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HUMAN RESOURCES & PAYROLL

American Airlines Considering Employee Profit Sharing

American Airlines workers may see some profit-sharing payments next year if the airline continues to post profits in 2013, the airline's chief executive Tom Horton said today.

Sep. 30, 2013

Sept. 30 — American Airlines workers may see some profit-sharing payments next year if the airline continues to post profits in 2013, the airline's chief executive Tom Horton said today.

“While the year isn't over, and profit-sharing is based on full-year results, I'm optimistic that in March 2014 we'll be able to make profit-sharing payments for the first time in many years,” Horton said in a letter to employees.

American Airlines' parent company, AMR Corp., reported a \$71 million profit in August, according to a court document filed today. The company has been undergoing a bankruptcy court reorganization since November 2011.

Horton also said the carrier will soon begin recruiting efforts with the goal of hiring 1,500 new pilots over the next five years. “We have offered recall to all of our furloughed pilots and will begin the new recruiting later this fall,” he said.

American first said last year that it would need to hire hundreds of pilots over the next several years due to an increase in international flights and upcoming pilot retirements.

In its monthly operating report, the Fort Worth-based carrier posted a monthly profit of \$165 million excluding reorganization fees and one-time accounting items. The financial disclosure is part of the monthly operating reports AMR is required to file with the U.S. Bankruptcy Court.

The company said it spent \$27 million on aircraft financing renegotiations and rejections and \$9 million on professional fees during the month. It also spent \$4 million on “other” reorganization items which are not detailed in the report.

AMR also said that its mainline carrier, American Airlines, had passenger revenues of \$1.8 billion with its regional affiliates, including American Eagle, bringing in \$263 million in revenues. Total revenues for the month were \$2.34 billion, up 7 percent from last year.

The company ended the month with \$643 million in cash and \$5.5 billion in short-term investments for a total of about \$6.1 billion on hand. That number does not include \$935 million in restricted cash.

Horton added that the carrier is still open to settling its pending antitrust case with the U.S. Department of Justice, which filed a lawsuit in August to stop American’s merger with US Airways. A trial is scheduled to begin on Nov. 25 in federal court in Washington, D.C.

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