



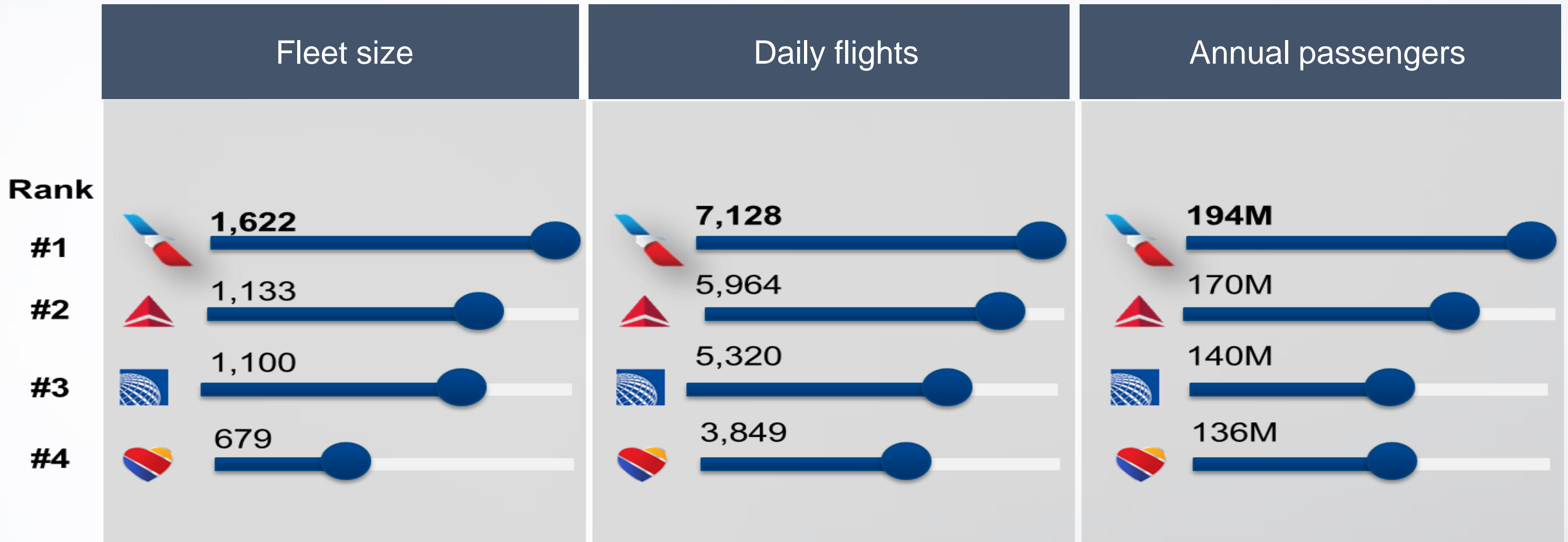
Charlotte Regional Realtor® Association

A decorative graphic on the left side of the slide, consisting of a blue curved shape at the top, a grey curved shape in the middle, and a red curved shape at the bottom, all overlapping and pointing towards the right.

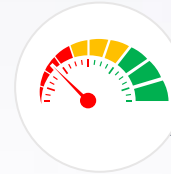
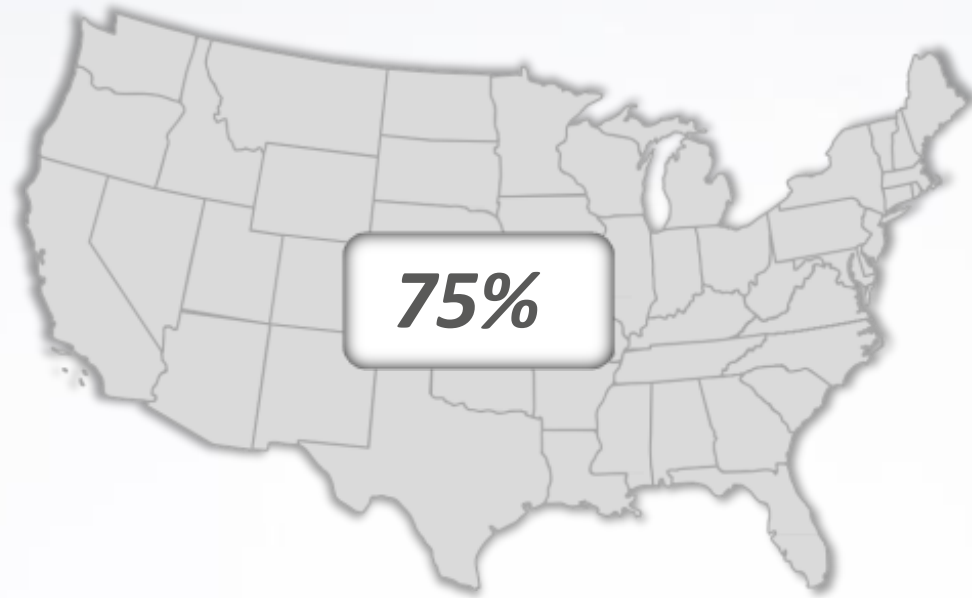
***Tracy Montross
Regional Director of Government Affairs
American Airlines***

The Largest Network And Growing

More than 120,000 American Airlines employees support a global network that connects the world through 1,050 nonstop departures to 350 destinations.



