

Analysis of American Express Cards when 0.00% of AMEX is incremental

Without AMEX
Sales Breakdown

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Base Sales	11,965,121,407	12,982,897,096	13,949,902,872	15,224,621,692	16,636,037,636	17,904,597,314	19,408,164,931	21,033,784,519	22,834,589,381	24,763,248,711
Incr. AMEX										
Total Sales	11,965,121,407	12,982,897,096	13,949,902,872	15,224,621,692	16,636,037,636	17,904,597,314	19,408,164,931	21,033,784,519	22,834,589,381	24,763,248,711
Cash %	33.48%	30.88%	29.06%	27.46%	26.23%	25.39%	24.68%	24.10%	23.60%	23.09%
Check %	33.48%	30.88%	29.06%	27.46%	26.23%	25.39%	24.68%	24.10%	23.60%	23.09%
Visa/MC %	9.85%	11.92%	13.00%	14.30%	15.30%	16.06%	16.54%	17.04%	17.38%	17.73%
Discover %	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%
Debit %	21.48%	24.70%	27.17%	29.07%	30.53%	31.44%	32.39%	33.03%	33.70%	34.37%
Store Charge %	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%
AMEX %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cash \$	4,005,817,202	4,009,574,358	4,053,513,282	4,180,190,369	4,363,556,520	4,545,832,406	4,789,275,591	5,070,103,460	5,389,835,123	5,718,589,914
Check \$	4,005,817,202	4,009,574,358	4,053,513,282	4,180,190,369	4,363,556,520	4,545,832,406	4,789,275,591	5,070,103,460	5,389,835,123	5,718,589,914
Visa/MC \$	1,178,095,973	1,533,968,433	1,813,045,389	2,176,590,293	2,544,859,733	2,875,860,480	3,210,886,496	3,584,223,844	3,968,908,460	4,390,213,767
Discover \$	177,913,320	193,048,961	207,425,687	226,379,900	247,366,707	266,229,337	288,586,378	312,758,250	339,535,008	368,212,877
Debit \$	2,570,108,078	3,207,035,241	3,790,495,508	4,426,445,181	5,078,644,030	5,629,886,791	6,285,745,641	6,948,481,746	7,694,242,654	8,510,997,511
Store Charge \$	27,389,633	29,697,745	31,909,724	34,825,581	38,054,127	40,955,895	44,395,233	48,113,759	52,203,012	56,644,726
AMEX \$										

Transaction Costs

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Cash Costs*	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%
Check Costs*	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%
Visa/MC Costs**	1.4370%	1.4870%	1.5370%	1.5870%	1.6370%	1.6870%	1.7370%	1.7870%	1.8370%	1.8870%
Discover Costs**	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%
Debit Costs**	0.3243%	0.4314%	0.5346%	0.6378%	0.7377%	0.8354%	0.9282%	1.0160%	1.0990%	1.1770%
Store Charge \$	5.2000%	5.2000%	5.2000%	5.2000%	5.2000%	5.2000%	5.2000%	5.2000%	5.2000%	5.2000%
AMEX Costs**	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%

* based on industry average
** includes all components of cardholder

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Cash Cost	19,227,923	19,245,957	19,456,864	20,064,914	20,945,071	21,819,996	22,988,523	24,336,497	25,871,209	27,449,232
Check Cost	40,458,754	40,496,701	40,940,484	42,219,923	44,071,921	45,912,707	48,371,783	51,208,045	54,437,335	57,757,759
Visa/MC Cost	16,929,442	22,810,375	27,868,820	34,542,663	41,659,792	48,516,262	55,773,652	64,050,698	72,909,532	82,844,090
Discover Cost	2,439,954	2,847,301	3,844,693	5,104,639	6,382,458	7,651,145	9,357,756	11,289,756	13,456,480	15,949,777
Debit \$ Cost	8,335,488	13,833,590	22,538,090	30,233,553	38,809,314	47,533,365	56,989,705	67,659,613	79,421,267	92,572,848
Store Charge \$ Cost	1,423,221	1,544,283	1,659,308	1,810,930	1,978,815	2,129,707	2,308,552	2,501,915	2,716,117	2,945,526
AMEX \$ Cost										
Total Cost	88,814,779	100,578,407	115,306,258	129,976,821	146,857,371	163,563,381	183,389,872	206,046,024	232,011,939	261,559,231

Incremental Sales & Incentives

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Incremental Sales \$		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Incremental Sales %	12.34%	12.34%	12.34%	12.34%	12.34%	12.34%	12.34%	12.34%	12.34%	12.34%
Variable Net Profit										
Additional Profit										

Incentive
Incentive %

	0.50%	0.50%	0.50%							
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Net Savings (Cost) of Program

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Transaction Costs	(100,578,407)	(115,306,258)	(129,976,821)	(146,857,371)	(163,563,381)	(183,389,872)	(206,046,024)	(232,011,939)	(261,569,231)	
Profit added by AMEX										
Incentives										
Fixed Cost	5%									
Net Benefit (Cost)	(100,578,407)	(115,306,258)	(129,976,821)	(146,857,371)	(163,563,381)	(183,389,872)	(206,046,024)	(232,011,939)	(261,569,231)	
Income Tax & Profit Sh.	51%	51,214,525	58,713,947	66,184,197	74,779,773	83,286,474	93,382,123	104,918,635	118,140,479	133,151,052
Benefit after Tax & Profit Sharing	(49,363,882)	(56,592,312)	(63,792,624)	(72,077,598)	(80,276,907)	(90,007,398)	(101,277,389)	(113,871,460)	(128,378,178)	(144,266,129)

PV of Cash Flows

	12%	(44,074,895)	(45,115,044)	(45,406,330)	(45,808,616)	(45,551,273)	(45,600,727)	(45,744,895)	(45,390,773)	(46,294,458)
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5-Year NPV Benefit (Cost) of Project

(229,954,158)

NPV Years 1-9

(409,383,010)

NPV Years 10 and then

(467,310,086)

Total NPV, Years 1 and thereafter

(898,895,096)

P-1044

DEFENDANT
DEPOSITION
EXHIBIT (COPY)
Woods 5

Highly Confidential
Subject to Protective Order

DOJTE 000438

Analysis of American Express Cards when 0.00% of AMEX is incremental.

With AMEX

Sales Breakdown

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Base Sales	11,965,121,407	12,982,897,096	13,949,902,872	15,224,621,692	16,636,037,636	17,904,597,314	19,408,164,931	21,033,784,519	22,834,589,381	24,763,248,711
Incr. AMEX	0.00%									
Total Sales	11,965,121,407	12,982,897,096	13,949,902,872	15,224,621,692	16,636,037,636	17,904,597,314	19,408,164,931	21,033,784,519	22,834,589,381	24,763,248,711
Cash %	33.48%	30.73%	28.87%	27.23%	25.97%	25.11%	24.38%	23.80%	23.30%	22.79%
Check %	33.48%	30.73%	28.87%	27.23%	25.97%	25.11%	24.38%	23.80%	23.30%	22.79%
Visa/MC %	9.85%	11.27%	12.32%	13.48%	14.36%	15.08%	15.46%	15.96%	16.30%	16.55%
Discover %	1.49%	1.43%	1.41%	1.40%	1.38%	1.37%	1.37%	1.37%	1.37%	1.37%
Debit %	21.48%	24.40%	26.80%	28.62%	30.01%	30.88%	31.79%	32.43%	33.09%	33.77%
Store Charge %	0.23%	0.18%	0.17%	0.16%	0.15%	0.14%	0.13%	0.13%	0.13%	0.13%
AMEX %	0.00%	1.25%	1.56%	1.89%	2.17%	2.33%	2.50%	2.50%	2.50%	2.50%
Cash \$	4,005,817,202	3,980,070,127	4,027,358,988	4,145,577,441	4,320,236,444	4,495,622,598	4,730,961,744	5,006,905,271	5,321,226,228	5,644,186,162
Check \$	4,005,817,202	3,980,070,127	4,027,358,988	4,145,577,441	4,320,236,444	4,495,622,598	4,730,961,744	5,006,905,271	5,321,226,228	5,644,186,162
Visa/MC \$	1,178,095,973	1,463,753,201	1,718,889,833	2,051,983,754	2,388,907,460	2,695,105,174	3,000,956,647	3,356,710,361	3,721,916,438	4,122,360,259
Discover \$	177,913,320	185,245,268	196,963,970	212,534,729	230,038,677	246,145,414	265,260,839	287,478,974	312,091,450	338,451,376
Debit \$	2,570,108,078	3,168,026,778	3,738,186,921	4,357,219,327	4,992,003,878	5,529,467,177	6,169,117,947	6,822,085,366	7,557,024,865	8,362,190,007
Store Charge \$	27,369,833	23,445,382	23,529,587	23,729,907	24,167,250	24,860,415	25,701,885	27,854,664	30,239,458	32,793,527
AMEX \$		162,206,214	217,618,485	287,999,094	360,447,482	417,773,937	485,204,123	525,844,613	570,864,735	619,081,218

Transaction Costs

	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%
Cash Cost/5*	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%
Check Cost/5*	1.4370%	1.4870%	1.5370%	1.5870%	1.6370%	1.6870%	1.7370%	1.7870%	1.8370%	1.8870%
Visa/MC Cost/5**	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%
Discover Cost/5**	0.3243%	0.4314%	0.5048%	0.6378%	0.6854%	0.7377%	0.7953%	0.8586%	0.9282%	0.9282%
Debit Cost/5**	5.2000%	5.2000%	5.2000%	5.2000%	5.2000%	5.2000%	5.2000%	5.2000%	5.2000%	5.2000%
Store Charge \$	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%
AMEX Cost/5**										

