2017 Global Travel Price Outlook

Global air, hotel, ground, and meetings & events prices

GBTA FOUNDATION

Carlson Wagonlit Travel

CWT Solutions Group

CARLSON FAMILY FOUNDATION

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2017 GLOBAL TRAVEL PRICE OUTLOOK

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Welcome to our annual Global Travel Price Outlook, a comprehensive look at travel pricing and the macro-economic influencers that drive it. This year's report is expected to again help travel buyers around the globe create and support their travel programs for next year, whether local, global or in-between. A collaborative effort between the Global Business Travel Association (GBTA) and Carlson Wagonlit Travel (CWT), this report is bolstered by the expertise of Rockport Analytics, a leader in global market research and insight, with additional analysis and context provided by *CWT Solutions Group*, the dedicated consulting division of CWT, and the support of The Carlson Family Foundation.

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NOTE

The 2017 Travel Price Outlook is largely based on data available prior to the UK's "Brexit" referendum June 23, 2016. Accordingly, the published values are likely to be revised in the coming months. As always, CWT and GBTA will continue to monitor travel-related impact and provide updates as appropriate.

GLOBAL MACROECONOMIC OVERVIEW

Uncertainty is key theme for year ahead

Global economic performance has been lackluster in 2016 thus far and the **latest projections from the International Monetary Fund suggest only 3.2% global economic growth for the year in full**. While performance varies for major global economies, weaker-than-expected performance is a major theme for all. This **stagnancy is expected to extend into 2017 as economic uncertainty remains** for both developed economies and emerging markets.

Oil and commodity prices remain central to any economic outlook for global growth. While the price per oil barrel began to rebound in March, it remains well below its cyclical peak in 2014. In addition, battered commodities and slowing global growth have kept a lid on rising prices broadly. **Inflation remains extremely restrained** in most parts of the world despite simulative policies in Japan, Europe and the U.S. In emerging markets, **central banks** continue to combat rising inflation and weakening currencies by raising interest rates. We expect this trend to continue into 2017 with global inflation likely remaining well below 4%.

GLOBAL GDP GROWTH IN RELATIVELY LOW RANGE

3.1%	3.2%	3.5%
2015	2016	2017

SOURCE: International Monetary Fund, World Economic Outlook Update, April 2016

BREXIT BECOMING REAL

The United Kingdom recently voted to leave the European Union. There are many uncertainties as the UK formulates its withdrawal strategy, a two-year plan once they formally initiate the legal process, and its future relationship with the EU. Depending on those results, the UK may need to also negotiate new trade relationships with both the remaining EU countries and non-EU countries, negotiations that could take years. The uncertainty will likely impact consumer and business confidence, impacting investments and employment. More immediate concerns include currency fluctuations and the devaluation of the pound sterling, which could make it more expensive for UK consumers when traveling or purchasing outside the UK as early as this year.

ASIA PACIFIC

Growth areas changing

With 6.7% growth in Q1 2016, **China** is performing well relative to other economies but only moderately compared to its own recent history. This is expected to continue as China adjusts to its "new normal" and growth moves away from manufacturing and investment toward services and consumption. **Australia's** growth has slowed over the past year given a dramatic reduction in demand from the resource and mining sector. Related higher unemployment and a depreciating Aussie dollar, down 8.32% from May 2015 to May 2016,[1] will contribute to continued slowed growth into 2017. **India** remains the brightest spot among APAC emerging markets with strong growth and rising incomes supported by government-controlled inflation. **Japan** remains in a deflationary and slow-growth dilemma. Finally, the **ASEAN 5** (Association of Southeast Asian Nations) economies: Indonesia, Malaysia, Philippines, Thailand, and Vietnam, are "performing well," with expected improved GDP at 4.8% in 2016 and 5.1% in 2017.

PROJECTED GDP

AUSTRAILIA	PHILIPPINES	VIETNAM	CHINA
3.0%	6.2%	6.2%	6.2%

THAILAND	JAPAN	MALAYSIA	INDIA	INDONESIA
3.2%	-0.1%	4.8%	7.5%	5.3%

[1] Trading Economics
[2] SEB

SOURCE: International Monetary Fund, World Economic Outlook Update, April 2016
SOURCE: IHS Global Insight, International Monetary Fund, Wells Fargo Securities, Rockport Analytics

PROJECTED GDP

FRANCE	GERMANY	GREECE	ITALY	RUSSIA	SPAIN	UNITED KINGDOM
1.3%	1.6%	2.7%	1.2%	0.8%	2.3%	2.2%

EUROPE, MIDDLE EAST & AFRICA

Politics at play throughout the region

While the Brexit itself is not expected to impact travel prices in 2017, the uncertainty surrounding the exit could. Investment is likely to slow as firms wait and see how new agreements could impact their businesses. Economists are projecting much slower growth for the **UK** and **Europe** in 2017 with some projecting recession. This will most certainly impact corporate travel demand next year, which could lead to lower prices on airfare, hotels, and transportation. Hotel and ground prices are likely to be the most impacted given the inflexibility of supply. Currency fluctuations may also impact travel prices.

Russia's current recession, hit hard by the oil price decline, is anticipated to continue through 2016 with slow recovery in 2017. **Germany** remains one of the healthiest economies in the region, boosted by a strong labor market and robust domestic demand but export growth will remain restrained as trading partners continue to struggle. **France's** economy is also considered strong but with the 2017 presidential election, businesses are taking a conservative approach until they understand a new leader's policies related to business.

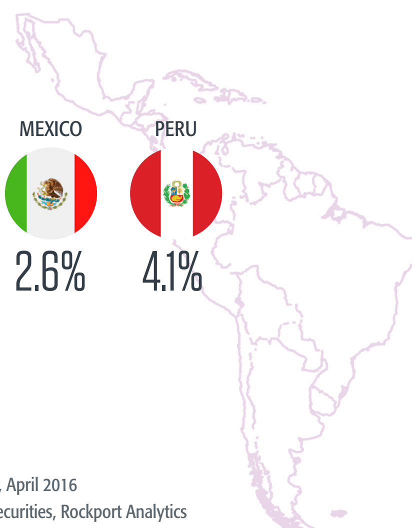
In the **Nordic** countries, GDP growth is forecast at 2.8% for Sweden, helped by refugee-related government spending, construction and exports.[2] **Italy and Spain** may face slowed economic growth given ongoing debt and unemployment. **Greece** continues to suffer from its weak economy. In addition, recent terrorism, the impact of refugees needing economic support, and unraveling banking ties have created a "wait and see" approach for many businesses, despite the European Central Bank's broad stimulus package. In the **Middle East and Northern Africa,** low oil prices and an unfavorable global environment are equating to diminished growth prospects for many low-income nations.