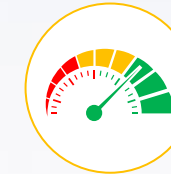
Our Customers



Infrequent customers

85%
flew one time

55%
revenue contribution



Frequent customers

15%
flew more than once

45%
revenue contribution

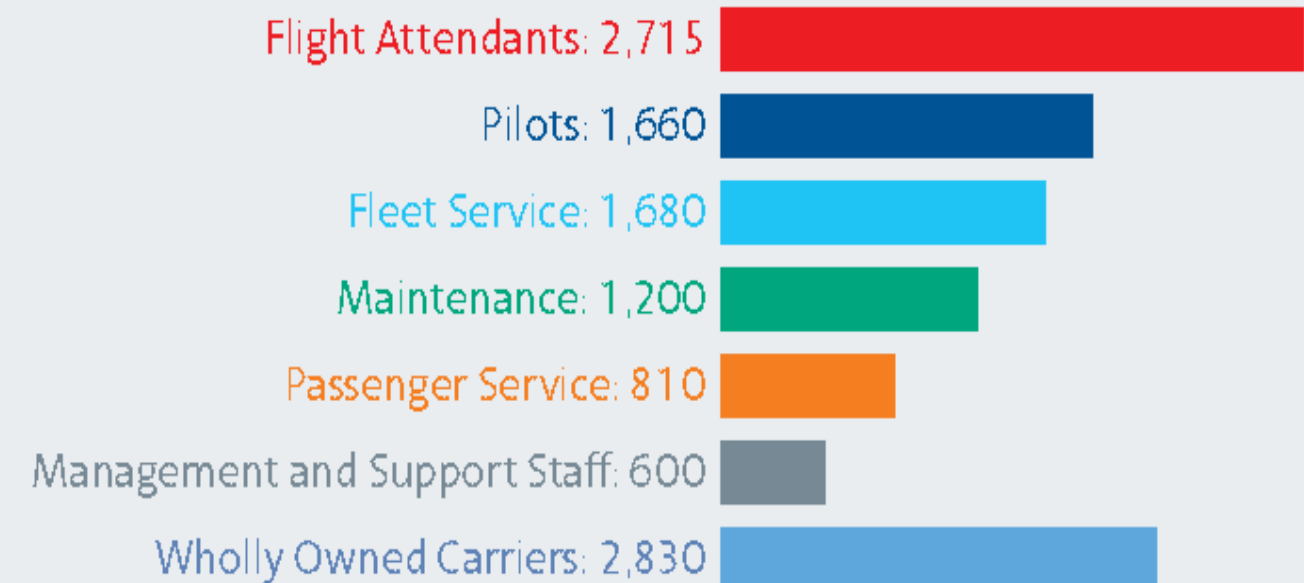
- **AA operates 750 nonstop departures a day from North Carolina**
- **In 2017, American Airlines offered more than 28 million seat departures, or 78,000 per day, from North Carolina Airports**
 - Approximately 75% of total seats available in NC are offered by AA
 - Increased available seats by 400,000 seats vs. 2016. (1.5% Increase)
- **American Airlines employs 13,933 people in North Carolina**
 - 1,400 employees at Reservation call centers in Winston-Salem and Cary
 - Nine commercial airports in NC with 50 or fewer AA employees
 - American Airlines employees live in every NC Legislative District
- **Total Economic Output: \$14.9 Billion**
- **Total Employment Impact: 147,214**

CLT: Second Largest Hub for the World's Largest Airline



- AA offers more than 650 flights per day to 145 destinations in 25 countries
- Mecklenburg's 5th largest employer
- 11,500 Employees, including Express
 - Fleet Service, Pilots, Flight Attendants, Customer Service agents and Mechanics
- Major Facilities
 - Training Center – 200,000 square feet with 13 flight simulators
 - Hangars for Heavy and Line Maintenance
 - Cargo and Catering
- 10 year lease completed with CLT in February 2016

American employs approximately **11,500 colleagues** at CLT.



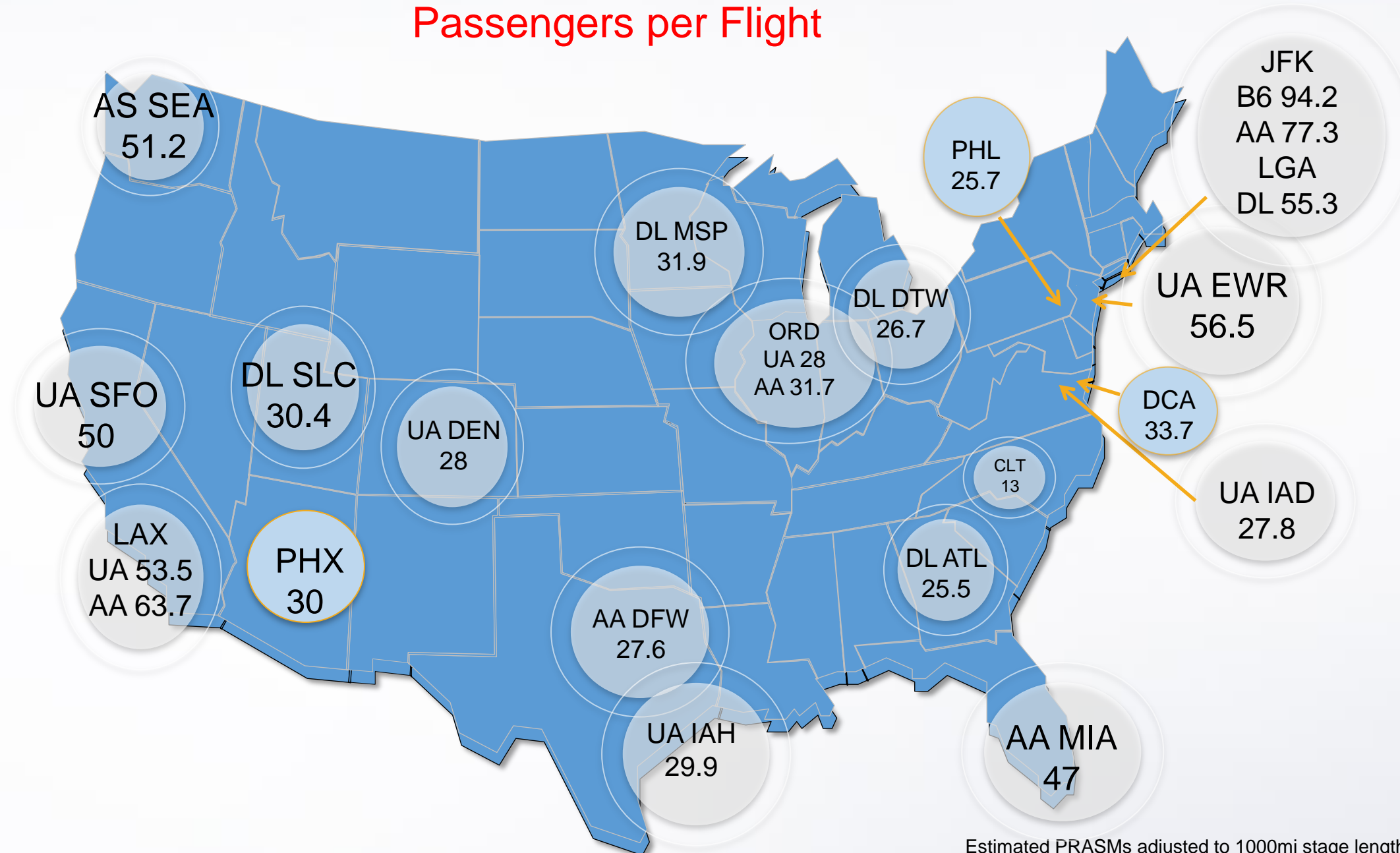
Total Economic Output: \$13.2 Billion
Total Employment Impact: 127,829



Why is CLT unique?

