

AMERICAN EXPRESS
BUSINESS INSIGHTS

The Latest Insights into Customer Purchase Behavior

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American Express Cardmembers

Approximately 90M Cards



5B+ Annual Transactions



127 Markets

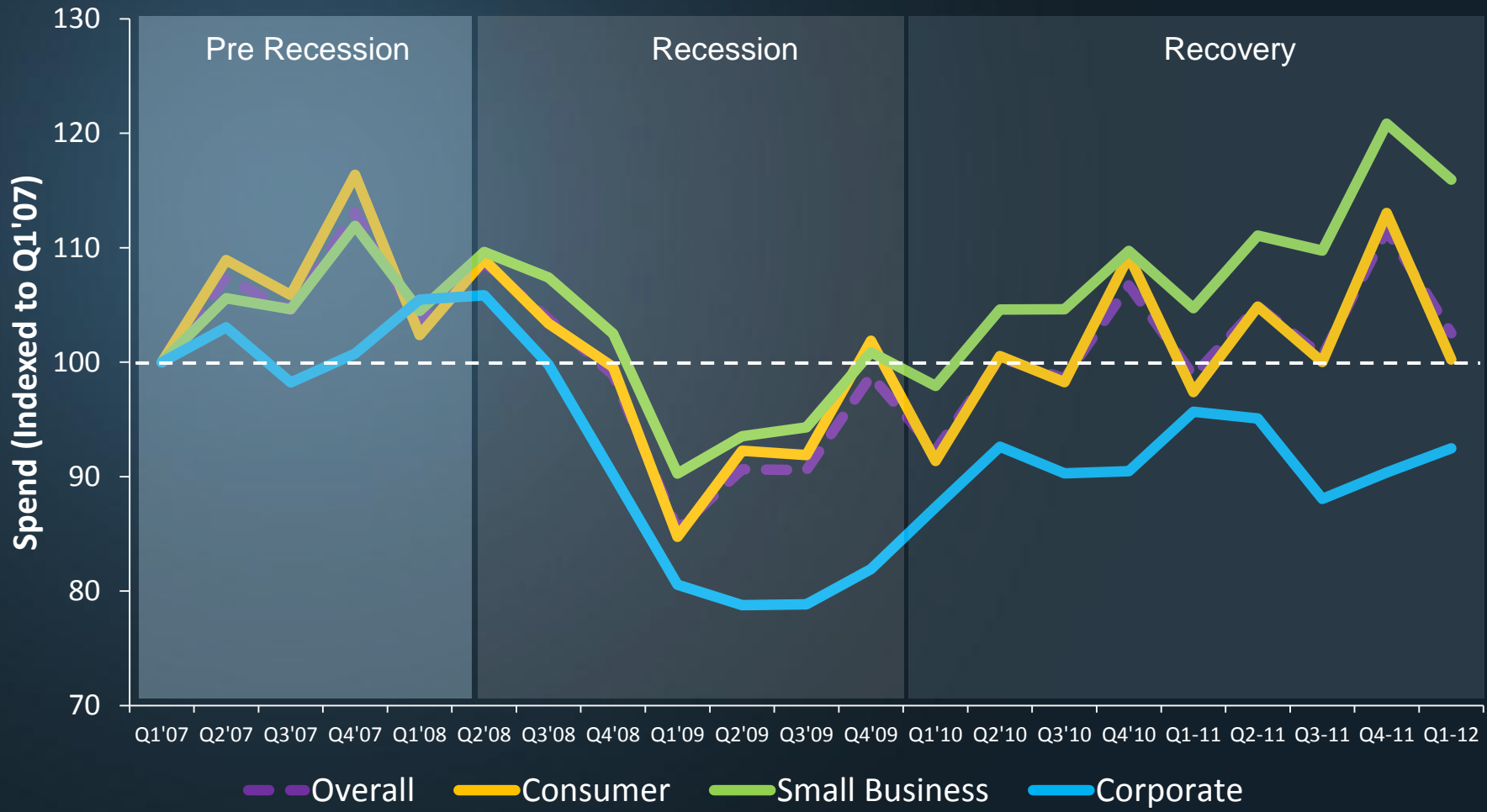