LATIN AMERICA

Peru is bright spot

Latin American countries' economies are expected to improve but will struggle overall. Expect a continued weak outlook for non-oil commodity exporters and, in particular, slowed growth for those countries impacted by the oil price decline and intensifying conflicts and security risks. For **Brazil**, significant uncertainty on the political landscape is negatively impacting the Brazilian economy and investments, despite the economic boost hosting the 2016 Summer Olympics should provide. Any real economic recovery in 2017 hinges on resolving the political issues. Historically, **Mexico, Central America, and the Caribbean** benefit from a U.S. recovery and, in most cases, lower oil prices. A bright spot is **Peru**, with 4.1% growth expected, primarily boosted by ongoing mining investment. **Chile's** economy is also expected to improve in 2017 as confidence rebounds and government measures to boost business activity[3] via improved access to financing, increased export of services, and simplified regulations all come into play. **Argentina** may struggle in the foreseeable future with ongoing inflation and major global corporations downsize operations there. Yet, signs of optimism include a new president backed by its business community, the U.S. lifting an injunction that had barred Argentina from issuing new bonds, and impressive recent e-commerce growth.[4]

PROJECTED GDP



ARGENTINA	BRAZIL	CHILE	COLOMBIA	MEXICO	PERU
2.8%	0.0%	2.1%	3.0%	2.6%	4.1%

SOURCE: International Monetary Fund, World Economic Outlook Update, April 2016
SOURCE: IHS Global Insight, International Monetary Fund, Wells Fargo Securities, Rockport Analytics

[3] OECD
[4] Forbes

PROJECTED GDP

CANADA	UNITED STATES
1.9%	2.5%

NORTH AMERICA

Modest growth expected at most

The **U.S.** has helped with the global recovery but its own economy has not hit full stride, hampered by uncertainty around monetary policy and shocks from falling oil prices and commodities pricing. Growth is expected to be a flat 2.4% for 2016 with only a modest uptick for 2017. In addition, the 2016 U.S. Presidential Election and potential policy-making to follow in 2017 is contributing to greater economic uncertainty. Domestic demand is expected to be supported by improving government finances and a stronger housing market, which may help offset the drag on net exports coming from a strong dollar and weaker manufacturing. At the same time, IMF has also lowered its expectations for the **Canadian** economy, citing continued cheap oil prices, weaker demand for other commodities, rising unemployment and slow global trade. These will only be partially offset by an increase in public investment and a strong Canadian dollar. Overall, Canada's GDP is likely to expand just 1.5% for 2016 and 1.9% for 2017.

KEY RISKS

There are a growing number of key trends and risks to watch closely heading into 2017:

Emerging market performance. Economists continue to watch China closely as policymakers aim to rebalance the Chinese economy toward consumption, which may lead to a potential "hard" landing economically speaking. India remains the biggest and brightest among emerging markets but will continue to face market reform challenges moving into 2017. Both Russia and Brazil are in the midst of recession, and in the most likely scenario, both economies are expected to further contract in 2017.

Financial market turbulence. Financial markets experienced significant volatility in Q4 2015 and Q1 2016. While markets have been more stable over the last few months, there is a higher-than-normal risk that economic or geopolitical shocks would force financial markets back into turmoil.

Geopolitical risks. There has been heightened unrest around the globe with terror events in Istanbul, Paris and Brussels and other major terror events across Asia, The Middle East and Africa. Political risks will have an impact in 2017, including results of the 2016 U.S. elections, political scandal in Brazil, and the rise of anti-establishment parties throughout Europe. Refugee flows and global epidemics are also threatening economic stability in some countries and regions.

The UK referendum on leaving the EU. The uncertainty of the next two years for the now imminent "Brexit" will have the most pronounced impact on Western European economies but could have ripple effects on the broader global economy.

The U.S. Federal Reserve and impact of rising U.S. interest rates. The expectation pre-"Brexit" was that the Fed would continue to slowly adjusts rates upward over the next couple years, but recent comments by the Fed now make these rates unpredictable. Given the current fragility of the global economy and the unprecedented period of expansionary policy by the Fed since the Great Recession, impacts on both global equity markets and the global economy should both be monitored closely.

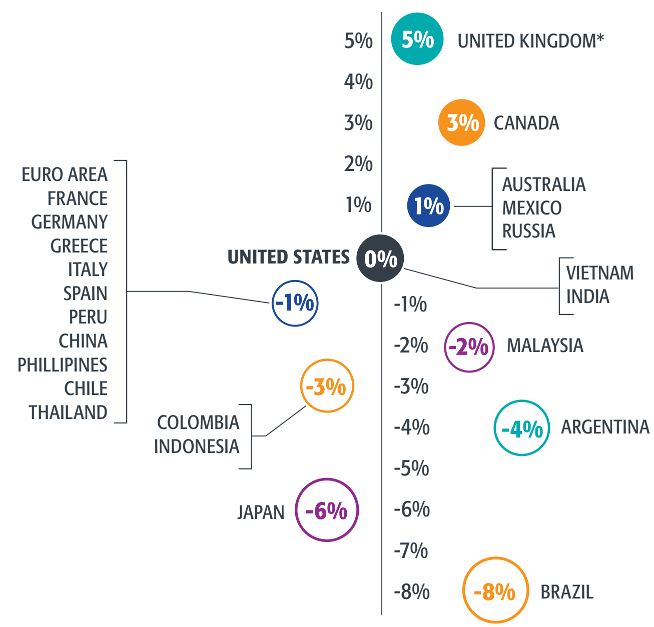
Oil Prices. Last but certainly not least, a protracted period for low oil prices could further destabilize the outlook for oil-exporting countries and, in a ripple effect, impact the global economy. *See page 5 for more on the impact of oil prices.*

THE EXCHANGE RATE EFFECT

The GBTA/CWT Travel Price Forecast is conducted and presented in US dollars, which offers consistency with previous forecasts and easy geographical comparison. At the same time, USD can differ significantly from prices in local currency, making it critically important to consider exchange rates when analyzing expectations for price increases. More specifically, forecasts are influenced by each local market's currency AND whether it appreciates or depreciates against the US dollar in 2017. As an example, the Brazilian Real is expected to depreciate -7.9% against the dollar in 2017. So while we expect Brazil's average air price (in USD terms) to decrease by -7.1%, the expectation in local terms would be for a gain of 0.8%. The expected gain in purchasing power in US dollars accounts for the difference between the two rates.

HOW DO OTHER CURRENCIES COMPARE TO US$?

2017 foreign exchange forecast (year-over-year growth vs US$)



*The UK GDP forecast value was established pre-Brexit and may be revised significantly in the months ahead.
SOURCE: IHS Global Insight, International Monetary Fund, Wells Fargo Securities, Rockport Analytics

WHY OIL PRICES MATTER BEYOND AIRFARES AND FUEL TANKS

Oil prices are expected to increase only slightly in 2017, remaining well below long-run averages and pushing oil revenue dependent countries to diversify their economies. Meanwhile, countries that are net importers of oil and other commodities continue to receive the benefits of increased household disposable income and lower business costs. On the other hand, countries that are net exporters, such as Russia and including many emerging markets in Latin America, Africa and the Middle East, are suffering from plummeting revenues and a sharp decline in investment activity. As travel buyers plan their 2017 budgets, it is important they understand how changing oil pricing impact the economy and our travel price forecast.

Economics:

Oil pricing is, in part, simple supply and demand economics. With oil production surging upward given the extraction of oil from geographies previously untapped along with increased production by established exporters to hang on to market share, the effect is lower prices. With prices declining, countries that export oil struggle with lower revenues while those that import oil enjoy increased discretionary spending. Typically this leads to economic growth but that hasn't been the case broadly in recent years given a combination of other economic factors. Emerging markets that produce oil struggle with widening trade deficits, weakening currencies and debts that must be repaid in more expensive dollars. Additionally, inflation is below target in most advanced countries, private debt is on the rise, and wage growth is stagnant.

Environmental Factors:

Cheaper oil also impacts the environment with fewer incentives to develop costly but clean fuel alternatives. In addition, an increase in sales for larger, gas-guzzling vehicles with lower operating costs challenges environmental efforts to reduce carbon emissions.

Politics:

The deregulated oil industry can also drive politics. While some theorize increased production by some exporters is intended to drive down prices temporarily to squeeze out competition long term, others suggest oil pricing by some countries is intended to impact the economic condition of its adversaries more broadly, as some governments depend heavily on oil revenue to balance their budgets.

