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FOR IMMEDIATE RELEASE

EARNINGS FROM CONTINUING OPERATIONS RISE 18%
REVENUES UP 12% ON HIGHER CARDMEMBER SPENDING

(Dollars in millions, except per share amounts)

	Quarters Ended		Percentage Inc/ (Dec)
	March 31,		
	2006	2005	
Revenues	\$ 6,332	\$ 5,640	12%
Income From Continuing Operations	\$ 876	\$ 745	18%
(Loss)/Income From Discontinued Operations	\$ (3)	\$ 201	#
Net Income	\$ 873	\$ 946	(8%)
Earnings Per Common Share - Basic:			
Income From Continuing Operations	\$ 0.71	\$ 0.60	18%
(Loss)/Income From Discontinued Operations	\$ -	\$ 0.16	#
Net Income	\$ 0.71	\$ 0.76	(7%)
Earnings Per Common Share - Diluted:			
Income From Continuing Operations	\$ 0.70	\$ 0.59	19%
(Loss)/Income From Discontinued Operations	\$ (0.01)	\$ 0.16	#
Net Income	\$ 0.69	\$ 0.75	(8%)
Average Common Shares Outstanding			
Basic	1,232	1,239	(1%)
Diluted	1,258	1,264	-%
Return on Average Total Shareholders' Equity*	27.3%	22.8%	

* Computed on a trailing 12-month basis using reported net income over average total shareholders' equity (including discontinued operations) as included in the Consolidated Financial Statements prepared in accordance with U.S. generally accepted accounting principles (GAAP).

Denotes a variance of more than 100%.

New York - April 24, 2006 - **American Express Company** today reported first quarter income from continuing operations of \$876 million, up 18 percent from \$745 million a year ago. Diluted earnings per share from continuing operations were \$0.70, up 19 percent from \$0.59 a year ago.

Including results for businesses* that the Company spun off and sold last year, net income for the first quarter totaled \$873 million, down 8 percent from \$946 million a year ago. Earnings per share on a diluted basis decreased to \$0.69, down 8 percent from \$0.75.

The Company's reported return on equity (ROE) was 27.3 percent, up from 22.8 percent a year ago. Pro forma ROE, which is based on continuing operations, was 32.1 percent. (*For further information about pro forma ROE, see the "Pro Forma ROE" section below.*)

Consolidated revenues rose 12 percent to \$6.3 billion, up from \$5.6 billion a year ago.

Consolidated expenses totaled \$5.0 billion, up 10 percent from \$4.6 billion a year ago.

"First quarter results were excellent in each of our major businesses and overall revenue growth was among the strongest we've generated in years," said Kenneth I. Chenault, chairman and chief executive. "The results reflected broad-based strength in the U.S., in major international markets and with bank partners who issue cards on the American Express network.

"Our investments in new products, services and marketing initiatives produced industry-leading growth of 16 percent in billed business and an equivalent gain in Cardmember loans. Average spending per Cardmember, already the highest on any card network, continued to rise among affluent consumers, small businesses and mid-sized corporations.

"Equally important for the longer term, we added 1.5 million cards in force during the last three months, or 6.4 million since

* Includes primarily Ameriprise Financial, Inc.

this time last year. The 10 percent growth from a year ago in this key metric reflects the innovative appeal of our new products and the competitive advantage of reward programs we've been designing for specific market segments. The quality of the new additions to our Cardmember base is excellent and should generate strong returns as spending on these newer cards ramps up in the years ahead.

"We are also continuing to strengthen our global merchant network, which increasingly operates like a virtual marketplace. The aim is to keep building business for our partners by driving high-spending Cardmembers to the point of sale and rewarding them with customized offers, experiences and special access to popular events."

Results for the quarter included costs associated with several significant items:

- A \$112 million (\$73 million after-tax) charge related to higher redemption estimates for the U.S. Membership Rewards program;
- A \$72 million (\$47 million after-tax) net reduction in finance charge revenues and securitization income related to higher than anticipated cardmember completion of consumer debt repayment programs and certain associated payment waivers;
- \$63 million (\$53 million after-tax) higher provision for losses in Taiwan due primarily to the impact of industry-wide credit issues;

Results for the quarter also included:

- An estimated favorable impact of \$150 million (\$98 million after-tax) from lower early credit write-offs primarily related to last year's bankruptcy legislation, and lower than expected costs associated with Hurricane Katrina;

- An \$88 million (\$40 million after-tax) gain related to the completion of the sale of the Company's investment in Egyptian American Bank (EAB).