* based on industry average
** includes 6 cents transaction at checkout

Cash Cost	19,227,923	19,152,337	19,331,323	19,898,772	20,737,135	21,578,988	22,708,616	24,033,145	25,541,886	27,092,094
Check Cost	40,458,754	40,299,708	40,678,326	41,870,332	43,634,388	45,405,788	47,782,714	50,569,743	53,744,385	57,006,280
Visa/MC Cost	16,529,442	21,786,282	28,419,834	32,565,338	39,108,827	45,466,889	52,127,134	59,984,993	68,372,246	77,789,648
Discover Cost	2,439,854	2,540,907	2,701,220	2,914,762	3,154,816	3,375,709	3,637,663	3,942,569	4,280,111	4,641,619
Debit \$ Cost	8,335,488	13,865,378	22,227,065	27,792,004	34,215,477	40,792,539	49,062,181	58,574,375	70,147,552	84,027,555
Store Charge \$ Cost	1,423,221	1,218,180	1,223,331	1,233,955	1,256,697	1,292,742	1,336,498	1,448,443	1,572,451	1,705,263
AMEX \$ Cost		3,602,754	4,831,130	6,393,580	8,001,934	9,274,581	10,771,532	11,673,750	12,673,197	13,743,603
Total Cost	88,814,779	102,246,054	117,410,030	132,668,740	150,107,274	167,187,236	187,426,537	210,227,018	236,331,829	266,006,062

Incremental Sales & Incentives

Incremental Sales \$		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Incremental Sales %	12.34%	12.34%	12.34%	12.34%	12.34%	12.34%	12.34%	12.34%	12.34%	12.34%
Variable Net Profit										
Additional Profit										
Incentive	811,431	1,088,092	1,439,995							
Incentive %	0.50%	0.50%	0.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Net Savings (Cost) of Program

Transaction Costs	(102,246,054)	(117,410,030)	(132,668,740)	(150,107,274)	(167,187,236)	(187,426,537)	(210,227,018)	(236,331,829)	(266,006,062)
Profit added by AMEX									
Incentives	811,431	1,088,092	1,439,995						
Float Cost	(11,115)	(26,021)	(34,631)	(44,414)	(53,303)	(61,848)	(69,290)	(75,117)	(81,503)
Net Benefit (Cost)	(101,445,738)	(116,347,958)	(131,263,376)	(150,151,689)	(167,240,539)	(187,488,385)	(210,296,268)	(236,405,946)	(266,087,565)
Income Tax & Profit Sh	51,656,170	59,244,380	66,839,311	76,457,240	85,158,882	95,469,086	107,082,858	120,378,417	135,491,788
Benefit after Tax & Profit Sharing	(49,789,568)	(57,103,578)	(64,424,065)	(73,694,449)	(82,081,656)	(92,019,299)	(103,213,408)	(116,028,529)	(130,595,777)

PV of Cash Flows	12%	(44,454,972)	(45,522,623)	(45,855,777)	(46,834,154)	(46,575,336)	(46,619,841)	(46,688,504)	(46,861,977)	(47,094,146)
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-3-Year NPV Benefit (Cost) of Project (229,242,862)

NPV Years 1-9	(418,507,330)
NPV Years 10 and Per	(495,727,857)
Total NPV, Years 1 and Thereafter	(912,235,187)

Highly Confidential
Subject to Protective Order

DO.ITE 000439

Analysis of American Express Cards when 0.00% of AMEX is incremental.

Difference

Sales Breakdown	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Base Sales										
Incr. AMEX										
Total Sales										
Cash %	0.00%	-0.15%	0.19%	-0.23%	-0.26%	0.28%	0.30%	0.30%	-0.30%	0.30%
Check %	0.00%	-0.15%	0.19%	0.23%	0.26%	-0.28%	-0.30%	-0.30%	-0.30%	-0.30%
Visa/MC %	0.00%	-0.54%	-0.67%	-0.82%	-0.94%	-1.01%	-1.08%	-1.08%	-1.08%	-1.08%
Discover %	0.00%	-0.05%	-0.07%	0.09%	0.10%	-0.11%	0.12%	0.12%	0.12%	-0.12%
Debit %	0.00%	-0.30%	-0.37%	-0.45%	0.52%	0.56%	0.60%	0.60%	0.60%	0.60%
Store Charge %	0.00%	-0.05%	0.06%	-0.07%	-0.08%	-0.09%	0.10%	0.10%	0.10%	-0.10%
AMEX %	0.00%	1.25%	1.56%	1.89%	2.17%	2.33%	2.50%	2.50%	2.50%	2.50%
Cash \$		(19,504,231)	(26,154,293)	(34,612,927)	(43,320,076)	(50,209,807)	(58,313,847)	(63,198,190)	(68,608,895)	(74,403,752)
Check \$		(19,504,231)	(26,154,293)	(34,612,927)	(43,320,076)	(50,209,807)	(58,313,847)	(63,198,190)	(68,608,895)	(74,403,752)
Visa/MC \$		(70,215,233)	(94,155,456)	(124,606,539)	(155,952,272)	(180,755,306)	(209,929,849)	(227,513,483)	(246,992,022)	(267,853,508)
Discover \$		(7,801,893)	(10,461,717)	(13,845,171)	(17,328,030)	(20,083,923)	(23,325,539)	(25,279,276)	(27,443,558)	(29,761,501)
Debit \$		(39,008,453)	(52,308,587)	(69,225,855)	(86,640,151)	(100,419,814)	(118,627,694)	(126,396,380)	(137,217,790)	(148,807,505)
Store Charge \$		(8,252,364)	(8,384,137)	(11,095,675)	(13,886,877)	(16,095,480)	(18,693,347)	(20,259,094)	(21,993,574)	(23,851,199)
AMEX \$		162,288,214	217,618,485	287,999,094	360,447,482	417,773,937	485,204,123	525,844,613	570,864,735	619,081,218

Transaction Costs	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cash Costs*	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Check Costs*	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Visa/MC Costs**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Discover Costs**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Debit Costs**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Store Charge \$	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
AMEX Costs**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

* based on industry average
** includes \$ commission on checkout

Cash Cost	(93,620)	(125,541)	(166,142)	(207,936)	(241,007)	(279,906)	(303,351)	(329,323)	(357,138)
Check Cost	(196,893)	(264,158)	(349,591)	(437,533)	(507,119)	(588,970)	(638,302)	(692,950)	(751,478)
Visa/MC Cost	(1,044,113)	(1,447,188)	(1,977,527)	(2,552,966)	(3,049,373)	(3,646,518)	(4,065,705)	(4,537,285)	(5,034,442)
Discover Cost	(104,995)	(143,475)	(189,877)	(237,642)	(275,437)	(319,893)	(348,887)	(378,369)	(408,158)
Debit \$ Cost	(168,264)	(311,024)	(441,549)	(593,837)	(740,826)	(927,525)	(1,085,238)	(1,273,714)	(1,495,294)
Store Charge \$ Cost	(325,123)	(335,975)	(576,975)	(722,118)	(836,965)	(972,054)	(1,053,473)	(1,143,666)	(1,240,262)
AMEX \$ Cost	3,602,754	4,831,130	6,393,580	8,001,934	9,274,581	10,771,532	11,673,750	12,673,197	13,743,603
Total Cost	1,667,647	2,103,772	2,691,919	3,249,904	3,623,855	4,036,666	4,180,994	4,319,889	4,436,831

Incremental Sales & Incentives	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Incremental Sales \$									
Incremental Sales %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Variable Net Profit									
Additional Profit									
Incentive	\$11,431	1,088,092	1,439,995						
Incentive %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Net Savings (Cost) of Program	1	2	3	4	5	6	7	8	9
Transaction Costs	(1,667,647)	(2,103,772)	(2,691,919)	(3,249,904)	(3,623,855)	(4,036,666)	(4,180,994)	(4,319,889)	(4,436,831)
Profit added by AMEX									
Incentives	811,431	1,088,092	1,439,995						
Float Cost	(11,115)	(26,021)	(34,631)	(44,414)	(53,303)	(61,848)	(69,250)	(75,117)	(81,503)
Net Benefit (Cost)	(867,332)	(1,041,700)	(1,266,555)	(3,294,318)	(3,677,158)	(4,098,514)	(4,250,244)	(4,395,006)	(4,518,335)
Income Tax & Profit SH	441,645	530,434	655,114	1,677,467	1,872,409	2,086,963	2,164,224	2,237,937	2,300,736
Benefit after Tax & Profit Sharing	(425,686)	(511,266)	(631,441)	(1,616,851)	(1,804,749)	(2,011,550)	(2,086,020)	(2,157,069)	(2,217,599)

PV of Cash Flows	(380,977)	(407,578)	(449,447)	(1,027,538)	(1,024,063)	(1,019,114)	(943,609)	(871,204)	(799,688)
5-Year NPV Benefit (Cost) of Project	(3,288,704)								
NPV Years 1-9	(8,922,320)								
NPV Years 10 and thereafter	(8,417,771)								
Total NPV, Years 1 and thereafter	(15,340,091)								

Highly Confidential

Subject to Protective Order

DOJTE 000440

Analysis of American Express Cards when 5.00% of AMEX is incremental.

