

Carlson Wagonlit Travel Reports Strong Growth and Robust New Sales for the First Half of 2008

Enhancements to CWT services and solutions also marked the first six months.

PARIS, September 17, 2008 — Carlson Wagonlit Travel (CWT), a global leader specialising in business travel management, today reported strong growth in global sales volume and robust new sales for the first half of this year:

- Sales volume increased 16 percent to US\$15 billion through June 2008¹
- Awarded new sales exceeded US\$1.5 billion, excluding renewals, up 47 percent over the same year-earlier period

Growth in sales volume occurred in all regions of the world, with the greatest year-over-year increase in Latin America (+37 percent), led by Mexico, Argentina and Brazil. In EMEA (Europe, Middle East, Africa), growth reaching 24 percent was attributable to Russia, Italy, Germany and Spain in particular. Asia Pacific saw growth of 14 percent with China, Singapore and India leading the way. In North America, single-digit growth (+7 percent) reflects the region's economic slowdown.

CWT, which currently services two-thirds of the Fortune Global 100, continued to win new business from large global companies. They include Henkel, an existing CWT global client whose travel programme will now be managed in 52 countries; Michelin, who will be serviced on a worldwide basis; and Schneider Electric, which CWT will service in EMEA, Asia Pacific and Latin America. These companies are consolidating their travel programmes for greater consistency, traveller satisfaction and savings. CWT, which also services a variety of small and mid-size domestic companies, as well as government bodies, recently won the U.K. Home Office as a client.

CWT continued to pursue its targeted acquisition strategy by acquiring Traveltime Services and Piedmont Travel in the United States, as well as Viajes Mapfre in Spain. The company also took full control of its joint ventures in India and Argentina.

Commenting on these results, Douglas Anderson, who was named president and chief executive officer of CWT in April of this year, said, "CWT is committed to being the industry reference in business travel management. We have a team of bright, hard-working, dedicated professionals who are truly focused on meeting our clients' needs and delivering measurable results. Their understanding of the specific requirements of companies and their travellers, coupled with their ability to tailor our solutions accordingly, has resulted in continuous growth and high levels of client satisfaction and retention."

CWT services and solutions

During the first six months of this year, CWT continued to enhance its offering:

- 1. Traveller & Transaction Services.** Enhancing the traveler experience is an ongoing priority for CWT. To that end, CWT created a global organisation with oversight and responsibility for aligning the quality and efficiency of its Traveller & Transaction Services worldwide. Continuous skill-building of front-line travel

¹ Actual traffic for wholly owned operations and joint ventures

counsellors; increased use of *CWT Portrait*, a profiling tool that helps to ensure traveller preferences are respected at the time of booking; and the development of enhanced desktop technology are among the initiatives underway.

A pilot programme for an interactive itinerary designed to enhance the traveller experience with relevant, up-to-date information on flights, hotels and destination services was launched in France, Spain, Switzerland and the United Kingdom.

CWT hotel volume totalled US\$2.2 billion globally, up 16 percent year over year. Clients are taking greater measures to drive hotel compliance, which results in increased savings, better service and enhanced traveller tracking in an emergency. CWT research² shows that hotel rates are on average 20 percent lower when travellers book through CWT, versus booking directly by phone, on a hotel Website or through Web booking sites. This research also reveals that travellers use preferred hotels on average 15 percent more often when they book through CWT. Furthermore, booking through CWT offers competitive room availability and flexibility with regard to cancellation terms.

- 2. Programme Optimisation.** CWT initiatives focused significantly on travel policy and compliance. In March, the CWT Travel Management Institute published "*Playing by the Rules: Optimizing Travel Policy and Compliance*," which recaps its in-depth research demonstrating that companies can save on average 20 percent of their total travel spend by optimising travel policy and increasing traveller compliance in five main areas: advance air booking, restricted airfares, preferred suppliers, traveller comfort (air class/hotel category), and preferred booking channels.

CWT offers a suite of products and services to help travel managers optimise travel policy design (*CWT Policy Builder*), raise traveller awareness of the policy (*CWT Policy Messenger*), and monitor key performance indicators for compliance (*CWT Programme Management Centre*). This offer was enhanced in April with the launch of *CWT Agency+Card Reporting*, which matches and compares data from CWT bookings with actual credit card expenditures for air, rail, hotel and rental car services. Available as an enhancement to the award-winning *CWT Programme Management Centre*, *CWT Agency+Card Reporting* helps companies increase traveller compliance with the corporate policy on preferred agency and corporate credit card usage. It also enables them to enjoy greater leverage during supplier negotiations and further optimise total travel spend.

CWT also signed a preferred supplier agreement with American Express Global Commercial Card to promote and distribute three American Express payment solutions—Business Travel Account, Corporate Card and Corporate Meeting Card—to its clients and prospects in 21 countries.³ As a result of this agreement, companies can consolidate their card programme across countries and regions for greater visibility and control over travel-related expenditures. In addition, CWT and American Express can deliver enhanced data and reporting consolidated on a local, regional and/or global basis. Consequently, clients who implement *CWT Agency+Card Reporting* have even greater insight into their corporate card and travel programmes.