Hub Population	Smallest of competing east coast hubs of any airline
Hub Passengers	Largest number of connecting passengers (20% O&D for local passengers)
Hub Wealth	Smallest of competing east coast hubs
Hub Flight Total	Third largest in the world based on number of daily flights, departures and arrivals per hour

CLT Generates the Lowest Number of Local Passengers per Flight

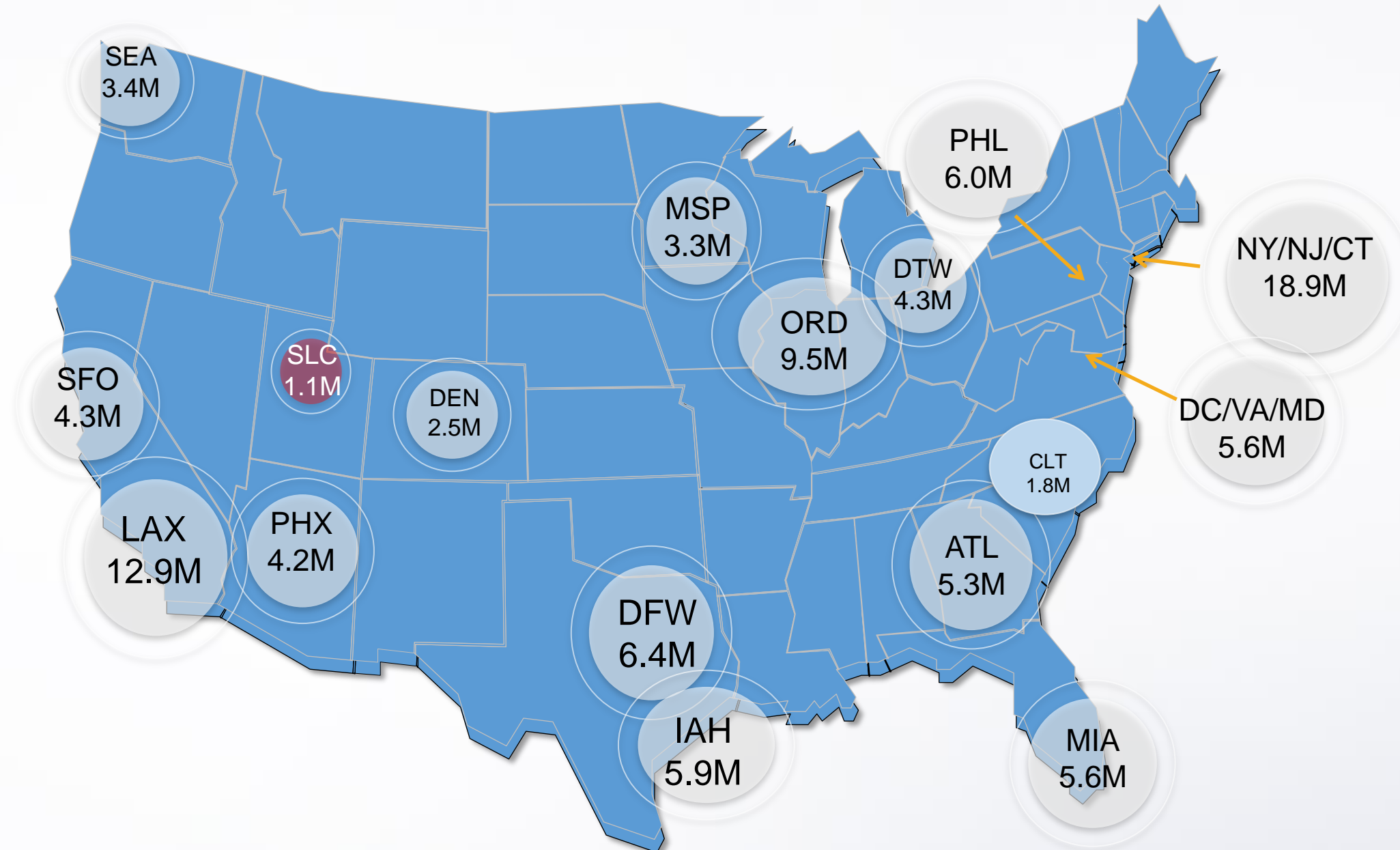


Estimated PRASMs adjusted to 1000mi stage length from publicly filed data (Superset and T100)

