | R | N193AE | 2 | Saab 340B | 34 | | | | Sold to Chicago Express |
| 8 | OWNED - ENGINES | | | | | | | | | | | |
| 9 | | | | R | | 1 | GE | | | | | Sold to Chicago Express |
| 10 | | | | R | | 1 | GE | | | | | Sold to Chicago Express |
| 11 | | | | R | | 1 | GE | | | | | Sold to Chicago Express |
| 12 | | | | R | | 1 | GE | | | | | Sold to Chicago Express |
| 13 | | | | R | | 1 | GE | | | | | Sold to Chicago Express |
| 14 | | | | R | | 1 | GE | | | | | Sold to Chicago Express |
| 15 | | | | R | | 1 | GE | | | | | Sold to Chicago Express |
| 16 | OPERATING LEASED - AIRFRAMES | | | | | | | | | | | |
| 17 | | | | | | | | | | | | |
| 18 | OPERATING LEASED - ENGINES | | | | | | | | | | | |
| 19 | | | | | | | | | | | | |
| 20 | AIRCRAFT ACQUIRED BY AMERICAN EAGLE AIRLINES | | | | | | | | | | | |
| 21 | OWNED - AIRFRAMES | | | | | | | | | | | |
| 22 | 1990 | AC202 | 04/18/2000 | A | N202AE | | Saab 340B | 34 | | | | Purchased from Lessor |
| 23 | | | | A | | 2 | GE | | | | | |
| 24 | 2000 | 145247 | 04/14/2000 | A | N712AE | | EMB-135 | 37 | | | | Embraer |
| 25 | | | | A | | 2 | Allison Rolls Royce AE3007A1 | | | | | |
| 26 | 2000 | 145249 | 04/17/2000 | A | N713AE | | EMB-135 | 37 | | | | Embraer |
| 27 | | | | A | | 2 | Allison Rolls Royce AE3007A1 | | | | | |
| 28 | 1992 | AC309 | 05/01/2000 | A | N308AE | | ATR-72 | 64 | | | | Executive Airlines |
| 29 | | | | A | | 2 | Pratt&Whitney | | | | | |
| 30 | 2000 | 145260 | 05/18/2000 | A | N714BZ | | EMB-135 | 37 | | | | Embraer |
| 31 | | | | A | | 2 | Allison Rolls Royce AE3007A1 | | | | | |
| 32 | 2000 | 145262 | 05/19/2000 | A | N715AE | | EMB-135 | 37 | | | | Embraer |
| 33 | | | | A | | 2 | Allison Rolls Royce AE3007A1 | | | | | |
| 34 | 2000 | 145264 | 05/22/2000 | A | N716AE | | EMB-135 | 37 | | | | Embraer |
| 35 | | | | A | | 2 | Allison Rolls Royce AE3007A1 | | | | | |
| 36 | 2000 | 145272 | 06/26/2000 | A | N717AE | | EMB-135 | 37 | | | | Embraer |
| 37 | | | | A | | 2 | Allison Rolls Royce AE3007A1 | | | | | |
| 38 | 2000 | 145275 | 06/26/2000 | A | N718AE | | EMB-135 | 37 | | | | Embraer |
| 39 | | | | A | | 2 | Allison Rolls Royce AE3007A1 | | | | | |

| U.S. DEPARTMENT OF TRANSPORTATION RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION | | | | | | | | | Air Carrier <u>American Eagle Airlines, Inc.</u> Quarter Ended <u>June 30, 2000</u> | | | |
|--|---|---|-----------------------------|---|---------------------------------|---|------------------------------|--------------------------------|--|-----------------------------------|-------------|------------------------------|
| AIRFRAMES AND AIRCRAFT ENGINE ACQUISITIONS AND RETIREMENTS | | | | | | | | | | | | |
| L I N E | Year of First Delivery (Airframe) | Airframe Manufacturer's Serial Number | Date Acquired or Retired | Acquisition or Retirement A or R | Airframe License Number * | Number of Aircraft Engines (by type) | Type, Model and Cabin Design | Maximum Seating Capacity | Cost | Amortized/ Depreciated Cost | Realization | Acquired From Disposition |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) |
| 40 | 2000 | 145276 | 06/26/2000 | A | N719AE | | EMB-135 | 37 | | | | Embraer |
| 41 | | | | A | | 2 | Allison Rolls Royce AE3007A1 | | | | | |
| 42 | 2000 | SPARE | 06/18/2000 | A | SPARE | 1 | Allison Rolls Royce AE3007A1 | | | | | |
| 43 | | OPERATING LEASED - AIRFRAMES | | | | | | | | | | |
| 44 | | | | | | | | | | | | |
| 45 | | OPERATING LEASED - ENGINES | | | | | | | | | | |
| 46 | | SPARE | 05/01/2000 | A | SPARE | 1 | Pratt & Whitney | | | | | |