In June, the CWT Travel Management Institute published the second edition of *Effective Travel Management*, which highlights the eight key levers companies can

² *Playing by the Rules: Optimizing Travel Policy and Compliance*, CWT Travel Management Institute (2008)

³ Argentina, Australia, Austria, Canada, Czech Republic, France, Germany, Hong Kong, Hungary, India, Italy, Mexico, Netherlands, New Zealand, Poland, Singapore, Spain, Sweden, Thailand, the United Kingdom and the United States

use to derive the greatest value from their travel programme.⁴ Since the first edition was published in 2005, several updates and enhancements were made to reflect the evolving priorities of travel managers and buyers. These include integrating demand management and corporate social responsibility into the travel programme, as well as exercising greater control over ground transportation spend. Findings and best practices from in-depth research conducted by the CWT Travel Management Institute provide new insights into online booking, programme consolidation, and travel policy and compliance.

3. **Safety & Security.** CWT clients continue to rank traveler safety among their highest priorities. CWT helps them to manage risk in real time by providing breaking news alerts, identifying travellers who are affected by incidents, and implementing emergency response plans to assist those travellers. In the first half of this year, CWT activated the crisis messaging process 11 times and sent nearly 42,000 messages around the world.
4. **Meetings & Events.** In most companies, meetings and events remain uncharted territory for savings, although spend often represents 25-40 percent of a total travel and entertainment budget. More and more companies, however, are reversing the tide and applying the principles of effective travel management to their meetings and events. CWT is responding to their needs with dedicated experts who offer consulting services, as well as planning and implementation of meetings and events.

In May, CWT signed a global agreement designating StarCite, Inc., the leading provider of on-demand meeting solutions, as its preferred technology partner for meetings and events activities worldwide. The StarCite technology is a Web-based platform automating and supporting all key elements of the meeting planning and procurement process, including planning, budgeting, buying, attendance, payment and reporting. This technology will be deployed to CWT clients across North America, EMEA, and Asia Pacific and will be delivered in English, French, German, Italian and Spanish.

Looking ahead

"After several years of continued growth, the travel management industry is faced with economic challenges," says Douglas Anderson. "An unprecedented mix of record-breaking oil prices, high inflation and diminishing growth around the world affect us all. Together, airlines, hotels, corporate clients and travel management companies are feeling the pinch. At CWT, we are keenly focused on enhancing the value we bring to clients. Business travel will remain a necessity, but we are well aware that return on investment—from the perspective of individual business trips, as well as a holistically managed travel programme—is of utmost importance to our clients. Consequently, we will continue to drive excellence in our people, our services and our solutions while adapting our costs to the current environment. That way CWT will continue to thrive."

The key priorities outlined in *CWT 2010*, the company's three-year strategic development plan implemented in the first half of this year, are:

⁴ The eight key levers are: Provide the right services and assistance to travellers and optimise transaction processing; tackle hotel spend in a disciplined and professional manner; continue to drive air and ground transportation savings; increase policy compliance and optimise demand management; further consolidate travel programmes; address security needs and corporate social responsibility; integrate meetings and events into the travel programme to control and optimise the related spend; develop executive dashboards and actionable performance measures

1. Continue organic growth in all customer segments and in all regions of the world
2. Accelerate the penetration of the hotel business
3. Ramp up Meetings & Events business
4. Increase the efficiency and consistency of Traveller & Transaction Services
5. Continue to enrich Programme Optimisation services
6. Further develop supplier services
7. Pursue targeted acquisitions
8. Continue to build a high-performance organisation

As its first-half 2008 activities and performance indicate, CWT will continue to tackle these areas in an integrated manner. The company is developing a comprehensive hotel solution with greater content (i.e., adding non-GDS properties), an online hotel booking tool, and dedicated hotel booking centres.

CWT will continue to build upon its Meetings & Events services on a global basis. Enabling clients to accurately measure return on investment for meetings and events will be a core component of the offering.

Surveying travellers to assess the quality of their booking experience with CWT will play an important role in enhancing the company's Traveller & Transaction Services. The interactive itinerary, which will be deployed in 2009 and available in HTML and text formats—enabling travelers to stay well-informed by email and through their PDAs (personal digital assistants)—will further enhance traveler satisfaction and productivity.

New developments to the *CWT Programme Management Centre* will facilitate usage for travel managers and buyers. Integrated data from new sources, including corporate cards, will lead to greater programme optimisation.

CWT is also in the process of creating a global university with a curriculum that will enable employees working at all levels of the organisation to continuously develop their skills and career prospects.

Commenting on these initiatives, Douglas Anderson said, "Understanding our clients' overall business needs and aligning our travel management offering to meet those needs is our collective mission. Ensuring that the people at CWT have the resources they need to continuously and innovatively meet our clients' goals, even in challenging times, is one of my personal objectives."

About Carlson Wagonlit Travel

Carlson Wagonlit Travel (CWT) is a global leader specialising in business travel management. Present in more than 150 countries, CWT serves companies of all sizes, as well as government institutions and non-governmental organisations. By leveraging both the expertise of its people and leading-edge technology, CWT helps clients derive the greatest value from their travel programme in terms of savings, service and security, and provides best-in-class service and assistance to travellers. CWT services and solutions comprise four lines of business: Traveller & Transaction Services, Programme Optimisation, Safety & Security, and Meetings & Events. CWT has 22,000 employees worldwide. In 2007, sales volume for wholly owned operations and joint ventures totalled US\$25.5 billion. For more information, please visit www.carlsonwagonlit.com.

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