Transportation:

For aviation specifically, fuel prices account for approximately one-third of its operating costs annually. Yet hedged fuel prices, a good move when oil prices are climbing, has equated to above-market pricing for some airlines recently. Additionally, many airlines have made decisions to improve their service offering, financial standing and labor relations, rather than directly passing on a financial benefit to corporations and their travelers. Given ongoing oil market volatility, airlines are reluctant to adjust prices downward only to have to raise them later. Rail service and ground transportation providers have also not passed through recent savings.

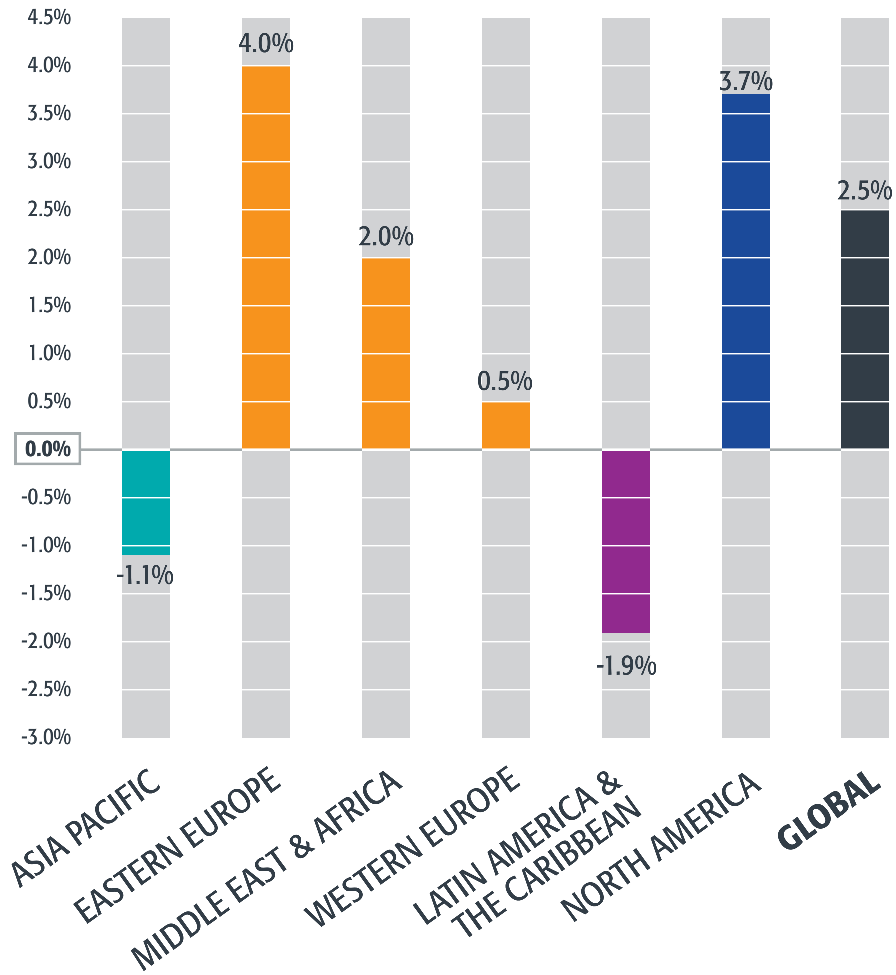
GLOBAL AIR PROJECTIONS

Airline prices are projected to increase only slightly on a global basis in 2017 while fares may actually fall below 2015 pricing levels in some markets. **Oil prices**, a key driver of airline costs and traveler airfares, should benefit corporate travel buyers into 2017 given recent and persistent low prices. Gaining additional significance is the **increasing impact of ancillary fees**, which accounted for 7.8% of global airline revenue in 2015, up from 6.7% in 2014. While travelers pay directly for preferred seating, additional leg room and more, carriers have been able to further improve profitability, particularly in key markets where base rates are flat or down. In 2017, more corporate travel buyers will be looking for opportunities to leverage their consolidated data insights for better pricing on many on these fees. Doing so could mitigate forecasted cost increases in certain markets.

On a related note, the much talked about New Distribution Capability, or **NDC**, is not likely to impact corporate travel in 2017. Longer term, the intention for NDC, now in its pilot phase, is to allow airlines to distribute their ancillary products through large travel management companies, Global Distribution Systems, and third parties. When fully operational, travelers would shop for flights "anonymously" or, if they are willing to provide personal information including social media profiles to an airline, they could then access "full product information," including seating options and other in-flight amenities. The airlines' motive? Likely it is to gain personal insight, beyond frequent flyer information, and to better market to individual travelers long-term. Meanwhile, **sharing economy private jet services** on Continental high-demand routes are expected to grow significantly as a cost-effective option. This may directly impact legacy carriers' flight loads and potentially lead to decreased fares on affected routes. In addition, many commercial airlines also have private jet programs so being able to leverage the combined air volumes could make for meaningful savings for corporate travel buyers.

Low-cost carriers may be gaining ground in many markets around the world; however, they will struggle for the foreseeable future in penetrating the corporate market in Asia Pacific, where buyers and travelers put a premium on high-end service. Major carriers who do offer low-cost options do it via a multi-brand strategy, such as Singapore Airlines' Tiger Air, to preserve their higher-priced offerings.

2017 AIR PRICE PROJECTIONS



Forecasted rates are indicated in USD and might have different values when translated to local currencies.

ASIA PACIFIC

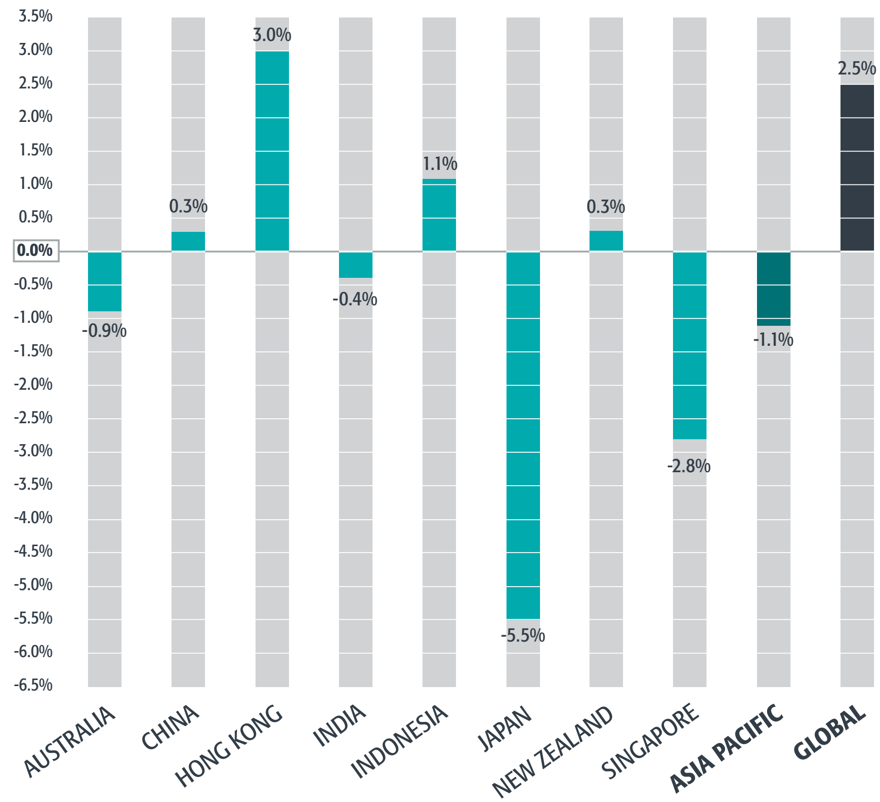
China settling into new 'normal'

Asia Pacific pricing is expected to remain mostly stable throughout 2017 as the region is helped by lower fuel prices and continues to grow slowly. Japan and Singapore will face a significant impact on airfare pricing given currency exchange rate projections. With Australia, China and India considered regional leading markets for air travel, all markets—big and small—are fiercely competitive ensuring no major price increases. With sharp reductions for its resource and mining sector, **Australia** is dealing with significantly reduced demand eased by Qantas and Virgin's voluntary capacity cuts on Australian routes, fierce international competition for travelers, and further fare decreases because of a declining Aussie dollar.

