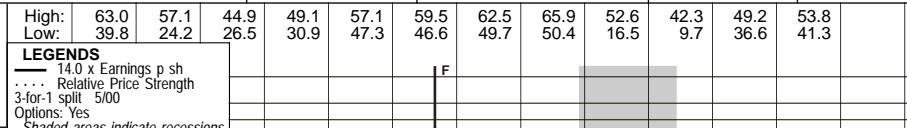


# AMER. EXPRESS NYSE-AXP

RECENT PRICE **51.34** P/E RATIO **12.3** (Trailing: 13.0 Median: 18.0) RELATIVE P/E RATIO **0.83** DIV'D YLD **1.6%** VALUE LINE

**TIMELINESS** 3 Lowered 11/11/11  
**SAFETY** 2 Raised 5/20/11  
**TECHNICAL** 3 Lowered 11/11/11  
**BETA** 1.30 (1.00 = Market)

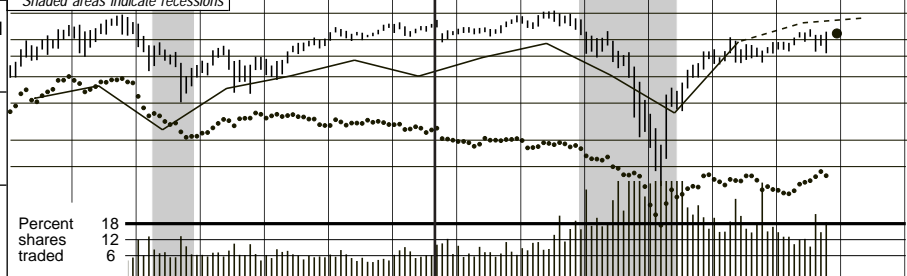


High: 63.0 57.1 44.9 49.1 57.1 59.5 62.5 65.9 52.6 42.3 49.2 53.8  
 Low: 39.8 24.2 26.5 30.9 47.3 46.6 49.7 50.4 16.5 9.7 36.6 41.3  
 Target Price Range 2014 2015 2016  
 128  
96  
80  
64  
48  
40  
32  
24  
16  
12

**2014-16 PROJECTIONS**  
 Price Gain Ann'l Total  
 High 90 (+75%) 16%  
 Low 65 (+25%) 8%

**Insider Decisions**  
 D J F M A M J J A  
 to Buy 0 0 1 0 0 0 0 0 0  
 Options 2 2 2 0 4 2 0 0 0  
 to Sell 2 3 2 0 5 2 0 0 0

**Institutional Decisions**  
 4Q2010 1Q2011 2Q2011  
 to Buy 494 436 386  
 to Sell 413 474 504  
 Hlds(000) 958868 972173 982723



% TOT. RETURN 10/11  
 THIS STOCK VL ARITH. INDEX  
 1 yr. 24.0 4.9  
 3 yr. 97.0 82.1  
 5 yr. -3.7 27.6

1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	© VALUE LINE PUB. LLC	14-16
10.93	11.45	12.69	14.16	15.87	17.85	16.97	18.24	20.14	23.31	19.55	22.63	23.95	24.45	20.57	23.24	<b>25.90</b>	<b>28.05</b>	Revenues per sh <sup>A</sup>	<b>36.35</b>
1.32	1.53	1.56	1.47	1.86	2.42	2.19	2.78	2.86	3.42	2.81	3.44	3.97	2.69	4.16	<b>5.05</b>	<b>5.30</b>	Travel Service Inc. p sh	<b>6.65</b>	
1.04	1.30	1.38	1.59	1.81	2.07	1.28	2.01	2.31	2.74	2.30	2.82	3.29	2.33	1.54	3.35	<b>4.11</b>	<b>4.35</b>	Earnings per sh <sup>B</sup>	<b>5.60</b>
.30	.30	.30	.30	.30	.32	.32	.32	.36	.42	.48	.54	.60	.72	.72	.72	<b>.72</b>	<b>.80</b>	Div'ds Decl'd per sh <sup>C</sup>	<b>1.00</b>
.24	.31	.25	.29	.55	.69	.65	.51	.80	.59	.49	.72	.81	.84	.65	.74	<b>.75</b>	<b>.80</b>	Investm. Serv. Inc. p sh <sup>G</sup>	<b>.85</b>
5.53	6.01	6.84	7.18	7.53	8.81	9.04	10.62	11.93	12.83	8.50	8.77	9.52	10.21	12.09	13.56	<b>17.15</b>	<b>20.80</b>	Book Value per sh	<b>30.70</b>
1449.3	1418.7	1399.2	1351.5	1340.7	1326.0	1331.0	1305.0	1284.0	1249.0	1241.0	1199.0	1158.0	1160.0	1192.0	1197.0	<b>1165.0</b>	<b>1155.0</b>	Common Shs Outst'g <sup>D</sup>	<b>1140.0</b>
12.0	12.0	17.8	20.2	24.1	25.8	30.2	18.3	18.0	18.9	23.1	19.3	17.9	16.3	17.5	12.4	<b>17.5</b>	<b>17.5</b>	Avg Ann'l P/E Ratio	<b>14.0</b>
.80	.75	1.03	1.05	1.37	1.68	1.55	1.00	1.03	1.00	1.23	1.04	.95	.98	1.17	.80	<b>1.17</b>	<b>1.17</b>	Relative P/E Ratio	<b>.95</b>
2.4%	1.9%	1.2%	.9%	.7%	.6%	.8%	.9%	.9%	.8%	.9%	1.0%	1.0%	1.9%	2.7%	1.7%	<b>1.7%</b>	<b>1.7%</b>	Avg Ann'l Div'd Yield	<b>1.3%</b>

