

September 1, 2006

Dear Customer and Travel Manager,

As you know today the airlines begin charging an additional fee for segments booked through a GDS. This is another profound change to our industry driven by the airlines' desire to reduce their costs. But the costs are not going away; they are simply being shifted to corporate customers. This forces us to look at our business and determine the best way to respond while maintaining our commitment to providing the full content you, our customers, have come to expect.

We were optimistic that given the strong feedback by travel management companies and corporations the airlines would not have gone ahead with their plans to impose these additional costs. Unfortunately we are now at September 1 and the airlines have begun to impose the fees.

As you have no doubt seen, many travel management companies have chosen to pass the added cost of distribution imposed by the airlines directly to their customers. Expedia Corporate Travel® has done a careful analysis of this situation, looking at our cost of doing business and working on solutions to minimize the impact of these changes for our customers. However, we cannot totally eliminate the cost and, as the other travel management companies have done, we will begin to pass the distribution cost through to our customers. **Effective October 1 travel billings will reflect a per ticket pass-through charge of \$2.00 for all airlines except American Airlines; tickets booked on American will reflect a fee of \$3.50 per segment.** We will not pass through any of the other costs that we have and will continue to incur.

As a trusted partner to your business we wanted to give you a 30-day window to help you better understand the issues surrounding the new airline fee structure and their impact on your travel and travel budgets. We are planning to help you do that. My leadership team and I will be hosting a series of roundtable discussions around the US beginning mid-September. Please look for an invitation in the coming weeks.

Please do not hesitate to contact me, my leadership team, or your account manager if you have any questions about these changes.

We look forward to working closely with you to help you plan for these changes that impact your travel needs.

Regards,



Jean-Pierre Remy

President, Expedia Corporate Travel

September 15, 2006

Dear Customer and Travel Manager,

Recently I sent you a note regarding the change in GDS fees from airlines.

I greatly appreciate all your feedback regarding this change and empathize with the challenges this additional cost presents to your travel programs.

Fortunately, as you know, American Airlines reached a deal with Sabre on September 1. While the specific details are still unclear, the deal itself allows Expedia Corporate Travel to eliminate the different, higher per-segment fee for American Airlines. **This means that, effective October 1, American Airlines tickets booked through Expedia Corporate Travel will include a \$2 per ticket GDS booking fee.**

We will continue to keep you up-to-date on any changes regarding this issue and we remain committed to remaining your trusted partner in online travel management.



Jean-Pierre Remy

President, Expedia Corporate Travel