Without AMEX

Sales Breakdown

	8.51%	7.45%	9.14%	9.27%	7.63%	8.40%	8.38%	8.56%	8.45%	
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Base Sales	11,965,121,407	12,982,897,096	13,949,902,872	15,224,621,692	16,636,037,636	17,904,597,314	19,408,164,931	21,033,784,519	22,834,589,381	24,763,248,711
Incr AMEX										
Total Sales	11,965,121,407	12,982,897,096	13,949,902,872	15,224,621,692	16,636,037,636	17,904,597,314	19,408,164,931	21,033,784,519	22,834,589,381	24,763,248,711
Cash %	33.48%	30.88%	29.06%	27.46%	26.23%	25.39%	24.68%	24.10%	23.60%	23.09%
Check %	33.48%	30.88%	29.06%	27.46%	26.23%	25.39%	24.68%	24.10%	23.60%	23.09%
Visa/MC %	9.85%	11.82%	10.00%	14.30%	15.30%	16.06%	16.54%	17.04%	17.38%	17.73%
Discover %	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%
Debit %	21.48%	24.70%	27.17%	29.07%	30.53%	31.44%	32.39%	33.03%	33.70%	34.37%
Store Charge %	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%
AMEX %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cash \$	4,005,817,202	4,009,574,358	4,052,513,282	4,180,190,369	4,363,556,520	4,545,832,406	4,789,275,591	5,070,103,460	5,389,835,123	5,718,589,914
Check \$	4,005,817,202	4,009,574,358	4,052,513,282	4,180,190,369	4,363,556,520	4,545,832,406	4,789,275,591	5,070,103,460	5,389,835,123	5,718,589,914
Visa/MC \$	1,178,095,973	1,533,968,433	1,813,045,389	2,178,590,290	2,544,859,733	2,875,860,480	3,210,886,496	3,584,223,844	3,968,908,460	4,390,213,767
Discover \$	177,913,320	193,046,961	207,425,687	226,379,900	247,366,707	266,229,337	288,586,378	312,758,250	339,535,068	368,212,877
Debit \$	2,570,108,078	3,207,035,241	3,790,495,506	4,426,445,181	5,078,644,030	5,829,886,791	6,285,745,641	6,948,481,748	7,694,242,655	8,510,997,511
Store Charge \$	27,389,633	29,687,745	31,908,724	34,825,581	38,054,127	40,955,895	44,395,233	48,113,759	52,230,012	56,644,726
AMEX \$										

Transaction Costs

	8.51%	7.45%	9.14%	9.27%	7.63%	8.40%	8.38%	8.56%	8.45%
Cash Costs*	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%
Check Costs*	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%
Visa/MC Costs**	1.4370%	1.4870%	1.5370%	1.5870%	1.6370%	1.6870%	1.7370%	1.7870%	1.8370%
Discover Costs**	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%
Debit Costs*	0.3243%	0.4314%	0.5946%	0.6378%	0.6854%	0.7377%	0.7953%	0.8586%	0.9282%
Store Charge \$	5.2000%	5.2000%	5.2000%	5.2000%	5.2000%	5.2000%	5.2000%	5.2000%	5.2000%
AMEX Costs**	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%

* based on industry average

** includes 8 cents transaction at checkout

Cash Cost	19,227,922	19,243,957	19,456,864	20,064,914	20,945,071	21,819,996	22,988,523	24,336,497	25,871,209	27,449,232
Check Cost	40,458,754	40,498,701	40,940,484	42,219,923	44,071,921	45,912,907	48,371,683	51,208,045	54,437,335	57,757,758
Visa/MC Cost	18,929,444	22,810,375	27,866,870	34,542,883	41,659,792	48,518,282	55,773,652	64,050,698	72,909,532	82,844,990
Discover Cost	2,438,954	2,847,501	2,844,695	3,104,639	3,392,458	3,651,145	3,957,756	4,289,256	4,656,480	5,049,777
Debit & Cost	8,326,486	13,833,590	22,538,090	28,233,553	34,809,314	41,533,365	49,989,705	59,659,613	71,421,287	85,572,848
Store Charge & Cost	1,423,221	1,344,283	1,659,306	1,810,930	1,978,815	2,129,707	2,308,552	2,501,915	2,718,117	2,945,528
AMEX \$ Cost										
Total Cost	88,814,779	100,578,407	115,306,258	129,976,821	146,857,371	163,563,381	183,389,872	206,046,024	232,011,939	261,569,231

Incremental Sales & Incentives

Incremental Sales \$										
Incremental Sales %		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Variable Net Profit	12.34%	12.34%	12.34%	12.34%	12.34%	12.34%	12.34%	12.34%	12.34%	12.34%
Additional Profit										

Incentive										
Incentive %		0.50%	0.50%	0.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Net Savings (Cost) of Program

Transaction Costs	(100,578,407)	(115,306,258)	(129,976,821)	(146,857,371)	(163,563,381)	(183,389,872)	(206,046,024)	(232,011,939)	(261,569,231)	
Profit added by AMEX										
Incentives										
Fixed Cost										
Net Benefit (Cost)	5%	(100,578,407)	(115,306,258)	(129,976,821)	(146,857,371)	(163,563,381)	(183,389,872)	(206,046,024)	(232,011,939)	(261,569,231)
Income Tax & Profit Sh	51%	51,214,525	58,713,947	66,184,197	74,779,773	83,288,474	93,382,123	104,918,635	118,140,479	133,191,052
Benefit after Tax & Profit Sharing		(49,363,882)	(56,592,312)	(63,792,624)	(72,077,598)	(80,274,907)	(90,007,749)	(101,127,389)	(113,871,460)	(128,378,178)

PV of Cash Flows	12%	(44,074,895)	(45,115,044)	(45,406,330)	(45,806,616)	(45,551,273)	(45,600,727)	(45,144,895)	(45,990,773)	(46,294,458)
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5-Year NPV Benefit (Cost) of Project (225,954,158)

NPV Years 1-9 (409,563,010)

NPV Years 10 and thereafter 9.5% (487,310,066)

Total NPV, Years 1 and thereafter (896,695,096)



Analysis of American Express Cards when 5.00% of AMEX is incremental.

With AMEX

Sales Breakdown

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Base Sales	11,965,121,407	12,982,897,096	13,958,621,561	15,246,019,708	16,675,176,413	17,966,162,849	19,497,621,249	21,157,147,077	22,997,224,251	24,970,794,601
Incr AMEX	0.00%	8,114,311	10,887,725	14,420,194	18,064,774	20,960,523	24,372,027	26,446,434	28,746,530	31,213,493
Total Sales	11,965,121,407	12,991,011,406	13,969,509,286	15,260,439,901	16,693,241,187	17,987,123,372	19,521,993,275	21,183,593,511	23,025,970,781	25,002,008,096
Cash %	33.48%	30.72%	28.84%	27.19%	25.91%	25.03%	24.28%	23.69%	23.18%	22.65%
Check %	33.48%	30.72%	28.84%	27.19%	25.91%	25.03%	24.28%	23.69%	23.18%	22.65%
Visa/MC %	9.85%	11.30%	12.37%	13.55%	14.47%	15.19%	15.64%	16.16%	16.54%	16.92%
Discover %	1.49%	1.43%	1.42%	1.40%	1.39%	1.39%	1.39%	1.39%	1.39%	1.40%
Debit %	21.48%	24.40%	26.80%	28.62%	30.00%	30.87%	31.76%	32.40%	33.05%	33.71%
Store Charge %	0.23%	0.18%	0.17%	0.18%	0.16%	0.16%	0.15%	0.16%	0.16%	0.17%
AMEX %	0.00%	1.25%	1.56%	1.89%	2.16%	2.33%	2.50%	2.50%	2.50%	2.50%

Transaction Costs

	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%
Cash Cost/1	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%
Check Cost/1	1.4370%	1.4870%	1.5370%	1.5870%	1.6370%	1.6870%	1.7370%	1.7870%	1.8370%	1.8870%
Visa/MC Cost/1	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%
Discover Cost/1	0.3243%	0.4314%	0.5946%	0.6378%	0.6854%	0.7377%	0.7953%	0.8586%	0.9282%	1.0049%
Debit Cost/1	5.2000%	5.2000%	5.2000%	5.2000%	5.2000%	5.2000%	5.2000%	5.2000%	5.2000%	5.2000%
Store Charge \$	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%
AMEX Cost/1										

* based on industry average

** includes 6 month transaction at checkout

	19,227,923	18,156,907	19,328,751	19,913,988	20,759,924	21,611,976	22,754,148	24,093,253	25,618,709	27,187,109
Cash Cost	40,458,754	40,307,431	40,694,059	41,901,087	43,682,339	45,475,199	47,878,520	50,696,220	53,906,034	57,206,208
Check Cost	18,929,442	21,820,844	26,555,314	32,822,874	39,531,553	46,097,781	53,018,865	61,191,891	69,953,890	79,815,706
Visa/MC Cost	2,438,954	2,545,856	2,714,057	2,938,110	3,191,971	3,429,171	3,711,435	4,039,304	4,403,606	4,795,511
Discover Cost	8,335,486	13,674,867	22,259,443	27,855,971	34,325,380	40,961,668	49,313,646	58,930,148	70,639,389	84,694,629
Debit \$ Cost	1,421,221	1,235,418	1,262,337	1,304,902	1,369,599	1,455,196	1,560,060	1,742,390	1,947,717	2,173,197
Store Charge \$ Cost		3,602,754	4,834,150	6,402,566	8,020,760	9,206,472	10,821,180	11,742,217	12,763,459	13,858,791
AMEX \$ Cost										
Total Cost	88,814,779	102,343,175	117,659,111	133,138,898	150,881,526	168,337,462	189,057,855	212,435,424	239,232,806	289,731,252