Discontinued operations

Loss from discontinued operations for the quarter totaled \$3 million. The year ago period reflects income from discontinued operations of \$201 million primarily related to the results from Ameriprise, which is no longer part of American Express.

Segment results

The following discussion of first quarter results presents U.S. Card Services segment results on a "managed basis," as if there had been no cardmember lending securitization transactions and to reflect certain tax-exempt investment income as if it had been earned on a taxable basis. This is the basis used by management to evaluate operations. For further information about managed basis and reconciliation of GAAP and managed information, see the "Managed Basis" section below. The International Card & Global Commercial Services, Global Network & Merchant Services, and Corporate & Other segment results below are presented on a GAAP basis.

U.S. Card Services reported first quarter net income of \$546 million, up 13 percent from \$482 million a year ago.

Total revenues for the first quarter increased 11 percent to \$3.4 billion, reflecting growth in spending and borrowing by U.S. consumers and small businesses.

Total expenses increased 11 percent. Marketing, promotion, rewards and cardmember services expenses increased 26 percent, reflecting greater rewards costs and marketing and promotion activities. The rewards-related expense reflects in part the higher redemption estimates mentioned earlier. Provisions for losses declined 22 percent. Volume-related increases to the reserves were more than offset by the favorable impact of lower

bankruptcy filings and Hurricane Katrina-related activity mentioned above.

International Card & Global Commercial Services reported first quarter net income of \$213 million, up 11 percent from \$192 million a year ago. These results include the previously mentioned gain on the sale of EAB.

Total revenues for the first quarter increased 7 percent over the year-ago period to \$2.3 billion, primarily reflecting a rise in spending and borrowing by Cardmembers. These benefits were partially offset by a decline in travel commissions and fees.

First quarter total expenses increased 5 percent over the year-ago period to \$2.0 billion. The provision for losses and benefits rose 53 percent primarily relating to credit issues in Taiwan mentioned earlier.

Global Network & Merchant Services reported first quarter net income of \$166 million, up 50 percent from \$111 million a year ago.

Total revenues for the first quarter increased 11 percent over year-ago levels to \$705 million. The increase reflects continued strong growth in billed business, offset by the impact of a decline in discount rate.

Bank partners that issue cards on the American Express network added 2 million cards from a year ago. Spending on bank-issued American Express cards increased 25 percent from a year ago.

Total expenses decreased 5 percent from year-ago levels to \$443 million. Marketing and promotion decreased 18 percent, primarily reflecting a reduced level of brand-related advertising.

Corporate & Other reported first quarter net expenses of \$49 million, compared with \$40 million a year ago.

Managed Basis

For U.S. Card Services, managed basis means the presentation assumes there have been no securitization transactions, i.e. all securitized cardmember loans and related income effects are reflected as if they were in the Company's balance sheet and income statements, respectively. The Company presents U.S. Card Services information on a managed basis because that is the way the Company's management views and manages the business. Management believes that a full picture of trends in the Company's cardmember lending business can only be derived by evaluating the performance of both securitized and non-securitized cardmember loans. Asset securitization is just one of several ways for the Company to fund cardmember loans. Use of a managed basis presentation, including non-securitized and securitized cardmember loans, presents a more accurate picture of the key dynamics of the cardmember lending business, avoiding distortions due to the mix of funding sources at any particular point in time. The Company does not currently securitize international loans.

Irrespective of the funding mix, it is important for management and investors to see metrics, such as changes in delinquencies and write-off rates, for the entire cardmember lending portfolio because they are more representative of the economics of the aggregate cardmember relationships and ongoing business performance and trends over time. It is also important for investors to see the overall growth of cardmember loans and related revenue in order to evaluate market share. These metrics are significant in evaluating the Company's performance and can only be properly assessed when all non-securitized and securitized cardmember loans are viewed together on a managed basis.

