

the company for the future. We made the tough calls that were required, but we did it in a thoughtful way that built upon and remained true to our traditional values as a company. As a result, rather than becoming demoralized or distracted, our employees remained motivated and focused — more resilient and confident in our ability to be successful.

Results from our annual employee satisfaction survey support this view. About 86 percent of employees worldwide participated in the 2002 survey. The results were strong, showing improvement for the company overall and within most major businesses and markets. Company-wide, there were gains in 11 of 12 categories measured in the survey. (One category remained unchanged.) The results also compared very favorably with external benchmarks.

Due to our focus on maintaining and improving the quality of our workplace, we are receiving increased external recognition as a top employer. During 2002, we appeared on a record 16 media lists, including **Working Mother's 100 Best Companies for Working Mothers** (where we made the top 10 for the first time) and **Fortune's 100 Best Companies to Work For in America** (on which we moved up significantly to 36 from 91). We were also cited on numerous occasions for the successful return to our headquarters and our commitment to rebuilding the lower Manhattan community.

Our return to our corporate headquarters building in lower Manhattan, which had been damaged in the attacks of September 11, 2001, was an important aspect of our company's renewal in 2002. In May, we celebrated our return to the American Express Tower. Our headquarters staff had been scattered across seven

locations in New York, New Jersey and Connecticut while we waited for repairs to be completed and the World Financial Center area to be restored. During this time, our employees showed great resolve, refusing to become distracted when physical circumstances forced us to work apart from each other. Our actions in reaffirming our commitment to New York City and supporting the revitalization of lower Manhattan are a source of pride for our people worldwide.

I would like to once again thank all the employees of American Express for their dedication and incredible efforts over the past year. Through all the distractions and challenges we faced, they stayed focused on providing exceptional service to our customers and moving the business forward. The results that we achieved and the progress we made in 2002 are a testament to their character and talent. Our people are the source of our strength and success, and I am proud to work with them.

Board of Directors

The importance of strong, independent boards of directors was highlighted by the corporate scandals of 2002. American Express continued to benefit from the governance, counsel and guidance of our directors. On behalf of our employees and shareholders, I would like to thank the Board for the diligence and insight they bring to exercising their duty to the company. In the past year, we welcomed a new addition to our Board: Robert D. Walter, Chairman and Chief Executive Officer of Cardinal Health, Inc.

I also would like to express our gratitude to Beverly Sills Greenough, who retired from the Board in April, for the many contributions she made to our company during her 12 years of service.