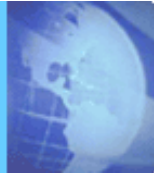


TRAVEL
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Airline IT Market Perspective

**Airline Information Technology, with specific emphasis on
Passenger Services Systems (PSS)
&
E-Commerce**

20th January 2010

**Ian Tunnacliffe
Richard Clarke
Mike Moore**

www.t2rl.net

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*Enquiries concerning reproduction outside the scope of the above should be sent to Richard Clarke, Ian Tunnacliffe or Mike Moore at:
Travel Technology Research Ltd, Burnham House, 93 High Street, Burnham, Bucks, UK SL1 7JZ*

email: info@t2rl.com

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Introduction

Travel Technology Research Ltd (T2R) is an independent research and consulting company that specialises in the market place for airline IT systems and distribution. Based on data gathered and analysed since the year 2000 it has defined and tracked classifications of airlines, their IT providers and their distribution strategies.

T2R materials are used by airlines to enable them to make informed choices of systems and strategies, by vendors to assist their product development efforts to best meet the current and future needs of the airlines and by other parties interested in gaining an understanding of the market place.

This is the first report for the overall airline IT market and focuses on airline reservations systems and related e-commerce. In it we consider the evolution of the market and the way in which the market changes with conditions in the airline industry and the economy generally.

We cover the market for Airline IT, Passenger Services Systems (PSS) and E-Commerce. We also consider the distribution mix as this drives a significant proportion of IT spend related to the management of the primary direct channel, the airline's own website. However we exclude the value of the GDS market place in this report. We will publish our latest research on GDS bookings in June, 2010, and a more detailed look at the IT Market in March 2010.

Approach

We approach our research in a broadly "bottom-up" manner. We track each individual airline's passenger numbers using published figures where they are available and making an estimate based on routes, aircraft types and business model where they are not. We adjust these published numbers for franchise operations to get the total marketed or adjusted passengers.

In 2008 approximately 95% of the passenger volumes we track were derived from published figures from the airlines themselves with the remaining 5% estimated. All aggregated figures are the result of combining the data for individual entities.

We do not use any aggregated data from industry bodies such as IATA or ICAO.

We have direct relationships with a number of airlines covering a significant proportion of the world's revenue boarded passengers including alliances.

We also have direct relationships with all of the major IT vendors and are able to identify or validate customer affinities as a result of those interactions.

Our estimates of contract values and pricing are derived from a combination of publicly available data from press releases and more usually interviews and on-going discussions with vendors and airline executives.

We also participate actively and passively in bids and contract negotiations on behalf of our clients. This allows us to validate our pricing assumptions for the market place.