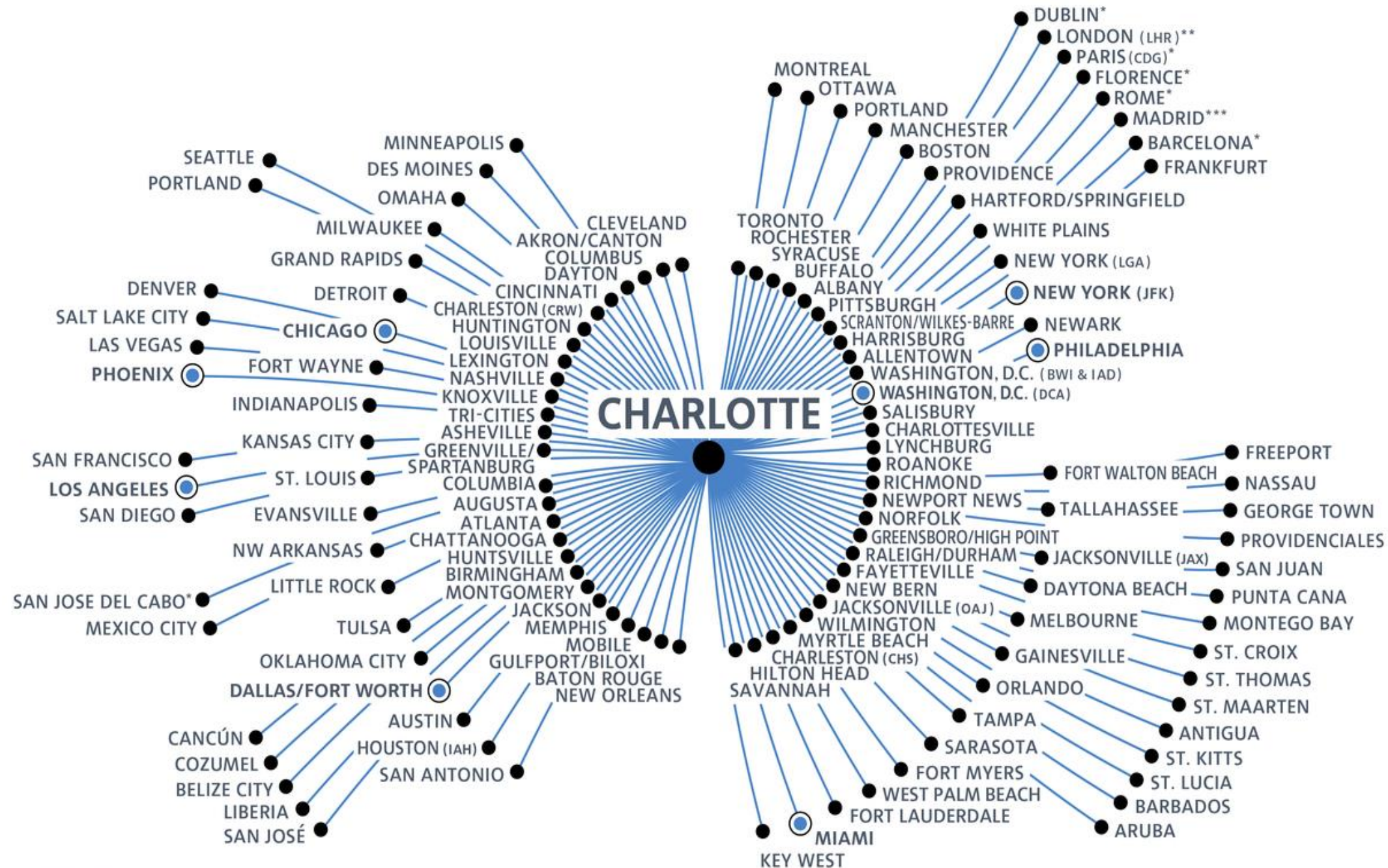
Local Area Population Comparisons for Domestic Hubs



Only One Has a Smaller Local Population than CLT



Charlotte Hub's Connectivity – Direct Flights



*Seasonal service
 **Operated by American Airlines and British Airways.
 ***Operated by Iberia Airlines.

Bold type indicates a connecting city.
 American Airlines, US Airways, Envoy and/or
 US Airways Express service through April 2015.
 Schedules and destinations subject to change.

American Airlines is Growing in North Carolina

Since January 1st 2016, AA has initiated service from CLT to 20 new destinations.

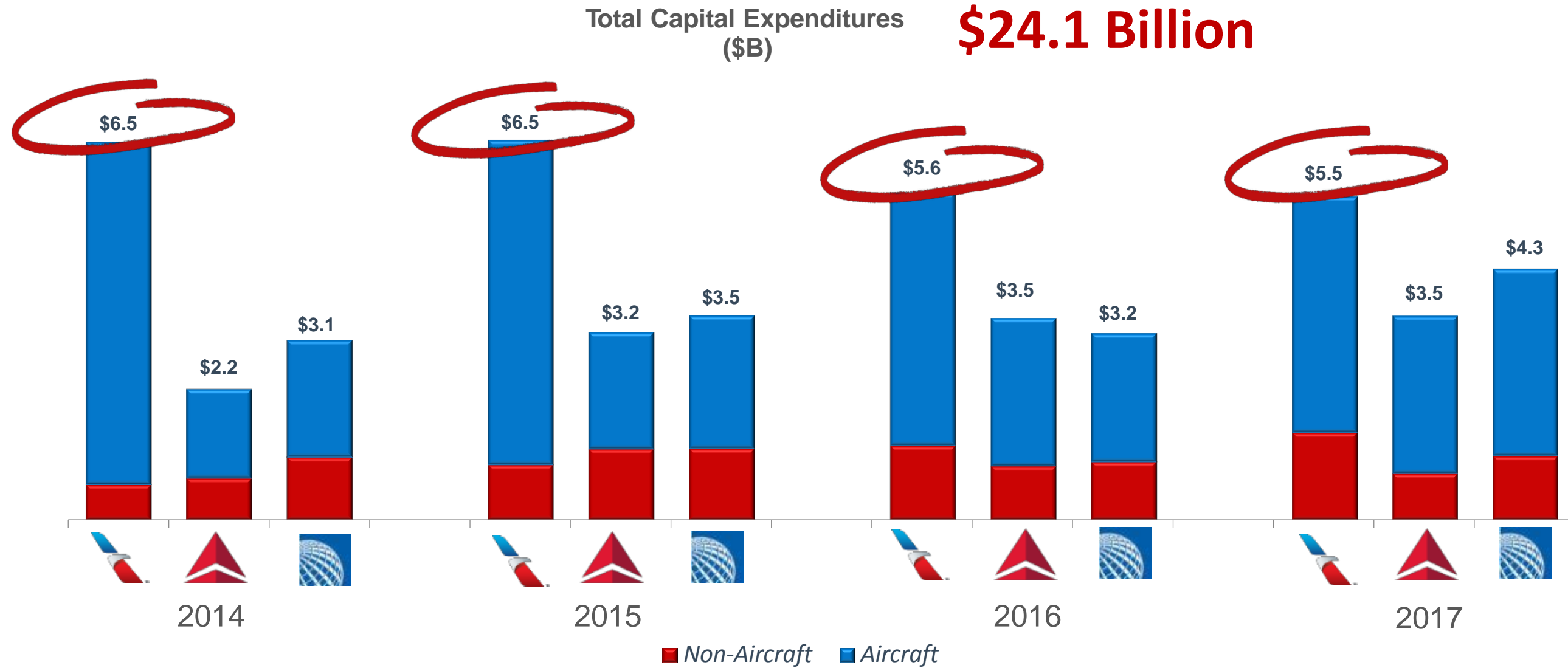
City, State	Airport Code	# of Daily Departures to CLT	# of Daily Seats to CLT	Aircraft Type
Nantucket, MA	ACK	1 (Seasonal, Sat Only)	76	E-175
Bangor, ME	BGR	1	65	CRJ-700
Cedar Rapids, IA	CID	1	152	CRJ-900
Champaign, IL	CMI	1	44	ERJ-140
Panama City, FL	ECP	2	130	CRJ-700
North Eleuthera, Bahamas	ELH	1 (Sat Only)	65	CRJ-700
George Town, Bahamas	GGT	1 (Seasonal, Sat Only)	76	E-175
Havana, Cuba	HAV	1	128	A319
New Haven, CT	HVN	1 (Sat Only)	50	CRJ-200
Ithaca, NY	ITH	1 (Sat Only)	50	CRJ-200
Marsh Harbour, Bahamas	MHH	1 (Sat Only)	76	E-175
Madison, WI	MSN	1	152	CRJ-900
Montrose, CO	MTJ	1 (Seasonal, Sat Only)	128	A319
Peoria, IL	PIA	1	100	CRJ-200
Rapid City, SD	RAP	1 (Seasonal, Sat/Sun Only)	76	CRJ-900
South Bend, IN	SBN	2	130	CRJ-700
Shreveport, LA	SHV	1	100	CRJ-200
San Jose, CA	SJC	1	187	A321
Toledo, OH	TOL	1	130	CRJ-700
Tucson, AZ	TUS	1	150	A320

