

AMR CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	Year Ended December 31,		
	2008	2007	2006
Cash Flow from Operating Activities:			
Net earnings (loss)	\$ (2,071)	\$ 504	\$ 231
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:			
Depreciation	1,055	1,036	1,022
Amortization	152	166	135
Equity based stock compensation	53	133	142
Restructuring and settlement charges	1,317	63	-
Gain on sale of investments/subsidiaries	(432)	(138)	(13)
Redemption payments under operating leases for special facility revenue bonds	(188)	(100)	(28)
Change in assets and liabilities:			
Decrease (increase) in receivables	217	(41)	3
Decrease (increase) in inventories	5	(128)	(7)
Decrease (increase) in derivative collateral and unwound derivative contracts	(940)	164	-
Increase (decrease) in accounts payable and accrued liabilities	(421)	248	(130)
Increase (decrease) in air traffic liability	(277)	203	168
Increase (decrease) in other liabilities and deferred credits	178	(135)	382
Other, net	(42)	(40)	34
Net cash provided by (used in) operating activities	(1,394)	1,935	1,939
Cash Flow from Investing Activities:			
Capital expenditures, including purchase deposits on flight equipment	(876)	(714)	(530)
Net decrease (increase) in short-term investments	1,471	207	(918)
Net decrease (increase) in restricted cash and short-term investments	(31)	40	42
Proceeds from sale of equipment, property and investments/subsidiaries	480	228	49
Other	11	5	(8)
Net cash provided by (used in) investing activities	1,055	(234)	(1,365)
Cash Flow from Financing Activities:			
Payments on long-term debt and capital lease obligations	(1,092)	(2,321)	(1,366)
Proceeds from:			
Issuance of common stock, net of issuance costs	294	497	400
Reimbursement from construction reserve account	-	59	145
Exercise of stock options	1	90	230
Issuance of long-term debt	825	-	-
Sale leaseback transactions	354	-	-
Net cash provided by (used in) financing activities	382	(1,675)	(591)
Net increase (decrease) in cash	43	27	(17)
Cash at beginning of year	148	121	138
Cash at end of year	<u>\$ 191</u>	<u>\$ 148</u>	<u>\$ 121</u>

The accompanying notes are an integral part of these financial statements.