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AMERICAN EXPRESS CO  
Form 424B2  
June 16, 2004

PROSPECTUS SUPPLEMENT TO PROSPECTUS DATED DECEMBER 22, 2000

[AMERICAN EXPRESS LOGO]

U.S.\$500,000,000  
AMERICAN EXPRESS COMPANY  
4.750% Notes due June 17, 2009  
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We will pay interest on the notes semiannually on December 17 and June 17 of each year. The first interest payment will be made on December 17, 2004. The notes will mature on June 17, 2009. We may not redeem them prior to maturity unless certain events occur involving United States taxation. We describe these events under the heading 'Description of Notes - Redemption Upon a Tax Event' on page S-16 of this prospectus supplement.

We will only issue the notes in book entry form registered in the name of the nominee of The Depository Trust Company. Beneficial interests in the notes will be shown on, and transfers of such interests will be made only through, records maintained by The Depository Trust Company and its participants, including Clearstream Banking, societe anonyme, and the Euroclear System. Except as described in this prospectus supplement, we will not issue notes in definitive form.

The underwriters are offering the notes for sale both inside and outside the United States. We have applied to list the notes on the Luxembourg Stock Exchange, but we are not required to maintain this listing. See 'Description of Notes -- Listing'.

	PRICE TO PUBLIC (1)	UNDERWRITING DISCOUNTS AND COMMISSIONS	PROCEEDS TO THE COMPANY (1) (2)
	-----	-----	-----
Per Note.....	99.833%	0.350%	99.483%
Total.....	U.S.\$499,165,000	U.S.\$1,750,000	U.S.\$497,415,000

(1) Plus accrued interest, if any, from June 17, 2004.

(2) Before expenses in connection with the offering.

Delivery of the notes in book-entry form only will be made on or about June 17, 2004.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

JPMORGAN

WACHOVIA SECURITIES

BLAYLOCK & PARTNERS, L.P.  
COMERICA SECURITIES  
HSBC

TOKYO-MITSUBISHI INTERNATIONAL PLC

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UTENDAHL CAPITAL

The date of this prospectus supplement is June 14, 2004.

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OFFERS AND SALES OF THE NOTES ARE SUBJECT TO RESTRICTIONS IN RELATION TO THE UNITED KINGDOM, DETAILS OF WHICH ARE SET OUT IN 'UNDERWRITING' BELOW. THE DISTRIBUTION OF THIS PROSPECTUS SUPPLEMENT AND ACCOMPANYING PROSPECTUS AND THE OFFERING OF THE NOTES IN CERTAIN OTHER JURISDICTIONS MAY ALSO BE RESTRICTED BY LAW. WE ARE NOT, AND THE UNDERWRITERS ARE NOT, MAKING AN OFFER TO SELL THESE NOTES IN ANY JURISDICTION WHERE THE OFFER OR SALE IS NOT PERMITTED.

THIS DOCUMENT IS ONLY BEING DISTRIBUTED TO AND IS ONLY DIRECTED AT (I) PERSONS WHO ARE OUTSIDE THE UNITED KINGDOM OR (II) TO INVESTMENT PROFESSIONALS FALLING WITH ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2001 (THE 'ORDER') OR (III) HIGH NET WORTH ENTITIES, AND OTHER PERSONS TO WHOM IT MAY LAWFULLY BE COMMUNICATED, FALLING WITHIN ARTICLE 49(2) OF THE ORDER (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS 'RELEVANT PERSONS'). THE NOTES ARE ONLY AVAILABLE TO, AND ANY INVITATION, OFFER OR AGREEMENT TO SUBSCRIBE, PURCHASE OR OTHERWISE ACQUIRE SUCH NOTES WILL BE ENGAGED IN ONLY WITH, RELEVANT PERSONS. ANY PERSON WHO IS NOT A RELEVANT PERSON SHOULD NOT ACT OR RELY ON THIS DOCUMENT OR ANY OF ITS CONTENTS.

IN CONNECTION WITH THE ISSUE OF THE NOTES, J.P. MORGAN SECURITIES INC. ('JPMORGAN') (OR ANY PERSON ACTING FOR IT) MAY OVER-ALLOT OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL FOR A LIMITED PERIOD AFTER THE ISSUE DATE. HOWEVER, THERE MAY BE NO OBLIGATION ON JPMORGAN (OR ANY AGENT OF IT) TO DO THIS. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME AND MUST BE BROUGHT TO AN END AFTER A LIMITED PERIOD.

THE COMPANY ACCEPTS RESPONSIBILITY FOR THE INFORMATION CONTAINED IN THIS PROSPECTUS SUPPLEMENT AND ACCOMPANYING PROSPECTUS.

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YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS DOCUMENT OR TO WHICH WE HAVE REFERRED YOU. WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION THAT IS DIFFERENT. THIS DOCUMENT MAY ONLY BE USED WHERE IT IS LEGAL TO SELL THESE SECURITIES. THE INFORMATION IN THIS DOCUMENT MAY ONLY BE ACCURATE ON THE DATE OF THIS DOCUMENT.

THE COMMISSIONER OF INSURANCE OF THE STATE OF NORTH CAROLINA HAS NOT APPROVED OR DISAPPROVED THIS OFFERING NOR HAS THE COMMISSIONER PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS SUPPLEMENT OR THE ACCOMPANYING PROSPECTUS.

In this prospectus supplement and accompanying prospectus, unless otherwise specified or the context otherwise requires, references to 'dollars', '\$' and 'U.S.\$' are to United States dollars.

## SUMMARY OF THE OFFERING

The following summary highlights information contained elsewhere in this prospectus supplement. You should read this summary in conjunction with the more detailed information appearing elsewhere in this prospectus supplement and accompanying prospectus.

Issuer.....	American Express Company (the 'Company'). The Company was organized as a joint stock association in 1850, incorporated as a stock corporation under the laws of the State of New York in 1965.
Securities Offered.....	U.S.\$500,000,000 principal amount of 4.750% notes maturing on June 17, 2009.
Use of Proceeds.....	We will use the money raised from the sale of the notes for general corporate purposes. Net proceeds to be received by us will be approximately U.S.\$496,965,000.
Maturity Date.....	June 17, 2009.
Interest Payment Dates.....	December 17 and June 17 of each year, beginning on December 17, 2004.
Interest Rate.....	4.750% per annum.
Redemption.....	We may not redeem the notes prior to maturity unless certain events occur involving United States tax law. See 'Description of Notes -- Redemption Upon a Tax Event'.
Markets.....	The notes are offered for sale in those jurisdictions both inside and outside the United States where it is legal to make such offers. See 'Underwriting'.
Listing.....	We have applied to list the notes on the Luxembourg Stock Exchange, but we are not required to maintain this listing. See 'Description of Notes -- Listing.'
Minimum Denomination; Form and Settlement....	We will issue the notes, in minimum denominations of U.S.\$2,000 and integral multiples of U.S.\$1,000 in excess thereof, in the form of one or more fully registered global certificates (the 'Global Notes'), which we will deposit on or about June 17, 2004 with, or on behalf of, The Depository Trust Company, New York, New York (the 'Depository') and register in the name of Cede & Company, Depository's nominee, for the accounts of the participants in the Depository, including Euroclear Bank, S.A./N.V., as operator of the Euroclear System (the 'Euroclear'), and Clearstream Banking, société anonyme (the 'Clearstream, Luxembourg'). Except as described in this prospectus supplement, beneficial interests in the

Notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in the Depository. You may choose to hold interests in the Global Notes through the Depository or through Euroclear or Clearstream, Luxembourg if they are participants in such systems, or indirectly through organizations that are participants in such systems. Euroclear and Clearstream, Luxembourg will hold interests on behalf of their participants through their respective depositories. JPMorgan Chase Bank

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and Citibank, N.A., which in turn will hold such interests in accounts as participants of the Depository. See 'Description of Notes -- Book-Entry, Delivery and Payment Form'. Initial settlement for the notes will be made with immediately available funds in U.S. dollars. Secondary market trading between Depository participants of beneficial interests in the Global Notes will be settled in immediately available funds using the Depository Same-Day Funds Settlement System. Secondary market trading of beneficial interests in the Global Notes between Clearstream, Luxembourg participants and/or Euroclear participants will settle in immediately available funds.

Withholding Tax..... We will pay principal of and interest on the notes beneficially owned by a Non-United States Holder without withholding or deduction for United States withholding taxes subject to the requirements and limitations set forth in this prospectus supplement under the heading 'Certain United States Federal Income Tax Considerations'.

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INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

We file annual, quarterly and current reports and other information with the Securities and Exchange Commission (the 'SEC'). You may read and copy any document we file at the SEC's public reference room in Washington, D.C. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. The Company's SEC filings are also available to the public from the SEC's web site at [www.sec.gov](http://www.sec.gov).

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The SEC allows us to 'incorporate by reference' the information we file with it, which means that we can disclose important information to you by referring you to those documents that are considered part of this prospectus supplement. Later information that we file with the SEC will automatically update and supersede this information. The Company incorporates by reference the documents listed below and any future filings made with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 (the 'Exchange Act') until the offering of these notes has been completed.

Annual Report on Form 10-K for the year ended December 31, 2003 (the '2003 10-K Report').

Quarterly Report on Form 10-Q for the quarter ended March 31, 2004.

Current Report on Form 8-K dated May 18, 2004.

You may request a copy of these filings at no cost, by writing or telephoning us at the following address or number:

American Express Company  
200 Vesey Street  
New York, New York 10285  
Attention: Secretary  
(212) 640-2000

Copies of these filings will also be available, free of charge, so long as the notes are listed on the Luxembourg Stock Exchange, at the main office of Deutsche Bank Luxembourg SA in Luxembourg.

The consolidated financial statements which we have incorporated in this prospectus supplement by reference to the 2003 10-K Report have been audited by Ernst & Young LLP, independent auditors, to the extent indicated in their report incorporated by reference in the 2003 10-K Report. We have incorporated by reference the consolidated financial statements in this prospectus supplement in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

Ernst & Young has given and not withdrawn their written consent to the incorporation by reference of their report dated January 26, 2004 from the 2003 10-K Report on the Company's audited consolidated financial statements for the financial year ended December 31, 2003.

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### CONSOLIDATED CAPITALIZATION OF AMERICAN EXPRESS COMPANY AND SUBSIDIARIES

The table below shows the capitalization of American Express Company and its subsidiaries as of March 31, 2004. The 'As Adjusted' column reflects our issuance of the notes in this offering. You should read this table along with our consolidated financial statements, which are included in the documents incorporated by reference into this prospectus supplement and the accompanying prospectus.

MARCH 31, 2004

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	ACTUAL	AS ADJUSTED
	(IN MILLIONS OF U.S. DOLLARS) (UNAUDITED)	
Short-Term Debt.....	\$15,855	\$15,855
Long-Term Debt.....	23,738	24,238
Shareholders' Equity:		
Common shares, \$.20 par value, authorized 3.6 billion shares; issued and outstanding 1,281 million shares.....	256	256
Additional paid-in capital.....	6,557	6,557
Retained earnings.....	8,435	8,435
Other comprehensive income (loss), net of tax:		
Net unrealized securities gains.....	1,310	1,310
Net unrealized derivative (losses).....	(479)	(479)
Foreign currency translation adjustments.....	(331)	(331)
Minimum pension liability.....	(15)	(15)
Accumulated other comprehensive income.....	485	485
Total shareholders' equity.....	15,733	15,733
Total Capitalization.....	\$55,326	\$55,826

Other than as described in this prospectus supplement and the accompanying prospectus, there has been no material change in the consolidated capitalization of American Express Company and its subsidiaries since March 31, 2004.