Investing in North Carolina's Airports

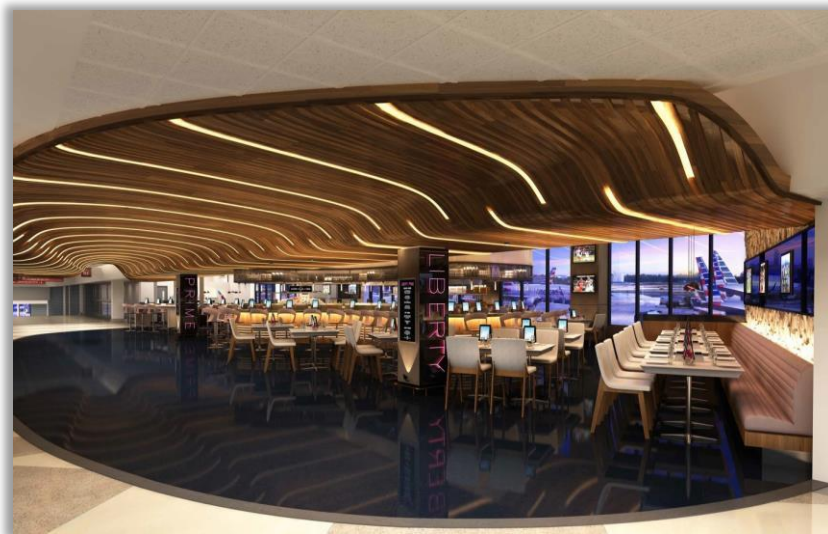
- Since January 2016, American has committed more than **\$147 Million** on capital improvement projects at NC Airports
 - More than \$100M already invested at Charlotte Douglas International Airport for Destination CLT, Employee Support Space Refresh, On-Site Medical Clinic, Concourse E Bag Transfer, etc.
 - Committed to invest more than \$39M for improvements to Winston-Salem Reservation Call Center for data center optimization and security
 - \$9.5M spent at RDU Airport for facility modifications, including \$4M for Admirals Club
 - \$3.9M at Cary Reservation Call Center for renovation and refresh