**CAPITAL STRUCTURE as of 6/30/11**  
**ST Debt** \$3702 mill. **Due in 5 Yrs** \$55000 mill.  
**LT Debt** \$61395 mill. **LT Interest** \$2425 mill.  
 (Total interest coverage: 2.7x) (77% of Cap'l)  
**Pension Assets-12/10** \$2052 mill. **Oblig.** \$2435 mill.  
**Pfd Stock** None  
**Common Stock** 1,193,763,777 shs. as of 7/29/11  
**MARKET CAP:** \$61.3 billion (Large Cap)

22582	23807	25866	29115	24267	27136	27731	28365	24523	27819	30200	32400	Revenues per sh <sup>A</sup>	41300
55.2	57.3	60.5	65.4	71.0	78.0	86.4	92.4	87.9	91.0	93.0	95.0	Cards In Force (\$mill)	100
6.4	6.5	6.6	7.0	7.2	7.2	7.2	6.4	6.0	5.5	5.3	5.0	Avg. Travellers Checks <sup>I</sup>	4.0
1722.0	2671.0	3000.0	3516.0	2891.0	3482.0	3945.0	2702.0	2137.0	4057.0	4850	5050	Net Profit (\$mill)	6400
17.9%	28.3%	29.4%	29.0%	29.0%	30.0%	29.5%	27.0%	24.8%	32.0%	32.0%	32.0%	Income Tax Rate	32.0%
7.6%	11.2%	11.6%	12.1%	11.9%	12.8%	14.2%	9.5%	8.7%	14.6%	16.1%	15.6%	Net Profit Margin	15.5%
151100	157253	175001	192638	113960	127853	149830	126074	124088	147042	155000	163000	Total Assets	195000
7788.0	16308	20654	33061	30781	42747	55285	60041	52338	66416	65000	62000	Long-Term Debt (\$mill)	70000
12037	13861	15323	16020	10549	10511	11029	11841	14406	16230	20000	24000	Shr. Equity (\$mill)	35000
11.2%	9.8%	9.3%	8.0%	8.1%	7.7%	8.8%	6.2%	4.7%	7.3%	7.0%	7.0%	Return on Total Cap'l	7.0%
14.3%	19.3%	19.6%	21.9%	27.4%	33.1%	35.8%	22.8%	14.8%	25.0%	24.5%	21.0%	Return on Shr. Equity	18.5%
10.8%	16.2%	16.5%	18.6%	21.7%	26.8%	29.3%	15.8%	8.4%	19.7%	20.0%	17.0%	Retained to Com Eq	15.0%
25%	16%	16%	15%	21%	19%	18%	31%	43%	21%	18%	18%	All Div'ds to Net Prof	18%

**BUSINESS:** American Express Company is a leading global payments, network, and travel firm established in 1850. Its business segments are: Global Consumer Group and Global Business-to-Business Group. Divested AMEX Life, 10/95; American Express Bank, 2/08. Spun off Lehman Brothers to shareholders, 5/04; American Express Financial Advisors, 9/05. Had approximately 61,000 employees at 12/31/10. Officers and directors hold approximately 1.2% of the company's common stock; Berkshire Hathaway, 12.6%; Davis Selected Advisers, 5.5% (3/11 Proxy). Chairman and Chief Executive Officer: Kenneth I. Chenault. Incorporated: New York. Address: 200 Vesey Street, New York, New York 10285. Telephone: 212-640-2000. Internet: www.americanexpress.com.