Incremental Sales & Incentives

	8,114,311	10,887,725	14,420,194	18,064,774	20,960,523	24,372,027	26,446,434	28,746,530	31,213,493
Incremental Sales \$	0.0625%	0.0779%	0.0945%	0.1082%	0.1165%	0.1248%	0.1248%	0.1248%	0.1248%
Incremental Sales %	12.34%	12.34%	12.34%	12.34%	12.34%	12.34%	12.34%	12.34%	12.34%
Variable Net Profit	1,001,306	1,343,545	1,779,452	2,229,193	2,586,529	3,007,508	3,263,490	3,547,322	3,851,745
Additional Profit									

Incentive	811,431	1,088,772	1,442,019						
Incentive %	0.50%	0.50%	0.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Net Savings (Cost) of Program

	1	2	3	4	5	6	7	8	9
Transaction Cost	(102,343,175)	(117,659,111)	(133,138,898)	(150,881,526)	(168,337,462)	(189,057,855)	(212,435,424)	(239,232,806)	(269,731,252)
Profit added by AMEX	1,001,306	1,343,545	1,779,452	2,229,193	2,586,529	3,007,508	3,263,490	3,547,322	3,851,745
Incentives	811,431	1,088,772	1,442,019						
Floor Cost	(11,115)	(26,030)	(34,668)	(44,500)	(52,459)	(62,099)	(69,614)	(75,602)	(82,137)
Net Benefit (Cost)	(100,541,553)	(115,252,823)	(129,952,095)	(148,696,833)	(165,804,393)	(186,112,446)	(209,241,548)	(235,761,091)	(265,961,644)
Income Tax & Profit Sh	51,195,759	58,686,738	66,171,607	75,716,427	84,427,597	94,768,458	106,545,796	120,049,548	135,427,663
Benefit after Tax & Profit Sharing	(49,345,794)	(56,566,086)	(63,780,488)	(72,980,406)	(81,376,796)	(91,343,989)	(102,695,752)	(115,711,544)	(130,533,975)

PV of Cash Flows	12%	(44,058,745)	(45,094,137)	(45,397,692)	(46,180,367)	(46,175,379)	(46,277,707)	(46,454,343)	(46,733,952)	(47,071,860)
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5-Year NPV Benefit (Cost) of Project (227,108,320)

NPV Years 1-9 (413,644,182)

NPV Years 10 and thereafter 9.5% (495,493,262)

Total NPV, Years 1 and thereafter (909,137,444)

Highly Confidential
Subject to Protective Order

DOJTE 000442

Analysis of American Express Cards when 5.00% of AMEX is incremental.

Difference	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Sales Breakdown										
Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	
Rate Sales		8,718,689	21,398,015	39,138,777	61,565,535	89,456,318	123,362,558	162,634,870	207,545,892	
Incr AMEX	8,114,311	10,887,725	14,420,194	18,064,774	20,960,523	24,372,027	26,446,434	28,746,530	31,213,493	
Total Sales	8,114,311	19,606,414	35,818,209	57,203,552	82,526,058	113,828,344	149,808,992	191,381,400	238,759,385	
Cash %	0.00%	-0.16%	-0.22%	-0.27%	-0.32%	-0.36%	-0.38%	-0.41%	-0.42%	-0.44%
Check %	0.00%	-0.16%	0.22%	0.27%	0.32%	0.39%	0.41%	-0.42%	0.44%	
Visa/MC %	0.00%	-0.52%	-0.63%	-0.74%	-0.83%	-0.87%	0.91%	0.88%	0.84%	0.81%
Discover %	0.00%	-0.06%	0.07%	-0.08%	-0.09%	0.10%	0.10%	-0.09%	0.09%	0.09%
Debit %	0.00%	-0.30%	0.37%	-0.46%	-0.53%	-0.58%	0.62%	0.63%	-0.65%	0.66%
Store Charge %	0.00%	-0.05%	-0.05%	-0.06%	-0.07%	-0.07%	-0.08%	-0.07%	-0.07%	0.06%
AMEX %	0.00%	1.25%	1.56%	1.89%	2.16%	2.33%	2.50%	2.50%	2.50%	2.50%
Cash \$		(18,739,635)	(24,398,549)	(31,567,878)	(38,572,412)	(43,337,462)	(48,828,017)	(50,675,705)	(52,604,031)	(54,608,887)
Check \$		(18,739,635)	(24,398,549)	(31,567,878)	(38,572,412)	(43,337,462)	(48,828,017)	(50,675,705)	(52,604,031)	(54,608,887)
Visa/MC \$		(68,544,883)	(85,327,989)	(108,378,733)	(130,007,156)	(143,358,378)	(158,597,967)	(159,976,424)	(160,893,538)	(160,495,256)
Discover \$		(7,411,608)	(9,325,704)	(12,142,718)	(14,618,813)	(16,185,652)	(17,960,906)	(18,225,671)	(18,438,615)	(18,532,900)
Debit \$		(38,796,596)	(46,883,285)	(59,197,147)	(70,605,464)	(77,494,091)	(85,008,209)	(84,959,923)	(84,232,078)	(82,422,077)
Store Charge \$		(3,839,745)	(7,634,005)	(9,731,310)	(11,715,680)	(12,971,363)	(14,394,071)	(14,606,257)	(14,776,912)	(14,852,473)
AMEX \$		162,286,214	217,754,496	288,403,873	361,295,489	419,210,466	487,440,531	528,928,877	574,930,808	624,269,865

Transaction Costs

	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cash Costs*	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Check Costs**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Visa/MC Costs**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Discover Costs**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Debit Costs**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Store Charge \$	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
AMEX Costs**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

* based on industry average
 ** includes @ cents/transaction at checkout

Cash Cost	(89,950)	(117,113)	(151,526)	(185,148)	(208,020)	(234,374)	(243,243)	(252,499)	(262,123)
Check Cost	(189,270)	(246,425)	(318,836)	(389,581)	(437,708)	(493,163)	(511,825)	(531,301)	(551,550)
Visa/MC Cost	(989,531)	(1,311,506)	(1,719,989)	(2,128,240)	(2,418,481)	(2,754,787)	(2,858,806)	(2,955,842)	(3,028,364)
Discover Cost	(101,845)	(130,838)	(166,529)	(200,487)	(221,975)	(246,321)	(249,952)	(252,872)	(254,165)
Debit \$ Cost	(158,723)	(278,647)	(377,582)	(483,934)	(571,897)	(676,059)	(729,465)	(781,878)	(828,219)
Store Charge \$ Cost	(308,867)	(396,968)	(508,028)	(609,215)	(674,511)	(748,492)	(759,525)	(768,399)	(772,329)
AMEX \$ Cost	3,602,754	4,834,150	6,402,566	8,020,760	9,306,472	10,821,180	11,742,217	12,763,459	13,858,791
Total Cost	1,764,768	2,352,852	3,162,077	4,024,156	4,774,081	5,667,983	6,389,400	7,220,867	8,162,021

Incremental Sales & Incentives

Incremental Sales \$	8,114,311	10,887,725	14,420,194	18,064,774	20,960,523	24,372,027	26,446,434	28,746,530	31,213,493
Incremental Sales %	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Variable Net Profit	1,001,308	1,343,545	1,779,452	2,229,193	2,586,529	3,007,508	3,263,490	3,547,322	3,851,745
Additional Profit									
Incentive	811,431	1,088,772	1,442,019						
Incentive %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Net Savings (Cost) of Program

Transaction Costs	(1,764,768)	(2,352,852)	(3,162,077)	(4,024,156)	(4,774,081)	(5,667,983)	(6,389,400)	(7,220,867)	(8,162,021)
Profit added by AMEX	1,001,308	1,343,545	1,779,452	2,229,193	2,586,529	3,007,508	3,263,490	3,547,322	3,851,745
Incentives	811,431	1,088,772	1,442,019						
Float Cost	(111,115)	(28,030)	(34,668)	(44,500)	(52,459)	(62,099)	(69,614)	(75,607)	(82,137)
Net Benefit (Cost)	36,853	53,435	24,726	(1,839,462)	(2,241,012)	(2,722,575)	(3,195,524)	(3,749,152)	(4,392,413)
Income Tax & Profit SH	(18,766)	(27,209)	(12,591)	936,654	1,141,123	1,386,335	1,627,161	1,909,068	2,236,617
Benefit after Tax & Profit Sharing	18,088	26,226	12,136	(902,808)	(1,099,889)	(1,336,240)	(1,568,363)	(1,840,084)	(2,155,796)

	1	2	3	4	5	6	7	8	9
PV of Cash Flows	16,150	20,907	8,638	(573,751)	(624,106)	(676,981)	(709,448)	(743,179)	(777,402)

5-Year NPV Benefit (Cost) of Project (1,152,162)

NPV Years 1-9 (4,059,172)

NPV Years 10 and thereafter (5,183,176)

Total NPV, Years 1 and thereafter (12,342,348)

Analysis of American Express Cards when 7.69% of AMEX is incremental.

