



Egencia Releases 2011 Corporate Travel Forecast

Hotel Negotiability Index Shows Decreased Negotiability for Europe; New Advance Purchase Advisory Highlights Value of Booking Flights Early

London, Paris, Munich, Brussels – (September 15, 2010) – Egencia[®], an Expedia, Inc. company, today unveiled its 2011 Corporate Travel Forecast and Hotel Negotiability Index, finding that average ticket prices (ATPs) for top corporate travel destinations will remain relatively flat to slightly up and average daily rates (ADRs) will be slightly up overall in Europe, North America and Asia-Pacific. New to this year’s forecast is an Advance Purchase Advisory that identifies ideal advance booking windows and potential savings for flight purchase in nearly 40 markets around the world. After a year of significant flexibility, Egencia’s Hotel Negotiability Index suggests that corporations will face a more challenging negotiating environment in 2011.

To arrive at these findings, the study evaluates global industry trends, macroeconomic factors, in-depth research of supplier markets and capacity across air, hotel and car rental channels in both domestic and international destinations, along with booking window analysis tailored for business travellers.

“Corporations are travelling again this year, though still below 2008 levels,” said Rob Greyber, President of Egencia. “Egencia clients - large and small - remain focused on cost containment and cost avoidance but through tools such as policy compliance, rather than the broad cuts we saw last year. We expect the modest spending rebound to continue, but careful, policy-driven governance will still be a theme in 2011.”

Europe Outlook

Pricing for corporate travel ATPs in top European business travel destinations is expected to stay flat to slightly down, year-over-year, with the exceptions of Paris and Moscow, which may see a small rebound. An increase in low cost carriers, capacity additions and demand for lower-class cabins will contribute to downward pressure.

In addition, organisations will see weak to moderate hotel negotiability in these business hubs.

For the European car rental industry, Egencia predicts car suppliers will maintain their fleets at current levels into 2011. Coupled with increased demand, this could mean increased RPDs of roughly 5 percent year-over-year.

The chart below illustrates projected year-over-year 2011 vs. 2010 ATP and ADR figures in selected business travel destinations for European points of sale.

<u>Destination</u>	<u>ATP YoY</u>	<u>ADR</u>
Amsterdam	-1%	3%
Barcelona	-1%	5%
Berlin	-5%	4%
Brussels	0%	3%
Dublin	2%	1%
Frankfurt	-1%	2%
Glasgow	8%	7%
London	0%	1%
Lyon	0%	0%
Madrid	-2%	1%
Manchester	-1%	1%
Marseille	0%	0%
Milan	-1%	3%
Moscow	2%	-7
Munich	0%	2%
Paris	2%	2%
Stockholm	-2%	3%

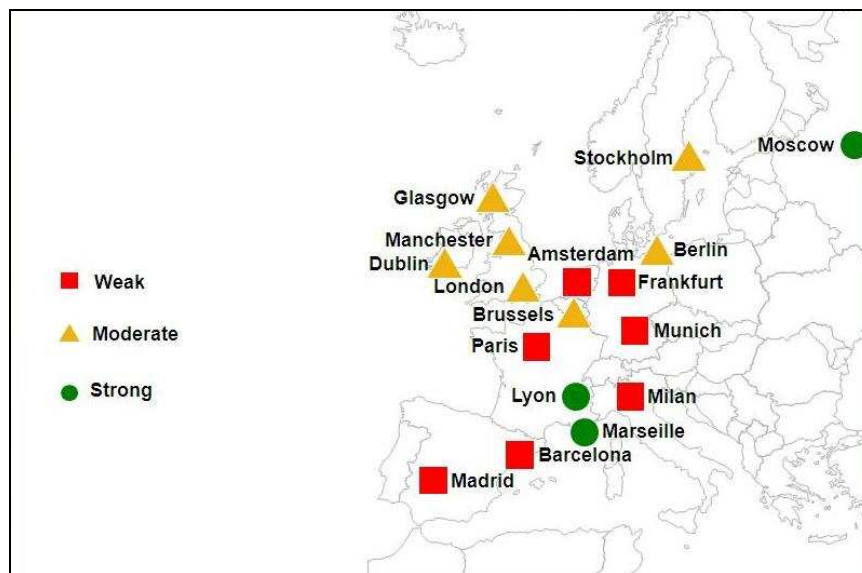
Advance Purchase Advisory

Egencia's exclusive Advance Purchase Advisory informs travel managers and corporate travellers of the best booking timeframe and possible savings for advance air ticket purchases. The advisory shows that, for the majority of destinations, business travellers should book three to four weeks (21-30 days) in advance to realize maximum savings. Booking in advance to London and Amsterdam, for example, can save as much as 33 percent compared to last-minute bookings. International destinations booked 21-30 days in advance also drive significant savings like New York and Chicago (12%).

Supply Outlook: Hotel Negotiability

Egencia's Hotel Negotiability Index, an indicator of the overall supply landscape in top European cities, suggests that 2011 will be a challenging year for corporate negotiations with preferred supply partners. The majority of major European business destinations will maintain weak to moderate negotiability, with the exception of Lyon, Marseille, and Moscow.