Unprecedented Capital Investment



Investments in our Product



TERMINAL IMPROVEMENTS



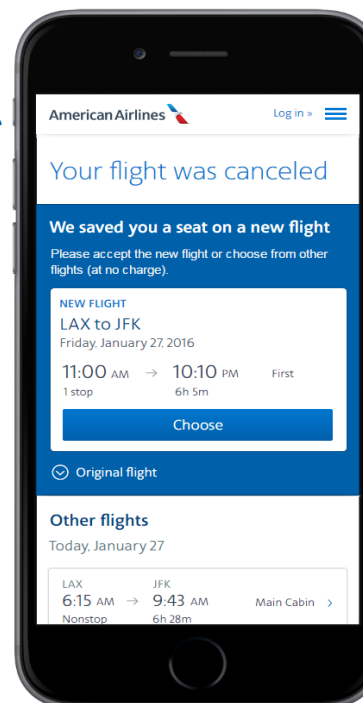
NEW 787-9s



NEWLY REDESIGNED CLUBS



SELF SERVICE TOOLS

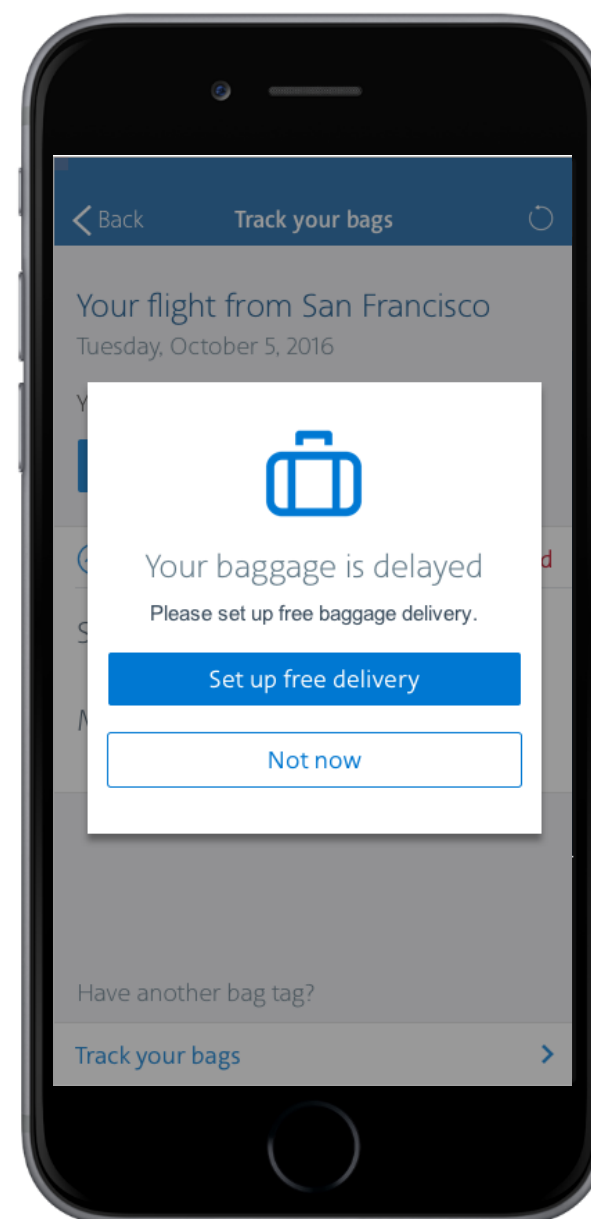
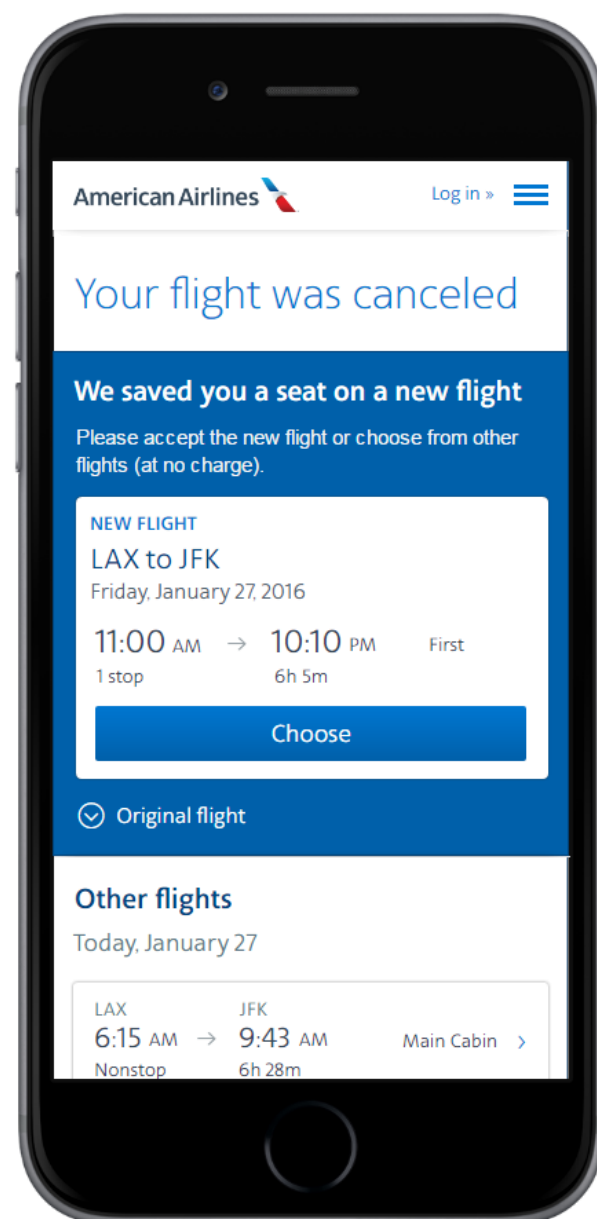


ON BOARD AND IN-FLIGHT ENTERTAINMENT



REDESIGNED HOLDROOMS

Self-Service Tools for Customers



Dynamic reaccommodation

- Trip interruption push notification
- Ability to choose alternate flights
- Decreases airport and reservation agent burden during irregular operations

Proactive bag notification

- Bag delay push notification
- Ability to select delivery options



Investments in our Product

- In 2017, AA purchased 69 new airplanes at a cost of \$4 billion



	2017	2018	2019	Beyond 2019	Total
A320 Family / Neo	20	-	25	75	120
A350-900	-	2	5	15	22
B737-800 / Max	24	16	20	60	120
B787 Family	13	8	-	-	21
Mainline Total	57	26	50	150	283
E175	12	-	-	-	12
Regional Total	12	-	-	-	12

NEXT GEN Components: RNAV/RNP

Moving to Performance-Based Navigation

Conventional Routes

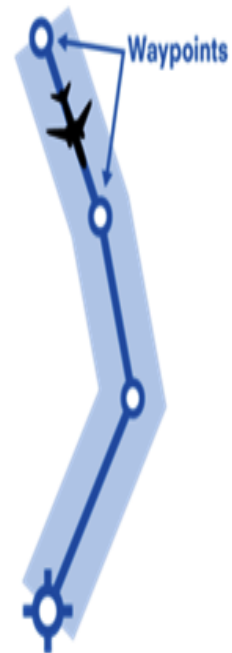
Today's airways connect ground-based navigation aids



Limited Design Flexibility

RNAV

Area Navigation (RNAV) routes follow defined "waypoints"