The managed basis presentation for U.S. Card Services also reflects an increase to interest income recorded to enable management to evaluate tax exempt investments on a basis consistent with taxable investment securities. On a GAAP basis interest income associated with tax exempt investments is recorded based on amounts earned. Accordingly, information presented on a managed basis assumes that tax exempt securities earned income at rates as if the securities produced taxable income with a corresponding increase in the provision for income taxes.

The following table reconciles the GAAP-basis U.S. Card Services income statements to the managed-basis information.*

U.S. Card Services Selected Financial Information				Securitization Effect		Tax Equivalent Effect		Managed Basis		
(preliminary, millions)	GAAP Basis		% Inc/ (Dec)	2006	2005	2006	2005	2006	2005	% Inc/ (Dec)
Quarters Ended March 31,	2006	2005	(Dec)	2006	2005	2006	2005	2006	2005	(Dec)
Revenues:										
Discount revenue, net card fees and other	\$2,314	\$ 2,059	12%	\$48	\$ 53	\$ 55	\$ 57	\$ 2,417	\$ 2,169	11%
Cardmember Lending:										
Finance charge revenue	674	522	29	733	609			1,407	1,131	24
Interest expense	194	120	62	247	140			441	260	70
Net finance charge revenue	480	402	19	486	469			966	871	11
Securitization income	386	316	22	(386)	(316)			-	-	
Total revenues	3,180	2,777	15	148	206	55	57	3,383	3,040	11
Expenses:										
Marketing, promotion, rewards and cardmember services	1,034	837	24	13	(4)			1,047	833	26
Provision for losses	307	342	(10)	126	212			433	554	(22)
Human resources and other operating expenses	1,043	895	17	9	(2)			1,052	893	18
Total expenses	2,384	2,074	15	\$ 148	\$ 206			2,532	2,280	11
Pretax segment income	796	703	13			55	57	851	760	12
Income tax provision	250	221	13			\$55	\$ 57	\$ 305	\$ 278	10
Segment income	\$ 546	\$ 482	13							

* Amounts herein reflect certain reclassifications as noted in the Company's Form 8-K filed with the SEC dated April 5, 2006.

Pro Forma ROE

The Company's consolidated return on equity (ROE) is calculated on a trailing 12-month basis using reported net income over average total shareholders' equity (including discontinued operations). The Company also reports pro forma ROE, which is determined on a trailing 12-month basis using income from continuing operations (which excludes discontinued operations) over the average month-end shareholders' equity at September 30, 2005 through March 31, 2006. Management believes pro forma ROE is an important measure because it reflects performance of the Company's continuing businesses by excluding the impact of Ameriprise Financial, Inc. and American Express Tax and Business Services, Inc., which were disposed of as of September 30, 2005.

<u>ROE</u>	<u>Pro Forma ROE</u>
Trailing 12-months net income: \$3.7 billion	Trailing 12-months income from continuing operations: \$3.4 billion
Trailing 12-months average total shareholders' equity: \$13.4 billion	Average month-end shareholders' equity for the period from September 30, 2005 through March 31, 2006: \$10.4 billion
ROE: 27.3%	Pro forma ROE: 32.1%

American Express Company (www.americanexpress.com) is a leading global payments, network, travel, and banking company founded in 1850.

Note: The 2006 First Quarter Earnings Supplement, as well as CFO Gary Crittenden's presentation from the investor conference call referred to below, will be available today on the American Express web site at <http://ir.americanexpress.com>. An investor conference call to discuss first quarter earnings results, operating performance and other topics that may be raised during the discussion will be held at 12:00 p.m. (EST) today. Live audio of the conference call will be accessible to the general public on the American Express web site at <http://ir.americanexpress.com>. A replay of the conference call also will be available today at the same web site address.