\$713B Overall Spend



Consumer Spending is Flat; Small Business Spending Has Recovered

Spend Growth



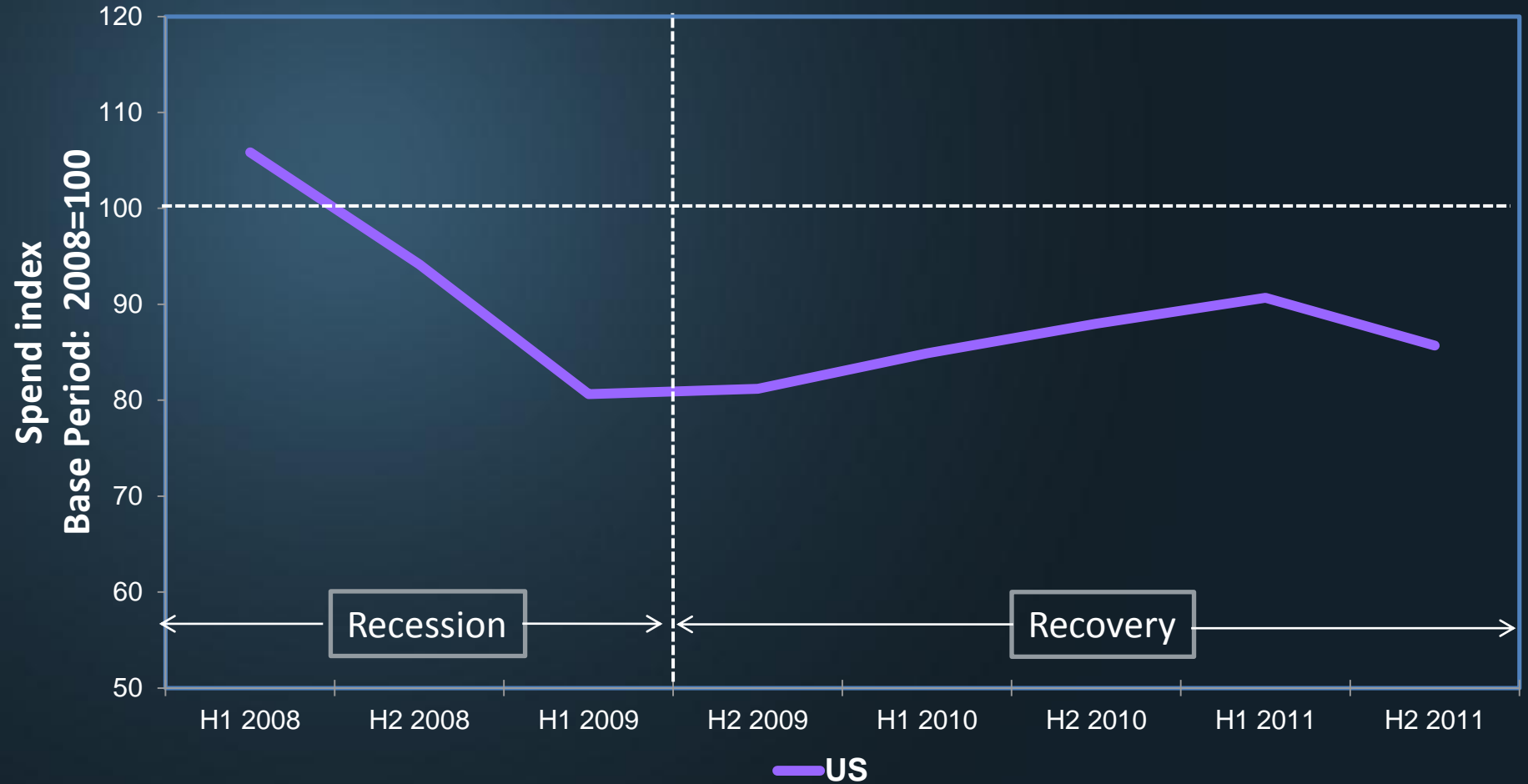
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Travel Industry Spending Awaits Full Recovery



