

INTERNET APPENDIX

This appendix reports results for additional tests briefly described in the paper.

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Figure IA-1. Example of a Redacted Disclosure

This appendix uses excerpts from a purchase agreement filed by American Airlines as an example of redacted disclosure. As shown below, details pertaining to aircraft delivery, description, price, and payment have been redacted from the agreement.

Supplemental Agreement No. 24
to
Purchase Agreement No. 1980
between
The Boeing Company
and
AMERICAN AIRLINES, INC
Relating to Boeing Model 777 Aircraft

EX-10.2 3 dex102.htm SUPPLEMENTAL AGREEMENT NO. 24 TO PURCHASE AGREEMENT NO. 1980

Exhibit 10.2

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1. 777-200ER Aircraft Information Table: [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] Jul. [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] Airframe Base Year Jul. [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] Engine Base Year	Original Purchase Agreement, SA-3, SA-17 & SA-18
1-1. 777-200IGW Aircraft Information Table: [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] Jul. [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] Airframe & Engine Base Year	SA-1
1-2. 777-200IGW Aircraft Information Table: [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]	SA-2 & SA-6

Table 1-7
777-323ER [CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] **Aircraft**
Aircraft Delivery, Description, Price and Advance Payments

[CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

AAL-PA-01980
SA-20 APR 55725
SA-22, SA-23 and SA-24 APR 56305

Boeing Proprietary

SA-23
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Table IA-1. Alternative Measures of Voluntary Disclosure

Panel A. Portfolio sorts

Variable	All firm-years	Firm-years with $NRedact = 0$	Firm-years with $NRedact = 1$	Firm-years with $NRedact = 2$	Firm-years with $NRedact = 3$	Firm-years with $NRedact \geq 4$
$Pr(Forecast)$	0.51	0.50	0.59	0.59	0.64	0.72
$PressReleases$	23.88	23.60	25.57	27.52	32.12	32.28
Observations	27,401	24,880	1,724	538	176	83

Panel B. Measure of Voluntary Disclosure: Management Forecasts

Variable	Dependent variable: <i>Forecast</i>		
	(1)	(2)	(3)
<i>Redact</i>	0.10*** (6.46)	0.08*** (6.56)	0.03*** (3.64)
Controls	No	Yes	Yes
Year Effects	No	Yes	Yes
Industry Effects	No	Yes	No
Firm Effects	No	No	Yes
R^2 (%)	0.3	34.7	79.5

Panel C. Measure of Voluntary Disclosure: Number of Press Releases

Variable	Dependent variable: <i>PressReleases</i>		
	(1)	(2)	(3)
<i>Redact</i>	3.06*** (4.30)	2.08*** (3.32)	0.78** (2.19)
Controls	No	Yes	Yes
Year Effects	No	Yes	Yes
Industry Effects	No	Yes	No
Firm Effects	No	No	Yes
R^2 (%)	0.1	33.1	85.8

This table presents results from repeating the analysis in Panel B of Table 3 using two alternative measures of voluntary disclosure. Panel A presents the probability of a management forecast (*Forecast*) and the number of firm-initiated press releases (*PressReleases*) conditional on the number of redacted disclosures filed during the fiscal year (*NRedact*). Panel B presents results from estimating equation (1) using *Forecast* and *PressReleases* as the dependent variable. *Forecast* is an indicator variable equal to one if the firm issued a management forecast during the fiscal year, and zero otherwise. *PressReleases* is the number of firm-initiated press releases issued during the fiscal year. *t*-statistics appear in parentheses and are based on standard errors clustered by firm. ***, **, and * denote statistical significance at the 0.01, 0.05, and 0.10 levels (two-tail), respectively.

Table IA-2. Alternative Measure of Redactions

Variable	Dependent variable: <i>ForecastEarn</i>		
	(1)	(2)	(3)
<i>NRedact</i>	0.05*** (5.75)	0.04*** (4.84)	0.02*** (2.53)
Controls	No	Yes	Yes
Year Effects	No	Yes	Yes
Industry Effects	No	Yes	No
Firm Effects	No	No	Yes
R ² (%)	0.3	29.9	79.2

This table presents results from estimating the regression specifications in Panel B of Table 3 after measuring redacted mandatory disclosure using the number of redacted mandatory disclosures over the fiscal year (*NRedact*). *t*-statistics appear in parentheses and are based on standard errors clustered by firm. ***, **, and * denote statistical significance at the 0.01, 0.05, and 0.10 levels (two-tail), respectively.

Table IA-3. Estimations of Main Results using Logit

Panel A. Estimation of Table 3, Panel B using Logit

Variable	Dependent variable: <i>ForecastEarn</i>		
	(1)	(2)	(3)
<i>Redact</i>	0.38*** (6.17)	0.37*** (4.80)	0.42*** (2.65)
Controls	No	Yes	Yes
Year Effects	No	Yes	Yes
Industry Effects	No	Yes	No
Firm Effects	No	No	Yes
Pseudo-R ² (%)	0.2	26.3	24.0

Panel B. Estimation of Table 5, Panel C using Logit

Variable	Dependent variable: <i>AddlForecastEarn</i>	
	(1)	(2)
<i>Redact</i>	0.78*** (8.69)	0.88*** (8.27)
Controls	Yes	Yes
Year Effects	Yes	No
Firm Effects	Yes	No
Firm–Year Effects	No	Yes
Pseudo-R ² (%)	19.75	16.21

Panel A presents results from estimating Table 3, Panel B using a Logit model. All variables are as defined in Table 2. Panel B presents results from estimating Table 5, Panel C using a Logit model. For parsimony, we do not tabulate coefficients on control variables. *z*-statistics appear in parentheses and are based on standard errors clustered by firm. ***, **, and * denote statistical significance at the 0.01, 0.05, and 0.10 levels (two-tail), respectively.

Table IA-4. Estimations of Main Results using Alternative Measurement Window

Panel A. Estimation of Table 3 Panel B using a 12-month window

Dependent variable: <i>ForecastEarn</i>			
Variable	(1)	(2)	(3)
<i>Redact</i>	0.10*** (6.64)	0.07*** (5.24)	0.03*** (3.71)
Controls	No	Yes	Yes
Year Effects	No	Yes	Yes
Industry Effects	No	Yes	No
Firm Effects	No	No	Yes
R ² (%)	0.4	29.8	79.5

Panel B. Estimation of Table 5 Panel C using a 90-day window

Dependent variable: <i>AddtlForecastEarn</i>		
Variable	(1)	(2)
<i>Redact</i>	0.02*** (3.40)	0.01*** (2.78)
Controls	Yes	Yes
Year Effects	Yes	No
Firm Effects	Yes	No
Firm–Year Effects	No	Yes
R ² (%)	72.5	83.6

Panel A presents results from estimating the regression specifications in Panel B of Table 3 after measuring voluntary disclosure using an indicator variable for whether the firm provides an earnings forecast over the twelve months subsequent to the redacted disclosure (*ForecastEarn*). Panel B presents results from estimating the regression specifications in Panel C of Table 5 after measuring voluntary disclosure using an indicator variable for whether the firm provides an earnings forecast within 90 days of the redacted disclosure (*AddtlForecastEarn*). *t*-statistics appear in parentheses and are based on standard errors clustered by firm. ***, **, and * denote statistical significance at the 0.01, 0.05, and 0.10 levels (two-tail), respectively.