This release includes forward-looking statements, which are subject to risks and uncertainties. The words “believe,” “expect,” “anticipate,” “optimistic,” “intend,” “plan,” “aim,” “will,” “may,” “should,” “could,” “would,” “likely,” and similar expressions are intended to identify forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. The Company undertakes no obligation to update or revise any forward-looking statements. Factors that could cause actual results to differ materially from these forward-looking statements include, but are not limited to, the following: the Company’s ability to generate sufficient net income to achieve a return on equity on a GAAP basis of 28 percent to 30 percent; the Company’s ability to grow its business and meet or exceed its return on shareholders’ equity target by reinvesting approximately 35 percent of annually-generated capital, and returning approximately 65 percent of such capital to shareholders, over time, which will depend on the Company’s ability to manage its capital needs and the effect of business mix, acquisitions and rating agency requirements; consumer and business spending on the Company’s credit and charge card products and Travelers Cheques and other prepaid products and growth in card lending balances, which depend in part on the ability to issue new and enhanced card and prepaid products, services and rewards programs, and increase revenues from such products, attract new cardmembers, reduce cardmember attrition, capture a greater share of existing cardmembers’ spending, sustain premium discount rates on its card products in light of regulatory and market pressures, increase merchant coverage, retain cardmembers after low introductory lending rates have expired, and expand the Global Network Services business; the Company’s ability to introduce new products, reward program enhancements and service enhancements on a timely basis during 2006; the success of the Global Network Services business in partnering with banks in the United States, which will depend in part on the extent to which such business further enhances the Company’s brand, allows the Company to leverage its processing scale, expands merchant coverage of the network, provides Global Network Services’ bank partners in the United States the benefits of greater cardmember loyalty and higher spend per customer, and merchant benefits such as greater transaction volume and additional higher spending customers; the continuation of favorable trends, including increased travel and entertainment spending, and the overall level of consumer confidence; the costs and integration of acquisitions; the success, timeliness and financial impact (including costs, cost savings and other benefits including increased revenues), and beneficial effect on the Company’s operating expense to revenue ratio, both in the short-term and over time, of reengineering initiatives being implemented or considered by the Company, including cost management, structural and strategic measures such as vendor, process, facilities and operations consolidation, outsourcing (including, among others, technologies operations), relocating certain functions to lower-cost overseas locations, moving internal and external functions to the Internet to save costs, and planned staff reductions relating to certain of such reengineering actions; the Company’s ability to reinvest the benefits arising from such reengineering actions in its businesses; the ability to control and manage operating, infrastructure, advertising and promotion expenses as business expands or changes, including the ability to accurately estimate the provision for the cost of the Membership Rewards program; the Company’s ability to manage credit risk related to consumer debt, business loans, merchant bankruptcies and other credit trends and the rate of bankruptcies, which can affect spending on card products, debt payments by individual and corporate customers and businesses that accept the Company’s card products and returns on the Company’s investment portfolios; bankruptcies, restructurings or similar events affecting the airline or any other industry representing a significant portion of the Company’s billed business, including any potential negative effect on particular card products and services and billed business generally that could result from the actual or perceived weakness of key business partners in such industries; the triggering of obligations to make payments to certain co-brand partners, merchants, vendors and customers under contractual arrangements with such parties under certain circumstances; a downturn in the Company’s businesses and/or negative changes in the Company’s and its subsidiaries’ credit ratings, which could result in contingent payments under contracts, decreased liquidity and higher borrowing costs; risks associated with the Company’s agreements with Delta Air Lines to prepay \$300 million for the future purchases of Delta SkyMiles rewards points; fluctuations in foreign currency exchange rates; fluctuations in interest rates, which impact the Company’s borrowing costs and return on lending products; accuracy of estimates for the fair value of the assets in the Company’s investment portfolio and, in particular, those investments that are not readily marketable, including the valuation of the interest-only strip relating to the Company’s lending securitizations; the potential negative effect on the Company’s businesses and infrastructure, including information technology, of terrorist attacks, disasters or other catastrophic events in the future; political or economic instability in certain regions or countries, which could affect lending and other commercial activities, among other businesses, or restrictions on convertibility of certain currencies; changes in laws or government regulations; outcomes and costs associated with litigation and compliance and regulatory matters; and competitive pressures in all of the Company’s major businesses. A further description of these and other risks and uncertainties can be found in the Company’s Annual Report on Form 10-K for the year ended December 31, 2005, and its other reports filed with the SEC.
