

American Begins Strategic Relationship With China Southern Airlines

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World's and China's largest carriers solidify commitment with US\$200 million investment

GUANGZHOU, China — American Airlines today has committed to make a US\$200 million equity investment in China Southern Airlines, creating a strong foundation for a long-term relationship between two of the world's biggest carriers. China Southern is the largest airline in China and is the ideal carrier for American, the largest airline in the world, to build a relationship within this critically important market.

"China Southern's extensive network within China touches developing and thriving markets that only a Chinese carrier can reach, and they have a reputation and record of excellence," said Robert Isom, president of American Airlines. "We are two of the biggest carriers in the world, and our networks are highly complementary, with the potential to offer China Southern and American customers an unmatched range of destinations in two critical markets for business and leisure travelers. This investment will allow us to build a relationship that will benefit our teams, the communities we serve and the millions of customers around the globe who travel with us each day."

"We're pleased to begin this relationship to better connect two of the world's largest aviation markets and leading economies. Our cooperation has the possibility to create enormous benefits for our industry and customers around the world as we work to offer them more travel options and better value," said China Southern Chairman Wang Chang Shun.

China Southern's primary hub is located in Guangzhou (CAN) with the majority of its transpacific flights positioned there, while American flies to Beijing (PEK) and Shanghai (PVG) from its hubs in Chicago (ORD), Dallas Fort Worth (DFW) and Los Angeles (LAX). The carriers are planning to give travelers not only the amenities, features and the products that they want at different price points, but also a bigger network that serves the markets to which they

want to travel.

Later this year, the two carriers expect to begin codeshare and interline agreements that will give customers access to many more destinations in China, as well as North and South America. American customers will be able to access nearly 40 destinations beyond Beijing and more than 30 destinations beyond Shanghai. China Southern customers will gain access to almost 80 destinations beyond LAX, San Francisco (SFO) and New York's Kennedy Airport (JFK) in North and South America. The expected codeshare routes are anticipated to include the ability to earn and redeem AAdvantage® Miles, through-bag checking and the ability to book travel on a single ticket. The planned routes operating under the interline agreement are anticipated to include through-bag checking to the traveler's final destination.

American currently offers daily service from DFW to Hong Kong (HKG), PEK and PVG; LAX to HKG and PVG; and ORD to PEK and PVG. All flights to PEK and PVG are operated on the airline's state-of-the-art Boeing 787-8 Dreamliner, while its HKG flights are operated using its flagship Boeing 777-300. American also has Chinese-speaking flight attendants and offers fully lie-flat seats in first and business class cabins on all of its transpacific flights between China and the U.S.

About American Airlines Group

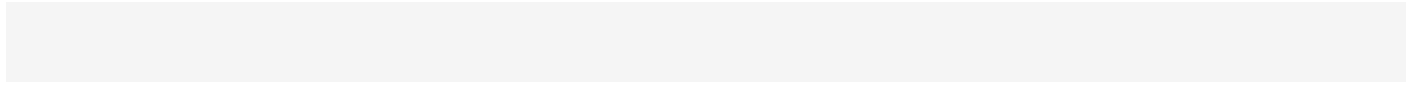
American Airlines and American Eagle offer an average of nearly 6,700 flights per day to nearly 350 destinations in more than 50 countries. American has hubs in Charlotte, Chicago, Dallas/Fort Worth, Los Angeles, Miami, New York, Philadelphia, Phoenix, and Washington, D.C. American is a founding member of the oneworld® alliance, whose members serve more than 1,000 destinations with about 14,250 daily flights to over 150 countries. Shares of American Airlines Group Inc. trade on Nasdaq under the ticker symbol AAL. In 2015, its stock joined the S&P 500 index. Connect with American on Twitter [@AmericanAir](https://twitter.com/AmericanAir) and at [Facebook.com/AmericanAirlines](https://www.facebook.com/AmericanAirlines).

About China Southern Airlines

China Southern is one of the three major carriers in mainland China, with over 100,000 employees around the globe. China Southern ranks 1st in Asia and 4th in the world with regards to traffic volume and fleet size in 2016, with the highest safety record in China. China Southern Airlines has formed an extensive network with Guangzhou, Beijing, Urumqi and Chong Qing as its hubs, covering all of China, radiating throughout Asia and linking Europe, America, Oceania & Africa, building an international network-oriented airline.

China Southern operates more than 2,000 daily flights to 208 destinations in 40 countries and regions. Through close cooperation with its SkyTeam partners, China Southern's global route network spans 1,062 destinations to 177 countries and regions. China Southern has been awarded as Skytrax 4 star airline, with continues efforts to

provide passengers seamless and attentive travel experience.



Source: American Airlines Group, Inc.