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AMERICAN EXPRESS COMPANY AND CONSOLIDATED SUBSIDIARIES  
SELECTED FINANCIAL DATA  
(IN MILLIONS OF U.S. DOLLARS)

	THREE MONTHS ENDED MARCH 31,		YEARS ENDED DECEMBER 31,				
	2004	2003	2003	2002	2001	2000	1999
<b>OPERATING RESULTS</b>							
Revenues.....	\$ 6,910	\$ 6,023	\$ 25,866	\$ 23,807	\$ 22,582	\$ 23,675	\$ 21,277
Expenses.....	5,662	5,027	21,619	20,080	20,986	19,767	17,847
Net income*.....	794	692	2,987	2,671	1,311	2,810	2,477

BALANCE SHEET

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Cash and cash equivalents.....	\$ 4,817	\$ 8,405	\$ 5,726	\$ 10,288	\$ 7,222	\$ 8,487	\$ 7,47
Accounts receivable and accrued interest, net.....	31,115	27,843	31,269	29,087	29,498	30,543	26,46
Investments.....	61,494	53,638	57,067	53,638	46,488	43,747	43,05
Loans, net.....	31,004	27,271	32,300	27,822	26,440	26,088	23,58
Total assets.....	178,096	153,471	175,001	157,253	151,100	154,423	148,51
Customers' deposits...	21,480	17,702	21,250	18,317	14,557	13,870	13,13
Travelers Cheques outstanding.....	6,789	6,382	6,819	6,623	6,190	6,127	6,21
Insurance and annuity reserves.....	32,175	29,986	31,969	28,683	24,536	24,098	25,01
Short-term debt.....	15,855	17,689	19,046	21,103	31,569	36,030	30,62
Long-term debt.....	23,738	17,317	20,654	16,308	7,788	4,711	5,99
Shareholders' equity.....	15,733	14,069	15,323	13,861	12,037	11,684	10,09

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\* Results for the three months ended March 31, 2004 reflect a \$109 million non-cash pretax charge (\$71 million after-tax) related to the January 1, 2004 adoption of the American Institute of Certified Public Accountants Statement of Position 03-1, 'Accounting and Reporting by Insurance Enterprises for Certain Nontraditional Long-Duration Contracts and for Separate Accounts.' Results for 2003 reflect a \$20 million non-cash pretax charge (\$13 million after-tax) related to the December 31, 2003 adoption of the Financial Accounting Standards Board Interpretation No. 46 (revised December 2003), 'Consolidation of Variable Interest Entities.' Results for 2001 include three significant items: (1) a charge of \$1.01 billion pretax (\$669 million after-tax) reflecting losses associated with high-yield securities; (2) restructuring charges of \$631 million pretax (\$411 million after-tax); and (3) the one-time adverse impact from the September 11th terrorist attacks of \$98 million pretax (\$65 million after-tax).

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RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our historical ratios of earnings to fixed charges for the periods indicated:

	THREE MONTHS	YEARS ENDED DECEMBER 31,				
	ENDED MARCH 31, 2004	2003	2002	2001	2000	1999
	----	----	----	----	----	----
Ratio of Earnings to Fixed Charges.....	3.98	3.43	2.88	1.52	2.25	2.48

In computing the ratio of earnings to fixed charges, 'earnings' consist of pretax income from continuing operations, interest expense and other adjustments. Interest expense includes interest expense related to the



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international banking operations of the Company and cardmember lending activities of American Express Travel Related Services Company, Inc., which is netted against net investment income and cardmember lending net finance charge revenue, respectively, in the Consolidated Statement of Income.

For purposes of computing 'earnings', other adjustments included adding the amortization of capitalized interest, the net loss of affiliates accounted for under the equity method whose debt is not guaranteed by the Company, the minority interest in the earnings of majority-owned subsidiaries with fixed charges, and the interest component of rental expense and subtracting undistributed net income of affiliates accounted for under the equity method.

'Fixed charges' consist of interest and other adjustments, including capitalized interest costs and the interest component of rental expense.

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### DIRECTORS AND PRINCIPAL EXECUTIVE OFFICERS OF AMERICAN EXPRESS COMPANY

Our Directors and Executive Officers are as follows:

#### DIRECTORS

NAME -----	PRINCIPAL OCCUPATION -----
Daniel F. Akerson.....	Managing Director, The Carlyle Group
Charlene Barshefsky.....	Senior International Partner, Wilmer, Cutler & Pickering
William G. Bowen.....	President, The Andrew W. Mellon Foundation
Ursula M. Burns.....	Senior Vice President and President, Business Group Operations, Xerox Corporation
Kenneth I. Chenault.....	Chairman and Chief Executive Officer of the Company
Peter R. Dolan.....	President and Chief Executive Officer, Bristol-Myers Squibb Company
Vernon E. Jordan, Jr.....	Senior Managing Director, Lazard Freres & Co. LLC
Jan Leschly.....	Chairman and Chief Executive Officer, Care Capital LLC
Richard McGinn.....	Partner, RRE Ventures
Edward D. Miller.....	Former President and Chief Executive Officer, AXA Financial Inc.
Frank P. Popoff.....	Former Chairman and Chief Executive Officer, The Dow Chemical Company
Robert D. Walter.....	Chairman and Chief Executive Officer, Cardinal Health, Inc.

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### EXECUTIVE OFFICERS

NAME ----	OFFICE -----
Kenneth I. Chenault.....	Chairman and Chief Executive Officer of the Company; Chairman and Chief Executive Officer, American Express Travel Related Services Company, Inc. ('TRS')
Jonathan S. Linen.....	Vice Chairman of the Company
James Cracchiolo.....	Group President, Global Financial Services of the Company
Gary Crittenden.....	Executive Vice President and Chief Financial Officer of the Company
Ursula F. Fairbairn.....	Executive Vice President, Human Resources and Quality of the Company
Edward P. Gilligan.....	Group President, Global Corporate Services, TRS
John D. Hayes.....	Executive Vice President, Global Advertising and Brand Management of the Company
David C. House.....	Group President, Global Establishment Services and Traveler Services Group, TRS
Alfred Kelly, Jr.....	Group President, U.S. Consumer and Small Business Services, TRS
Louise M. Parent.....	Executive Vice President and General Counsel of the Company
Glen Salow.....	Executive Vice President and Chief Information Officer of the Company
Thomas Schick.....	Executive Vice President, Corporate Affairs and Communications of the Company

### USE OF PROCEEDS

We will use the net proceeds from the sale of the notes for general corporate purposes. Net proceeds to be paid to us will be approximately U.S.\$496,965,000.

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### DESCRIPTION OF NOTES

This description of the terms of the notes adds information to the description of the general terms and provisions of debt securities in the accompanying prospectus. If this description differs in any way from the description in the accompanying prospectus, you should rely on this description.

GENERAL

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The notes are initially being offered in the principal amount of U.S.\$500,000,000. We may, without consent of the holders, increase such principal amount in the future, on the same terms and conditions and with the same Common Code, ISIN and CUSIP numbers as the notes being offered hereby, as more fully described in ' -- Further Issues' below. The notes will be our unsecured obligations and will mature on June 17, 2009 at 100% of the outstanding principal amount. The notes will rank prior to all subordinated indebtedness of the Company and on an equal basis with all other senior unsecured indebtedness of the Company.

We will pay interest on the notes from June 17, 2004 at the rate per annum set forth on the cover page of this prospectus supplement, on December 17 and June 17 of each year, beginning December 17, 2004, to the persons who are registered as the owners of the notes at the close of business on the 15th day preceding the applicable interest payment date, subject to certain exceptions. Interest on the notes will be paid on the basis of a 360-day year comprised of twelve 30-day months. We will not redeem the notes prior to maturity unless certain events occur involving United States taxation. In such event, we will redeem the notes at a redemption price of 100% of their principal amount plus accrued and unpaid interest to the date of redemption. See ' -- Redemption Upon a Tax Event'. If any day on which a payment is due is not a Business Day (as defined below), then the holder of the note shall not be entitled to payment of the amount due until the next Business Day and shall not be entitled to any additional principal, interest or other payment as a result of such delay except as otherwise provided under ' -- Payment of Additional Amounts'. 'Business Day' means any day which is not a Saturday or Sunday or any other day on which banks in New York City and, if definitive notes are issued, in Luxembourg, are authorized or obligated by law or regulation to close.

### LISTING

Application has been made to list the notes on the Luxembourg Stock Exchange.

The European Commission has proposed a Directive of the European Parliament and of the Council (2003/0045 (COD), the 'Transparency Directive') on the harmonization of transparency requirements relating to financial information of issuers whose securities are admitted to trading on a regulated market in the European Union, such as the Luxembourg Stock Exchange. If the Transparency Directive (and/or any other European or national legislation) is adopted and is implemented or takes effect in a European member state in which any notes are listed in a form that would require the Company to publish or produce its financial statements according to accounting principles other than U.S. generally accepted accounting principles or that would otherwise impose requirements on the Company that it in good faith determines are impracticable or unduly burdensome, the Company may elect to de-list those notes in accordance with the rules and regulations of the Luxembourg Stock Exchange. The Company will use its reasonable efforts to obtain an alternative admission to listing, trading and/or quotation for the notes by another listing authority, exchange and/or system, as it may decide. If such an alternative admission is not available to the Company, or is, in the Company's opinion, unduly burdensome, an alternative admission may not be obtained.

### BOOK-ENTRY, DELIVERY AND FORM

We will issue the notes in the form of one or more fully registered global notes (the 'Global Notes') in minimum denominations of U.S.\$2,000 and integral multiples of U.S.\$1,000 in excess thereof. We will deposit the notes with, or on behalf of, The Depository Trust Company, New York, New York (the 'Depository') and will register the notes in the name of Cede & Co., the Depository's nominee. Your beneficial interests in the Global Notes will be represented through

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book-entry accounts of financial institutions acting on your behalf as direct and indirect participants in the Depository ('DTC

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Participants'). You may elect to hold interests in the Global Notes either through the Depository (inside the United States) or through Clearstream Banking, societe anonyme ('Clearstream, Luxembourg'), or Euroclear Bank S.A./N.V., as operator of the Euroclear System ('Euroclear') (outside of the United States) if they are participants in such systems, or indirectly through organizations which are participants in such systems. Clearstream, Luxembourg and Euroclear will hold interests on behalf of their participants through customers' securities accounts in Clearstream, Luxembourg's and Euroclear's names on the books of their respective depositaries, which in turn will hold such interests in customers' securities accounts in the depositaries' names on the books of the Depository. Citibank, N.A. will act as depositary for Clearstream, Luxembourg, and JPMorgan Chase Bank will act as depositary for Euroclear (in such capacities, the 'U.S. Depositaries'). Except as set forth below, the Global Notes may be transferred, in whole and not in part, only to another nominee of the Depository or to a successor of the Depository or its nominee.

As long as the notes are represented by the Global Notes, we will pay principal of and interest on the notes to or as directed by the Depository as the registered holder of the Global Notes. Payments to the Depository will be in immediately available funds by wire transfer. The Depository, Euroclear or Clearstream, Luxembourg, as applicable, will credit the relevant accounts of their participants on the applicable date.

We have been advised by the Depository, Clearstream, Luxembourg and Euroclear, respectively, as follows:

As to the Depository: The Depository has advised us that it is a limited-purpose trust company organized under the New York Banking Law, a 'banking organization' within the meaning of the New York Banking Law, a member of the Federal Reserve System, a 'clearing corporation' within the meaning of the New York Uniform Commercial Code, and a 'clearing agency' registered pursuant to the provisions of Section 17A of the Exchange Act. The Depository was created to hold securities of its participants and to facilitate the clearance and settlement of securities transactions, such as transfers and pledges, among its participants in such securities through electronic computerized book-entry changes in accounts of the participants, thereby eliminating the need for physical movement of securities certificates. The Depository's participants include securities brokers and dealers (including the underwriters), banks, trust companies, clearing corporations and certain other organizations, some of whom (and/or their representatives) own the Depository. Access to the Depository's book-entry system is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly.

As to Clearstream, Luxembourg: Clearstream, Luxembourg has advised us that it is incorporated under the laws of Luxembourg as a professional depositary. Clearstream, Luxembourg holds securities for its participating organizations ('Clearstream, Luxembourg Participants') and facilitates the clearance and settlement of securities transactions between Clearstream, Luxembourg Participants through electronic book-entry changes in accounts

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of Clearstream, Luxembourg Participants, thereby eliminating the need for physical movement of certificates. Clearstream, Luxembourg provides to Clearstream, Luxembourg Participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream, Luxembourg interfaces with domestic markets in several countries. As a bank, Clearstream, Luxembourg is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector. Clearstream, Luxembourg Participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations and may include the underwriters of this offering. Indirect access to Clearstream, Luxembourg is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream, Luxembourg Participant either directly or indirectly. Clearstream, Luxembourg is an indirect participant in the Depository.

Payments on notes held beneficially through Clearstream, Luxembourg will be credited to cash accounts of Clearstream, Luxembourg Participants in accordance with its rules and procedures, to the extent received by the U.S. Depository for Clearstream, Luxembourg.

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As to Euroclear: Euroclear has advised us that it was created in 1968 to hold securities for participants of the Euroclear System ('Euroclear Participants') and to clear and settle transactions between Euroclear Participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Euroclear provides various other services, including securities lending and borrowing and interfaces with domestic markets in several countries. Euroclear is operated by Euroclear Bank S.A./N.V. (the 'Euroclear Operator'), under contract with Euroclear Clearance Systems S.C., a Belgian cooperative corporation (the 'Cooperative'). All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator, not the Cooperative. The Cooperative establishes policy for Euroclear on behalf of Euroclear Participants. Euroclear Participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the underwriters. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear Participant, either directly or indirectly. Euroclear is an indirect participant in the Depository.