Increased Airspace Efficiency

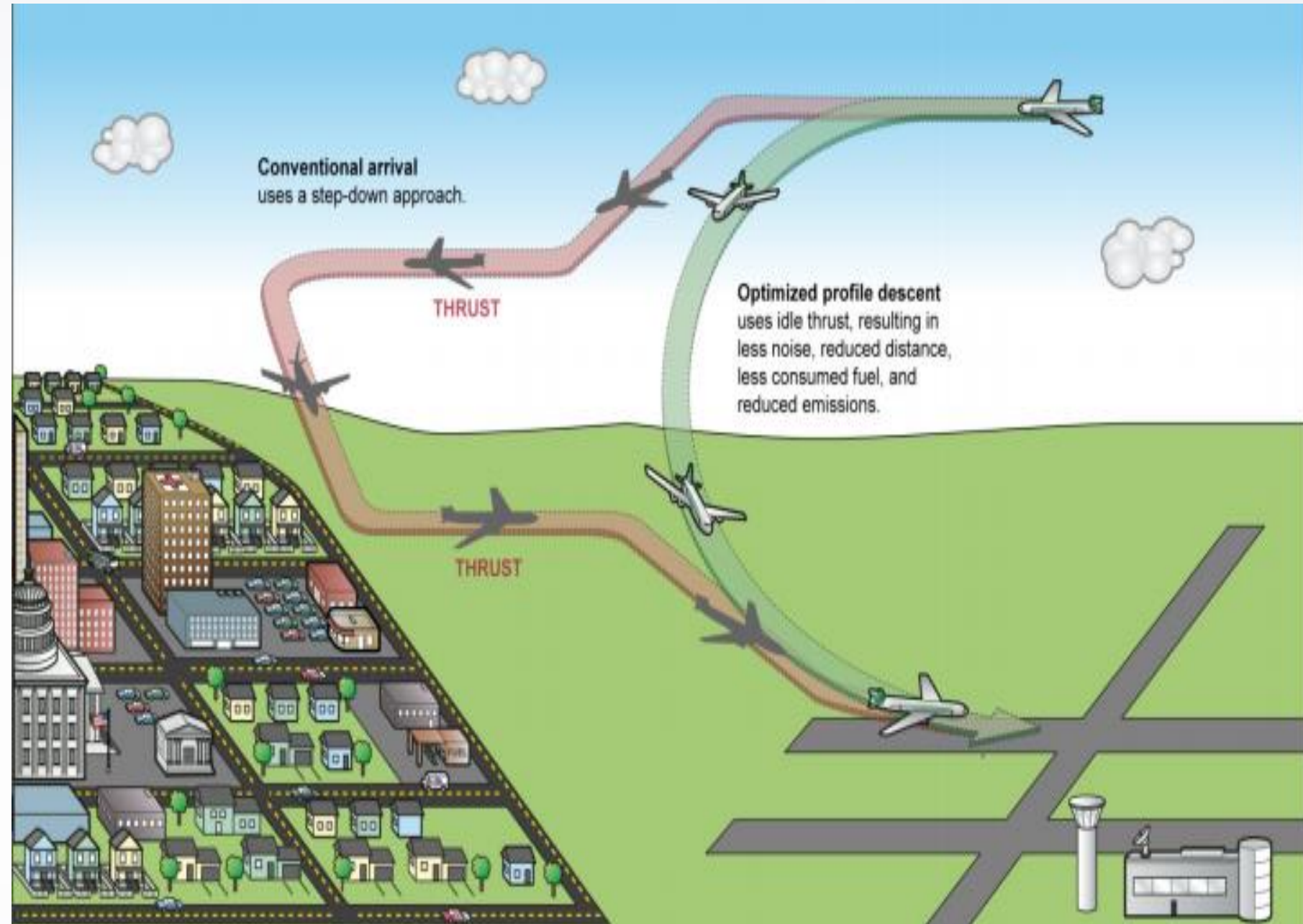
RNP

Required Navigation Performance (RNP) routes within specified "containment area"



Optimize Use of Airspace

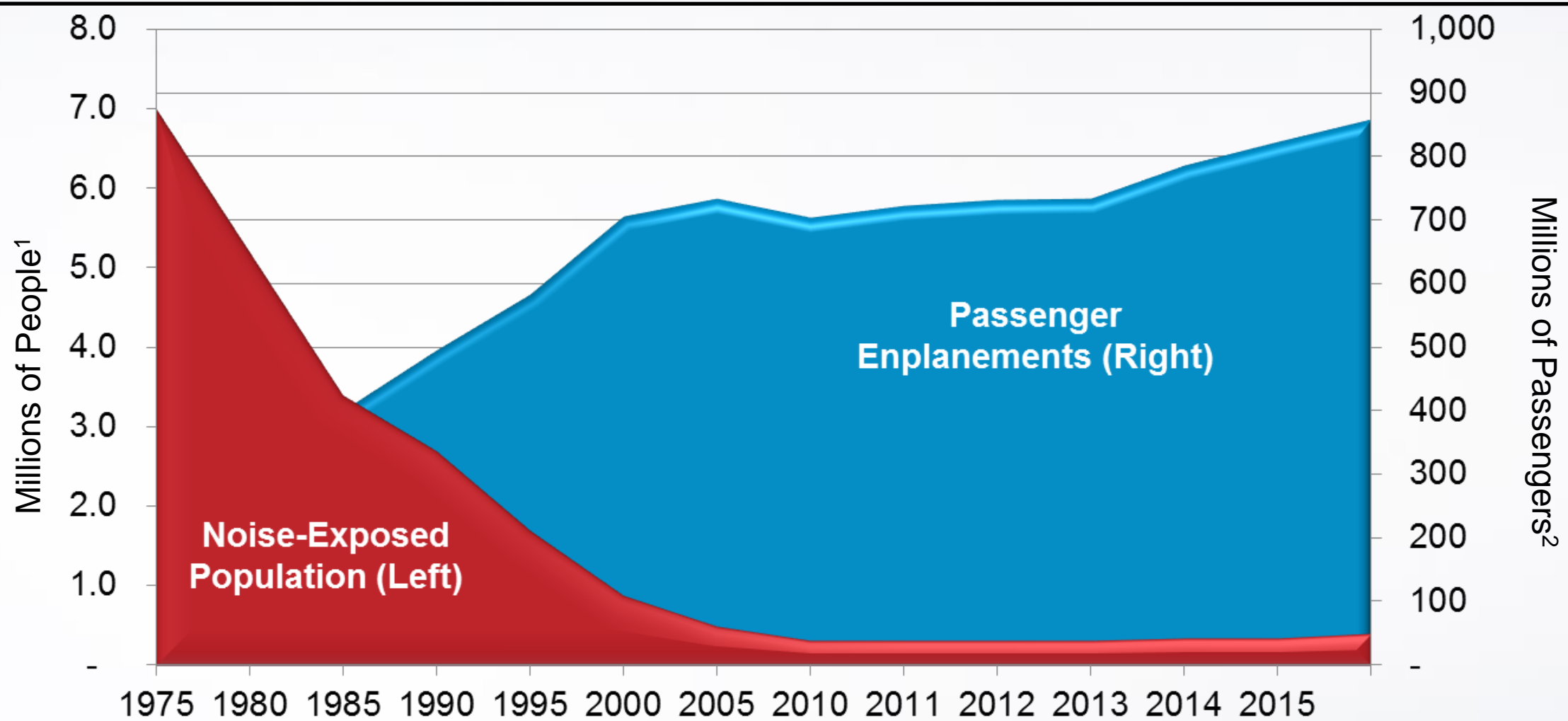
Source: Federal Aviation Administration



U.S. AVIATION'S STRONG NOISE REDUCTION RECORD



From 1975-2016, the Number of U.S. Residents Exposed to Significant Aircraft Noise Fell 94% While Enplanements Rose 325%); 53% from 2000-2016 (Enplanements Rose 22%)