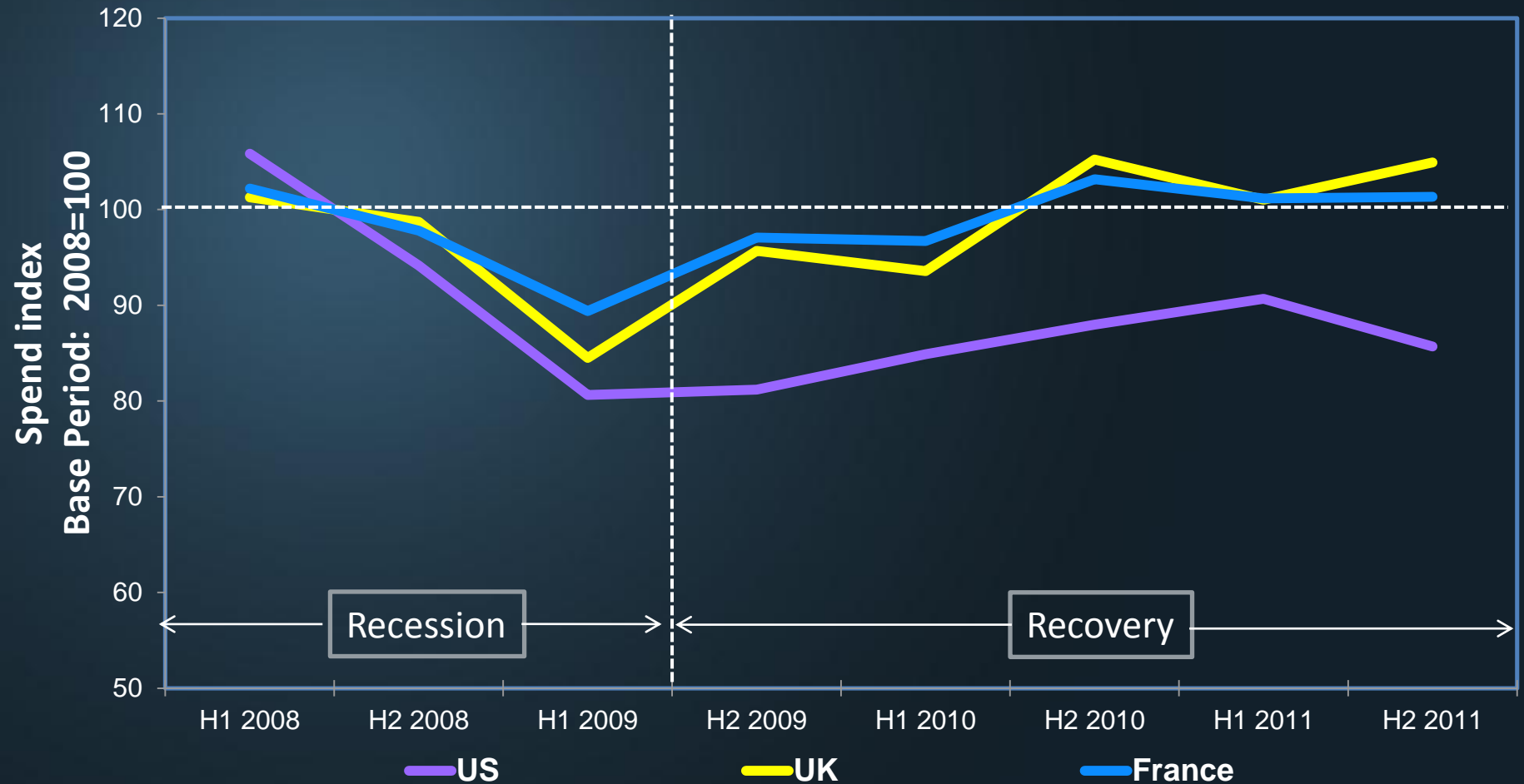
Lodging Has Recovered But is Not Back to 2008 Levels