China is settling in to its softened demand and a "new normal" after years of explosive growth; and **India**, with government-controlled inflation, is also flat for airfares heading into 2017. **Hong Kong** airfare pricing is anticipated to increase for its main airlines in 2017 with rising fuel prices not controlled by hedging at least partially responsible. In **Japan**, outbound corporate travel is strong while inbound demand has also been given a boost per relaxed visa requirements for Chinese nationals. If approved, HNA Group's intent to acquire a 13% stake in Virgin Australia may indicate a shift in investing to the East and also lead to direct China-Australia. A new United AL direct flight between San Francisco and Singapore is the only direct flight between the two countries.

Low-cost carriers, or LCCs, remain more prevalent in Southeast Asia than elsewhere given well-established consumer biases in favor of a premium product. Nonetheless, LCC growth is expected to continue given downward pricing pressure from countries including Indonesia, Taiwan and Vietnam. Singapore Airlines is also expanding its new economy class product on medium haul flights continuing into 2017. Growth for Philippine Airlines is projected to be high, but may not be sustainable given it is currently operating at a loss to attract travelers and near-term plans to restructure and improve profitability.

2017 AIR PRICE PROJECTIONS: ASIA PACIFIC



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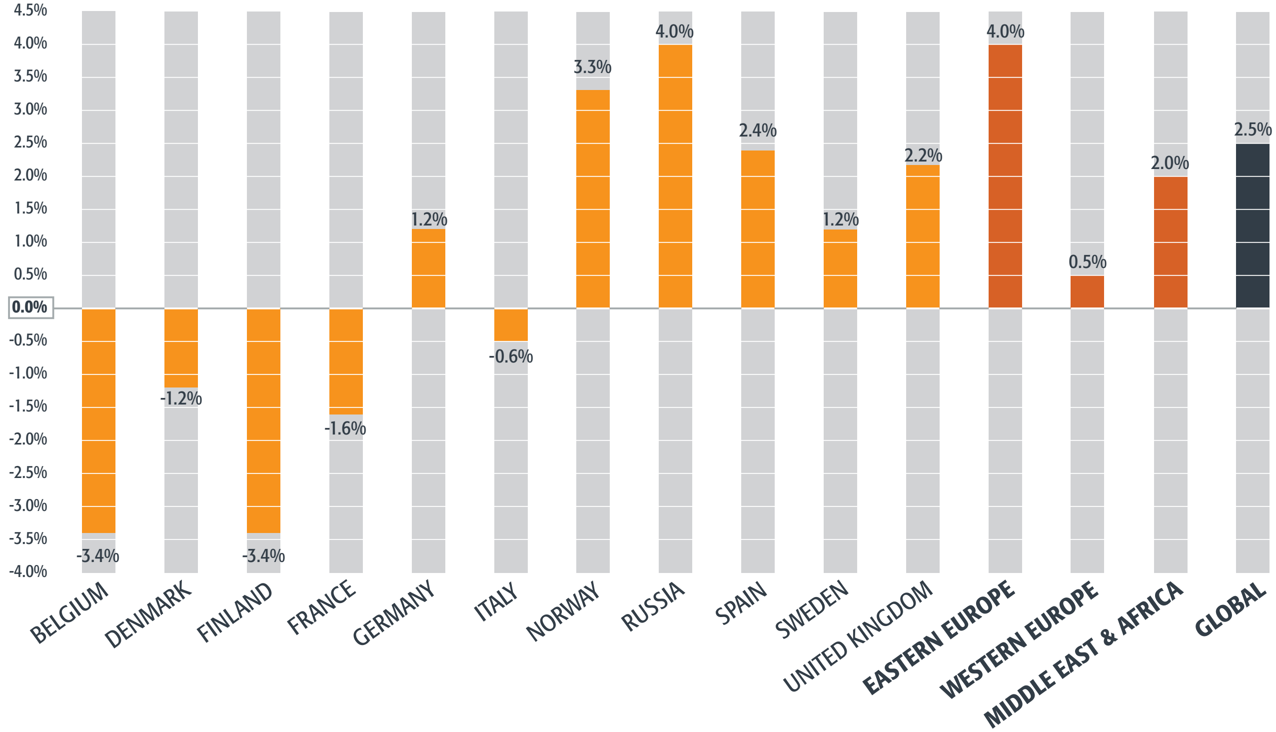
EUROPE, MIDDLE EAST & AFRICA

Airfares to vary given a myriad of factors

In **Eastern Europe**, the continued depressed economy is restraining demand. Yet, with limited competition and Russian airfares leading the way, fares are expected to increase. Still, the country's ongoing geo-political issues, including the Syrian war, its relationship with Ukraine and Europe and current sanctions are directly impacting demand for air travel in the region. This could impact airfare prices ongoing, a trend expected to continue in 2017.

Airline competition remains intense in **Western Europe** with both major and low-cost carriers fighting for the same market share and continuing to keep airfares nearly flat. German airlines Lufthansa and Air Berlin are fighting to preserve their home country market share while Eurowings, a low-cost option, aggressively pursues its target of 20% of Germany's aviation market. Undoubtedly, as major exporters of crude oil, markets in the **Middle East & Africa** are highly impacted by the oil industry's current low pricing. Accordingly, corporate travel to and from the region has slowed for Middle Eastern carriers, leaving significant excess capacity for these airlines and also impacting fare levels. Longer term, travel may become relatively more restrictive to and from the UK without the benefits of EU inter-country travel.

2017 AIR PRICE PROJECTIONS: EUROPE, MIDDLE EAST & AFRICA



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LATIN AMERICA

Air travel increasing overall

Latin America's air passenger numbers are expected to improve in 2017. For domestic travel, the market is still primarily dominated by national carriers. With demand now increasing after capacity was scaled back to improve airlines' bottom line, travelers on domestic and regional flights will struggle with flight availability. At the same time, the economy remains unstable and inflation is high, leaving companies pressured to reduce costs by limiting travel and/or mandating low ticket price, which is further inflated given currency devaluations.

In **Mexico**, an increase in the average fare is expected for domestic business and economy class, as well as for the continental/intercontinental economy market. In Mexico City, the airport has long exceeded its maximum capacity: limiting airline growth, negatively impacting connecting flights, and equating to higher ticket prices. In **Brazil**, most airlines have cancelled or significantly reduced both domestic and international flights. Even with this reduction, airfares are expected to decrease for the country, -7.1% in USD terms, given the country's devalued currency. Korean Airlines announced it will discontinue flights between Los Angeles and São Paulo starting September, 2016, further crippling Brazilian business. Recently-renovated El Dorado Airport in Bogota, **Colombia** is attracting new carriers, such as Turkish Airlines and Air Europa, growing traveler options in the international market. Conversely, LATAM and Lufthansa have suspended all flights to Caracas stat currency controls in **Venezuela** prevent the airlines from converting their earnings appropriately: a move likely to only worsen an already negative economic situation.

