

AMERICAN AIRLINES, BRITISH AIRWAYS AND IBERIA SIGN JOINT BUSINESS AGREEMENT

FORT WORTH, LONDON and MADRID, August 14, 2008.

American Airlines, British Airways and Iberia have signed a joint business agreement on flights between North America and Europe and plan to expand their global cooperation.

This relationship will benefit consumers by providing easy, seamless and convenient travel to more global destinations with better connections, improved flight schedules and enhanced frequent flyer benefits. It will improve customer choice by enabling the oneworld global alliance, of which American, British Airways and Iberia are key members, to compete more effectively around the world with other global alliances.

The airlines plan to file today for worldwide anti-trust immunity from the US Department of Transportation and will notify the appropriate regulatory authorities in the European Union.

In addition, fellow oneworld members Finnair and Royal Jordanian are included in the anti-trust immunity application.

Under the joint business agreement, the three airlines will cooperate commercially on flights between the United States, Mexico and Canada, and the European Union, Switzerland and Norway while continuing to operate as separate legal entities. They will expand their codeshare arrangements on flights within and beyond the EU and US, significantly increasing the number of destination choices that the airlines can offer customers.

Today's announcement is a significant step towards strengthening customer choice. This agreement would enable oneworld to compete effectively with rival global air alliances that have already received transatlantic anti-trust

immunity. Currently, six airlines in SkyTeam and nine Star Alliance airlines have such immunity.

Customers will be able to travel more easily on the three airlines' combined route network which will serve 443 destinations in 106 countries with more than 6200 daily departures and more frequent and convenient schedule options than any of the three carriers could offer individually. By working together to provide links for connecting passengers, the airlines can expand customer choice by supporting routes that would not be economically viable for the individual airlines.

Customers will also benefit from expanded opportunities to earn and redeem frequent flyer miles and elite tier benefits on flights worldwide and continued reciprocal airport lounge access.

The joint business agreement will enable the airlines to reduce costs and attract new customers, helping to mitigate pressure on fares from record fuel costs. This means that the airlines will have greater ability to invest in their products, services and fleets. Employees and shareholders will also benefit from the agreement.

Gerard Arpey, chairman and chief executive of AMR Corp., the parent company of American Airlines, said: " We believe our proposed cooperation is an important step towards ensuring that we can compete effectively with rival alliances and manage through the challenges of record fuel prices and growing economic concerns. In addition, we believe we will be more effective competitors with greater ability to invest in our products and services. As a result, this business agreement will create positive outcomes for our customers, shareholders, employees and the communities we serve."

Willie Walsh, British Airways' chief executive, said: "This strategic relationship strengthens competition by providing consumers with easier journeys to more destinations with better aligned schedules and frequencies. We are applying

for EU US anti-trust immunity in a changed regulatory world where London Heathrow is open to any US or EU airline that wants to fly to the United States and where rival alliances have immunity.”

Fernando Conte, Iberia chairman and chief executive, said: “Customers will benefit the most from this relationship as they will have better connections to more destinations around the world. It will increase competition as the three global airline alliances will play under the same rules. We are taking a very important step towards consolidation which is necessary in today’s aviation industry.”

Certain information included in these statements is forward-looking and involves risks and uncertainties that could cause actual results to differ materially from those expressed or implied by the forward looking statements.

Forward-looking statements include, without limitation, projections relating to results of operations and financial conditions and the Company's plans and objectives for future operations, including, without limitation, discussions of the Company's Business Plan programs, expected future revenues, financing plans and expected expenditures and divestments. All forward-looking statements in this report are based upon information known to the Company on the date of this report. The Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

It is not reasonably possible to itemise all of the many factors and specific events that could cause the Company's forward looking statements to be incorrect or that could otherwise have a material adverse effect on the future operations or results of an airline operating in the global economy.