The Euroclear Operator is a Belgian bank. The Belgian Banking Commission regulates and examines the Euroclear Operator.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law (collectively, the 'Terms and Conditions'). The Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to

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specific securities clearance accounts. The Euroclear Operator acts under the Terms and Conditions only on behalf of Euroclear Participants, and has no record of or relationship with persons holding through Euroclear Participants.

Payments on notes held beneficially through Euroclear will be credited to the cash accounts of Euroclear Participants in accordance with the Terms and Conditions, to the extent received by the Euroclear Operator and by Euroclear. In the event definitive notes are issued, we will appoint a paying agent and transfer agent in Luxembourg.

### GLOBAL CLEARANCE AND SETTLEMENT PROCEDURES

Investors will make initial payment for the notes in immediately available funds. Secondary market trading between DTC Participants will occur in the ordinary way in accordance with Depository rules and will be settled in immediately available funds using the Depository's Same-Day Funds Settlement System. Secondary market trading between Clearstream, Luxembourg Participants and/or Euroclear Participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream, Luxembourg and Euroclear and will be settled using the procedures applicable to conventional eurobonds in immediately available funds.

Cross-market transfers between persons holding directly or indirectly through the Depository, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear Participants, on the other, will be effected in the Depository in accordance with the Depository rules on behalf of the relevant European international clearing system by its U.S. Depository. Such cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (based on European time). The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its U.S. Depository to take action to effect final settlement on its behalf by delivering or receiving notes in the Depository, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to the Depository. Clearstream, Luxembourg Participants and Euroclear Participants may not deliver instructions directly to their respective U.S. Depositories.

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Because of time-zone differences, credits of notes received in Clearstream, Luxembourg or Euroclear as a result of a transaction with a DTC Participant will be made during subsequent securities settlement processing and dated the business day following the Depository settlement date. Such credits or any transactions in such notes settled during such processing will be reported to the relevant Euroclear or Clearstream, Luxembourg Participants on such business day. Cash received in Clearstream, Luxembourg or Euroclear as a result of sales of notes by or through a Clearstream, Luxembourg Participant or a Euroclear Participant to a DTC Participant will be received with value on the Depository settlement date but will be available in the relevant Clearstream, Luxembourg or Euroclear cash account only as of the business day following settlement in the Depository.

Although the Depository, Clearstream, Luxembourg and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of notes among

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participants of the Depository, Clearstream, Luxembourg and Euroclear, they are under no obligation to perform or continue to perform such procedures and such procedures may be discontinued at any time.

### DEFINITIVE NOTES

We will issue notes in definitive registered form in exchange for the Global Notes in the following instances. If the Depository notifies us that it is unwilling or unable to continue as depository for the Global Notes or if the Depository ceases to be a clearing agency registered under the Exchange Act and we do not appoint a successor depository within 90 days, we will issue notes in definitive form. We will also issue definitive notes in exchange for the Global Notes if an event of default with respect to the notes occurs and is continuing as described under 'Description of Debt Securities -- Events of Default, Notice and Waiver' in the accompanying prospectus. If we issue definitive notes, the notes may be presented for registration of transfer and exchange at the office of the Trustee in New York, New York and the Paying Agent in Luxembourg. In such circumstances, we will pay principal of, and interest on, the notes at the office of the Trustee in New York, New York and at the office of the Paying Agent in Luxembourg. We will make payments of principal on the notes only against surrender of such notes. Payment of interest on any interest payment date on any notes will be made to the person in whose name such note is registered on the December 2 or June 2, as the case may be, immediately preceding such interest payment date, except that interest payable at maturity will be payable to the person to whom the principal of the note is paid. All payments of principal and interest will be made by U.S. dollar check drawn on a bank in The City of New York and mailed to the person in whose name such notes are registered at such person's address as provided in the register. For holders of at least U.S.\$1,000,000 in aggregate principal amount of notes, we will make payment by wire transfer to a U.S. dollar account maintained by the payee with a bank in The City of New York or in Europe, provided that the Trustee receives a written request from such holder to such effect designating such account no later than the December 2 or June 2, as the case may be, immediately preceding such interest payment date.

### PAYMENT OF ADDITIONAL AMOUNTS

We will, subject to the exceptions and limitations set forth below, pay as additional interest on the notes, such additional amounts as are necessary in order that the net payment by us or a paying agent of the principal of and interest on the notes to a holder who is a Non-United States Holder (as defined under 'Certain United States Federal Income Tax Considerations' below), after deduction for any present or future tax, assessment or governmental charge of the United States or a political subdivision or taxing authority thereof or therein, imposed by withholding with respect to the payment, will not be less than the amount that would have been payable had no such withholding or deduction been required.

However, our obligation to pay additional amounts shall not apply:

(1) to a tax, assessment or governmental charge that would not have been imposed but for the beneficial owner or the holder, or a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of a power over, the holder if the holder is an estate, trust, partnership, limited liability company, corporation or other entity, or a person holding a power over an estate or trust administered by a fiduciary holder, being considered as:

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(a) being or having been present or engaged in a trade or business in the United States or having or having had a permanent establishment in the United States:

(b) having a current or former relationship with the United States, including a relationship as a citizen or resident thereof;

(c) being or having been a foreign or domestic personal holding company, a passive foreign investment company or a controlled foreign corporation with respect to the United States, a corporation that has accumulated earnings to avoid United States federal income tax or a private foundation or other tax-exempt organization; or

(d) being or having been a '10-percent shareholder' of the Company as defined in section 871(h)(3) of the United States Internal Revenue Code of 1986, as amended (the 'Code'), or any successor provision or being or having been a bank whose receipt of interest on a note is described in section 881(c)(3)(A) of the Code or any successor provision;

(2) to any beneficial owner that is not the sole beneficial owner of a note, or a portion thereof, or that is a fiduciary, partnership, limited liability company or other fiscally transparent entity, but only to the extent that a beneficiary or settlor with respect to the fiduciary, or a beneficial owner or member of the partnership, limited liability company or other fiscally transparent entity, would not have been entitled to the payment of an additional amount had the beneficiary, settlor, beneficial owner or member received directly its beneficial or distributive share of the payment;

(3) to a tax, assessment or governmental charge (including backup withholding) that would not have been imposed but for the failure of the holder or any other person to comply with certification, information, documentation, reporting or other similar requirements concerning the nationality, residence, identity or connection with the United States of the holder or beneficial owner of such note, if compliance is required by statute or by regulation of the United States Treasury Department, without regard to any tax treaty, or by an applicable income tax treaty to which the United States is a party as a precondition to partial or complete relief or exemption from such tax, assessment or other governmental charge (including, but not limited to, the failure to provide United States Internal Revenue Service ('IRS') Form W-8BEN, W-8ECI or any subsequent versions thereof), or any other certification, information, documentation, reporting or other similar requirement under United States income tax laws or regulations that would establish entitlement to otherwise applicable relief or exemption from any tax, assessment or governmental charge;

(4) to a tax, assessment or governmental charge that is imposed otherwise than by withholding by the Company or a paying agent from the payment;

(5) to a tax, assessment or governmental charge that would not have been imposed or withheld but for a change in law, regulation, or administrative or judicial interpretation that becomes effective more than 10 days after the payment becomes due or is duly provided for, whichever occurs later;

(6) to a tax, assessment or governmental charge that is imposed or withheld by reason of the presentation of a note for payment more than 30 days after the date on which such payment becomes due or is duly provided for, whichever occurs later;



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(7) to an estate, inheritance, gift, sales, excise, transfer, wealth or personal property tax or a similar tax, assessment or governmental charge;

(8) to any tax, assessment or other governmental charge required to be withheld by any paying agent from any payment of principal of or interest on any note, if such payment can be made without such withholding by any other paying agent;

(9) to any withholding or deduction which is imposed on a payment to an individual and is required to be made pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the European Union's Economic and Finance Ministers Council meeting of 26-27 November 2000, or any law implementing or complying with, or introduced in order to conform to, any such directive (including the Council Directive 2003/48/EC adopted on June 3, 2003); or

(10) in the case of any combination of items (1), (2), (3), (4), (5), (6), (7), (8) and (9).

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The notes are subject in all cases to any tax, fiscal or other law or regulation or administrative or judicial interpretation applicable thereto. Except as specifically provided under this heading 'Payment of Additional Amounts' and under the heading 'Redemption Upon a Tax Event', we shall not be required to make any payment with respect to any tax, assessment or governmental charge imposed by any government or a political subdivision or taxing authority thereof or therein.

### REDEMPTION UPON A TAX EVENT

If as a result of (a) any change in (including any announced prospective change), or amendment to, the laws (including any regulations or rulings promulgated thereunder) of the United States (or any political subdivision or taxing authority thereof or therein), or any change in (including any announced prospective change), or amendment to, any official position regarding the application or interpretation of such laws, which change or amendment is announced or becomes effective on or after the date of this prospectus supplement, or (b) a taxing authority of the United States taking any action, or such action becoming generally known, on or after the date of this prospectus supplement, whether or not such action is taken with respect to us or any of our affiliates, there is in either case a material increase in the probability that we will or may be required to pay additional amounts as described herein under the heading -- 'Payment of Additional Amounts', then we may in either case, at our option, redeem, in whole or in part, the notes on at least 30 days' and no more than 60 days' prior written notice, at a redemption price equal to the principal amount thereof, together with any accrued and unpaid interest thereon to the date fixed for redemption.

In order to exercise this right, we must determine, in our business judgment, that the obligation to pay such additional amounts cannot be avoided by the use of reasonable measures available to us, not including substitution of the obligor under the notes. Prior to the publication of any notice of redemption, we will deliver to the trustee an officer's certificate stating that we are entitled to effect a redemption and setting forth a statement of facts showing that the conditions precedent to its right to so redeem have occurred and an opinion of counsel to that effect based on that statement of facts.

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### FURTHER ISSUES

We may from time to time, without notice to or the consent of the registered holders of the notes, create and issue further notes ranking on an equal basis with the notes in all respects (or in all respects except for the payment of interest accruing prior to the issue date of such further notes or except for the first payment of interest following the issue date of such further notes). Such further notes shall be consolidated and form a single series with the notes and shall have the same terms as to status, redemption or otherwise as the notes.

### TRUSTEE

The Trustee for the notes is Wachovia Bank, National Association, formerly known as First Union National Bank, pursuant to the First Supplemental Indenture dated as of October 25, 2000 to the Indenture dated as of May 1, 1997 between the Company and J.P. Morgan Trust Company, N.A., as successor to PNC Bank, National Association, as trustee (the 'Indenture'). The Trustee provides banking and corporate trust services to us and many of our subsidiaries worldwide. The Trustee is a depository of funds for us and holds our common shares for customers of the Trustee, including customers over whose accounts the Trustee has discretionary authority. The principal corporate trust office of the Trustee is Wachovia Bank, National Association, One Penn Plaza, Suite 1414, New York, New York 10119. The Trustee may resign at any time and may be removed by action of the holders of a majority in aggregate principal amount of the notes. In such case, we shall promptly appoint a successor trustee. The Trustee is an affiliate of Wachovia Capital Markets, LLC, one of the representatives of the underwriters.

### UNCLAIMED FUNDS

All funds deposited with the Trustee or any paying agent for the payment of principal, interest or additional amounts in respect of the notes that remain unclaimed for two years after the maturity date will

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be returned to the Company upon its request. Thereafter, any right of any noteholder to such funds shall be enforceable only against the Company.

### NOTICES

Notices to holders of the notes will be published in a leading daily newspaper of general circulation in The City of New York, in London, and, so long as the notes are listed on the Luxembourg Stock Exchange, in Luxembourg. It is expected that publication will be made in The City of New York in The Wall Street Journal, in London in the Financial Times, and in Luxembourg in the Luxemburger Wort. Any such notice shall be considered given on the date of publication or, if published more than once, on the first date of publication.

### APPLICABLE LAW

The notes, the Indenture and the First Supplemental Indenture will be governed by and construed in accordance with the laws of the State of New York. Actions relating to the notes and Indenture may be brought in the state or federal courts in New York.

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### CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain United States federal income tax considerations that may be relevant to persons considering the purchase of notes. This summary, which does not represent tax advice, is based on laws, regulations, rulings and decisions now in effect, all of which are subject to change (including changes in effective dates) or possible differing interpretations. This summary deals only with notes that will be held as capital assets and, except where otherwise specifically noted, is only addressed to persons who purchase notes in the initial offering. It does not address tax considerations applicable to investors that may be subject to special tax rules, such as banks, tax-exempt entities, insurance companies, dealers in securities or currencies, traders in securities electing to mark to market, persons that will hold notes as a position in a 'straddle' or conversion transaction, or as part of a 'synthetic security' or other integrated financial transaction, or persons that have a 'functional currency' other than the U.S. dollar.