If the Brazilian government relaxes its current 20% limit on foreign ownership of Brazilian airlines,[5] this could make way for Delta Air Lines to increase its 16% stake of Gol's shares. With Delta's support, Gol would likely increase capacity anticipating returning demand and increased air fares. Azul announced a codeshare agreement with JetBlue, subject to government approval, following a similar deal with United Airlines in 2015, further growing traveler options. LATAM signed joint business agreements to deepen its ties with American Airlines Group and IAG's British Airways and Iberia, all members of the Oneworld Alliance, also increasing traveler options and enabling more competitive prices. Additional reports suggest Avianca and other carriers may also look to strengthen offerings via complementary carriers.

2017 AIR PRICE PROJECTIONS: LATIN AMERICA

Forecasted rates are indicated in USD and might have different values when translated to local currencies.

[5] Bloomberg

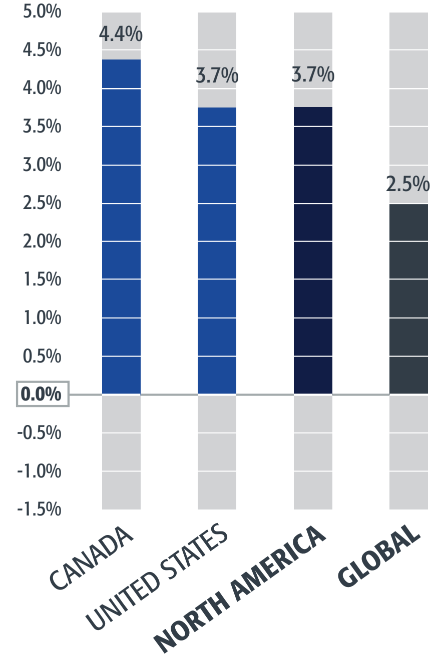
NORTH AMERICA

Airlines adjust capacity, service options

Load factors are in the low 80% range, 2016 year-to-date, and to the extent they can impact capacity growth, **airlines are being savvy** about limiting increased capacity in key markets, and instead strategically placing aircrafts where they know they can fill them, i.e., mostly international and new routes that preserve profitability. With a 3.5% fare increase expected broadly for airfares in the region, carriers are reinvesting some of the profits enabled by low fuel prices to purchase new aircraft and improve their product during 2016 and into 2017. Airlines are also standing strongly behind their operational performance with guarantees being offered to corporate customers that offer a financial incentive for the airline to get travelers to their destinations on time, with baggage and minimal service interruptions. The terms of such guarantees and the customers offered them vary, but they have been well received given a long-standing request for service level guarantees in the industry.

LCCs are now commonly used for business travel with continued growth expected on both coasts and requiring legacy carriers to up their game to compete on both transcontinental and short-haul flights. JetBlue is expanding service into new markets, predominantly out of Boston, where travelers will see capacity improvements and additional options for transcontinental travel. The Alaska Airlines/Virgin America merger offers a mix of additional capacity and synergy gains between the two as the combined entity considers a mini-hub in Southern California, which may impact the Los Angeles market's more dominant carriers. San Jose will also see market growth including new Lufthansa service and increased capacity from British Airways, given the ongoing technology boom. Houston, heavily dependent on oil and gas companies, will see some rebound in 2017, but not a full recovery. Jet Blue and Southwest are also providing downward pricing pressure in key markets.

2017 AIR PRICE PROJECTIONS: NORTH AMERICA



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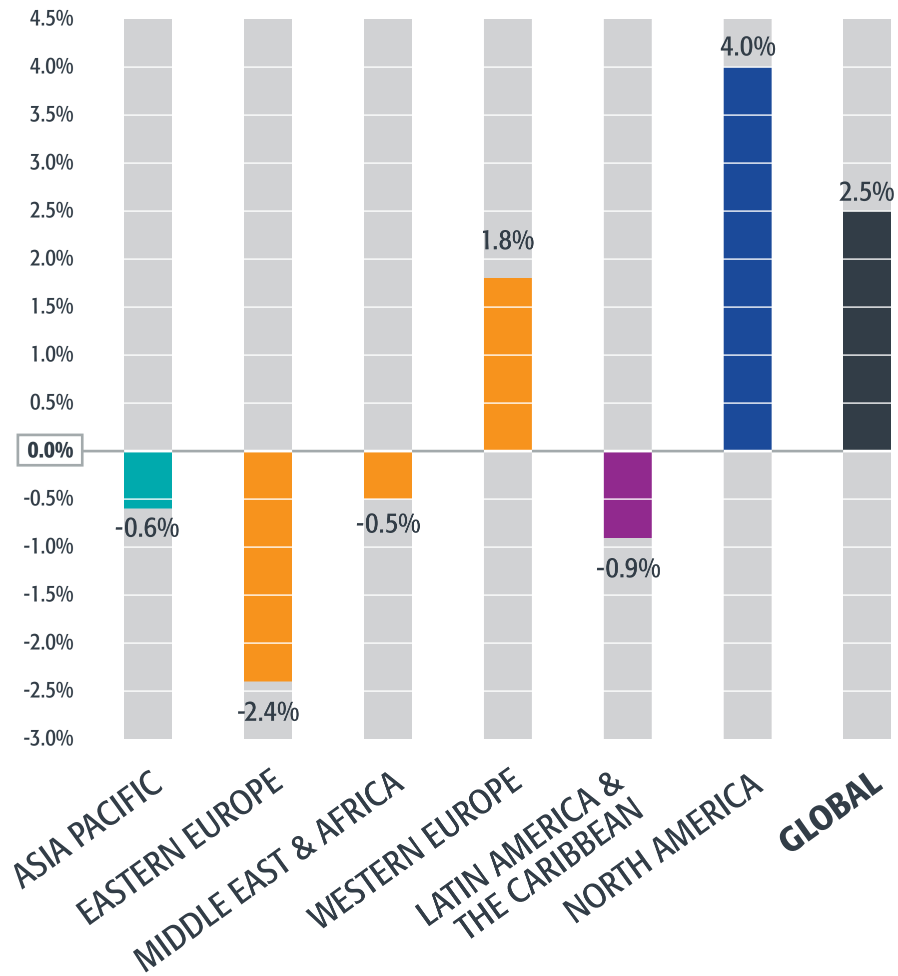
GLOBAL HOTEL PROJECTIONS

Mega hotel mergers are grabbing headlines. In December 2015, Paris-based Accor purchased luxury giant FRHI Hotels & Resorts, parent of Fairmont, Raffles, Swissôtel, for just under $3 billion. Just one month prior, Marriott announced its acquisition of Starwood for more than $12 billion. These moves are widely seen as an attempt by hotel chains to fight back against new competitors such as Airbnb and may prompt even more industry consolidation. Benefits of the combined entities may include loyalty programs, direct bookings and more. In addition, China's HNA Group announced it would acquire closely held Carlson Hotels Inc. The purchase includes the Radisson and Country Inns & Suites chains as well as Carlson's majority stake in Rezidor Hotel Group.

While prevalence and impact varies by market, **sharing economy properties** are a legitimate competitor for many hotel properties around the world. Traditional chains are looking at how they can penetrate this market yet hotel services such as room service, laundry, security, and more, remain important to corporate travelers. In the Americas, a recent *CWT Solutions Group* study[6] indicated just 2.5% of travelers whose travel policies allow Airbnb bookings have actually used it. **Dynamic pricing agreements**, which can be useful when properly negotiated at 15 - 20% off Best Available Rate, continue to be in play now and still make sense for lower volume properties looking ahead.

