

**SUMMARY OF MATERIAL MODIFICATIONS FOR HEALTH AND
WELFARE BENEFIT PLANS SPONSORED BY
AMERICAN AIRLINES, INC.**

December 15, 2007

This document serves as notice to American Eagle Airlines, Inc. active and Leave-of-Absence employees of changes to the Company sponsored health and welfare benefit plans listed below. This Summary of Material Modifications describes the changes that affect your benefit plans and updates your summary plan descriptions. This Summary of Material Modifications, together with the Employee Benefits Guide, makes up the official plan documents and Summary Plan Descriptions. **Please read this notice carefully, and place this notice with your Summary Plan Description(s) (the Summary Plan Descriptions are contained in the Employee Benefit Guide (“EBG”)). These changes are effective January 1, 2008, unless otherwise stated elsewhere in this document.**

These changes apply to the Group Life and Health Benefits Plan for Employees of Participating AMR Corporation Subsidiaries (Plan 501, EIN #13-1502798; referred to herein as the “Plan”).

Changes to the Medical Options’ Prescription Drug Coverage (page 66) under “Prescription Drug Benefits,” “Retail Drug Coverage,” replace second paragraph with the following:

There are three categories of covered drugs with three different co-payments: generic drugs, formulary brand-name drugs and non-formulary brand-name drugs. You will pay the lowest co-payment for generic drugs.

A “formulary” is a preferred list of commonly prescribed medications that have been selected based on their clinical effectiveness and opportunities for savings. An independent committee of physicians and pharmacies brought together by Medco updates this list regularly based on continuous evaluation of medications. If a drug you are taking is not on the formulary, you may want to discuss alternatives with your doctor or pharmacist.

If you are taking a non-formulary drug, you have a choice – you can pay the higher co-payment for it or you can talk with your doctor about the possibility of switching to a formulary brand-name drug.

Contact Medco at (800) 988-4125 to determine if the brand-name drug you are taking is on the formulary list. You can also locate this information at www.medco.com.