Lodging -- Overall Spend Index



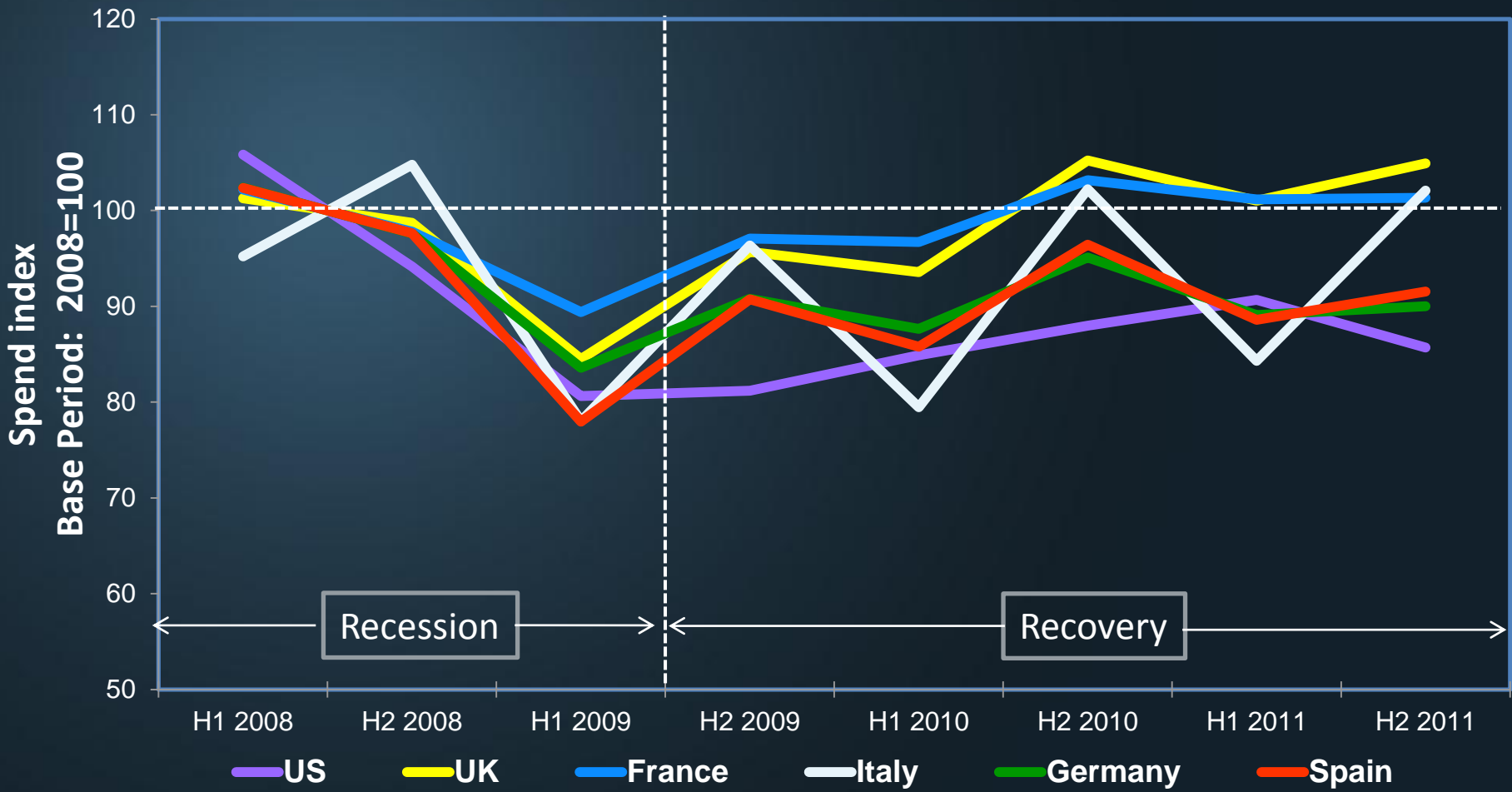
UK and France Have Shown Greater Growth

Lodging -- Overall Spend Index



Spending in Spain and Germany Lags Other European Countries