Hotel ancillary fees haven't made much traction as free Wi-Fi, once a threatened commodity, continues to be free. It is expected hotels will continue to try and move toward additional charges. Asia Pacific will be the toughest market to penetrate as domestic travelers dictate a premium product provided at a higher rate vs. discretionary add-ons. That said, included services tend to vary by city markets. A larger leeway for hotels' **cancellation policies** was pushed by hotels starting in 2015. However, by mid-2016 most buyers were able to negotiate back to same-day cancellation privileges. Hotelier online initiatives look to minimize distribution costs by encouraging direct bookings and to push bookings away from online travel agencies, or OTAs.

2017 HOTEL PRICE PROJECTIONS



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[6]The sharing economy: Here to stay. Now what?

ASIA PACIFIC

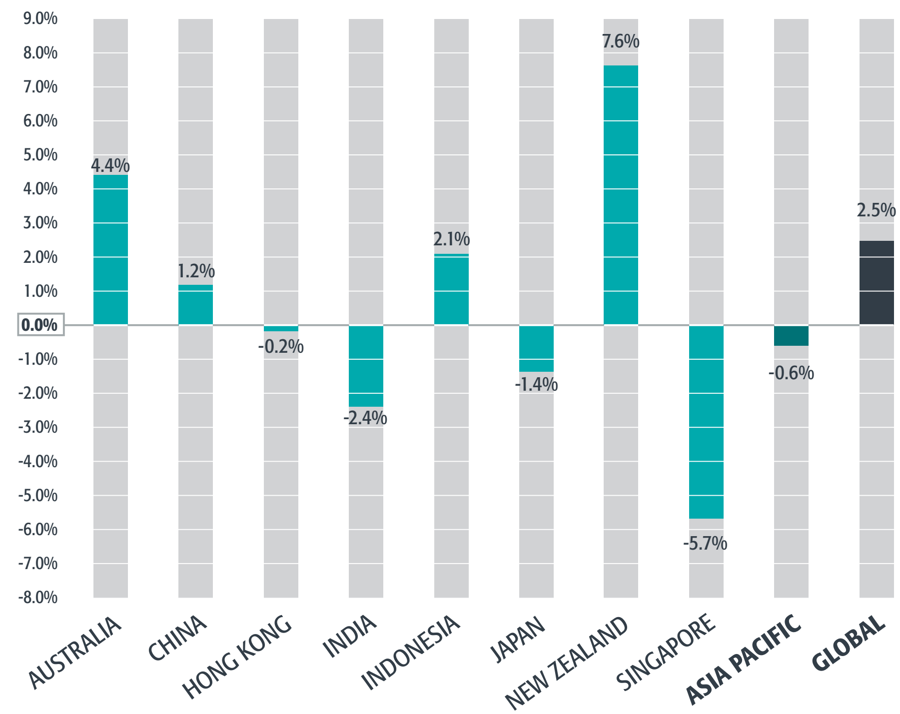
Lack of supply driving prices, new options

The **sharing economy** is a key option in hotel pricing for markets including Japan, Australia, and New Zealand. Drivers include a lack of supply overall, and prices up to 50% cheaper than a comparable hotel option. A notable exception is Singapore, another market with limited real estate, whose government does not allow sharing economy options.

With the **weak Aussie dollar**, inbound tourism is high and Melbourne and Sydney are increasing upward pricing pressure, with increases expected for 2017. Conversely, on the western side of Australia, the mining sector slowdown has resulted in low occupancy and a related decline in room rate pricing. With historically high inbound tourism and occupancy rates, **New Zealand** hotel room rates are expected to rise. In **India**, hotels are considered a key investment option for businesses, resulting in an over-build situation in key markets with related high supply/low occupancy rates leading to a 2017 slight rate decrease. **Malaysia expects to see high rates in some markets** with an increase in the dollar's value, moderate inflation, and new supply primarily in the luxury, upscale segment. At the same time, there will be downward pricing pressure given a decrease in demand from key oil and gas companies, resulting in a net moderate increase.

Most hotels in China had already been charging guests a 15% service charge, consisting of a 10% service charge and a 5% business tax. Effective May 1, **China has transformed** the business tax of 5% to a VAT, or Valued Added Tax, of 6%. As a result, corporate travelers and **buyers should now expect a 16% additional charge on top of the room rate and other applicable fees**. Unfortunately, some hotel policies have been to simply add the 6% VAT onto the previous service charge, creating a 21+% charge. Japan, which has consistently enjoyed one of the highest occupancy rates in the world, recently relaxed Chinese National visa requirements. This is expected to further increase demand.

2017 HOTEL PRICE PROJECTIONS: ASIA PACIFIC



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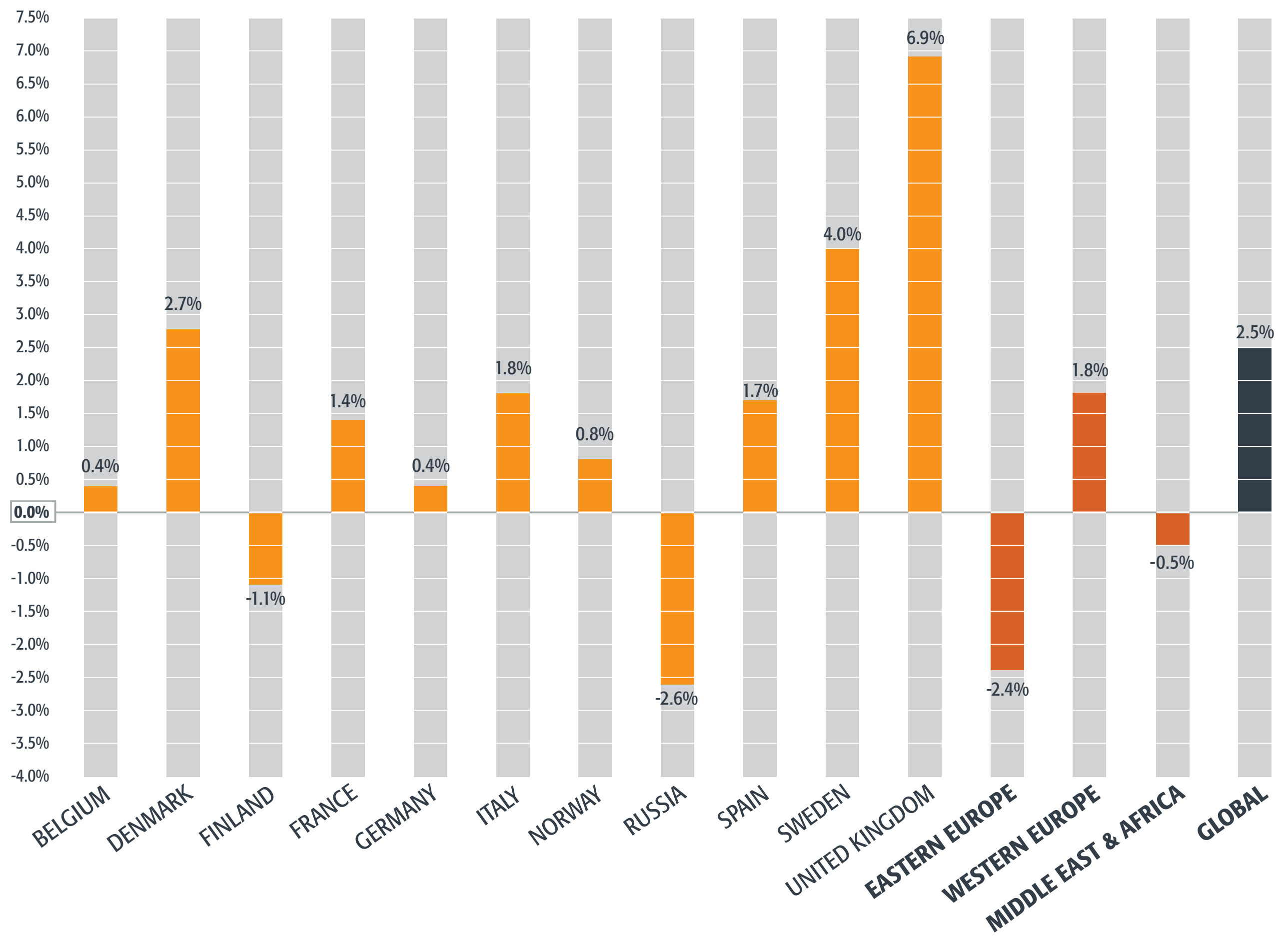
EUROPE, MIDDLE EAST & AFRICA