Without AMEX

Sales Breakdown

	8.51%	7.45%	9.14%	9.27%	7.63%	8.40%	8.38%	8.58%	8.45%	
Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	
Base Sales	11,965,121,407	12,982,897,096	13,949,902,872	15,224,621,692	16,636,037,636	17,904,597,314	19,408,164,931	21,033,784,519	22,834,589,381	24,763,248,711
Incr AMEX										
Total Sales	11,965,121,407	12,982,897,096	13,949,902,872	15,224,621,692	16,636,037,636	17,904,597,314	19,408,164,931	21,033,784,519	22,834,589,381	24,763,248,711
Cash %	33.48%	30.88%	29.06%	27.46%	26.25%	25.39%	24.68%	24.10%	23.60%	23.09%
Check %	33.48%	30.88%	29.06%	27.46%	26.23%	25.39%	24.68%	24.10%	23.60%	23.09%
Visa/MC %	9.63%	11.82%	13.00%	14.30%	15.30%	16.06%	16.54%	17.04%	17.38%	17.70%
Discover %	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%
Debit %	21.48%	24.70%	27.17%	29.07%	30.53%	31.44%	32.39%	33.03%	33.70%	34.37%
Store Charge %	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%
AMEX %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Cash \$	4,005,817,202	4,009,574,358	4,053,513,282	4,180,190,369	4,383,556,520	4,545,832,406	4,789,275,591	5,070,103,460	5,389,835,123	5,718,589,914
Check \$	4,005,817,202	4,009,574,358	4,053,513,282	4,180,190,369	4,383,556,520	4,545,832,406	4,789,275,591	5,070,103,460	5,389,835,123	5,718,589,914
Visa/MC \$	1,178,095,973	1,533,988,433	1,813,045,389	2,178,590,293	2,544,859,733	2,875,860,480	3,210,886,496	3,584,223,844	3,968,908,460	4,390,213,767
Discover \$	177,913,320	193,048,961	207,425,687	228,379,900	247,366,707	266,229,337	288,586,378	312,758,250	339,535,008	368,212,877
Debit \$	2,570,108,078	3,207,035,241	3,790,495,508	4,428,445,181	5,078,644,030	5,629,886,791	6,285,745,641	6,948,481,746	7,694,242,655	8,510,997,511
Store Charge \$	27,369,633	29,887,745	31,909,724	34,825,581	38,054,127	40,955,895	44,395,233	48,113,759	52,233,012	56,644,726
AMEX \$										
	11,965,121,407	12,982,897,096	13,949,902,872	15,224,621,692	16,636,037,636	17,904,597,314	19,408,164,931	21,033,784,519	22,834,589,381	24,763,248,711

Transaction Costs

	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%
Cash Costs*	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%
Check Costs*	1.4370%	1.4870%	1.5370%	1.5870%	1.6370%	1.6870%	1.7370%	1.7870%	1.8370%	1.8870%
Visa/MC Costs**	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%
Discover Costs**	0.3243%	0.4314%	0.5946%	0.8378%	0.6854%	0.7377%	0.7953%	0.8586%	0.9282%	1.0049%
Debit Costs**	5.2000%	5.2000%	5.2000%	5.2000%	5.2000%	5.2000%	5.2000%	5.2000%	5.2000%	5.2000%
Store Charge \$	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%
AMEX Costs**										

* based on industry average

** includes 6 cents/transaction at checkout

Cash Cost	19,227,923	19,245,857	19,456,864	20,064,914	20,945,071	21,819,996	22,988,523	24,336,497	25,871,209	27,449,232
Check Cost	40,498,754	40,498,701	40,840,484	42,319,923	44,071,921	45,912,907	48,371,683	51,208,045	54,437,335	57,757,758
Visa/MC Cost	18,929,442	22,810,378	27,866,820	34,542,863	41,659,792	48,518,282	55,773,652	64,050,698	72,909,532	82,844,090
Discover Cost	2,438,864	2,847,901	3,844,893	5,104,839	6,382,458	7,851,145	9,577,756	11,489,258	13,658,490	16,199,777
Debit \$ Cost	8,239,488	13,835,580	18,538,090	23,333,553	28,309,314	33,533,385	39,099,705	45,059,813	51,421,287	58,222,848
Store Charge \$ Cost	1,423,221	1,544,283	1,659,306	1,810,930	1,978,815	2,129,707	2,308,552	2,501,915	2,718,117	2,945,528
AMEX \$ Cost										
Total Cost	88,814,779	100,578,407	115,306,258	129,976,821	146,857,371	163,563,381	183,389,872	206,046,024	232,011,939	261,569,231

Incremental Sales & Incentives

Incremental Sales \$		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Incremental Sales %		12.34%	12.34%	12.34%	12.34%	12.34%	12.34%	12.34%	12.34%	12.34%
Variable Net Profit										
Additional Profit										

Incentive
Incentive %

	0.50%	0.50%	0.50%							
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Net Savings (Cost) of Program

Transaction Costs	(100,578,407)	(115,306,258)	(129,976,821)	(146,857,371)	(163,563,381)	(183,389,872)	(206,046,024)	(232,011,939)	(261,569,231)	
Profit added by AMEX										
Incentives										
Total Cost										
Net Benefit (Cost)	5%	(100,578,407)	(115,306,258)	(129,976,821)	(146,857,371)	(163,563,381)	(183,389,872)	(206,046,024)	(232,011,939)	(261,569,231)
Income Tax & Profit Sh.	51%	51,214,525	58,713,947	66,184,197	74,779,773	83,286,474	93,082,123	104,918,635	118,140,479	133,191,052
Benefit after Tax & Profit Sharing		(49,363,882)	(56,592,312)	(63,792,624)	(72,077,598)	(80,276,907)	(90,307,749)	(101,127,389)	(113,871,460)	(128,378,179)

	1	2	3	4	5	6	7	8	9	
PV of Cash Flows	12%	(44,074,895)	(45,115,044)	(45,406,330)	(45,806,616)	(45,551,273)	(45,600,727)	(45,744,895)	(45,990,773)	(46,294,458)

5 Year NPV Benefit (Cost) of Project

(223,894,158)

NPV Years 1-9

(409,565,010)

NPV Years 10 and thereafter

(487,310,085)

Total NPV, Years 1 and thereafter

(896,895,096)

Highly Confidential
Subject to Protective Order

DOJTE 000444

Analysis of American Express Cards when 7.69% of AMEX is incremental.

With AMEX

Sales Breakdown

	0.51%	7.45%	9.14%	9.27%	7.63%	8.40%	8.38%	8.58%	8.45%	
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Base Sales	11,985,121.407	12,982,897,096	13,980,308,845	15,257,529,703	16,696,242,939	17,999,325,975	19,545,848,751	21,223,714,759	23,085,065,241	25,082,997,769
Incr. AMEX	0.00%	12,476,673	16,746,733	22,189,422	27,811,731	32,288,672	37,567,449	40,792,335	44,369,882	48,209,947
Total Sales	11,985,121.407	12,995,373,768	13,997,055,579	15,279,719,125	16,724,054,670	18,031,614,647	19,583,416,200	21,264,507,095	23,129,435,123	25,131,207,711
Cash %	33.48%	30.71%	28.83%	27.16%	25.88%	24.99%	24.23%	23.64%	23.11%	22.58%
Check %	33.48%	30.71%	28.83%	27.16%	25.88%	24.99%	24.23%	23.64%	23.11%	22.58%
Visa/MC %	9.85%	11.31%	12.39%	13.59%	14.52%	15.27%	15.73%	16.27%	16.67%	17.06%
Discover %	1.49%	1.43%	1.42%	1.41%	1.40%	1.40%	1.40%	1.40%	1.41%	1.42%
Debit %	21.48%	24.40%	26.80%	26.62%	30.00%	30.86%	31.75%	32.38%	33.02%	33.68%
Store Charge %	0.23%	0.18%	0.18%	0.17%	0.16%	0.16%	0.17%	0.17%	0.18%	0.19%
AMEX %	0.00%	1.25%	1.56%	1.89%	2.16%	2.33%	2.50%	2.50%	2.50%	2.50%
Cash \$	4,005,817,202	3,991,245,780	4,030,059,217	4,150,261,807	4,327,542,412	4,506,201,949	4,745,569,974	5,026,197,537	5,345,893,252	5,674,706,702
Check \$	4,005,817,202	3,991,245,780	4,030,059,217	4,150,261,807	4,327,542,412	4,506,201,949	4,745,569,974	5,026,197,537	5,345,893,252	5,674,706,702
Visa/MC \$	1,178,095,973	1,489,397,088	1,732,465,864	2,076,946,062	2,428,827,788	2,752,662,289	3,079,993,104	3,460,720,945	3,854,554,923	4,287,818,978
Discover \$	177,913,330	185,845,067	198,403,467	215,153,538	234,207,268	252,145,344	273,520,335	298,342,387	325,964,733	355,756,225
Debit \$	2,570,108,078	3,171,427,773	3,748,561,180	4,372,645,859	5,016,874,055	5,564,750,018	6,217,795,456	6,885,895,096	7,638,644,691	8,464,482,334
Store Charge \$	27,369,633	23,926,068	24,679,216	23,878,649	27,508,005	29,668,825	32,321,138	36,560,725	41,357,641	46,661,826
AMEX \$		162,286,214	217,827,818	288,621,604	361,751,930	419,984,273	488,646,219	530,592,869	577,126,631	627,074,944

Transaction Costs

Cash Cost %	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%
Check Cost %	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%
Visa/MC Cost %	1.4370%	1.4870%	1.5370%	1.5870%	1.6370%	1.6870%	1.7370%	1.7870%	1.8370%	1.8870%
Discover Cost %	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%
Debit Cost %	0.3243%	0.4314%	0.5948%	0.6378%	0.6854%	0.7377%	0.7953%	0.8566%	0.9282%	1.0049%
Store Charge \$	5.2000%	5.2000%	5.2000%	5.2000%	5.2000%	5.2000%	5.2000%	5.2000%	5.2000%	5.2000%
AMEX Cost %	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%