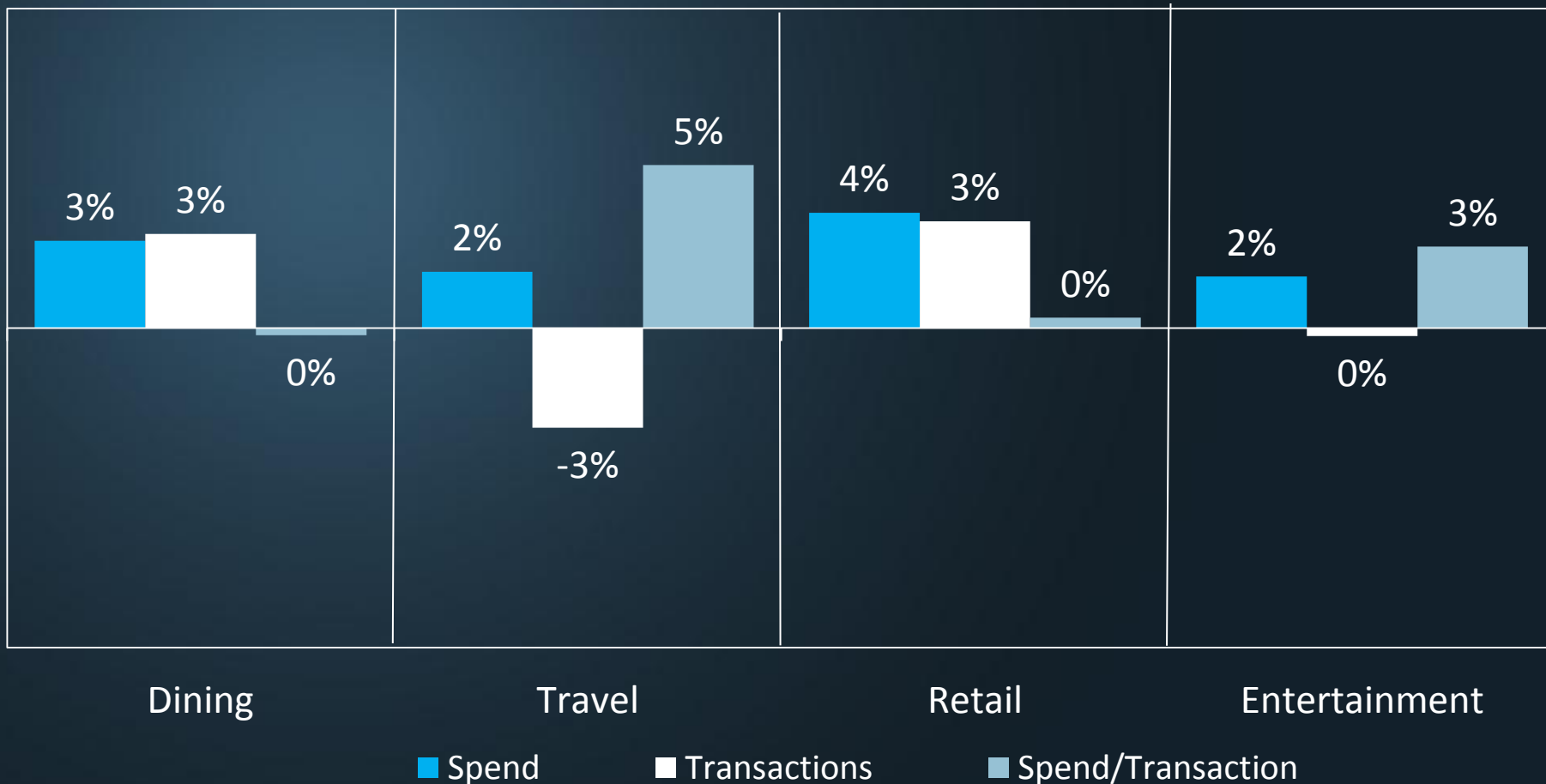
Lodging -- Overall Spend Index



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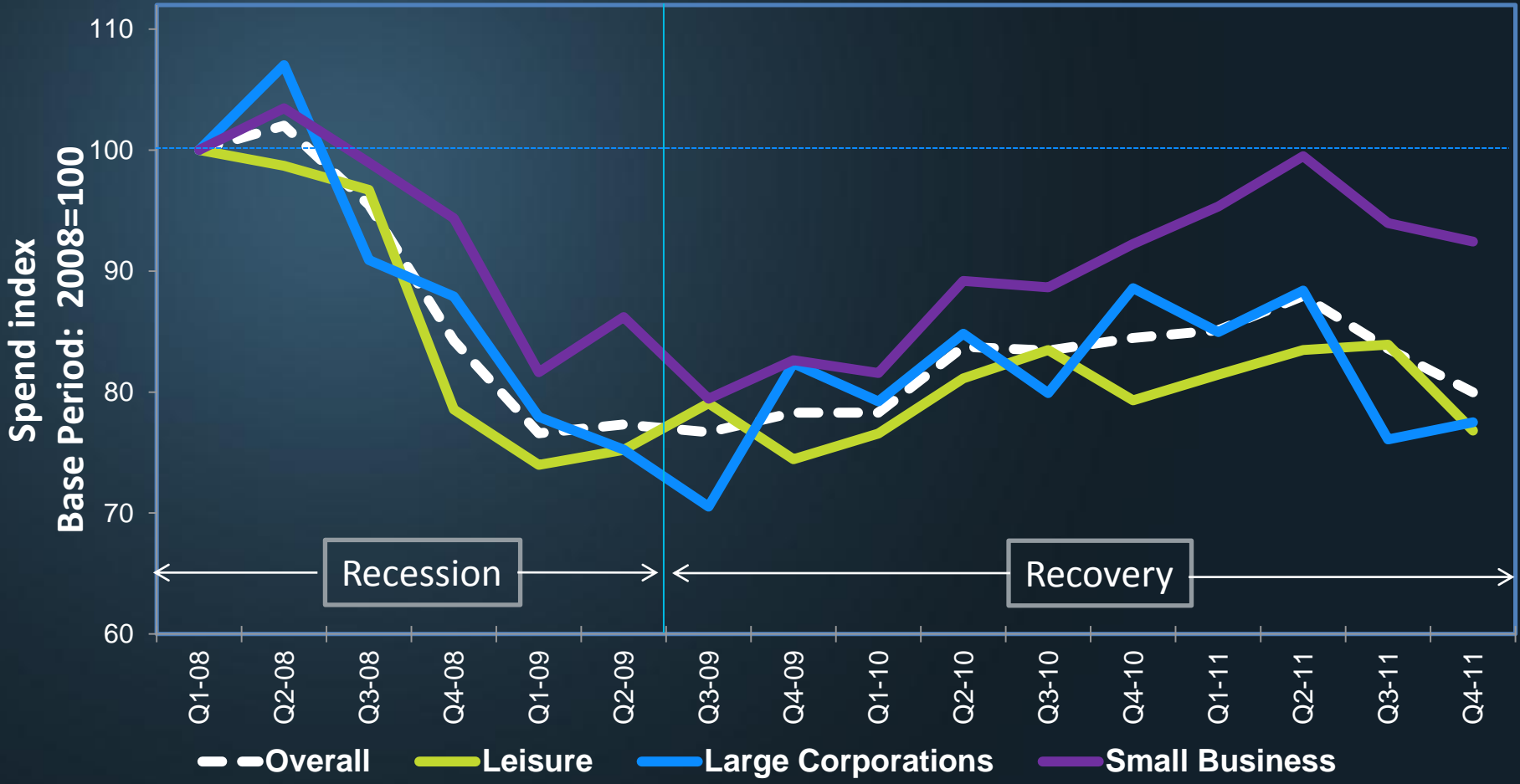
In Travel, Customers are trading out frequency for higher prices

All Spend, YOY Change, 2011



Small Business Lodging Spend Rebounded More Strongly

Spend Index For U.S. Lodging Properties



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International Visitors to the U.S Have Recovered Faster