Room rates rising in most markets

Key markets in the region experienced varying geopolitical issues in 2016 and there has been a corresponding impact on hotel rates. Clearly, the **oil and gas price declines have decreased corporate travel** for the sector, primarily for the Middle East countries, Africa, and Russia. The influx of refugees in certain European countries, the terrorist attacks in Istanbul, Paris and Brussels, and additional political tensions have resulted in a temporary decrease in travel and related hotel bookings throughout the region; however, there is broad optimism these issues will not repeat in 2017.

The **United Kingdom** continues to be the strongest corporate market in Europe despite additional supply built for the 2012 Olympics as well as an additional 12,000 rooms that have come online in 2016 thus far. A conservative room rate increase is projected for **France**, as tempered by the 2017 presidential election and additional inventory including several 5-star properties set to open in Paris at the end of 2016. The **German** economy is experiencing major increases in spending yet the forecast calls for only a slight increase, with major pipeline activity and concern that hotel supply may exceed demand. There is a strong pipeline for London, Moscow, and Istanbul as well. In **Barcelona**, hotel construction is expected to be limited in the future and likely to affect market rates beyond 2017, assuming other market improvements. **Greece** continues to struggle with no major recovery for hotels expected in 2017.

2017 HOTEL PRICE PROJECTIONS: EUROPE, MIDDLE EAST & AFRICA



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LATIN AMERICA

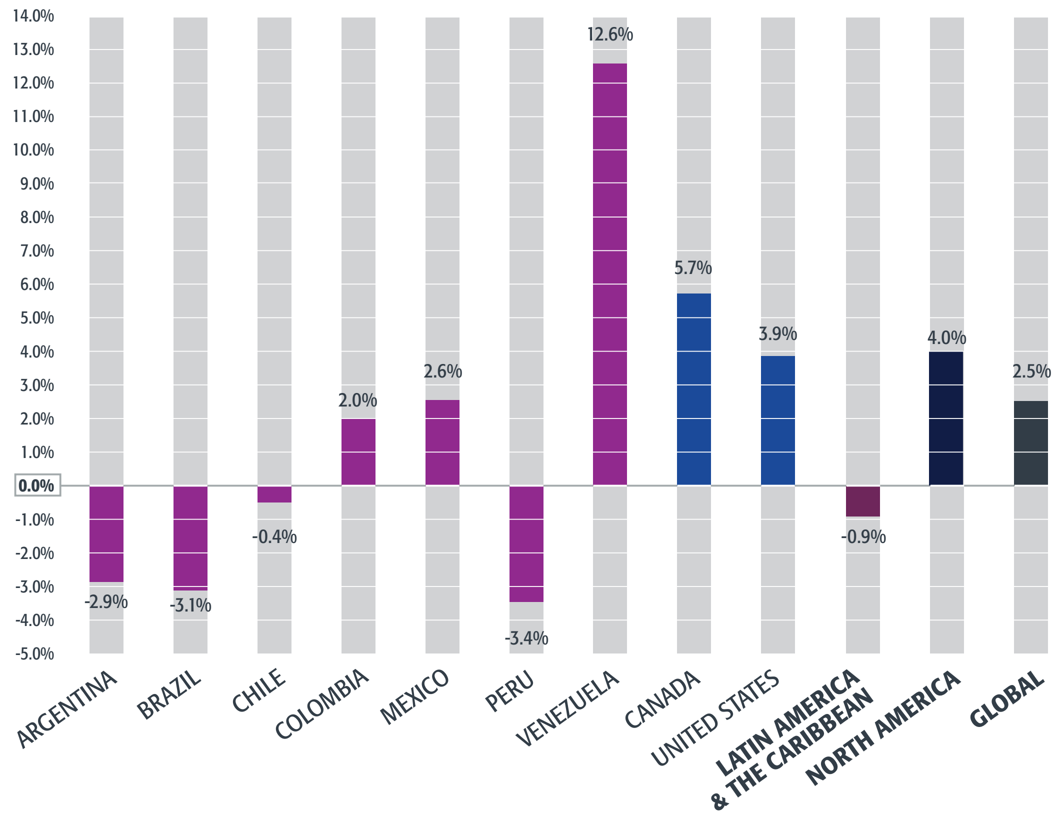
Venezuela tops rate increases

Although **inflation in Brazil and Argentina** has been quite high, including double-digits at times, Brazil is encouraged by potential leadership changes and Argentina is anticipating additional investments for the country, driving increased corporate travel in both countries in 2017 with **Colombia** likely to follow.

Major Latin American cities have experienced an influx of new hotel supply in recent years; however, given economic issues, key hotel markets remain undersupplied in most cases. **Chile, Mexico and Peru** are also experiencing economic growth, demonstrated by hotel figures that show stable occupancy rates and the promise of strong tourism.

The world over will be watching **Brazil** late summer 2016 as the country hosts the 2016 Summer Olympics. With a 25% increase in hotel rooms in the Olympic-host city Rio de Janeiro to prepare over the past five years, many are already in operation for corporate and leisure travel. Given the country's current recession and currency devaluations, political scandal, and concern over the Zika virus, the real question is whether hotel industry performance in the country will again drop off after the Olympics, leaving an enormous amount of oversupply, if the optimism for economic improvement falls short.

2017 HOTEL PRICE PROJECTIONS: AMERICAS



Forecasted rates are indicated in USD and might have different values when translated to local currencies.

NORTH AMERICA

A tale of two coasts

Demand in the United States has returned over the past couple of years but pricing thus far in 2016 has been a little softer than expected, up just 2.9% over 2015 in a continued slow-growing economy. 2017 hotel rate increases are expected to be only slightly higher at 4% as political uncertainty may cause some companies to be conservative in their own growth strategies. In a "**tale of two coasts,**" the West Coast, including Seattle, Los Angeles, San Jose and Vancouver, is experiencing high single- to double-digit growth attributed to the high-tech boom and a related shortage of hotel rooms. Meanwhile, for the region's East Coast, including New York City and Toronto, along with the Canadian oil and gas region, the average daily rate has been low single-digit, flat, or negative growth due to hotel over supply.

Finally, travelers are experiencing an increase in unavailable negotiated rates with hoteliers in high-occupancy markets, citing "full" hotels and offering to substitute a higher-priced but available rate. Savvy corporate buyers are taking the time to **audit their corporate rate availability** to ensure prices are not unjustly inflated and that negotiated rates are indeed available.