* based on industry average

** includes 8 cents per transaction in checks

Cash Cost	19,227,923	19,157,980	19,344,284	19,921,257	20,772,204	21,629,769	22,778,736	24,125,748	25,660,288	27,238,592
Check Cost	40,458,754	40,311,582	40,703,598	41,917,644	43,708,178	45,512,640	47,930,257	50,764,595	53,993,522	57,314,538
Visa/MC Cost	18,929,442	21,850,188	26,628,296	32,961,492	39,760,329	46,437,887	53,500,011	61,843,680	70,808,838	80,911,883
Discover Cost	2,439,954	2,548,732	2,720,962	2,950,677	3,211,985	3,457,993	3,751,136	4,091,553	4,470,373	4,876,943
Debit Cost	8,335,486	13,679,897	22,778,858	27,890,399	34,384,574	41,052,831	49,449,307	59,122,245	70,905,183	85,055,440
Store Charge \$ Cost	1,423,221	1,244,158	1,283,318	1,343,090	1,430,416	1,542,779	1,680,699	1,901,158	2,150,597	2,426,415
AMEX \$ Cost		3,802,754	4,835,773	6,407,400	8,030,893	9,323,651	10,847,946	11,779,162	12,812,211	13,921,064
Total Cost	88,814,778	102,395,388	117,793,091	133,391,958	151,298,580	168,957,550	189,938,091	213,628,140	240,801,012	271,746,874

Incremental Sales & Incentives

Incremental Sales \$		12,476,673	16,746,733	22,189,422	27,811,731	32,288,672	37,567,449	40,792,335	44,369,882	48,209,947
Incremental Sales %		0.0980%	0.1198%	0.1452%	0.1663%	0.1791%	0.1918%	0.1918%	0.1918%	0.1918%
Variable Net Profit	12.34%	12.34%	12.34%	12.34%	12.34%	12.34%	12.34%	12.34%	12.34%	12.34%
Additional Profit		1,539,621	2,068,547	2,738,175	3,431,968	3,984,422	4,635,823	5,033,774	5,475,243	5,949,107

Incentive	811,431	1,089,138	1,443,108							
Incentive %	0.50%	0.50%	0.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Net Savings (Cost) of Program

Transaction Costs	(102,395,388)	(117,793,091)	(133,391,958)	(151,298,580)	(168,957,550)	(189,938,091)	(213,628,140)	(240,801,012)	(271,746,874)
Profit added by AMEX	1,539,621	2,068,547	2,738,175	3,431,968	3,984,422	4,635,823	5,033,774	5,475,243	5,949,107
Incentives	811,431	1,089,138	1,443,108						
Float Cost	(11,115)	(26,035)	(34,688)	(44,546)	(53,544)	(62,235)	(69,811)	(75,871)	(82,480)
Net Benefit (Cost)	(100,055,451)	(114,663,441)	(129,245,364)	(147,911,159)	(169,026,672)	(185,364,503)	(208,664,176)	(235,401,640)	(265,880,243)
Income Tax & Profit Sh	50,948,236	58,386,624	65,811,739	75,216,362	84,031,581	94,387,605	106,251,789	119,866,515	135,386,222
Benefit after Tax & Profit Sharing	(49,107,215)	(56,276,817)	(63,433,624)	(72,594,796)	(80,995,091)	(90,976,898)	(102,412,387)	(115,535,125)	(130,494,021)

PV of Cash Flows	12%	(43,845,728)	(44,863,534)	(45,190,801)	(46,135,305)	(45,958,790)	(46,091,726)	(46,326,159)	(46,662,699)	(47,057,454)
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5-Year NPV Benefit (Cost) of Project

(225,954,159)

NPV Years 1-9

(412,092,187)

NPV Years 10 and thereafter

(493,341,818)

Total NPV, Years 1 and thereafter

(907,433,813)

Highly Confidential
Subject to Protective Order

DOJTE 000445

Analysis of American Express Cards when 7.69% of AMEX is incremental.

Difference

Sales Breakdown

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Base Sales	-	12,478,873	16,746,733	22,189,422	27,811,731	32,288,672	37,567,449	40,792,335	44,369,882	48,209,942
Incr. AMEX	-	-	-	-	-	-	-	-	-	-
Total Sales	-	12,478,873	16,746,733	22,189,422	27,811,731	32,288,672	37,567,449	40,792,335	44,369,882	48,209,942
Cash %	0.00%	-0.17%	0.23%	-0.29%	-0.35%	-0.40%	-0.44%	-0.47%	-0.49%	-0.51%
Check %	0.00%	-0.17%	-0.23%	-0.29%	-0.35%	-0.40%	-0.44%	-0.47%	-0.49%	-0.51%
Check \$	-	(18,328,578)	(23,454,065)	(29,928,561)	(36,014,108)	(43,630,456)	(43,705,617)	(43,905,924)	(43,941,871)	(43,883,212)
Visa/MC %	0.00%	-0.51%	-0.60%	-0.70%	-0.77%	-0.80%	-0.82%	-0.77%	-0.72%	-0.67%
Visa/MC \$	-	(64,571,346)	(80,579,725)	(99,644,231)	(116,031,945)	(123,198,190)	(130,893,393)	(123,502,900)	(114,353,537)	(102,394,789)
Discover %	0.00%	-0.06%	-0.07%	-0.08%	-0.09%	-0.09%	-0.09%	-0.08%	-0.08%	-0.07%
Discover \$	-	(7,201,893)	(9,022,220)	(11,226,362)	(13,159,439)	(14,083,994)	(15,066,043)	(14,415,863)	(13,570,276)	(12,456,652)
Debit %	0.00%	-0.39%	-0.37%	-0.46%	-0.53%	-0.58%	-0.64%	-0.65%	-0.67%	-0.69%
Debit \$	-	(35,607,467)	(43,934,329)	(53,799,523)	(61,969,174)	(69,136,773)	(67,950,185)	(62,586,650)	(55,597,963)	(46,515,178)
Store Charge %	0.00%	-0.04%	-0.05%	0.06%	-0.05%	-0.06%	-0.06%	-0.06%	-0.06%	-0.04%
Store Charge \$	-	(5,771,678)	(7,230,508)	(8,998,932)	(10,546,121)	(11,287,070)	(12,074,095)	(11,553,034)	(10,875,371)	(9,982,900)
AMEX %	0.00%	1.25%	1.56%	1.89%	2.16%	2.33%	2.50%	2.50%	2.50%	2.50%
AMEX \$	-	162,286,214	217,827,618	288,621,604	361,751,930	419,984,273	488,646,219	530,592,869	577,126,631	627,074,944

Transaction Costs

	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cash Costs*	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Check Costs*	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Visa/MC Costs**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Discover Costs**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Debit Costs**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Store Charge \$	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
AMEX Costs**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

* based on industry average

** includes 8 cents transaction if checked

	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cash Cost	-	(87,877)	(112,580)	(143,657)	(172,868)	(190,226)	(209,787)	(210,748)	(210,921)	(210,639)
Check Cost	-	(185,119)	(236,886)	(302,276)	(363,742)	(400,268)	(441,427)	(443,450)	(443,813)	(443,220)
Visa/MC Cost	-	(960,187)	(1,238,324)	(1,581,371)	(1,899,463)	(2,076,375)	(2,273,641)	(2,207,018)	(2,100,694)	(1,932,207)
Discover Cost	-	(98,769)	(123,733)	(153,962)	(180,472)	(193,152)	(206,620)	(197,703)	(188,107)	(170,834)
Debit \$ Cost	-	(153,883)	(261,231)	(343,154)	(424,740)	(480,534)	(540,399)	(537,369)	(516,084)	(467,408)
Store Charge \$ Cost	-	(300,127)	(375,986)	(467,840)	(548,398)	(588,928)	(627,853)	(600,758)	(565,519)	(519,111)
AMEX \$ Cost	-	3,802,754	4,835,773	6,407,400	8,030,893	9,323,651	10,847,946	11,779,162	12,812,211	13,921,064
Total Cost	-	1,816,982	2,486,832	3,415,137	4,441,209	5,394,169	6,548,220	7,582,116	8,789,073	10,177,643

Incremental Sales & Incentives

	0.00%	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Incremental Sales \$	-	12,478,873	16,746,733	22,189,422	27,811,731	32,288,672	37,567,449	40,792,335	44,369,882	48,209,942
Incremental Sales %	0.0%	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Variable Net Profit	-	1,539,621	2,066,547	2,738,175	3,431,968	3,984,422	4,635,823	5,033,774	5,475,243	5,949,107
Additional Profit	-	811,431	1,089,138	1,442,108	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Incentive	-	811,431	1,089,138	1,442,108	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Incentive %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Net Savings (Cost) of Program

	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Transaction Costs	-	(1,816,982)	(2,486,832)	(3,415,137)	(4,441,209)	(5,394,169)	(6,548,220)	(7,582,116)	(8,789,073)	(10,177,643)
Profit added by AMEX	-	1,539,621	2,066,547	2,738,175	3,431,968	3,984,422	4,635,823	5,033,774	5,475,243	5,949,107
Incentives	-	811,431	1,089,138	1,442,108	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Float Cost	-	(11,119)	(28,035)	(34,888)	(44,546)	(53,544)	(62,235)	(69,811)	(75,871)	(82,489)
Net Benefit (Cost)	-	522,955	642,817	731,457	(1,052,787)	(1,463,291)	(1,974,632)	(2,618,152)	(3,389,701)	(4,311,016)
Income Tax & Profit Sp	0.00%	(266,289)	(327,323)	(372,458)	(536,589)	(745,108)	(1,005,482)	(1,333,163)	(1,726,036)	(2,195,169)
Benefit after Tax & Profit Sharing	-	256,666	315,493	358,999	(517,199)	(718,183)	(969,149)	(1,284,989)	(1,663,665)	(2,115,847)

PV of Cash Flows	1	2	3	4	5	6	7	8	9
	229,168	251,511	255,529	(328,689)	(407,516)	(491,001)	(581,264)	(671,926)	(762,996)

5-Year NPV Benefit (Cost) of Project

NPV Years 1-5	(2,607,187)
NPV Years 10 and thereafter	(8,031,632)
Total NPV, Years 1 and thereafter	(10,538,719)

Highly Confidential
Subject to Protective Order

Analysis of American Express Cards when 21.44% of AMEX is incremental.

