

November 12, 2013

Dear American and US Airways Team Members,

Great news! We have settled the litigation brought by the Department of Justice (DOJ) and the State Attorneys General and we now expect to complete the merger of American Airlines and US Airways in December. We also have entered into a separate agreement with the Department of Transportation (DOT) regarding small community service from Washington Reagan National Airport (DCA).

Reaching these agreements was made possible by your support. From running two great airlines to reaching out to your local, state and federal representatives, your collective voice was heard. You said, "Let us Compete. Together," and now we can begin to do just that. Thank you very much for all you did to ensure your voices were heard.

Under the terms of the settlement:

- The new American will divest 52 slot pairs at DCA and 17 slot pairs at New York LaGuardia Airport (LGA), as well as certain gates and related facilities to support service at those airports.
 - Included are eight DCA slot pairs that American currently leases to JetBlue and five LGA slot pairs that American leases to Southwest.
 - As a result, we expect the settlement to result in the new American operating 44 fewer DCA daily departures than the 290 that American and US Airways currently operate.
 - At LGA, we will operate 12 fewer daily departures than the approximately 175 we collectively operate today.
- We will also divest two gates and related support facilities at each of Boston Logan International Airport, Chicago O'Hare International Airport, Dallas Love Field, Los Angeles International Airport, and Miami International Airport.

Despite the divestitures, the new American is still expected to generate more than \$1 billion in annual net synergies in 2015, as we estimated when the merger was announced in February.

To ensure much of the service to small- and medium-sized markets from DCA is maintained, the new American has agreed with the DOT to use all of its DCA commuter slot pairs for service to these communities (DCA designates slots for either "commuter" or "mainline" use. Seventy-four of our slots are allocated to commuter slots, which mean they must be operated by aircraft with 76 seats or less). In addition, in the agreement with the state Attorneys General, the new American has agreed to maintain its hubs at CLT, DFW, JFK, LAX, MIA, ORD, PHL and PHX consistent with historical operations for a period of three years. With limited exceptions, for a period of five years the new American will continue to provide daily scheduled service from one or more of its hubs to each airport in each of the states involved in the original lawsuit that has scheduled daily service from either American or US Airways.

Fortunately, the divestitures required by the settlement are not expected to impact total employment at the new American. Certain airports may be affected as a result of the divestitures, but we will offer those employees opportunities elsewhere in the system. In addition, the reductions in DCA and LGA are expected to have little or no impact on mainline flying and will impact regional jet flying mostly done by contract partners and those regional jets will be deployed elsewhere in the new American's network.

These divestitures will require the new American to discontinue nonstop service from DCA to some destinations currently served. Those cities are not yet known, but as soon as those decisions are made, we will share it with you.

We still need to obtain approval of the settlements by the U.S. Bankruptcy Court and other closing approvals, but today's agreements allow us to complete the merger next month and we wanted to pass along this outstanding news and our gratitude to all of you immediately. Thank you again – we look forward to celebrating the creation of the new American with all of you within a few weeks.

Sincerely,

Tom and Doug