PERSONS CONSIDERING THE PURCHASE OF NOTES SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF NOTES, INCLUDING THE APPLICATION TO THEIR PARTICULAR SITUATION OF THE UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS DISCUSSED BELOW, AS WELL AS THE APPLICATION OF STATE, LOCAL, FOREIGN OR OTHER TAX LAWS.

As used under this heading 'Certain United Federal Income Tax Considerations,' the term 'United States Holder' means a beneficial owner of a note that is (i) a citizen or resident of the United States; (ii) a corporation, partnership or other entity organized in or under the laws of the United States or any political supervision thereof; (iii) an estate the income of which is subject to United States federal income taxation regardless of its source; or (iv) a trust if (A) a U.S. court is able to exercise primary supervision over the trust's administration and (B) one or more United States persons have the authority to control all of the trust's substantial decisions. As used under this heading 'Certain United States Federal Income Tax Considerations' and the heading 'Payment of Additional Amounts,' the term 'Non-United States Holder' means a beneficial owner of a note that is not a United States Holder.

#### TAX CONSEQUENCES TO UNITED STATES HOLDERS

##### Payments of Interest.

Payments of stated interest on a note will be taxable to a United States Holder as ordinary interest income at the time that such payments are accrued or are received (in accordance with the United States Holder's method of tax accounting).

##### Purchase, Sale, Exchange and Retirement.

A United States Holder's tax basis in a note generally will equal the cost of such note to such holder. Upon the sale, exchange or retirement of a note, a United States Holder generally will recognize

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gain or loss equal to the difference between the amount realized on the sale, exchange or retirement (less any accrued interest, which will be taxable as such) and the United States Holder's tax basis in such note. Such gain or loss

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recognized by a United States Holder generally will be long-term capital gain or loss if the United States Holder has held the note for more than one year at the time of disposition. Long-term capital gains recognized by an individual holder generally are subject to tax at a reduced rate. The deductibility of capital losses is subject to limitations.

### Information Reporting and Backup Withholding.

Under current United States federal income tax law, information reporting requirements apply with respect to payments made to United States Holders of notes unless an exemption exists. In addition, United States Holders who are not exempt will be subject to backup withholding tax in respect of such payments if they do not provide their taxpayer identification numbers to the Company or its paying agent. All individuals are subject to these requirements. In general, corporations, tax-exempt organizations and individual retirement accounts are exempt from these requirements.

### TAX CONSEQUENCES TO NON-UNITED STATES HOLDERS

Under present United States federal income and estate tax law, and subject to the discussion below concerning backup withholding:

No withholding of United States federal income tax generally will be required with respect to the payment by the Company or any issuing and paying agent of principal or interest on a note owned by a Non-United States Holder, provided (i) that the beneficial owner does not actually or constructively own 10% or more of the total combined voting power of all classes of stock of the Company entitled to vote within the meaning of section 871(h)(3) of the Code and the regulations thereunder, (ii) the beneficial owner is not a controlled foreign corporation that is related to the Company through stock ownership, (iii) the beneficial owner is not a bank whose receipt of interest on a note is described in section 881(c)(3)(A) of the Code and (iv) the beneficial owner provides a statement signed under penalties of perjury that includes its name and address and certifies that it is a Non-United States Holder in compliance with applicable requirements, generally made, under current procedures, on IRS Form W-8BEN (or satisfies certain documentary evidence requirements for establishing that it is a Non-United States Holder).

A Non-United States Holder will generally not be subject to United States federal income tax on gain realized on the sale, exchange or redemption of a note, unless (i) such gain is effectively connected with the conduct by the holder of a trade or business in the United States or (ii) in the case of gain realized by an individual holder, the holder is present in the United States for 183 days or more in the taxable year of the retirement or disposition and certain other conditions are met.

A note beneficially owned by an individual who at the time of death is a Non-United States Holder will generally not be subject to United States federal estate tax as a result of such individual's death, provided that such individual does not actually or constructively own 10% or more of the total combined voting power of all classes of stock of the Company entitled to vote within the meaning of section 871(h)(3) of the Code and provided that the interest payments with respect to such note would not have been, if received at the time of such individual's death, effectively connected with the conduct of a United States trade or business by such individual.

Notwithstanding the foregoing, a Non-United States Holder generally will be taxed in the same manner as a United States Holder with respect to interest income that is effectively connected with its U.S. trade or business. In addition, under certain circumstances, effectively connected interest income of a corporate Non-United States Holder may be subject to a 'branch profits' tax

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imposed at a 30% rate. A Non-United States Holder with effectively connected income will, however, generally not be subject to withholding tax on interest income if, under current procedures, it delivers a properly completed IRS Form W-8ECI.

United States information reporting requirements and backup withholding tax will not apply to payments on a note if the beneficial owner (i) certifies its Non-United States Holder status under penalties

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of perjury, generally made, under current procedures, on IRS Form W-8BEN, or satisfies documentary evidence requirements for establishing that it is a Non-United States Holder, or (ii) otherwise establishes an exemption.

Information reporting requirements will generally not apply to any payment of the proceeds of the sale of a note effected outside the United States by a foreign office of a foreign broker, provided that such broker derives less than 50% of its gross income for particular periods from the conduct of a trade or business in the United States, is not a controlled foreign corporation for United States federal income tax purposes, and is not a foreign partnership that, at any time during its taxable year, is 50% or more, by income or capital interest, owned by United States Holders or is engaged in the conduct of a United States trade or business.

Backup withholding tax will generally not apply to the payment of the proceeds of the sale of a note effected outside the United States by a foreign office of any broker. However, information reporting requirements will be applicable to such payment unless (i) such broker has documentary evidence in its records that the beneficial owner is a Non-United States Holder and other conditions are met or (ii) the beneficial owner otherwise establishes an exemption. Information reporting requirements and backup withholding tax will apply to the payment of the proceeds of a sale of a note by the U.S. office of a broker, unless the beneficial owner certifies its Non-United States Holder status under penalties of perjury or otherwise establishes an exemption.

For purposes of applying the above rules for Non-United States Holders to an entity that is treated as a pass-through entity, such as a partnership or trust, the beneficial owner means each of the ultimate beneficial owners of the entity.

The rules regarding withholding, backup withholding and information reporting for Non-United States Holders are complex, may vary depending on a holder's particular situation, and are subject to change. In addition, special rules apply to certain types of Non-United States Holders including partnerships, trusts and other entities treated as pass-through entities for United States federal income tax purposes. Non-United States Holders should accordingly consult their own tax advisors as to the specific methods to use and forms to complete to satisfy these rules.

### CERTAIN EUROPEAN UNION TAX CONSIDERATIONS

On June 3, 2003, the Council of the European Union (the 'Council') adopted a directive on the taxation of savings income. Pursuant to the directive, each member state of the European Union ('EU') will be required, subject to a number of important conditions being met, to provide to the tax authorities of the other member states information regarding payments of interest (or other similar income) paid by persons within its jurisdiction to or for the benefit of

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individual residents of other member states, except that for a transitional period Belgium, Luxembourg, and Austria will instead operate a withholding system in relation to such payments until such time as (among other things) the EU is able to enter into satisfactory information exchange agreements with several non-EU countries. It is expected that the directive will take effect from January 1, 2005.

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### UNDERWRITING

Under the terms and subject to the conditions contained in a terms agreement dated June 14, 2004 incorporating by reference an underwriting agreement dated October 1, 1991, we have agreed to sell to the underwriters named below, for whom JPMorgan and Wachovia Capital Markets, LLC are acting as representatives, the following respective principal amounts of the notes.

UNDERWRITER -----	PRINCIPAL AMOUNT OF SECURITIES TO BE PURCHASED -----
J.P. Morgan Securities Inc. ....	\$187,500,000
Wachovia Capital Markets, LLC.....	187,500,000
HSBC Securities (USA) Inc. ....	50,000,000
Tokyo-Mitsubishi International plc.....	50,000,000
Blaylock & Partners, L.P. ....	10,000,000
Utendahl Capital Partners, L.P. ....	10,000,000
Comerica Securities, Inc. ....	5,000,000
	-----
Total	\$500,000,000
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The terms agreement provides that the underwriters are obligated to purchase all of the notes if any are purchased. The terms agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may be increased or the offering of notes may be terminated.

The underwriters propose to offer the notes initially at the public offering price on the cover page of this prospectus supplement, and may offer the notes to certain dealers at that price less a selling concession of 0.200% of the principal amount per note. These dealers and the underwriters may allow a discount of 0.150% of the principal amount per note on sales to other broker/dealers. After the initial public offering, the representative may change the public offering price and concession and discount to broker/dealers.

JPMorgan will make the securities available for distribution on the Internet through a proprietary website and/or a third-party system operated by MarketAxess Corporation, an Internet-based communications technology provider. MarketAxess Corporation is providing the system as a conduit for communications between JPMorgan and its customers and is not a party to any transactions. MarketAxess Corporation, a registered broker-dealer, will receive compensation from JPMorgan based on transactions JPMorgan conducts through the system.

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JPMorgan will make the securities available to its customers through the Internet distributions, whether made through a proprietary or third-party system, on the same terms as distributions made through other channels.

The notes are offered for sale in those jurisdictions both inside and outside the United States where it is legal to make such offers.

We estimate that our out of pocket expenses for this offering will be approximately U.S.\$450,000. The underwriters have agreed to reimburse us for certain of these expenses.

In connection with the offering, the underwriters may engage in stabilizing transactions, over-allotment transactions, syndicate covering transactions and penalty bids.

Stabilizing transactions permit bids to purchase the notes so long as the stabilizing bids do not exceed a specified maximum.

Over-allotment involves sales by the representatives of notes in excess of the principal amount of notes the underwriters are obligated to purchase, which creates a syndicate short position. The representatives will close out any short position by purchasing notes in the open market.

Syndicate covering transactions involve purchases of notes in the open market after the distribution has been completed in order to cover syndicate short positions. A short position is likely to be created if the representatives are concerned that there may be downward pressure on the price of the notes in the open market after pricing that could adversely affect investors who purchase in the offering.

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Penalty bids permit the representatives to reclaim a selling concession from a syndicate member when the notes originally sold by such syndicate member are purchased in a stabilizing transaction or a syndicate covering transaction to cover syndicate short positions.

These stabilizing transactions, syndicate covering transactions and penalty bids may have the effect of raising or maintaining the market price of the notes or preventing or retarding a decline in the market price of the notes. As a result, the price of the notes may be higher than the price that might otherwise exist in the open market. These transactions may be effected on the Luxembourg Stock Exchange or otherwise and, if commenced, may be discontinued at any time.

The notes are a new issue of securities with no established trading market. We have been advised by the underwriters that one or more of them intend to make a market in the notes but are not obligated to do so and may discontinue market making at any time without notice. No assurance can be given as to the liquidity of, or the existence of trading markets for, the notes.

Each of the underwriters has agreed that it will only offer or sell the notes in compliance with the laws and regulations in any jurisdiction applicable to such offer or sale and it has not taken and will not take any action in any jurisdiction, other than the United States, that would permit a public offering of the notes, or possession or distribution of any prospectus or any amendment or supplement thereto or any offering or publicity material relating to the notes, in any country or jurisdiction where action for that purpose is required.

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Each underwriter has separately further agreed that the notes may not be offered, sold, transferred or delivered in or from the Netherlands as part of their initial distribution or at any time thereafter, directly or indirectly, other than to banks, pension funds, insurance companies, securities firms, investment institutions, central governments, large international and supranational organizations and other comparable entities, including, among others, treasuries and finance companies of large companies or enterprises, who or that do trade or invest in securities in the conduct of their profession or trade for their own account. Individuals or legal entities who or that do not trade or invest in securities in the conduct of their profession or trade may not acquire the notes.

Tokyo-Mitsubishi International plc is not a U.S. registered broker-dealer and, therefore, to the extent that it offers or sells any of the notes in the United States, it will do so only through one or more U.S. registered broker-dealers in accordance with applicable U.S. law.

You may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the issue price set forth on the cover page of this prospectus supplement.

We have agreed to indemnify the underwriters against liabilities under the Securities Act of 1933, as amended, or contribute to payments which the underwriters may be requested to make in that respect.

In the ordinary course of their respective businesses, the underwriters or their affiliates may engage in investment banking, general financing and/or banking transactions with the Company and its subsidiaries.

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### LEGAL MATTERS

The validity of the securities will be passed upon for us by Louise M. Parent, Esq., Executive Vice President and General Counsel of American Express Company. Certain legal matters will be passed upon for the underwriters by Cleary, Gottlieb, Steen & Hamilton, New York, New York. From time to time, Cleary, Gottlieb, Steen & Hamilton provides legal services to American Express Company and its subsidiaries.