Without AMEX

Sales Breakdown

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Base Sales	11,963,121,407	12,982,897,096	13,949,902,872	15,224,621,692	16,636,037,636	17,904,597,314	19,408,164,931	21,033,784,519	22,834,589,381	24,763,248,711
Incr AMEX										
Total Sales	11,963,121,407	12,982,897,096	13,949,902,872	15,224,621,692	16,636,037,636	17,904,597,314	19,408,164,931	21,033,784,519	22,834,589,381	24,763,248,711
Cash %	33.48%	30.88%	29.08%	27.46%	26.23%	25.39%	24.68%	24.10%	23.60%	23.09%
Check %	33.48%	30.88%	29.08%	27.46%	26.23%	25.39%	24.68%	24.10%	23.60%	23.09%
Visa/MC %	9.85%	11.82%	13.00%	14.30%	15.30%	16.06%	16.54%	17.04%	17.38%	17.70%
Discover %	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%
Debit %	21.48%	24.70%	27.17%	29.07%	30.53%	31.44%	32.39%	33.03%	33.70%	34.37%
Store Charge %	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%
AMEX %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Cash \$	4,005,817,202	4,009,574,358	4,053,513,282	4,180,190,389	4,363,556,520	4,545,832,406	4,789,275,591	5,070,103,460	5,389,835,123	5,718,589,914
Check \$	4,005,817,202	4,009,574,358	4,053,513,282	4,180,190,389	4,363,556,520	4,545,832,406	4,789,275,591	5,070,103,460	5,389,835,123	5,718,589,914
Visa/MC \$	1,178,095,973	1,533,868,433	1,813,045,389	2,178,590,293	2,544,859,733	2,875,860,480	3,210,886,496	3,584,223,844	3,968,908,460	4,390,213,787
Discover \$	177,913,320	193,046,981	207,425,687	228,379,900	247,366,707	266,279,337	288,586,378	312,758,250	339,535,008	368,212,877
Debit \$	2,570,108,078	3,207,035,241	3,790,495,508	4,426,445,181	5,078,644,030	5,629,886,791	6,285,745,641	6,948,481,746	7,694,242,655	8,510,997,511
Store Charge \$	27,389,633	29,687,745	31,909,724	34,825,581	38,054,127	40,955,895	44,395,233	48,113,759	52,233,012	56,644,726
AMEX \$										
Total	11,963,121,407	12,982,897,096	13,949,902,872	15,224,621,692	16,636,037,636	17,904,597,314	19,408,164,931	21,033,784,519	22,834,589,381	24,763,248,711

Transaction Costs

Cash Costs*	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%
Check Costs*	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%
Visa/MC Costs**	1.4370%	1.4870%	1.5370%	1.5870%	1.6370%	1.6870%	1.7370%	1.7870%	1.8370%	1.8870%
Discover Costs**	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%
Debit Costs**	0.3243%	0.4314%	0.5946%	0.8378%	0.6854%	0.7377%	0.7953%	0.8586%	0.9282%	1.0049%
Store Charge \$	3.2000%	3.2000%	3.2000%	3.2000%	3.2000%	3.2000%	3.2000%	3.2000%	3.2000%	3.2000%
AMEX Costs**	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%

* based on industry average
** includes \$ comm transaction at checkout

Cash Cost	19,227,923	19,243,957	19,456,864	20,064,914	20,945,071	21,819,996	22,988,523	24,338,497	25,871,209	27,449,232
Check Cost	40,438,754	40,496,701	40,940,484	42,219,923	44,071,921	45,912,907	48,371,683	51,208,045	54,437,335	57,757,758
Visa/MC Cost	18,929,442	22,810,373	27,866,820	34,542,863	41,659,792	48,516,262	55,773,652	64,050,698	72,909,532	82,844,090
Discover Cost	2,439,954	2,647,501	2,844,895	3,104,639	3,392,458	3,651,145	3,957,756	4,289,256	4,656,480	5,049,777
Debit \$ Cost	6,335,488	13,833,590	22,536,090	28,233,553	34,809,314	41,833,365	49,989,705	59,659,613	71,421,267	85,522,848
Store Charge \$ Cost	1,423,221	1,544,283	1,659,306	1,810,930	1,978,815	2,129,707	2,308,552	2,501,915	2,716,117	2,945,526
AMEX \$ Cost										
Total Cost	88,614,779	100,578,407	115,308,258	129,976,821	146,857,371	163,563,381	183,389,872	206,046,024	232,011,939	261,569,231

Incremental Sales & Incentives

Incremental Sales \$		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Incremental Sales %	12.34%	12.34%	12.34%	12.34%	12.34%	12.34%	12.34%	12.34%	12.34%	12.34%
Variable Net Profit										
Additional Profit										

Incentive										
Incentive %		0.50%	0.50%	0.50%						

Net Savings (Cost) of Program

Transaction Costs		(100,578,407)	(115,308,258)	(129,976,821)	(146,857,371)	(163,563,381)	(183,389,872)	(206,046,024)	(232,011,939)	(261,569,231)
Profit added by AMEX										
Incentives										
Flat Cost	5%									
Net Benefit (Cost)		(100,578,407)	(115,308,258)	(129,976,821)	(146,857,371)	(163,563,381)	(183,389,872)	(206,046,024)	(232,011,939)	(261,569,231)
Income Tax & Profit Sh.	51%	51,214,525	58,713,947	66,184,197	74,779,773	83,286,474	93,382,123	104,918,635	118,140,479	133,191,052
Benefit after Tax & Profit Sharing		(49,363,882)	(56,594,312)	(63,792,624)	(72,077,598)	(80,276,907)	(90,007,749)	(101,127,389)	(113,871,460)	(128,378,178)

PV of Cash Flows	12%	(44,074,895)	(45,115,044)	(45,406,330)	(45,806,616)	(45,551,273)	(45,600,727)	(45,744,895)	(45,990,773)	(46,294,458)
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5-Year NPV Benefit (Cost) of Project (223,954,158)

NPV Years 1-9 (409,585,010)
NPV Years 10 and thereafter (487,310,086) 9.5%
Total NPV, Years 1 and thereafter (896,895,096)

Highly Confidential
Subject to Protective Order

DOJTE 000447

Analysis of American Express Cards when 21.44% of AMEX is incremental.

With AMEX

Sales Breakdown

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Base Sales	11,985,121,407	12,982,997,096	13,958,621,561	15,285,093,978	16,769,860,976	18,132,473,961	19,753,514,283	21,522,816,830	23,490,739,465	25,611,374,929
Incr. AMEX	0.00%	8.114,311	46,690,406	61,997,366	77,908,004	90,718,187	105,887,549	115,371,791	125,920,724	137,288,266
Total Sales	11,985,121,407	12,991,011,406	14,005,311,967	15,347,091,344	16,847,768,981	18,223,192,148	19,859,401,832	21,638,188,621	23,616,660,189	25,748,663,195
Cash %	33.48%	30.72%	26.79%	27.09%	29.75%	24.82%	24.02%	23.39%	22.82%	22.25%
Check %	33.48%	30.72%	26.79%	27.09%	25.75%	24.82%	24.02%	23.39%	22.82%	22.25%
Visa/MC %	9.85%	11.30%	12.45%	13.73%	14.74%	15.58%	16.13%	16.76%	17.24%	17.72%
Discover %	1.49%	1.43%	1.43%	1.42%	1.42%	1.43%	1.44%	1.46%	1.48%	1.49%
Debit %	21.48%	24.40%	26.80%	28.61%	29.97%	30.82%	31.68%	32.29%	32.90%	33.52%
Store Charge %	0.23%	0.18%	0.18%	0.19%	0.19%	0.20%	0.22%	0.23%	0.25%	0.27%
AMEX %	0.00%	1.25%	1.55%	1.88%	2.16%	2.32%	2.49%	2.49%	2.49%	2.49%
Cash \$	4,003,817,202	3,990,834,723	4,032,763,939	4,156,847,167	4,339,117,564	4,523,905,060	4,770,784,872	5,060,127,649	5,389,846,351	5,729,658,497
Check \$	4,003,817,202	3,990,834,723	4,032,763,939	4,156,847,167	4,339,117,564	4,523,905,060	4,770,784,872	5,060,127,649	5,389,846,351	5,729,658,497
Visa/MC \$	1,178,095,973	1,467,423,751	1,743,830,913	2,106,970,492	2,484,104,941	2,838,298,679	3,202,921,242	3,627,267,028	4,071,428,591	4,562,740,970
Discover \$	177,913,320	185,635,353	199,621,149	218,367,300	240,077,988	261,205,821	286,538,394	315,947,152	348,899,869	384,804,545
Debit \$	2,570,108,078	3,170,238,644	3,753,122,450	4,390,511,995	5,049,791,070	5,615,856,476	6,291,780,640	6,985,979,340	7,769,832,424	8,631,574,836
Store Charge \$	27,369,833	23,758,000	25,655,080	28,404,195	32,212,866	36,929,991	42,753,956	50,669,381	59,738,116	69,941,475
AMEX \$		162,286,214	217,754,496	289,143,028	363,346,988	423,091,059	493,837,857	538,070,421	587,268,487	640,284,373