**FINANCIAL POSITION (SMILL.)**

	2009	2010	6/30/11
Cash Assets	15542	16709	23082
Invest. Sec's	24337	14010	9429
Receivables	38204	40434	43383
Other	46005	75889	71902
Total Assets	124088	147042	147796
Deposits	26289	29727	32291
Accounts Payable	8926	9691	10931
Other	74467	91394	86369
Total Liab.	109682	130812	129591

**ANNUAL RATES of change (per sh)**

	Past 10 Yrs.	Past 5 Yrs.	Est'd '08-'10 to '14-'16
Revenues	5.0%	2.5%	8.0%
Earnings	4.0%	.5%	15.0%
Dividends	8.5%	13.0%	5.5%
Book Value	4.0%	-2.0%	17.0%

**QUARTERLY REVENUES (\$ mill.)<sup>A</sup>**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	7240	7455	7164	6506	28365
2009	5926	6092	6016	6489	24523
2010	6606	6858	7033	7322	27819
2011	7031	7618	7571	7980	30200
2012	7700	8000	8100	8600	32400

**EARNINGS PER SHARE<sup>B</sup>**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.90	.48	.74	.21	2.33
2009	.32	.09	.54	.59	1.54
2010	.73	.84	.90	.88	3.35
2011	.97	1.07	1.03	1.04	4.11
2012	1.04	1.10	1.10	1.11	4.35

**QUARTERLY DIVIDENDS PAID<sup>C</sup>**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2007	.15	.15	.15	.15	.60
2008	.18	.18	.18	.18	.72
2009	.18	.18	.18	.18	.72
2010	.18	.18	.18	.18	.72
2011	.18	.18	.18	.18	.72

**American Express stock possesses wide investor appeal.** Over the past several quarters, the company has posted healthy financial results, and its near- and long-term prospects appear solid (discussed below). Currently, although this Dow-30 stock is ranked 3 (Average) for Timeliness, it holds worthwhile appreciation potential to 2014-2016. In addition, the equity is trading at just 12.3 times our 12-month earnings estimate to March, 2012, which is well below its historical average. A decent dividend yield is also a plus. In all, we believe that Amex would make a good holding in most portfolios. **Our outlook for American Express is rosy.** Although the U.S. unemployment rate is 9.0%, the housing market is weak, and the economic recovery is uneven, we believe that Amex will continue to post healthy earnings gains over the next few years. In the September quarter, the top line exceeded \$7.5 billion, almost 8% better than the year-earlier tally. The top-line advance mostly stemmed from elevated cardmember spending, as well as increased travel commissions and fees. In fact, cardmember spending reached a new

high during the period. Furthermore, the company's provision for loan losses fell materially, year over year, to \$249 million from \$373 million, highlighting the vast improvement in credit quality. In our view, these trends will persist. Overall, Amex's customers possess good credit scores and, thus, are less sensitive to changes in the economic environment. Its affluent customer base should also support further advances in cardmember spending, as well as reductions in the loan loss provision, compared to the heightened levels reached during the last recession. **Management will likely continue to return cash to its shareholders.** Over the last several quarters, it has been aggressively repurchasing shares, and will likely continue to fund this program over the next few years. Although we would prefer that some of these funds be used to bolster the quarterly dividend payout, buybacks will help advance share net. All told, we expect Amex to post 2011 and 2012 share net of \$4.11 and \$4.35, respectively. We also project that its bottom line will reach \$5.60 a share by 2014-2016. *Ian Gendler* November 18, 2011

(A) Incl. Investors Div. (B) Primary egs. until '96, diluted after. Excl nonrec.: '96, '33c; '98, d13c; '01, d31c; '03, d1c; '04, d6c; '05, 26c; '06, 20c; '07, 9c; '08, 15c; '10, d5c. discount. ops.; '05, 41c; '06, d2c; '07, d3c; '08, d15c. Excl. Lehman Bros. as of '93; AEFA, '05. Next earnings report due late Jan. (C) Div'd's paid mid-Feb, May, Aug, and Nov. (D) Div'd reinv. plan. (E) In mill., adj. for stock split. (F) Pro-Forma. (G) AEFA spinoff, 9/05. (H) '04 restated for account. change; '05 for AEFA spinoff. (I) In mill.

**Company's Financial Strength** A+  
**Stock's Price Stability** 25  
**Price Growth Persistence** 50  
**Earnings Predictability** 50