

OPODO WELCOMES EUROPEAN COMMISSION'S PROPOSED CLEARANCE AS IT READIES FOR TAKEOFF NEXT MONTH

November 20, 2001

Opodo, the online travel service created by nine of Europe's leading airlines welcomes the European Commission's announcement (published today) that it intends to give clearance to the joint venture between the airlines setting up the online travel portal on the basis that it complies with European competition rules.

Opodo CEO Giovanni Bisignani said that now that the Commission has signalled its intention to give the all-clear to the joint venture, Opodo is keen to bring new competition to the travel agency market, delivering reduced distribution costs to all its travel suppliers and improved choice, value and service to the consumer.

Mr Bisignani said Opodo was on track to launch its first site in Germany next month. Sites will be launched in the UK and France early next year, and throughout Europe in 2002 and 2003. Opodo has clear targets to become profitable and achieve market leadership in Europe by 2004.

Commenting about the online travel market Mr Bisignani said: "The internet is the "added value" that is desperately needed by the airline industry. No other new strategy reduces costs of distribution and increases ticket sales at the same time. Through its low cost infrastructure, Opodo will, from day one, have a cost base at least 25% lower than the average cost of an off-line European agent.¹

Mr. Bisignani added: "Opodo would be a fair and transparent player in online travel and will inject new competition which will benefit the consumer.

"Our research has shown that travel consumers value having a wide choice of global airlines and fares when booking. Opodo intends to exceed consumer expectations and will offer the best available fares from over 480 airlines, 54,000 hotels and market leading car hire companies."

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Notes to editors:

Whilst confident that the joint venture would promote rather than harm competition, Opodo voluntarily notified the Commission of the arrangements in November 2000 and provided the Commission with all the information it required to carry out its review. Opodo believes that, as part of its review, the Commission also consulted interested third parties.

As part of the clearance, Opodo and its shareholder airlines provided the Commission with certain assurances aimed at showing that Opodo will treat its shareholder and non-shareholder airlines equally, and that the shareholders themselves will not favour Opodo unfairly compared to Opodo's competitors.

Opodo will be IATA accredited.

Opodo's joint venture agreement requires that all negotiations with airlines, whether or not they are shareholders remain completely confidential. Opodo does not discriminate against non-shareholders and will offer fair and open access, under objective and equal conditions to all marketing partners.

Note 1: Source for comparison Deloitte Consulting September 2000

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