1. U.S. residents exposed to “significant” (65 dB DNL) noise levels from all aviation operations within U.S. airspace
2. Passengers enplaned on U.S. and foreign flag carriers as captured in the FAA Terminal Area Forecast (TAF)

Benefits from NextGen Investments



- Fewer travel delays and flight cancellations
- Reduced passenger travel time
- Additional flight capacity
- Reduced fuel consumption and aircraft exhaust emissions
- Decreased air carrier and FAA operating costs
- Fewer general aviation injuries, fatalities, and aircraft losses and damages in areas such as Alaska, where radar coverage is limited

But, New Procedures Can Raise Noise Concerns...new ATC procedures may shift who is exposed – even if fewer people overall are exposed; and some PBN procedures can “focus” noise more tightly over certain areas.



Q & A



THE COST BREAKDOWN OF A
(\$300)
 DOMESTIC ROUNDTRIP TICKET
 (ONE-STOP)




\$62.98

\$76.34

\$66.54

\$87.63

\$6.51

21%

26%

23%

28%

2%

FEDERAL GOVERNMENT TAXES

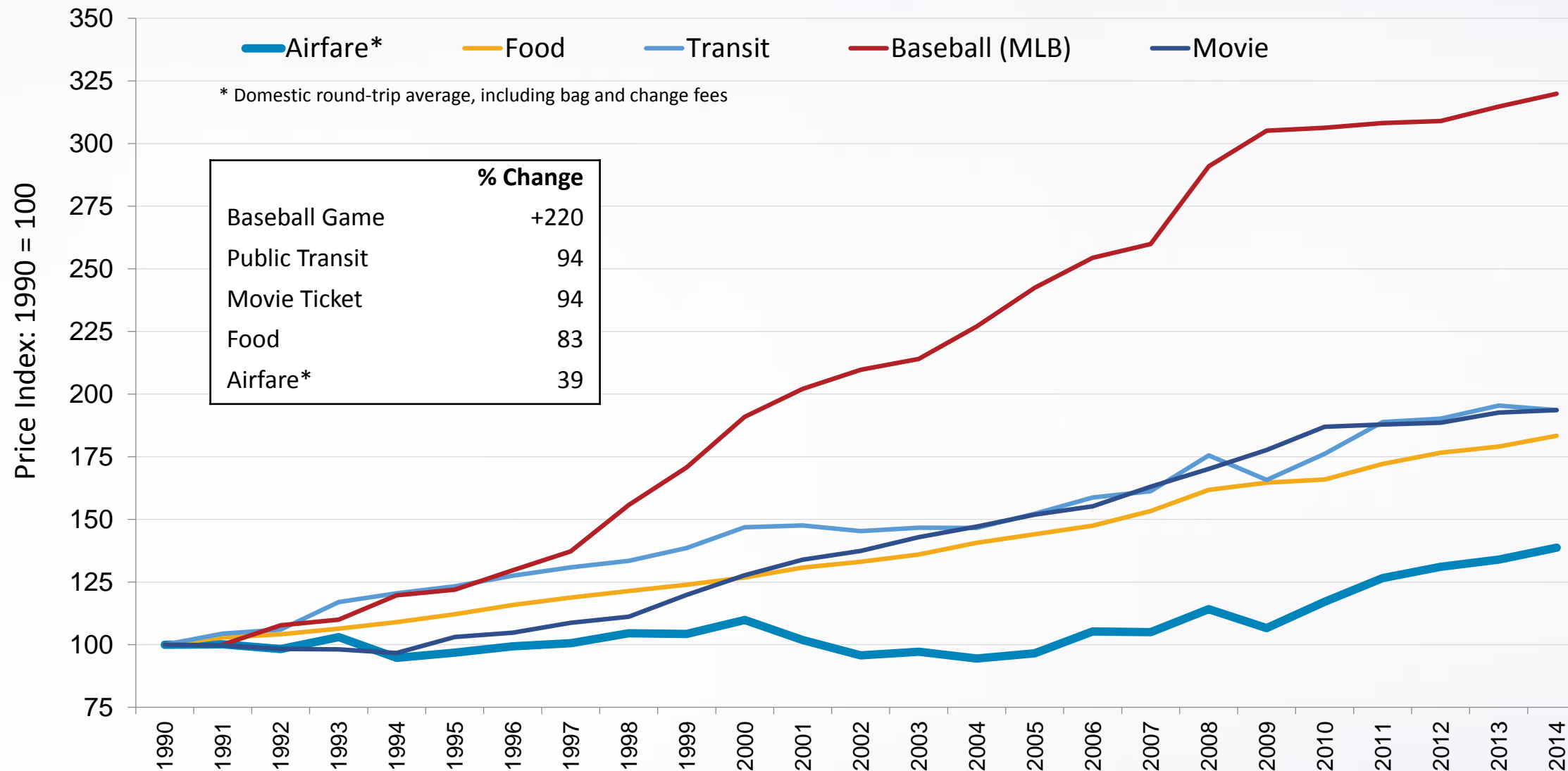
FUEL EXPENSE

LABOR EXPENSE

OTHER EXPENSES

AIRLINE PROFITS (NET)

Over the Past 25 Years, the Price of Purchasing Food, Taking the Bus/Train, or Going to the Movies/Ballpark Has Significantly Outpaced the Price of Taking a Trip by Air



Source: A4A, BTS Data Bank 1B, Federal Reserve Bank of St. Louis, National Association of Theatre Owners, Team Marketing Report

