

# American Airlines earnings dip on higher costs

January 25 2018

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American Airlines offers flights to 350 destinations in 50 countries

American Airlines reported a dip in fourth-quarter profits Thursday due to higher costs as it projected stronger-than-expected 2018 profits because of strong demand.

The US carrier reported fourth-quarter earnings of \$258 million, down

10.9 percent from the year-ago period.

Revenues were \$10.6 billion, up 8.3 percent.

American, like other US carriers, has offered more differentiated seat options on planes such as "premium economy," which helped enable it to score higher fourth-quarter total [revenue](#) per available seat mile (TRASM), a closely-watched industry benchmark.

American also reported increased passenger yields in all regions and said cargo revenues rose compared with the year-ago period.

The airline predicted more TRASM growth in the first quarter of 2018, citing "expected continued improvement in demand for both business and leisure travel."

American forecasts 2019 diluted earnings per [share](#) to be between \$5.50 and \$6.50, above the \$5.32 now expected by analysts.

The results came one day after US airline shares tumbled following United Continental's announcement of plans to boost seat capacity, which raised fears of a price war among carriers.

Shares of American dipped 0.5 percent to \$54.50 in pre-market trading.

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