### GENERAL INFORMATION

1. Application has been made to list the notes on the Luxembourg Stock Exchange. In connection with the listing application, the Certificate of Incorporation and the By-Laws of the Company and a legal notice relating to the issuance of the notes have been deposited prior to listing with Registre de Commerce et des Societes, where copies thereof may be obtained upon request. Copies of the above documents together with this prospectus supplement, the accompanying prospectus, the Indenture, the Supplemental Indenture dated as of October 25, 2000 and the documents incorporated by reference as well as the future interim and year-end accounts, so long as any of the notes are outstanding, will be available free of charge at the main office of Deutsche Bank Luxembourg SA in Luxembourg. Deutsche Bank Luxembourg SA will act as intermediary between the Company and the holders of the notes.

2. Other than as disclosed or contemplated herein or in the documents



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incorporated by reference herein, there has been no material adverse change in the financial position of the Company since March 31, 2004.

3. The Independent Auditors of the Company are Ernst & Young LLP, New York.

4. Neither the Company nor any of its subsidiaries is involved in litigation, arbitration or administrative proceedings relating to claims or amounts that are material in the context of the issue of the notes and the Company is not aware of any such litigation, arbitration or administrative proceedings pending or threatened.

5. Resolutions relating to the issue and sale of the notes were adopted by the Board of Directors of the Company on July 26, 1993, July 28, 1997 and November 27, 2000.

6. The notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg Common Code No. 019505367, International Security Identification Number (ISIN) US025816AT65 and CUSIP No. 025816AT6.

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[AMERICAN EXPRESS LOGO]

\$4,550,000,000  
American Express Company  
Debt Securities  
Preferred Shares  
Depositary Shares  
Common Shares  
Warrants

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American Express Company may offer from time to time in one or more series:

unsecured debt securities,

preferred shares, par value \$1.66 2/3 per share,

depositary shares,

common shares, par value \$0.20 per share,

warrants to purchase debt securities, preferred shares, common shares or equity securities issued by one of our affiliated or unaffiliated corporations or other entity,

currency warrants entitling the holder to receive the cash value in U.S. dollars of the right to purchase or the right to sell foreign currencies or composite currencies, or

warrants relating to other items or indices.

We may offer any combination of these securities at prices and on terms to be determined at or prior to the time of sale. In addition, various selling shareholders may offer and sell common shares from time to time. All of these securities will have an initial offering price no greater than \$4,550,000,000,

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although American Express may increase this amount in the future.

American Express and the selling shareholders may offer and sell securities to or through underwriters, dealers and agents or directly to purchasers. The names of any underwriters or agents involved in the sale of securities and their compensation will be described in the accompanying prospectus supplement. The names of any selling shareholders and their relationship to American Express will also be described in the accompanying prospectus supplement.

This prospectus may not be used to consummate a sale of these securities unless accompanied by a supplement to the prospectus.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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The date of this prospectus is December 22, 2000.

### ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement we filed with the Securities and Exchange Commission using a shelf registration process. Under this process, American Express may sell from time to time any combination of the securities described in this prospectus and the selling shareholders may sell shares of common stock in one or more offerings for an initial purchase price of up to \$4,550,000,000.

This prospectus describes the general terms of these securities and the general manner in which American Express and the selling shareholders will offer the securities. Each time these securities are sold, we will provide a supplemental prospectus that describes the specific terms of these securities and the specific manner in which they may be offered. You should read the prospectus supplement and this prospectus, along with the documents incorporated by reference and described under the heading 'WHERE YOU CAN FIND MORE INFORMATION', before making your investment decision.

### WHERE YOU CAN FIND MORE INFORMATION

American Express files annual, quarterly, current reports, proxy statements and other information with the SEC. You may read and copy any document American Express files at the SEC's public reference rooms in Washington, D.C., New York, New York and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. American Express's SEC filings are also available to the public from the SEC's web site at <http://www.sec.gov>.

The SEC allows American Express to incorporate by reference the information it files with the SEC, which means that we can disclose important information to you by referring you to those documents. The information that we incorporate by reference is considered to be part of this prospectus.

Information that American Express files later with the SEC will automatically update and supersede this information. This means that you must look at all of the SEC filings that we incorporate by reference to determine if

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any of the statements in this prospectus or in any documents previously incorporated by reference have been modified or superseded. American Express incorporates by reference into this prospectus the following documents:

Annual Report on Form 10-K for the year ended December 31, 1999, as amended by Form 10-K/A on June 30, 2000.

Quarterly Reports on Form 10-Q for the quarters ended March 31, 2000, June 30, 2000 and September 30, 2000.

Current Reports on Form 8-K dated January 26, 2000, February 3, 2000, April 26, 2000, April 27, 2000, May 3, 2000, June 27, 2000, July 25, 2000 as amended by Form 8-K/A on July 31, 2000, August 2, 2000, October 10, 2000, October 23, 2000 and November 17, 2000.

The description of the Company's common shares contained in the Registration Statement on Form 8-A dated November 13, 1984, as amended on Form 8-A/A on June 12, 2000.

All documents filed by American Express Company under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 after the date of the initial registration statement and before effectiveness of the registration statement, and after the date of this prospectus and before the termination of this offering.

You may request a copy of these filings at no cost, by writing or telephoning American Express at the following address or number:

American Express Company  
200 Vesey Street  
New York, New York 10285  
Attention: Secretary  
(212) 640-2000

The financial statements which we have incorporated into this prospectus by reference to the annual report on Form 10-K for the year ended December 31, 1999 have been audited by Ernst & Young LLP, 787 Seventh Avenue, New York, New York 10019, independent certified public accountants, to the extent indicated in their

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report included in this annual report. We have incorporated by reference the financial statements in this prospectus in reliance upon the report of that firm, given on their authority as experts in accounting and auditing.

### AMERICAN EXPRESS COMPANY

American Express Company through its subsidiaries is in the business of providing travel related services, financial advisory services and international banking services throughout the world.

We offer travel related services principally through American Express Travel Related Services Company, Inc. and its subsidiaries, or TRS. These services include a variety of products and services, including among others, a global card network, issuing and processing services, the American Express' Card, the Optima' Card and other consumer and corporate lending and banking products, the

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American Express' Travelers Cheque and other stored value products, business expense management products and services, corporate and consumer travel products and services, magazine publishing, and merchant transaction processing, point of sale and back office products and services. At December 31, 1999, there were 46 million American Express Cards in force worldwide, and worldwide American Express Card billed business for the year ended December 31, 1999 was \$254.1 billion. Travelers Cheque sales for the year ended December 31, 1999 were \$23.3 billion.

American Express Financial Corporation, or AEFC, and its subsidiaries are engaged in providing a variety of financial products and services to help individuals, businesses and institutions establish and achieve their financial goals. AEFC's products and services include financial planning and advice, insurance and annuities, a variety of investment products, including investment certificates, mutual funds and limited partnerships, investment advisory services, trust and employee plan administration services, tax preparation and bookkeeping services, personal auto and homeowner's insurance and retail securities brokerage services. At December 31, 1999, American Express Financial Advisors Inc., AEFC's principal marketing subsidiary, maintained a nationwide financial planning field force of over 11,000 persons. At December 31, 1999, AEFC's assets owned and/or managed totaled approximately \$262.5 billion.

American Express Bank Ltd., or AEBL, and its subsidiaries offers products that meet the financial service needs of three client groups: corporations, financial institutions and affluent individuals. AEBL's five business lines are commercial, correspondent, and private banking, personal financial services and global trading. AEBL does not do business in the United States except as it relates to its activities outside the United States.

### RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our historical ratios of earnings to fixed charges for the periods indicated:

	NINE MONTHS ENDED SEPTEMBER 30,	YEAR ENDED DECEMBER 31,				
	2000	1999	1998	1997	1996	1995
	----	----	----	----	----	----
Ratio of Earnings to Fixed Charges.....	2.30	2.48	2.24	2.22	2.17	1.86

For purposes of computing the ratio of earnings to fixed charges, 'earnings' means pre-tax earnings plus the amortization of capitalized interest, the net loss of affiliates accounted for under the equity method whose debt is not guaranteed by American Express, the minority interest in the earnings of majority-owned subsidiaries with fixed charges, and the interest component of rental expense minus undistributed net income of affiliates accounted for under the equity method. 'Fixed charges' consist of interest expense and other adjustments, including capitalized interest costs and the interest component of rental expense. 'Interest expense' includes interest expense related to the international banking operations of American Express and TRS's cardmember lending activities, which is netted against interest and dividends and cardmember lending net finance charge revenue, respectively, in our consolidated statement of income.

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### USE OF PROCEEDS

Except as may be otherwise set forth in the prospectus supplement accompanying this prospectus, we will use the net proceeds we receive from sales of these securities for general corporate purposes. We will not receive any proceeds from the sale of common shares by the selling shareholders.

### DESCRIPTION OF DEBT SECURITIES

The debt securities covered by this prospectus will be our direct unsecured obligations. The debt securities will be either senior debt securities, that rank on an equal basis with all our other senior unsecured and unsubordinated debt, or they will be subordinated debt securities that will have a junior position to all of our senior unsecured debt.

The following description briefly sets forth certain general terms and provisions of the debt securities. The prospectus supplement for a particular series of debt securities will describe the particular terms of the debt securities we offer and the extent to which such general provisions may apply to that particular series of debt securities.

Our senior debt securities will be issued under a senior debt indenture. Our subordinated debt securities will be issued under a subordinated debt indenture. The trustee under both indentures is PNC Bank, National Association. The senior debt indenture and the subordinated debt indenture are sometimes referred to in this prospectus individually as an 'indenture' and collectively as the 'indentures'. Forms of the indenture have been filed with the SEC and are incorporated by reference in the registration statement on Form S-3 (No. 333-51828) under the Securities Act of 1933 of which this prospectus forms a part.

The following summaries of certain provisions of the indentures are not complete and are qualified in their entirety by reference to the indentures. You should read the indentures for further information. If we make no distinction in the following summaries between the senior debt securities and the subordinated debt securities or between the indentures, such summaries refer to any debt securities and either indenture. Where appropriate, we use parentheses to refer you to the particular sections of the applicable indenture. Any reference to particular sections or defined terms of the applicable indenture in any statement under this heading qualifies the entire statement and incorporates by reference the applicable definition into that statement.

### PROVISIONS APPLICABLE TO BOTH SENIOR AND SUBORDINATED DEBT SECURITIES

#### GENERAL

The indentures allow us to issue senior and subordinated debt securities from time to time up to the aggregate principal amount we authorize from time to time. We may issue the debt securities in one or more series with the same or different terms. We may not issue all debt securities of the same series at the same time. All debt securities of the same series need not bear interest at the same rate or mature on the same date. Each indenture permits the appointment of a different trustee for each series of debt securities. If there is at any time more than one trustee under the indentures, the term 'trustee' means each such trustee and will apply to each such trustee only with respect to those series of debt securities for which it is serving as trustee.

We may sell debt securities at a substantial discount below their stated

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principal amount that bear no interest or below market rates of interest. The applicable prospectus supplement will describe the Federal income tax consequences and special investment considerations applicable to any such series of debt securities.

### TERMS SPECIFIED IN THE PROSPECTUS SUPPLEMENT

You should read the prospectus supplement that accompanies this prospectus for information with respect to the debt securities being offered, including:

the designation, aggregate principal amount and authorized denominations of the debt securities;

the percentage of the principal amount at which we will sell the debt securities;

whether the debt securities will be senior or subordinated debt;

the maturity date or the method for determining the maturity date;

the terms for conversion or exchange, if any, of the debt securities;

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the interest rate or rates, if any, or the method for computing such rate or rates;

the interest payment dates or the method for determining such dates;

whether the debt securities will be issued in fully registered form or in bearer form or any combination thereof;

whether the debt securities will be issued in the form of one or more global securities and whether such global securities are to be issuable in a temporary global form or permanent global form;

if other than U.S. dollars, the currency or currencies or currency unit or units in which debt securities may be denominated and purchased and the currency or currencies or currency unit or units in which principal, premium, if any, and any interest may be payable;

if the currency for which debt securities may be purchased or in which principal, premium, if any, and any interest may be payable is at the election of American Express or the purchaser, the manner in which such an election may be made and the terms of such election;

any mandatory or optional sinking fund, redemption or other similar terms;

any index or other method used to determine the amount of principal, premium, if any, and interest, if any, on the debt securities;

if a trustee other than PNC Bank is named for the debt securities, the name of such trustee;

any material provisions of the applicable indenture described in this prospectus that do not apply to the debt securities; and

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any other specific terms of the debt securities.