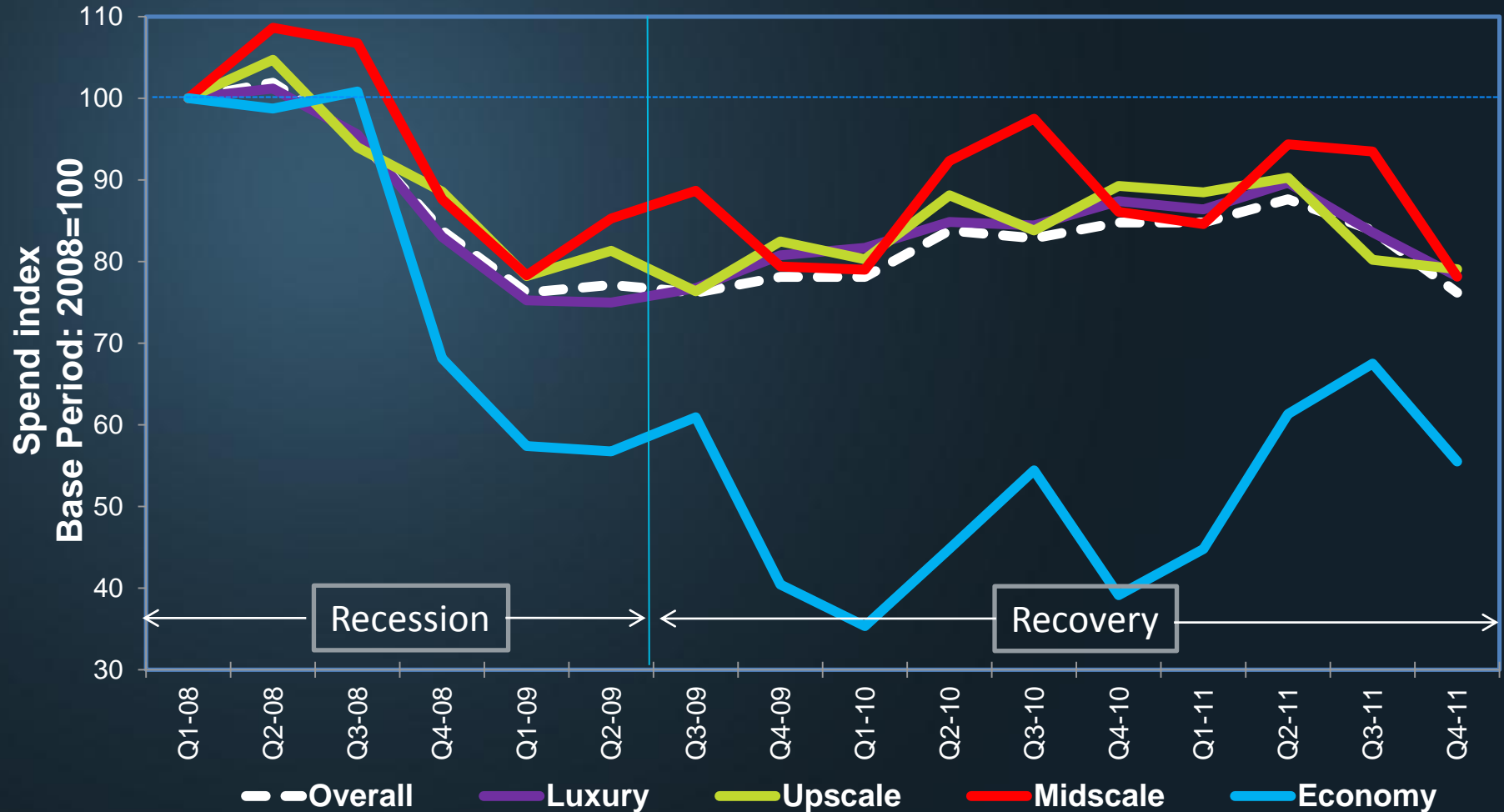
Spend at U. S. Lodging Properties









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Most Tiers Have Declined In Recent Months

Spend Index For U.S. Lodging Properties




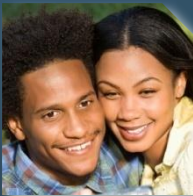


In Most Countries, Luxury is Performing Better Than Other Tiers

| | <u>ECONOMY/MIDSCALE</u> | | <u>UPSCALE</u> | | <u>LUXURY</u> | |
|---|-------------------------|------|----------------|------|---------------|------|
| | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 |
|  | 4% | 2% | 7% | -1% | 10% | 0% |
|  | 5% | -1% | 11% | -1% | 13% | 3% |
|  | 3% | -2% | 8% | -5% | 10% | 2% |
|  | 8% | 10% | 2% | -5% | 7% | 5% |
|  | 6% | -2% | 4% | -9% | 5% | -3% |
|  | 7% | -3% | 2% | -5% | 19% | -1% |

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Younger Generations Continue to Spend

2011 YOY Spend Growth by Lodging Tiers, US

| | | LUXURY | UPSCALE | MIDSCALE | ECONOMY |
|----------------------|---|--------|---------|----------|---------|
| Gen Y (18 – 30) |  | 18% | 3% | 1% | 36% |
| Gen X (31 – 46) |  | 1% | 5% | -4% | 46% |
| Boomers (47 – 66) |  | -2% | -3% | -6% | 31% |
| Seniors (67+) |  | -6% | -9% | -10% | 9% |

Thoughts About The New Normal

Luxury Is Back



Luxury fashion spending returned first but consumers are deal seeking; newcomers are younger and less affluent

Value Is Sticking



Spending shifted from dining to supermarkets while affluent consumers shopped more with discount retail

Necessities Are Being Redefined



Smart and wireless phone and service have increased through the recession

Dining Out is Changing



QSR increased its share of restaurant spending by more than 15% and bars have seen greater than 40% increase since the start of the recession

Health Matters



Affluent consumers and Gen Y have prioritized a healthy lifestyle of fitness, high-quality foods, and caring for oneself since the pre-recession period

Generations Matter



Boomers and Seniors cut back first and haven't come back as strong while Gen X and Y have returned to spending

Thank You!