2011 Hotel Negotiability Index for Europa



"The hotel negotiating environment will be more challenging for travel and business decision makers in 2011," said Christophe Pingard, Senior Vice President, Egencia EMEA and APAC. "One best practice is to work closely with preferred supply partners and to negotiate inclusion of valuable amenities such as WiFi, breakfast and free parking, like those in the Egencia Preferred Rate Program."

Negotiability Indexes for North America and APAC are available. Further insights into Egencia's 2011 Corporate Travel Forecast and Negotiability Index are available upon request, as well as region-specific Advance Purchase Advisory figures.

Travel Management Trends

Egencia surveyed more than 500 travel buyers in Europe and North America regarding cost control measures, travel spend and expectations for 2011. According to survey respondents, 42 percent of North American buyers and 23 percent of European buyers have slightly or significantly increased travel over the last six months, compared with a slight increase of only 10 percent a year ago in October/November 2009.

The top strategies for maintaining or controlling travel costs in Europe and North America include:

- Advanced booking of airline tickets (53% Europe , 56% North America)
- Enforcing policy more rigorously (40% Europe , 47% North America)
- Requiring pre-trip approval (49% Europe , 42% North America)
- Encouraging the use of web conferencing (38% Europe, 33% North America)

“Last year, travel reduction was a priority for many companies, with 59 percent of survey respondents acknowledging slight or significant reductions in travel in 2009, compared with 46 percent of respondents this year in Europe,” said Jonny Shingles, Managing Director, Egencia UK. “Organisations have begun to reinvest in corporate travel but with a focus on strategies to maintain and control travel costs such as encouraging travellers to book in advance and rigorously enforcing policy.”

North America Outlook

The current rebound in corporate travel demand will continue into 2011, pushing corporate travel prices upward. Adding to upward pressure is consolidation in the airline industry amongst United and Continental and new transatlantic alliances. On the other hand, added capacity for key corporate destinations, the growth of ancillary revenues, better utilization of special corporate fares, and lingering recession concerns are likely to contribute moderate downward pressure on ATP.

Overall, ADRs are expected to be slightly up across key cities, with a few exceptions like Houston and Phoenix where demand is not projected to increase. With very little new supply coming into the market in the short term, there is improved occupancy in most top business markets worldwide resulting in upward pricing pressure. Moderating this pressure, Meetings and Incentive volumes have not yet fully recovered and corporate demand is still down compared with 2008 levels.

Charts below illustrate projected year-over-year 2011 vs. 2010 ATP and ADR figures in selected international business travel destinations for North American points of sale (domestic flights and hotels are also available upon request).

North America Points of Sales – International flights and hotels

Destination	ATP YoY	ADR YoY
Hong Kong	-5%	3%
London	-3%	1%
Paris	-4%	2%
Tokyo	-2%	0%

Asia-Pacific Outlook

The outlook for corporate travel ATPs is mixed for Asia-Pacific destinations, with prices staying flat or slightly down across several cities like Hong Kong and Melbourne. Tokyo, Singapore and Shanghai will likely see ATPs increase slightly. Egencia also anticipates a rise in ADRs for this region, most dramatically in Shanghai, Sydney, Delhi and Beijing.

The chart below illustrates projected year-over-year 2011 vs. 2010 ATP and ADR figures in selected business travel destinations for Asia-Pacific points of sale.

Destination	ATP YoY	ADR
Beijing	3%	4%
Delhi	-5%	4%
Hong Kong	-1%	3%
Melbourne	-11%	3%
Mumbai	2%	-2%
Shanghai	9%	5%
Singapore	8%	1%
Sydney	2%	4%
Tokyo	7%	0%

Research Methodology

Projections are based on the statistical analysis of the past and current industry trends, macroeconomic factors, research of supplier capacity and occupancy data, current and projected. Advanced Purchase Advisory savings are estimated based on average savings realized over the last two years. The actual savings will vary due to seasonality, actual travel time and other factors affecting overall supply and demand in each particular market.

Disclaimer

This data refers to business destinations and business travel pricing. These projections are based on Egencia analysis of data from OAG, ARC, STR and Expedia, Inc. The forecast represents an opinion based on current market factors and is not a representation or warranty as to the accuracy of the forecasts or projections made herein. Actual changes in ticket prices and hotel rates could vary significantly from forecasted numbers, impacted by unforeseen future economic and political factors.

About Egencia, an Expedia, Inc. Company

Egencia is the fifth largest travel management company in the world. As part of Expedia, Inc., (NASDAQ: EXPE), the world's largest travel marketplace, Egencia helps businesses get ahead by offering the only truly integrated corporate travel service. Egencia's industry expertise helps drive results that matter, delivering meaningful advancements that have a real impact. By combining a powerful offline and online service, Egencia delivers a complete corporate travel offering supported by global market expertise and a best-in-class technology platform.

For more information, go to www.egencia.com

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For more information, press only:

R. Boissicat, Egencia Europe
Corporate Communications Manager
+33 1 73 01 01 47
r.boissicat@egencia.com