### PAYMENT

Unless otherwise specified in the applicable prospectus supplement, principal and interest, if any, on the debt securities will be payable initially at the principal corporate trust office of the trustee. At our option, payment of interest may be made, subject to collection, by check. ('SS'12.02) The principal corporate trust office of the trustee on the date of this prospectus is PNC Bank, National Association, One Oliver Plaza, 210 Sixth Avenue, Pittsburgh, Pennsylvania 15222.

If the principal of or interest, if any, on any series of debt securities is payable in foreign currencies or foreign currency units or if debt securities are sold for foreign currencies or foreign currency units, the restrictions, elections, tax consequences, specific terms and other information with respect to such debt securities will be described in the applicable prospectus supplement.

### FORM OF DEBT SECURITIES

We will issue each debt security in global -- i.e. book-entry -- form, unless we specify otherwise in the applicable prospectus supplement. We may issue debt securities solely in fully registered form without coupons, solely in bearer form with or without coupons or both as registered securities and bearer securities. ('SS'11.01)

#### Global Securities

The debt securities of a series may be issued in whole or in part in the form of one or more global securities that will be deposited with or on behalf of a depositary identified in the applicable prospectus supplement. Global securities will be issued in registered form and may be in either temporary or permanent form.

The related prospectus supplement will describe the specific terms of the depositary arrangement with respect to that series of debt securities. We anticipate that the following provisions will apply to all depositary arrangements.

Unless otherwise specified in an applicable prospectus supplement, global securities to be deposited with or on behalf of a depositary will be registered in the name of such depositary or its nominee. Upon the issuance of a global security, the depositary for such global security will credit the respective principal amounts of the debt securities represented by such global security to the participants that have accounts with such depositary or its

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nominee. Ownership of beneficial interests in such global securities will be limited to participants in the depositary or persons that may hold interests through these participants.

A participant's ownership of beneficial interests in these global securities will be shown on the records maintained by the depositary or its nominee. The transfer of a participant's beneficial interest will only be effected through these records. A person whose ownership of beneficial interests in these global

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securities is held through participants will be shown on, and the transfer of that ownership interest within such participant will be effected only through, records maintained by such participant. The laws of some jurisdictions require that certain purchasers of securities take physical delivery of such securities in definitive form. Such limits and such laws may impair the ability to transfer beneficial interests in a global security.

So long as the depository for a global security, or its nominee, is the registered owner of such global security, we will consider such depository or such nominee, to be the sole owner or holder of the debt securities represented by such global security. Except as described below, owners of beneficial interests in global securities will not be entitled to have debt securities of the series represented by such global security registered in their names and will not receive or be entitled to receive physical delivery of debt securities of such series in definitive form. We will not consider owners of beneficial interests in global securities to be the owners or holders of those debt securities under the indenture.

We will make payment of principal of, premium, if any, and any interest on global securities to the depository or its nominee, as the case may be, as the registered owner or the holder of the global security. Neither American Express, the trustee, any paying agent nor the securities registrar for such debt securities will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in a global security or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. ('SS'3.09)

We expect that the depository for a permanent global security, upon receipt of any payment in respect of a permanent global security, will immediately credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such global security as shown on the records of such depository. We also expect that payments by participants to owners of beneficial interests in such global security held through such participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers in bearer form or registered in 'street name', and will be the responsibility of such participants.

We may at any time and in our sole discretion determine not to have any debt securities represented by one or more global securities. In such event, we will issue debt securities in definitive form in exchange for all of the global securities representing such debt securities. ('SS'3.05)

If set forth in the applicable prospectus supplement, an owner of a beneficial interest in a global security may, on terms acceptable to us and the depository, receive debt securities of such series in definitive form. In any such instance, an owner of a beneficial interest in a global security will be entitled to physical delivery in definitive form of debt securities of the series represented by such global security equal in principal amount to such beneficial interest and to have such debt securities registered in its name.

### Registered and Bearer Securities

Registered securities may be exchangeable for other debt securities of the same series, registered in the same name, for the same aggregate principal amount in authorized denominations and will be transferable at any time or from time to time at the office of the trustee. The holder will not pay a service charge for any such exchange or transfer except for any tax or governmental charge incidental thereto. ('SS'3.05) If permitted by applicable laws and regulations, the prospectus supplement will describe the terms upon which registered securities may be exchanged for bearer securities of the series. If any bearer securities are issued, any restrictions applicable to the offer, sale



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or delivery of bearer securities and the terms upon which bearer securities may be exchanged for registered securities of the same series will be described in the prospectus supplement.

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### CONSOLIDATION, MERGER AND SALE OF ASSETS

American Express, without the consent of the holders of any of the outstanding debt securities under either indenture, may consolidate with or merge into, or convey or transfer its properties and assets substantially as an entirety to, any corporation organized under the laws of the United States of America or any State or the District of Columbia, provided, that:

the successor corporation assumes our obligations on all the debt securities and under the indentures;

after giving effect to the transaction no event of default under the indentures, and no event which, after notice or lapse of time, or both, would become an event of default, will have occurred and be continuing; and

that various other conditions are met.

Neither indenture restricts a merger or consolidation in which American Express is the surviving corporation. ('SS'10.01)

### MODIFICATION OF THE INDENTURES

We may modify or amend the indentures without the consent of the holders of any of our outstanding debt securities for various enumerated purposes, including the naming, by a supplemental indenture, of a trustee other than PNC Bank for a series of debt securities. We may modify or amend the indenture with the consent of the holders of a majority in aggregate principal amount of the debt securities of each series affected by the modification or amendment. However, no such modification or amendment may, without the consent of the holder of each debt security affected thereby:

modify the terms of payment of principal or interest; or

reduce the stated percentage of holders of debt securities necessary to modify or amend the indentures or waive our compliance with certain provisions of the indentures and certain defaults thereunder. ('SS'11.02)

### EVENTS OF DEFAULT, NOTICE AND WAIVER

The indenture provides holders of debt securities with remedies if we fail to perform specific obligations, such as making payments on the debt securities. You should review these provisions carefully in order to understand what constitutes an event of default under the indentures.

Unless stated otherwise in the prospectus supplement, an event of default with respect to any series of debt securities under each indenture will be:

default in the payment of the principal of, or premium, if any, on any debt security of such series at its maturity;

default in making a sinking fund payment, if any, when due and payable;

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default for 30 days in the payment of any installment of interest on any debt security of such series;

default for 90 days after written notice in the observance or performance of any other covenant in the relevant indenture;

certain events of bankruptcy, insolvency or reorganization, or court appointment of a receiver, liquidator or trustee for American Express or its property;

an event of default with respect to any other series of debt securities outstanding under the applicable indenture or an event of default under any other indebtedness of American Express for borrowed money in excess of \$50,000,000 which results in an aggregate principal amount of at least \$50,000,000 of such other series of debt securities or such other indebtedness becoming or being declared due and payable prior to the date on which it would otherwise become due and payable and such acceleration has not been rescinded or annulled within 10 days after notice of default is given; and

any other event of default provided in or pursuant to the applicable resolution of the Board of Directors or supplemental indenture under which such series of debt securities is issued. ('SS'7.01)

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The trustee may withhold notice to the holders of any series of debt securities of any default with respect to such series (except in the payment of principal, premium or interest) if it considers such withholding in the interest of such holders. ('SS'8.02)

If an event of default with respect to any series of debt securities has occurred and is continuing, the trustee or the holders of not less than 25% in aggregate principal amount of the debt securities of such series may declare the principal of all the debt securities of such series to be due and payable immediately. ('SS'7.02)

Each indenture contains a provision entitling the trustee to be indemnified by the holders before proceeding to exercise any right or power under the indenture at the request of any of the holders. ('SS'8.03) Each indenture provides that the holders of a majority in aggregate principal amount of the outstanding debt securities of any series may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred upon the trustee, with respect to the debt securities of such series. ('SS'7.12) The right of a holder to institute a proceeding with respect to the applicable indenture is subject to certain conditions precedent, including notice and indemnity to the trustee. However, the holder has an absolute right to the receipt of principal of, premium, if any, and interest, if any, on the debt securities of any series on the respective stated maturities (as defined in the indentures) and to institute suit for the enforcement of these rights. ('SS'7.07 and 7.08)

The holders of not less than a majority in aggregate principal amount of the outstanding debt securities of any series may on behalf of the holders of all the debt securities of such series waive any past defaults. Each holder of a debt security affected by a default must consent to a waiver of:

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a default in payment of the principal of or premium, if any, or interest, if any, on any debt security of such series;

a default in the payment of any sinking fund installment or analogous obligation with respect to the debt securities of such series; and

a default in respect of a covenant or provision of the applicable indenture which cannot be amended or modified without the consent of the holder of each outstanding debt security affected. ('SS'7.13)

We will furnish to the trustee annual statements as to the fulfillment of its obligations under each indenture. ('SS'SS'9.04 and 12.05).

### CONCERNING THE TRUSTEE

PNC Bank, the current trustee under the indentures, provides banking and corporate trust services to American Express and extends credit to American Express and many of its subsidiaries worldwide. The trustee is a depository of our funds and holds our common shares for the benefit of its customers, including customers over whose accounts the trustee has discretionary authority. If a bank or trust company other than PNC Bank is to act as trustee for a series of debt securities, the applicable prospectus supplement will provide information concerning such other trustee.

### DEFEASANCE OF THE INDENTURE AND DEBT SECURITIES

The indentures permit us to be discharged from our obligations under the indentures and the debt securities if we comply with the following procedures. This discharge from our obligations is referred to in this prospectus as defeasance.

Unless the applicable prospectus supplement states otherwise, if we deposit with the trustee sufficient cash and/or government securities to pay and discharge the principal and premium, if any, and interest, if any, to the date of maturity on such series of debt securities then from and after the ninety-first day following such deposit:

we will be deemed to have paid and discharged the entire indebtedness on the debt securities of any series; and

our obligations under each indenture with respect to the debt securities of such series will cease to be in effect.

Following such defeasance, holders of the applicable debt securities would be able to look only to the trust fund for payment of principal and premium, if any, and interest, if any, on their debt securities.

Such defeasance may be treated as a taxable exchange of the related debt securities for obligations of the trust or a direct interest in the money or government securities held in the trust. In that case holders of such debt securities would recognize gain or loss as if the trust obligations or the money or government securities held in the trust, as the case may be, had actually been received by the holders in exchange for their debt securities. Such holders thereafter might be required to include as income a different amount of income

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than in the absence of such defeasance. We urge prospective investors to consult their own tax advisors as to the specific tax consequences of defeasance.

### PROVISIONS APPLICABLE SOLELY TO SUBORDINATED SECURITIES

#### GENERAL

We are issuing subordinated debt securities under the subordinated debt indenture. Holders of subordinated debt securities should recognize that contractual provisions in the subordinated debt indenture may prohibit us from making payments on these securities. The subordinated debt securities will rank on an equal basis with certain other subordinated debt of American Express that may be outstanding from time to time and will rank junior to all senior indebtedness (as defined below) of American Express (including any senior debt securities) that may be outstanding from time to time.

If subordinated debt securities are issued under the subordinated indenture, the aggregate principal amount of senior indebtedness outstanding as of a recent date will be set forth in the applicable prospectus supplement. The subordinated indenture does not restrict the amount of senior indebtedness that we may incur.

#### SUBORDINATION

The payment of the principal of, and premium, if any, and interest on the subordinated debt securities is expressly subordinated, to the extent and in the manner set forth in the subordinated indenture, in right of payment to the prior payment in full of all of our senior indebtedness. ('SS'13.01) The term senior indebtedness is defined in the subordinated indenture as indebtedness we incur for money borrowed, all deferrals, renewals or extensions of any such indebtedness and all evidences of indebtedness issued in exchange for any such indebtedness. Senior indebtedness also includes our guarantees of the foregoing items of indebtedness for money borrowed by persons other than American Express, unless, in any such case, such indebtedness or guarantee provides by its terms that it will not constitute senior indebtedness.

The subordinated debt indenture provides that, unless all principal of and any premium or interest on, the senior indebtedness has been paid in full, or provision has been made to make these payments in full, no payment or other distribution may be made with respect to the subordinated indebtedness in the following circumstances:

any acceleration of the principal amount due on the subordinated debt securities;

the dissolution or winding-up or total or partial liquidation or reorganization of American Express, whether voluntary or involuntary or in bankruptcy, insolvency, receivership or other proceedings;

a default in the payment of principal, premium, if any, sinking fund or interest with respect to any senior indebtedness; or

an event of default (other than a default in the payment of principal, premium, if any, sinking funds or interest) with respect to any senior indebtedness, as defined in the instrument under which the same is outstanding, permitting the holders of senior indebtedness to accelerate its maturity, and such event of default has not been cured or waived.

A merger, consolidation or conveyance of all or substantially all of our assets on the terms and conditions provided in the subordinated indenture will not be deemed a dissolution, winding-up, liquidation or reorganization for the purposes of these subordination provisions.

