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Major Chains Report Continued Double-Digit Internet Growth With 25 Percent Increase in Q3

GDS Continues Steady Source of CRO Bookings at 35 Percent

CHICAGO (Dec. 1, 2006) — Consumers continue an upward trend of shopping for hotels online and booking electronically, according to TravelCLICK's consolidated third quarter eTRAK results, released today. The data shows the Internet contributed 40.0 percent, or 8,581,936 reservations, of the total Central Reservation Office (CRO) reservations at major hotel brands, a 24.8 percent increase compared to the same period in 2005.

The data also highlights the continuing importance of Global Distribution System (GDS) e-commerce with 34.7 percent, or 7,419,408 bookings, of CRO reservations coming through those channels. This is the second quarter that Internet reservations surpassed GDS reservations, or bookings made through the travel agent-focused Global Distribution System (GDS). The eTRAK report shows that voice represents the remaining 25.3 percent of CRO reservations, down 2.8 percent over the same time last year.

In the third quarter of 2006, brand websites grew again and continued to gain share compared to third-party merchant and opaque websites, which are increasingly used for hotel rate shopping prior to consumers booking direct on hotel websites. According to eTRAK, brand websites were the source of 81.2 percent of the brands' centrally booked Internet reservations.

eTRAK is a quarterly benchmarking report that enables individual hotels to track booking trends on the Internet and GDS through Central Reservations Office (CRO) performance. The consolidated results provide industry indications based on performance trends for 21 major hotel brands and chains.

Observations for the market based on this latest data include:

- Reservations through the CRO will continue to increase over the next several years, powered by a continued centralization of the distribution and revenue management functions.
- The voice channel will become much more profitable. Call volume will continue to decline; however, consumers will be more informed from shopping the Internet, leading to an increased conversion rate.
- The GDS will continue to outperform expectations as this channel begins aggressively pursuing programs that build travel agent confidence, such as the 'Best Available Rate' programs recently introduced by some of the major GDS channels.

"A balanced approach will win the game," said TravelCLICK Senior Vice President of Product Management Scott Farrell. "Although channel shifts will continue to occur, hotels will lose business if they don't take advantage of the full distribution mix, including both high-growth and mature channels. Consumers will continue to shop multiple sources, and hotels must be prepared to convert business wherever it occurs."

Reservation Sources for Major Hotel Brands: Third Quarter 2006

CRO Hotel Bookings	Share of CRO Reservations Q3 2006	Share of CRO Reservations Q3 2005	Share Increase/(Decrease) 2006 over 2005
Internet	40.0%	35.1%	4.9% points
GDS Travel Agent	34.7%	36.4%	-1.7% points
Total Electronic	74.7%	71.5%	3.2% points
Voice	25.3%	28.5%	-3.2% points
Total for CROs	100%	100%	N/A

Internet Source Breakdown for Major Hotel Brands: Third Quarter 2006

Internet Bookings	Share of Internet CRO Reservations Q3 2006
Brand Sites	81.2%
Retail Sites	6.8%
Merchant Sites	7.8%
Opaque Sites	4.2%
Total Internet	100.0%

Reservation Source Growth Rates: Third Quarter 2006

CRO Hotel Bookings	Percent Growth/Decline of Reservations 2006 over 2005
Internet	24.8%
GDS Travel Agent	4.0%
Total Electronic	14.2%
Voice	-2.8%
Total for CROs	9.3%

The eTRAK report covers all Central Reservation Office booking results including Internet, GDS and voice bookings. The report allows subscribers to compare their own performance to that of their direct competitors and the industry in general. The unique information contained in eTRAK is intended to help hotel companies determine e-commerce priorities, such as where to invest Internet advertising dollars and which sites create the best returns. For more information about TravelCLICK's eTRAK report, email etrak@travelclick.net.

Results from this study may differ from overall hospitality industry trends on the Internet and GDS because eTRAK reflects only the performance of 21 major brands. The conclusions, however, are directional for the industry as a whole.

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About TravelCLICK

TravelCLICK (www.travelclick.net) is the leading provider of hotel business process management (BPM) solutions that drive long-term profitability. TravelCLICK helps hotels maximize asset ROI by combining innovative market analysis and proven industry best practices with advanced technology to develop and implement high-return strategies. The company offers a full set of solutions including reservations and distribution management, market intelligence-based decision support and marketing services. Established in 1996 and headquartered in the Chicago area, TravelCLICK has more than 12,000 customers in 140 countries.

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¹ **Brand Website:** Website where distribution is operated and managed by the brand (*e.g. www.marriott.com*).

² **Retail Website:** Third-party distributor where the hotel lists inventory at the same price that it is sold to the consumer and hotel pays distributor agreed upon commission (*e.g. HRS, Bookings, Venere in Europe*).

³ **Merchant Website:** Third-party distributor where the hotel provides inventory to the site at a net rate. The merchant marks up the rate by an agreed upon percentage. The consumer pays the merchant at the gross rate and the merchant site pays the hotel the net rate (*e.g. Expedia/Hotels.com, Travelocity and Orbitz*).

⁴ **Opaque Website:** Third-party distributor that enables customers to chose a fare or rate without knowing the brand of the supplier until after the item is purchased (*e.g. Priceline*).