STATEMENT OF CASH FLOWS

| | Three Months Ended Jun 30, 2000 |
|---|---------------------------------------|
| Cash Flow from Operating Activities | |
| Net earnings | 4,706,461 |
| Adjustments to reconcile net loss to cash provided by operating activities: | |
| Depreciation and amortization | 17,420,056 |
| Decrease (Increase) in receivables | 880,736 |
| Decrease (Increase) in inventories | (5,537,633) |
| Decrease (Increase) in other assets | 470,241 |
| Increase (decrease) in accounts payable | 354,984 |
| Increase (decrease) in accrued liabilities | 18,800,520 |
| Increase (decrease) in deferred credit | (420,413) |
| Increase (decrease) in deferred income tax | 0 |
| Decrease (Increase) in other long-term assets | (6,315,645) |
| Earnings from Affiliates | 4,987,592 |
| Net cash provided from (used for) operating activities | 35,346,899 |
| Cash Flow From Investing Activities | |
| Disposal (acquisition) of property and equipment | (105,242,250) |
| Net cash provided from (used for) investing activities | (105,242,250) |
| Cash Flow From Financing Activities | |
| Net increase (decrease) on long-term debt | 87,385,129 |
| Capital lease obligations incurred (diminished) | (5,557,236) |
| Retirement of Common Stock of AMR Eagle, Inc. | 0 |
| Retirement of Equity in Inventory Support International, Inc. | 0 |
| Net cash provided from (used for) financing activities | 81,827,893 |
| Net increase (decrease) | 11,932,542 |
| Cash and Due (to) from American/AMR at beginning of period | 200,038,865 |
| Cash and Due (to) from American/AMR at end of period | 211,971,407 |

U.S. Department
of Transportation

Research and
Special Programs
Administration

Air Carrier

American Eagle Airlines

Operation

Domestic

Period Ended

06/30/2000

NOTES TO RSPA FORM 41 REPORT

American Eagle Airlines, Inc. Financial Statements are consolidated
with AMR corporation, parent company of American Airlines .

STATEMENT OF OPERATIONS

Quarter Ended: June 30, 2000

Air Carrier:

Schedule P-1.2 Group III

Operation : Domestic MQD

ACCT# DESCRIPTION

AMOUNT

| | | |
|--------|---|-------------|
| | OPERATING REVENUES | |
| 3901.1 | Passenger - First Class | 0 |
| 3901.2 | Passenger - Coach | 0 |
| 3901 | Transport Revenues - Passenger | 302,393,118 |
| 3905 | Mail | 491,438 |
| 3906.1 | Property - Freight | 1,231,757 |
| 3906.2 | Property - Excess Baggage | 338,874 |
| 3907.1 | Charter - Passenger | 339,763 |
| 3907.2 | Charter - Property | 0 |
| 3919.1 | Reserv. Cancellation Fees | 0 |
| 3919.2 | Misc. Operating Revenues | 9,627,693 |
| 4808 | Public Service Subsidy | 0 |
| 4898 | Transport Related | 0 |
| 4999 | Total Operating Revenue | 314,422,643 |
| | OPERATING EXPENSES | |
| 5100 | Flying Operations | 77,728,516 |
| 5400 | Maintenance | 57,964,114 |
| 5500 | Passenger Service | 20,211,059 |
| 6400 | Aircraft & Traffic Servicing | 58,703,826 |
| 6700 | Promotion & Sales | 25,382,865 |
| 6800 | General & Administrative | 29,700,390 |
| 7000 | Depreciation & Amortization | 17,420,058 |
| 7100 | Transport Related Expenses | 0 |
| 7199 | Total Operating Expenses | 287,110,828 |
| 7999 | Operating Profit or Loss | 27,311,815 |
| | NONOPERATING EXPENSE (INCOME) | |
| 8181 | Int. Exp. (Inc.) on L-T-D & Cap. Leases | 37,856,501 |
| 8182 | Other Interest Expense (Income) | -27,241,313 |
| 8185 | Foreign Exchange Gain or Loss | 0 |
| 8188.5 | Capital (Gains)/Losses- Op. Prop. | 0 |
| | Capital (Gains)/Losses- Other | |
| 8189 | Other Expense (Income) - Net | 5,315,484 |
| 8199 | Nonoperating Expense (Income) | 15,930,672 |
| 8999 | Income Before Income Taxes | 11,381,143 |
| 9100 | Income Tax Expense | 6,674,683 |
| 9199 | Inc. Bf. Disc. Ops & Other Items | 4,706,460 |
| 9600 | Discontinued Operations | 0 |
| 9796 | Extraordinary Items | 0 |
| 9797 | Inc. Tax Appl. To Extraord. Item | 0 |
| 9799 | Income Before Account. Changes | 4,706,460 |
| 9800 | Accounting Changes | 0 |
| 9899 | Net Income | 4,706,460 |

OPERATING EXPENSES BY OBJECTIVE GROUPING

Quarter Ended: June 30, 2000
Schedule P-6

Air Carrier:
Operation : Domestic MQD

| LINE# | DESCRIPTION | AMOUNT |
|---------|---------------------------------|-------------|
| | SALARIES & REL. FRINGE BENEFIT | |
| | SALARIES: | |
| Line 3 | General Mgmt. Per. | 8,997,467 |
| Line 4 | Flight Personnel | 26,079,593 |
| Line 5 | Maintenance Labor | 8,671,685 |
| Line 6 | Aircr. & Traffic Hndl. Per. | 18,478,188 |
| Line 7 | Other Personnel | 4,804,367 |
| Line 8 | Total Salaries | 67,031,300 |
| | RELATED FRINGE BENEFITS | |
| Line 10 | Personnel Expense | 1,402,883 |
| Line 11 | Empl. Benefits & Pensions | 3,886,102 |
| Line 12 | Payroll Taxes | 5,165,818 |
| Line 13 | Total Fringe Benefits | 10,454,803 |
| Line 14 | Total Salaries & Benefits | 77,486,103 |
| | MATERIALS PURCHASED | |
| Line 16 | Aircraft Fuel & Oil | 22,758,730 |
| Line 17 | Maintenance Materials | 11,072,684 |
| Line 18 | Passenger Food | 1,443,751 |
| Line 19 | Other Materials | 745,196 |
| Line 20 | Total Materials | 36,020,361 |
| | SERVICES PURCHASED | |
| Line 22 | Advertising & Other Promotion | 133,453 |
| Line 23 | Communications | 671,286 |
| Line 24 | Insurance | 3,353,134 |
| Line 25 | Outside Flight Eqpt. Maint. | 31,663,822 |
| Line 26 | Traffic Commissions - Passenger | 13,313,912 |
| Line 27 | Traffic Commissions - Cargo | 0 |
| Line 28 | Other Services | 52,192,068 |
| Line 29 | Total Services | 101,327,675 |
| Line 30 | LANDING FEES | 6,506,516 |
| Line 31 | RENTALS | 33,012,146 |
| Line 32 | DEPRECIATION | 17,420,058 |
| Line 33 | AMORTIZATION | 0 |
| Line 34 | OTHER | 15,337,969 |
| Line 35 | TRANSPORT RELATED EXPENSES | 0 |
| Line 36 | TOTAL OPERATING EXPENSES | 287,110,828 |