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If the holders of subordinated securities receive any payment or distribution of assets of American Express not permitted by the subordination provisions, the holders of subordinated debt securities will have to repay such amount to the holders of the senior debt securities or to the trustee.

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### SUBROGATION

After the payment in full of all senior indebtedness, the holders of the subordinated debt securities will be subrogated to the rights of the holders of senior indebtedness to receive payments or distributions of assets or securities of American Express applicable to the senior indebtedness until the subordinated debt securities are paid in full. Under these subrogation provisions, no payments or distributions to the holders of senior indebtedness which otherwise would have been payable or distributable to holders of the subordinated debt securities will be deemed to be a payment by us to or on the account of the senior indebtedness. These provisions of the subordinated indenture are intended solely for the purpose of defining the relative rights of the holders of the subordinated debt securities and the holders of the senior debt securities. Nothing contained in the subordinated indenture is intended to impair the absolute obligation of American Express to pay the principal of and interest on the subordinated debt securities in accordance with their terms or to affect the relative rights of the holders of the subordinated debt securities and creditors of American Express other than the holders of the senior indebtedness. These subrogation provisions of the subordinated indenture will not prevent the holder of any subordinated debt security from exercising all remedies otherwise permitted by applicable law upon default of such security, subject to the rights of subordination described above.

### PROVISIONS APPLICABLE SOLELY TO SENIOR SECURITIES

#### RESTRICTIONS AS TO LIENS

The senior indenture includes a covenant providing that we will not at any time directly or indirectly create, or allow to exist or be created, any mortgage, pledge, encumbrance or lien of any kind upon:

any shares of capital stock owned by American Express or any of American Express Travel Related Services Company, Inc., American Express Bank Ltd. or American Express Financial Corporation, so long as they continue to be our subsidiaries, which we refer to collectively as the 'principal subsidiaries'; or

any shares of capital stock owned by American Express of a subsidiary that owns, directly or indirectly, capital stock of the principal subsidiaries.

Such liens are permitted if we provide that the senior debt securities will be secured by such lien equally and ratably with any and all other obligations also secured, for as long as any such other obligations are so secured. However, we may incur or allow to exist upon the stock of the principal subsidiaries liens for taxes, assessments or other governmental charges or levies which are not yet due or are payable without penalty or which we are contesting in good faith, or liens of judgments that are on appeal or are discharged within 60 days. ('SS'12.07(a))

This covenant will cease to be binding on us with respect to any series of

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the senior debt securities to which such covenant applies following discharge of such senior debt securities. ('SS'12.07(b))

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### DESCRIPTION OF PREFERRED SHARES

#### GENERAL

The following briefly summarizes the material terms of our preferred shares, other than pricing and related terms which are disclosed in the applicable prospectus supplement. You should read the applicable prospectus supplement together with the certificate of designation relating to such series and our restated certificate of incorporation for a more detailed description of a particular series of preferred shares and other provisions that may be important to you.

Under our restated certificate of incorporation, we are authorized to issue 20,000,000 preferred shares, par value \$1.66  $\frac{2}{3}$  per share. We do not currently have any outstanding preferred shares and therefore all 20,000,000 shares are still available for issuance. Our board of directors is authorized to issue our preferred shares from time to time in one or more series with such designations, voting powers, dividend rates, rights of redemption, conversion rights or other special rights, preferences and limitations as may be stated in resolutions adopted by the board of directors.

The preferred shares will have the dividend, liquidation and voting rights set forth below unless otherwise provided in the prospectus supplement relating to a particular series of preferred shares. You should read the prospectus supplement relating to the particular series of the preferred shares being offered for specific terms, including:

the title, number of shares offered and liquidation preference per share;

the price per share;

the dividend rate, the dates on which dividends will be payable, the conditions under which dividends will be payable or the method of determining such rate, dates and conditions;

whether dividends will be cumulative or noncumulative and, if cumulative, the dates from which dividends will commence to accumulate;

whether dividends are participating or non-participating;

any redemption, sinking fund or analogous provisions;

any conversion or exchange provisions;

whether we have elected to offer depositary shares with respect to the preferred shares as described below under 'Depositary Shares';

whether the preferred shares will have voting rights, in addition to the voting rights described below, and, if so, the terms of such voting rights;

the procedures for any auction and remarketing of the preferred shares; and

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any additional dividend, liquidation, redemption, sinking fund and other rights, preferences, privileges, limitations and restrictions.

When issued, the preferred shares will be fully paid and nonassessable.

### DIVIDEND RIGHTS

All preferred shares will be of equal rank with each other regardless of series. If the stated dividends or the amounts payable on liquidation are not paid in full, the preferred shares of all series will share ratably in the payment of dividends and in any distribution of assets.

### RIGHTS UPON LIQUIDATION

Unless otherwise specified in the applicable prospectus supplement, in the event of a liquidation each series of the preferred shares will rank on an equal basis with all other outstanding preferred shares and prior to the common stock as to dividends and distributions.

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### VOTING RIGHTS

Except as described below, the holders of preferred shares have no voting rights, other than as may be required by law. Whenever dividends payable on the preferred shares of any series will be in arrears in an aggregate amount at least equal to six full quarterly dividends on such series, the holders of the outstanding preferred shares of all series will have the special right, voting separately as a single class, to elect two directors at the next succeeding annual meeting of shareholders. Subject to the terms of any outstanding series of preferred shares, the holders of common stock and the holders of one or more series of preferred shares then entitled to vote will have the right, voting as a single class, to elect the remaining authorized number of directors.

At each meeting of shareholders at which the holders of the preferred shares will have this special right, the presence in person or by proxy of the holders of record of one-third of the total number of the preferred shares of all series then issued and outstanding will constitute a quorum of such class. Each director elected by the holders of the preferred shares of all series will hold office until the annual meeting of shareholders next succeeding his election and until his successor, if any, is elected by such holders and qualified or until his death, resignation or removal in the manner provided in our by-laws. A director elected by the holders of the preferred shares of all series may only be removed without cause by such holders. In case any vacancy will occur among the directors elected by the holders of the preferred shares of all series such vacancy may be filled for the unexpired portion of the term by vote of the remaining director elected by such shareholders, or his successor in office. If such vacancy occurs more than 90 days prior to the first anniversary of the next preceding annual meeting of shareholders, the vacancy may be filled by the vote of such shareholders given at a special meeting of such shareholders called for the purpose. Whenever all arrears of dividends on the preferred shares of all series will have been paid and dividends for the current quarterly period will have been paid or declared and provided for, the right of the holders of the preferred shares of all series to elect two directors will terminate at the next succeeding annual meeting of shareholders.

The consent of the holders of at least two-thirds of the outstanding

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preferred shares voting separately as a single class will be required for:

the authorization of any class of shares ranking prior to the preferred shares as to dividends or upon liquidation, dissolution or winding up;

an increase in the authorized amount of any class of shares ranking prior to the preferred shares; or

the authorization of any amendment to the restated certificate of incorporation or the by-laws that would adversely affect the relative rights, preferences or limitations of the preferred shares. If any such amendment will adversely affect the relative rights, preferences or limitations of one or more, but not all, of the series of preferred shares then outstanding, the consent of the holders of at least two-thirds of the outstanding preferred shares of the several series so affected will be required in lieu of the consent of the holders of at least two-thirds of the outstanding preferred shares of all series.

In any case in which the holders of the preferred shares will be entitled to vote separately as a single class, each holder of preferred shares of any series will be entitled to one vote for each such share held.

### DESCRIPTION OF DEPOSITARY SHARES

The description set forth below and in any prospectus supplement of certain provisions of the deposit agreement, the depositary shares and the depositary receipts is a summary of general terms and is not complete. This description is subject to, and qualified in its entirety by, reference to the forms of deposit agreement and depositary receipts relating to each series of preferred shares which have been or will be filed with the SEC in connection with the offering of such series of preferred shares. You should read such documents for further information.

### GENERAL

We may elect to offer fractional interests in preferred shares rather than preferred shares. If we do, we will select a depositary that will issue to the public receipts for depositary shares, each of which will represent fractional interests of a particular series of preferred shares. These depositary receipts will be distributed in accordance with the terms of the offering described in the related prospectus supplement.

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The depositary will be a bank or trust company that has its principal office in the United States and has a combined capital and surplus of at least \$50,000,000. We will deposit the preferred shares underlying the depositary shares with the depositary under the terms of a separate deposit agreement. The prospectus supplement relating to a series of depositary shares will set forth the name and address of the depositary. Subject to the terms of the deposit agreement, the owners of depositary shares will be entitled to all the rights and preferences of the preferred shares underlying such depositary shares, including dividend, voting, redemption, conversion and liquidation rights. Each owner of depositary shares will be entitled to these rights and preferences in proportion to the applicable fractional interests in preferred shares underlying their depositary shares.



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### DIVIDENDS AND OTHER DISTRIBUTIONS

The depositary will distribute all cash dividends or other cash distributions received in respect of preferred shares to the record holders of the related depositary shares in proportion to the number of such depositary shares owned by such holders on the relevant record date. The depositary will distribute only such amount, however, as can be distributed without attributing to any holder of depositary shares a fraction of one cent. Any balance that is not distributed due to this restriction will be added to and treated as part of the next sum received by the depositary for distribution to record holders of depositary shares.

In the event of a non-cash distribution, the depositary will distribute property received by it to the record holders of depositary shares. If, however, the depositary determines that it is not feasible to make such distribution, the depositary may, with our approval, sell such property and distribute instead the net proceeds from such sale.

The deposit agreement will also contain provisions relating to the manner in which any subscription or similar rights we offer to holders of the preferred shares will be made available to the holders of depositary shares.

### REDEMPTION OF DEPOSITARY SHARES

If a series of the preferred shares that underlies the depositary shares is redeemed, the depositary will in turn redeem the depositary shares. The depositary will redeem the depositary shares from the proceeds it receives from the redemption, in whole or in part, of the preferred shares it holds. The depositary will mail notice of any such redemption to the record holders of the depositary shares to be redeemed between 30 and 60 days prior to the date fixed for redemption. The redemption price per depositary share will be equal to the applicable fraction of the redemption price per share payable with respect to such series of the preferred shares. If less than all of the depositary shares are to be redeemed, the depositary will select the depositary shares to be redeemed by lot or redeem such shares pro rata.

The depositary shares called for redemption will no longer be deemed to be outstanding after the date fixed for redemption. All rights of the holders of the depositary shares will cease, except the right to receive the moneys, securities or other property payable upon such redemption upon surrender to the depositary of the depositary receipts evidencing such depositary shares.

### VOTING THE PREFERRED SHARES

The holders of depositary shares will be entitled to instruct the depositary as to the exercise of the voting rights of the preferred shares held by the depositary. Upon the receipt of notice of any meeting at which the holders of the preferred shares are entitled to vote, the depositary will mail the information contained in such notice of meeting to the record holders of the depositary shares relating to such preferred shares. Each record holder of such depositary shares on the record date (which will be the same date as the record date for the preferred shares) will be entitled to instruct the depositary as to the exercise of the voting rights pertaining to the number of shares of preferred shares underlying such depositary shares in accordance with such instructions. American Express will agree to take all action that may be deemed necessary by the depositary in order to enable the depositary to carry out this obligation.

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### AMENDMENT AND TERMINATION OF DEPOSITARY AGREEMENT

At any time, American Express and the depositary may agree to amend the form of depositary receipt evidencing the depositary shares or any provision of the deposit agreement. However, any amendment which materially and adversely alters the rights of the existing holders of depositary shares will not be effective unless such amendment has been approved by the record holders of at least a majority of the depositary shares then outstanding.

American Express or the depositary may terminate a deposit agreement only if:

all outstanding depositary shares relating to the depositary agreement have been redeemed; or

in connection with any liquidation, dissolution or winding up of American Express there has been a final distribution in respect of the relevant series of preferred shares which has been distributed to the holders of the related depositary shares.

### CHARGES OF DEPOSITARY

We will pay all transfer and other taxes and governmental charges arising solely from the existence of the depositary arrangements. We will also pay charges of the depositary in connection with the initial deposit of the preferred shares and any redemption of the preferred shares. Holders of the depositary shares will pay transfer and other taxes and governmental charges and such other charges as described in the deposit agreement.

### RESIGNATION AND REMOVAL OF DEPOSITARY

The depositary may resign at any time by delivering a notice to American Express. We may at any time remove the depositary. Such resignation or removal will take effect upon the appointment of a successor depositary and its acceptance of such appointment. Such successor depositary must be appointed within 60 days after delivery of the notice of resignation or removal and must be a bank or trust company having its principal office in the United States and having a combined capital and surplus of at least \$50,000,000.

