



Business Travel Costs Continue Steady Climb In Third Quarter | AMEX Business Travel Monitor

NEW YORK, According to the Business Travel Monitor released today by American Express Business Travel, the world's largest travel management company, average airfares for U.S. domestic and international routes rose in the third quarter compared to the second quarter of 2005. Notably, on a year-over-year quarterly period, the Average Fare Paid on international routes has increased more than ten percent. For that same year-over-year quarterly period, international hotel rates continued to climb, while domestic hotel and car rental rates have leveled off.



"With increased demand for global travel, continued oil pricing pressures, reduced supplier capacity, particularly for air and hotel inventory, business travel costs continue their steady climb," said Andy McGraw, Senior Vice President and General Manager of American Express Business Travel North America. "Looking to 2006, expense containment and strategic travel program management, from an investment and policy compliance standpoint, will be critical for corporate travel buyers and managers alike."

Domestic Average Fare Paid Increases Slightly

According to the Business Travel Monitor, which tracks 329 domestic city pairs, the U.S. domestic Average Fare Paid for business travel during the third quarter of 2005 increased one percent to \$219 one-way, up from \$217 one-way for the same period in 2004, and also up one percent from the \$218 one-way fare posted in the second quarter of 2005.

Though increasing through the nine month period ending September 31, 2005, the annual Average Fare Paid has steadily declined since year-end 2000, as follows:

- 2000 -- \$259
- 2001 -- \$259
- 2002 -- \$243
- 2003 -- \$243
- 2004 -- \$225
- Q1 2005 -- \$202
- Q2 2005 -- \$218
- Q3 2005 -- \$219

The Average Fare Paid reflects the price paid by American Express Business Travel clients and includes a variety of fare types actually booked by business travelers including first class, unrestricted and discount air fares. The American Express Business Travel's Average Fare Paid continues to be lower than published business airfares.

International Travel Rates Climb

Notably, across the Business Travel Monitor's 160 international city pairs, for the third quarter of 2005 the international Average Fare Paid grew ten percent to \$1,633, with First Class and Business Class international airfares also

increasing five percent to \$5,782 and \$3,882 respectively, as compared to the third quarter of 2004.

Comparing the third quarter of 2005 to the second quarter of 2005, the average, one-way Business Class international fare increased one percent to \$3,882, and the average one-way First Class international fare also increased one percent to \$5,782. For the same period, the average one-way Discount Economy international fare saw a three percent increase to \$1,081.

International Hotel Rates Jump, Domestic Rates Increase Slightly

Based on the Monitor's findings, average booked hotel rates increased for both international and domestic hotels in the third quarter of 2005 when compared to the same period in 2004. The international booked rate rose to \$217 from \$204, while the U.S. domestic booked rate rose one dollar (\$131) versus \$130 last year.

Booked hotel rates, both international and domestic, represent the total spending of all American Express Business Travel clients divided by the total number of room nights confirmed.

Car Rental Costs Change Little

The Monitor also noted that the average daily cost for car rentals paid for with the American Express® Corporate Card, which includes all charges incurred (mileage, gas, tax and insurance), grew by one percent to \$66 in the third quarter of 2005 when compared to the same period in 2004.

During the same time, the average cost per rental increased by two percent to \$195 from \$192, while the average length of rental in days (2.9 days) remained relatively level.

About the American Express Business Travel Monitor | eCLIPSE Advisors, the global travel procurement subsidiary of American Express, creates the American Express Business Travel Monitor, a benchmarking service that offers corporations a comprehensive collection of pricing data across major travel and entertainment (T&E) expenses, by accessing American Express' extensive global database of purchase information. The American Express Business Travel Monitor tracks a variety of travel expense categories, including published and purchased pricing for airfares, hotels and car rentals made from a United States point of sale.

About American Express Business Travel | American Express Business Travel, a division of the American Express Company, is dedicated to helping its customers realize the greatest possible value from their investment in travel through increased cost savings, outstanding customer service and greater spend control. For small businesses, medium-sized enterprises and multinational corporations, American Express Business Travel provides a combination of industry-leading booking technology, travel management consulting expertise, strategic sourcing and supplier negotiation support and customer service available around the world, around the clock, online and offline. American Express operates the world's largest travel agency network, recording nearly \$20 billion in worldwide travel sales in 2004.

American Express Company is a diversified worldwide travel, financial and network services company founded in 1850. It is a world leader in charge and credit cards, Travelers Cheques, travel, business services and international banking.

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