Transaction Costs

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Cash Costs*	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%	0.4800%
Check Costs**	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%	1.0100%
Visa/MC Costs**	1.4370%	1.4870%	1.5370%	1.5870%	1.6370%	1.6870%	1.7370%	1.7870%	1.8370%	1.8870%
Discover Costs**	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%	1.3714%
Debit Costs**	0.3243%	0.4314%	0.5948%	0.6378%	0.6854%	0.7377%	0.7953%	0.8586%	0.9282%	1.0049%
Store Charge \$	5.2000%	5.2000%	5.2000%	5.2000%	5.2000%	5.2000%	5.2000%	5.2000%	5.2000%	5.2000%
AMEX Costs**	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%	2.2200%

* based on industry average

** includes \$ conversion of checkout

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Cash Cost	19,227,923	19,154,007	19,357,287	19,952,868	20,827,764	21,714,744	22,899,767	24,288,613	25,871,262	27,502,361
Check Cost	40,458,754	40,307,431	40,730,918	41,984,156	43,825,087	45,691,441	48,184,927	51,107,289	54,437,448	57,869,551
Visa/MC Cost	18,929,442	21,820,844	26,799,908	33,437,985	40,865,226	47,882,588	55,635,294	64,819,887	74,782,845	86,099,708
Discover Cost	2,439,954	2,545,858	2,737,661	2,994,752	3,292,498	3,582,751	3,929,669	4,332,990	4,784,912	5,277,319
Debit \$ Cost	8,335,488	13,874,867	22,315,871	28,004,357	34,811,954	41,429,859	50,337,701	59,981,587	72,121,087	86,734,471
Store Charge \$ Cost	1,423,221	1,235,418	1,334,064	1,477,018	1,675,069	1,920,360	2,273,206	2,634,808	3,108,382	3,636,957
AMEX \$ Cost		3,602,754	4,854,150	6,418,975	8,066,303	9,392,622	10,963,200	11,945,183	13,037,360	14,214,313

Total Cost

	88,814,779	102,343,175	118,109,837	134,270,110	152,963,502	171,613,864	193,873,765	219,110,317	248,151,277	281,334,680
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Incremental Sales & Incentives

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Incremental Sales \$	8,114,311	46,690,406	61,997,366	77,908,004	90,718,187	105,887,549	115,371,791	125,920,724	137,288,266
Incremental Sales %	0.0825%	0.3334%	0.4040%	0.4624%	0.4978%	0.5332%	0.5332%	0.5332%	0.5332%
Variable Net Profit	12.34%	12.34%	12.34%	12.34%	12.34%	12.34%	12.34%	12.34%	12.34%
Additional Profit	1,001,308	5,761,596	7,650,475	9,613,848	11,194,624	13,066,524	14,236,879	15,538,617	16,941,372

Incentive

	811,431	1,088,772	1,445,715						
Incentive %	0.90%	0.50%	0.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Net Savings (Cost) of Program

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Transaction Costs	(102,343,175)	(118,109,837)	(134,270,110)	(152,963,502)	(171,613,864)	(193,873,765)	(219,110,317)	(248,151,277)	(281,334,680)
Profit added by AMEX	1,001,308	5,761,596	7,650,475	9,613,848	11,194,624	13,066,524	14,236,879	15,538,617	16,941,372
Incentives	811,431	1,088,772	1,445,715						
Float Cost	5%	(11,115)	(26,030)	(34,719)	(44,691)	(53,866)	(62,803)	(70,679)	(84,079)
Net Benefit (Cost)	(100,541,553)	(111,265,499)	(125,208,638)	(143,394,345)	(160,473,106)	(180,870,045)	(204,944,116)	(232,689,738)	(264,477,387)
Income Tax & Profit Sh.	51%	51,195,799	58,666,576	63,756,239	73,016,401	81,712,905	92,099,027	104,357,544	118,485,615
Benefit after Tax & Profit Sharing	(49,345,754)	(54,618,923)	(61,452,400)	(70,377,945)	(78,760,200)	(88,771,018)	(100,586,572)	(114,204,123)	(129,805,502)

PV of Cash Flows

	12%	(44,094,745)	(43,541,871)	(43,740,604)	(44,726,456)	(44,690,653)	(44,974,160)	(45,500,257)	(46,125,130)	(46,809,165)
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5-Year NPV Benefit (Cost) of Project

(220,758,329)

NPV Years 1-9

(404,187,042)

NPV Years 10 and thereafter

(492,728,054)

Total NPV, Years 1 and thereafter

(896,898,096)

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DOJTE 000448

Analysis of American Express Cards when 21.44% of AMEX is incremental.

Difference

Sales Breakdown

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Base Sales			8,718,669	60,472,285	133,873,341	227,876,647	345,349,352	489,032,311	656,150,084	848,126,218
Incr AMEX		8,114,311	46,690,406	61,997,366	77,908,004	90,718,187	105,887,549	115,371,791	125,920,724	137,288,266
Total Sales		8,114,311	55,409,095	122,469,652	211,731,345	318,594,834	451,236,901	604,404,102	782,070,808	985,414,484
Cash %	0.00%	0.16%	0.26%	0.37%	0.47%	0.56%	0.65%	0.72%	0.78%	0.84%
Check %	0.00%	0.16%	0.25%	0.37%	0.47%	0.56%	0.65%	0.72%	0.78%	0.84%
Visa/MC %	0.00%	0.52%	0.55%	0.57%	0.55%	0.49%	0.42%	0.28%	0.14%	0.01%
Discover %	0.00%	0.08%	0.06%	0.06%	0.06%	0.05%	0.04%	0.03%	0.01%	0.01%
Debit %	0.00%	0.30%	0.37%	0.47%	0.55%	0.63%	0.71%	0.75%	0.80%	0.85%
Store Charge %	0.00%	0.05%	0.05%	0.04%	0.04%	0.03%	0.01%	0.01%	0.02%	0.04%
AMEX %	0.00%	1.25%	1.55%	1.88%	2.16%	2.32%	2.49%	2.49%	2.49%	2.49%

Transaction Costs

	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cash Costs*										
Check Costs*										
Visa/MC Costs**										
Discover Costs**										
Debit Costs**										
Store Charge \$										
AMEX Costs**										

* based on industry average
** includes \$ conversion for all checkout

Cash Cost	(89,850)	(99,597)	(112,047)	(117,307)	(105,251)	(88,755)	(47,884)	54	53,129
Check Cost	(189,270)	(209,568)	(235,766)	(246,813)	(221,466)	(188,756)	(100,756)	113	111,793
Visa/MC Cost	(989,531)	(1,068,912)	(1,104,878)	(994,566)	(833,674)	(538,358)	769,189	1,883,312	3,255,618
Discover Cost	(101,645)	(107,034)	(109,887)	(99,960)	(68,894)	(28,087)	43,734	128,432	227,543
Debit \$ Cost	(158,723)	(222,218)	(229,196)	(197,760)	(103,506)	47,996	321,954	699,800	1,211,823
Store Charge \$ Cost	(308,867)	(325,241)	(333,912)	(303,746)	(209,347)	(85,346)	132,892	390,265	691,431
AMEX \$ Cost	3,602,754	4,834,150	6,418,975	8,066,303	9,392,622	10,963,200	11,945,163	13,037,360	14,214,313
Total Cost	1,784,768	2,803,579	4,293,289	6,106,131	8,050,483	10,483,893	13,064,293	16,139,338	19,765,449

Incremental Sales & Incentives

Incremental Sales \$	8,114,311	46,690,406	61,997,366	77,908,004	90,718,187	105,887,549	115,371,791	125,920,724	137,288,266
Incremental Sales %	0.0%	0.1%	0.3%	0.4%	0.5%	0.5%	0.5%	0.5%	0.5%
Variable Net Profit									
Additional Profit	1,001,208	5,781,596	7,690,475	9,613,848	11,194,624	13,066,524	14,235,879	15,538,617	16,941,372
Incentive	811,431	1,088,772	1,445,715						
Incentive %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Net Savings (Cost) of Program

Transaction Costs	(1,784,768)	(2,803,579)	(4,293,289)	(6,106,131)	(8,050,483)	(10,483,893)	(13,064,293)	(16,139,338)	(19,765,449)
Profit added by AMEX	1,001,208	5,781,596	7,690,475	9,613,848	11,194,624	13,066,524	14,235,879	15,538,617	16,941,372
Incentives	811,431	1,088,772	1,445,715						
Float Cost	(11,115)	(26,030)	(34,719)	(44,631)	(53,866)	(62,803)	(70,879)	(77,078)	(84,079)
Net Benefit (Cost)	36,853	4,020,760	4,768,183	3,463,025	3,090,275	2,519,827	1,101,908	(677,799)	(2,908,156)
Income Tax & Profit SH	(18,768)	(2,047,371)	(2,427,959)	(1,763,372)	(1,573,568)	(1,283,096)	(561,091)	345,135	1,480,833
Benefit after Tax & Profit Sharing	18,085	1,973,389	2,340,224	1,699,653	1,516,707	1,236,731	540,816	(332,664)	(1,427,323)

PV of Cash Flows	18,150	1,573,123	1,665,725	1,080,160	860,620	625,566	244,638	(134,357)	(514,707)
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5-Year NPV Benefit (Cost) of Project 3,199,829

NPV Years 1-9 5,417,969

NPV Years 10 and thereafter (5,417,969)

Total NPV, Years 1 and thereafter

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DOJTE 000449