### MISCELLANEOUS

The depositary will forward to the holders of depositary shares all reports and communications from American Express which are delivered to the depositary and which American Express is required to furnish to the holders of the preferred shares.

Neither the depositary nor American Express will be liable if it is prevented or delayed in performing its obligations under the deposit agreement by law or any circumstance beyond its control. The obligations of American Express and the depositary under the deposit agreement will be limited to performance in good faith of their duties thereunder. American Express and the depositary will not be obligated to prosecute or defend any legal proceeding in respect of any depositary shares or preferred shares unless a satisfactory indemnity is provided. American Express and the depositary may rely upon written advice of counsel or accountants, information provided by persons presenting preferred shares for deposit, holders of depositary shares or other persons believed to be competent.

### DESCRIPTION OF COMMON SHARES

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The following summary does not purport to be complete. You should read the applicable provisions of the New York Business Corporation Law, our restated certificate of incorporation and by-laws.

We are authorized to issue up to 3,600,000,000 common shares, par value \$.20 each. At October 31, 2000, we had outstanding 1,329,976,393 common shares. As of December 31, 1999, we had reserved approximately 243,000,000 common shares for issuance with respect to various employee stock plans, employee benefit plans, convertible debentures, and the dividend reinvestment plan.

Subject to the prior dividend rights of the holders of any preferred shares, holders of common shares are entitled to receive dividends when, as and if declared by the Board of Directors out of funds legally available therefor.

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Each common share is entitled to one vote on all matters submitted to a vote of shareholders. Holders of the common shares do not have cumulative voting rights. In the event of any liquidation, dissolution or winding up of American Express, after the satisfaction in full of the liquidation preferences of holders of any preferred shares, holders of common shares are entitled to ratable distribution of the remaining assets available for distribution to shareholders. The common shares are not subject to redemption by operation of a sinking fund or otherwise. Holders of common shares are not entitled to pre-emptive rights. The issued and outstanding common shares are fully paid and nonassessable.

### DESCRIPTION OF SECURITIES WARRANTS

We may issue warrants for the purchase of:

debt securities,

preferred shares,

depository shares,

common shares, or

equity securities issued by one of our affiliated or unaffiliated corporations or other entity.

We may issue these securities warrants independently or together with any other securities offered by any prospectus supplement. The securities warrants may be attached to or separate from such securities. Each series of securities warrants will be issued under a separate warrant agreement to be entered into between us and a warrant agent. The warrant agent will act solely as our agent in connection with the securities warrants of such series and will not assume any obligation or relationship of agency or trust for or with any holders or beneficial owners of securities warrants. The following summary sets forth certain general terms and provisions of the securities warrants offered by this prospectus. Further terms of the securities warrants and the applicable securities warrant agreement will be described in the applicable prospectus supplement.

The applicable prospectus supplement will describe the following terms,

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where applicable, of the securities warrants in respect of which this prospectus is being delivered:

the title and aggregate number;

the price or prices at which they will be issued;

the currencies in which the price of the securities warrants may be payable;

the designation, aggregate principal amount and terms of the securities purchasable upon exercise;

the designation and terms of the securities with which the securities warrants are issued and the number of the securities warrants issued with each such security;

the currency or currencies, including composite currencies, in which the principal of or any premium or interest on the securities purchasable upon exercise of the securities warrant will be payable;

if applicable, the date on and after which the securities warrants and the related securities will be separately transferable;

the price at which and currency or currencies, including composite currencies, in which the securities purchasable upon exercise of the securities warrants may be purchased;

the date on which the right to exercise the securities warrants will commence and the date on which such right will expire;

the minimum or maximum amount of the securities warrants which may be exercised at any one time;

information with respect to book-entry procedures, if any;

a discussion of certain Federal income tax considerations; and

any other terms of the securities warrants, including terms, procedures and limitations relating to the exchange and exercise of the securities warrants.

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### DESCRIPTION OF CURRENCY WARRANTS

We may issue warrants entitling the holder to receive the cash value in U.S. dollars of the right to purchase or the right to sell foreign currencies or composite currencies. The following description of the terms of these currency warrants contains only some of the general terms and provisions of these warrants. The particular terms of the currency warrants offered by any prospectus supplement and the extent, if any, to which such general provisions may not apply to the currency warrants then offered will be described in the applicable prospectus supplement.

Each issue of currency warrants will be issued under a warrant agreement to be entered into between us and a warrant agent. The currency warrant agent will

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act solely as our agent under the applicable currency warrant agreement and will not assume any obligation or relationship of agency or trust for or with any holders of such currency warrants.

The applicable prospectus supplement will describe the following terms, where applicable, of the currency warrants in respect of which this prospectus is being delivered:

the aggregate amount and number;

the offering price;

the designated currency, which currency may be a foreign currency or a composite currency, and information regarding such currency or composite currency;

the date on which the right to exercise the currency warrants commences and the date on which such right expires;

the manner in which the currency warrants may be exercised;

the circumstances which will cause the currency warrants to be deemed automatically exercised;

the minimum number, if any, of the currency warrants exercisable at any one time and any other restrictions on exercise;

the method of determining the amount payable in connection with the exercise of the currency warrants, including the strike price or range of strike prices of the currency warrants, the method of determining the spot exchange rate and the U.S. Dollar settlement value for the currency warrants;

the securities exchange on which the currency warrants will be listed, if any;

whether the currency warrants will, from the perspective of holders, be represented by certificates or issued in book-entry form;

the place or places at which payment of the cash settlement value of the currency warrants is to be made, if applicable;

information with respect to book-entry procedures, if any;

the plan of distribution of the currency warrants, and

any other terms of the currency warrants.

Prospective purchasers of the currency warrants should be aware of special Federal income tax considerations applicable to instruments such as the currency warrants. The prospectus supplement relating to each issue of currency warrants will describe such tax considerations.

### DESCRIPTION OF OTHER WARRANTS

We may issue other warrants to buy or sell:

debt securities of or guaranteed by the United States,

currencies,

units of a stock index or stock basket,

a commodity or a unit of a commodity index, or  
another item or unit of an index.

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We refer to the property in the above clauses as the 'warrant property'. Other warrants will be settled either through physical delivery of the warrant property or through payment of a cash settlement value as set forth in the applicable prospectus supplement. Other warrants will be issued under a warrant agreement to be entered into between us and a warrant agent. The other warrant agent will act solely as our agent under the applicable other warrant agreement and will not assume any obligation or relationship of agency or trust for or with any holders of such other warrants.

The applicable prospectus supplement will describe the following terms, where applicable, of the other warrants:

the title and aggregate number;

the offering price;

the material risk factors;

the warrant property;

the procedures and conditions relating to exercise;

the date on which the right to exercise will commence and the date on which such right will expire;

the identity of the other warrant agent for the other warrants;

whether the certificates evidencing the other warrants will be issuable in definitive registered form or global form or both;

a discussion of Federal income tax considerations applicable to the other warrants; and

any other terms of the other warrants, including any terms that may be required or advisable under applicable law.

The other warrants may entail significant risks, including, without limitation, the possibility of significant fluctuations in the market for the applicable warranty property, potential illiquidity in the secondary market and the risk that they will expire worthless. These risks will vary depending on the particular terms of the other warrants and will be more fully described in the applicable prospectus supplement.

#### PLAN OF DISTRIBUTION

American Express and the selling shareholders may sell the securities described in this prospectus from time to time in one or more of the following ways:

to or through underwriters or dealers;

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directly to one or more purchasers;  
through agents; or  
through a combination of any of such methods of sale.

The prospectus supplement with respect to the offered securities will describe the terms of the offering, including:

the name or names of any agents or underwriters,  
the purchase price of such securities and the proceeds to American Express from such sale,  
any underwriting discounts and other items constituting underwriters' or agents' compensation,  
any initial public offering price,  
any discounts or concessions allowed or reallocated or paid to dealers,  
any selling shareholders, and  
any securities exchanges on which such securities may be listed.

Only agents or underwriters named in the prospectus supplement are deemed to be agents or underwriters in connection with the securities offered thereby. If underwriters are used in the sale, the securities will be

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acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, either:

at a fixed public offering price or prices,  
at market prices prevailing at the time of sale,  
at varying prices determined at the time of sale, or  
at negotiated prices.

The obligations of the underwriters to purchase the securities will be subject to various conditions precedent, and the underwriters will be obligated to purchase all of the securities of the series offered by the prospectus supplement relating to such series if any of such securities are purchased. Any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers may be changed from time to time.

American Express and the selling shareholders may also sell securities directly or through agents designated from time to time. Any agent involved in the offering and sale of the offered securities is named in the applicable prospectus supplement. Any commissions payable by us or the selling shareholders to such agent are set forth in the applicable prospectus supplement. Unless otherwise indicated in such prospectus supplement, any such agent is acting on a best efforts basis for the period of its appointment.

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If so indicated in a prospectus supplement, we will authorize agents, underwriters or dealers to solicit offers by certain institutional investors to purchase securities providing for payment and delivery on a future date specified in such prospectus supplement. There may be limitations on the minimum amount that may be purchased by any such institutional investor or on the portion of the aggregate principal amount of the particular securities that may be sold pursuant to such arrangements.

Institutional investors to which such offers may be made, when authorized, include, commercial and savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions, and other institutions we may approve. The obligations of any such purchasers under this delayed delivery and payment arrangement will only be subject to the following two conditions:

at the time of delivery the purchase of the particular securities by an institution will not be prohibited under the laws of any jurisdiction in the United States to which such institution is subject; and

if the particular securities are being sold to underwriters, American Express will have sold to such underwriters the total principal amount of such securities or number of warrants less the principal amount or number thereof, as the case may be, covered by such arrangements.

Underwriters will not have any responsibility in respect of the validity of such arrangements or the performance of American Express or such institutional investors.

Shares of our common stock may be offered or sold in connection with the settlement of forward purchase contracts we enter into from time to time with a financial institution. The financial institution may be deemed to be an underwriter or may be deemed to be a selling shareholder. If any such sales are conducted, whether the third party is deemed to be an underwriter or a selling shareholder, the prospectus supplement related to such sales will set forth, as required, the following information:

the identity of the underwriter or selling shareholder,

the amount of shares being sold,

the aggregate number of shares held by the financial institution before and after the proposed sale,

and any material arrangements between us and the financial institution within the past three years.

In connection with an offering, the underwriters may purchase and sell securities in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by underwriters of a greater number of securities than they are required to purchase in an offering. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the securities while an offering is in progress.

The underwriters also may impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the underwriters have repurchased securities sold by or for the account of the underwriter in stabilizing or short-covering transactions.



These activities by the underwriters may stabilize, maintain or otherwise affect the market price of the securities. As a result, the price of the securities may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the underwriters at any time. These transactions may be effected on an exchange or automated quotation system, if the securities are listed on that exchange or admitted for trading on that automated quotation system, or in the over-the-counter market or otherwise.

Agents and underwriters may be entitled under agreements entered into with American Express to indemnification by American Express against certain civil liabilities, including liabilities under the Securities Act of 1933, as amended, or to contribution with respect to payments which the agents or underwriters may be required to make in respect thereof. Agents and underwriters may be customers of, may engage in transactions with, or perform services for, American Express in the ordinary course of business.

#### LEGAL MATTERS

Louise M. Parent, Esq., our Executive Vice President and General Counsel, will pass upon the validity of the securities for us. Unless provided otherwise in the applicable prospectus supplement, the validity of the securities will be passed upon for any underwriters or agents by Cleary, Gottlieb, Steen & Hamilton, New York, New York.

#### EXPERTS

The consolidated financial statements and schedules to financial statements of American Express included or incorporated by reference in our Annual Report on Form 10-K for the year ended December 31, 1999 have been audited by Ernst & Young LLP, independent auditors, as set forth in their report included in the Annual Report on Form 10-K and incorporated in this prospectus by reference. We have incorporated by reference into this prospectus our consolidated financial statements and schedules to financial statements in reliance upon such report given upon the authority of Ernst & Young as experts in auditing and accounting.

Ernst & Young LLP have reported that they have applied limited procedures, in accordance with professional standards for a review of such information, with respect to the unaudited consolidated interim financial information for the nine month periods ended September 30, 2000 and 1999 that we have incorporated by reference into this prospectus and registration statement. However, their separate report, included in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2000, and incorporated herein by reference, states that they did not audit and they do not express an opinion on that interim financial information. Accordingly, the degree of reliance on their report on such information should be restricted considering the limited nature of the review procedures applied. The independent auditors are not subject to the liability provisions of Section 11 of the Securities Act of 1933 for their report on the unaudited interim financial information because that report is not a 'report' or a 'part' of the Registration Statement prepared or certified by the auditors within the meaning of Sections 7 and 11 of the Securities Act of 1933.

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[AMERICAN EXPRESS LOGO]