

Special Eaglewire

WEDNESDAY, JAN. 1,
2014

A Message from President and CEO Pedro Fábregas

Dear American Eagle Team:

American Eagle Airlines experienced a year of change in 2013. Executive Airlines ceased flying operations as we returned the last of our turboprop fleet. American Airlines began rebranding our aircraft in a new livery for the first time since the inception of the Eagle brand, meanwhile, additional regional carriers began flying under the American Eagle brand. Our corporate parent, AMR Corporation, merged with US Airways Group and emerged from bankruptcy to form American Airlines Group. I could list more changes, but the point has been made – there was a lot of change for our company and our people.

Looking forward to 2014, there will be both change and opportunity. We will soon unveil a new name and identity for our company. This will allow us to distinguish ourselves from the other American Eagle-branded carriers, with our own name and culture. I am excited to share this with you in the next few weeks. American Eagle will still be the regional brand of American Airlines, just like Delta Connection or United Express.

On the opportunity front, I mentioned in a recent Special Eaglewire that we are in talks with ALPA, the union that represents our pilots at Eagle, about changes to their contract. If Eagle is able to reach an agreement with ALPA, it will put our airline on a sure path to competitiveness with other regional carriers and guarantee us 60 new Embraer 175 aircraft beginning in 2015. Cost competitiveness also will make us a legitimate contender for any future American option aircraft. American has secured a similar arrangement from US Airways subsidiary PSA, and Delta has a similar arrangement with its wholly owned subsidiary, Endeavor.

On Jan. 2, Eagle's pilot leadership, the ALPA Master Executive Council (MEC) will decide if and how to formally respond to the company's proposal.

The company, for its part, has scheduled negotiations to take place between Jan. 3 and Jan. 10. If a Tentative Agreement (TA) has been reached between Eagle and our pilots by Jan. 10, it will be announced that Eagle will be getting the E175s, pending a successful outcome of a ratification vote. If there is no TA by that date, American's management team will start considering other options with respect to cost-competitive placement of the E175 aircraft.

I want you to know I am confident that both the Eagle team and the ALPA leadership team are committed to reaching an agreement. The prospect of announcing a new name and a

Thanks for all that you do for our airline and our passengers!

Happy New Year.

Pedro

Eaglewire is published by Eagle Communications.