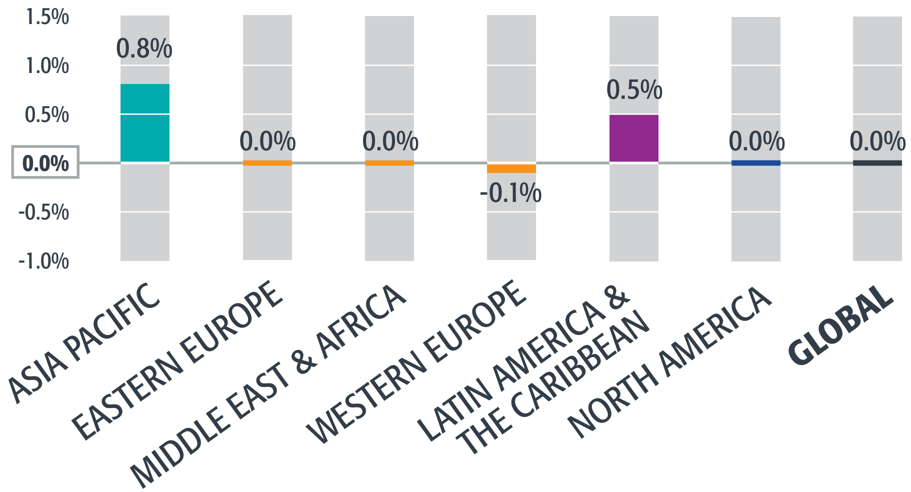
GLOBAL GROUND TRANSPORTATION

For the remainder of 2016 and headed into 2017, an intensely competitive industry climate will **dictate continued flat pricing**. Longer term, per unit fleet costs, residuals on used car markets, and hedge fund influence in public companies may also dictate pricing and push it upward. Finally, technology continues to improve the car rental experience with mobile apps enabling convenient reservations, check out and returns, and fuel monitoring technology reporting exact fuel usage. All are important improvements given the threat of new competitors.

Revenues for **the rideshare segment** including Uber and Lyft continue to rise and are projected to nearly double to $6.5 billion globally by 2020. This is certainly a positive sign for car sharing companies heading into 2017, according to a recent report.[7]

At the same time, car rental companies, taxis and black car/sedan companies may feel a collective boost given a recent push by government officials in various markets to **regulate ridesharing services** more consistently with other ground transportation providers. The outcome of these legal battles has already caused Uber to back out of certain markets, as regulating the business model could be complicated and costly, impacting their current attractive, low rates.

2017 CAR PRICE PROJECTIONS



Forecasted rates are indicated in USD and might have different values when translated to local currencies.

> Longer term, per unit fleet costs, residuals on used car markets, and hedge fund influence in public companies may also dictate ground transportation pricing and push it upward.

[7] Juniper Research

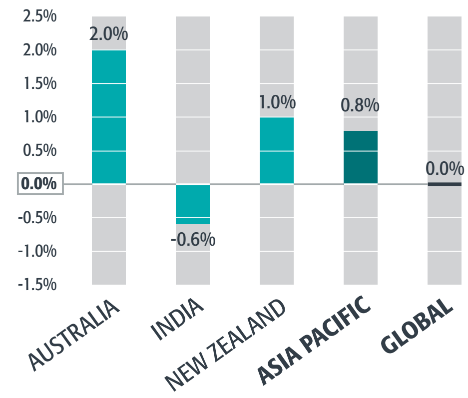
ASIA PACIFIC

New entrants making impact

Australia is the largest car rental market in the region, but its economy has slowed dramatically given sharp declines in its resource and mining sector. This downward pressure on pricing will continue into 2017 with the outlook improving longer term given tourism growth for Australia and the region more broadly.

Uber announced a partnership with Chinese Alipay and including India's Paytm, enabling traveler payment for international service in their domestic currency and eliminating the need for a dual currency credit card or currency conversion in 400 cities worldwide. If successful, the partnership could unlock growth across both companies' client bases in 2017 and, particularly, in two key, strategic and global markets: India and China, further evolving the ground transportation both regionally and globally. Apple invested $1 billion in Chinese ride-railing service, Didi Chuxing, as its iPhone market matures. The move gives Apple an investment in both the sharing economy and car technology while also providing a closer look at the Chinese market.

2017 CAR PRICE PROJECTIONS: ASIA PACIFIC



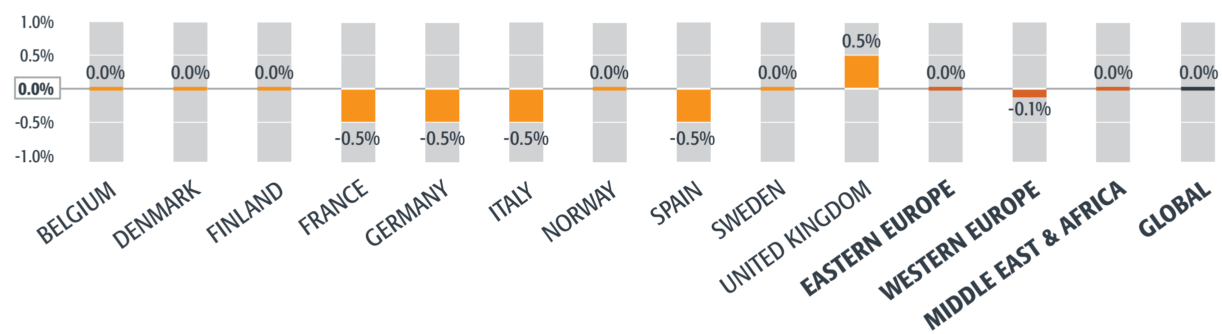
EUROPE, MIDDLE EAST & AFRICA

Ridesharing continues its rise

New entrants into the market place will continue to put a downward pressure on price as global suppliers seek to expand their sphere of influence with multiple brands in both the leisure and corporate segments. In France, peer-to-peer car sharing and ride sharing have impacted traditional car rental sales more broadly. Car rental in Russia is underdeveloped compared to Western Europe and anticipated growth has fallen short thus far in 2016 with no sign for improvement in 2017.

Ridesharing suppliers are expected to continue expanding in the region with estimates suggesting that by 2020, 26% of ridesharing globally will occur in Europe.[7] At the same time, current regulatory issues and varying market conditions may slow their growth for 2017.

2017 CAR PRICE PROJECTIONS: EUROPE, MIDDLE EAST & AFRICA



Forecasted rates are indicated in USD and might have different values when translated to local currencies.

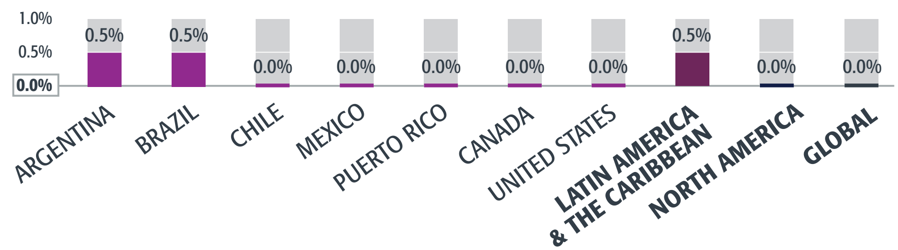
[7] Juniper Research

LATIN AMERICA

Market remains fragmented

With more than a dozen car rental companies at many of the region's airports, including privately owned operators with small fleets, consolidation seems likely. However, given the economic volatility, limited profitability and varying market conditions, the market remains greatly fragmented. Mexico and Brazil are the region's largest markets and are expected to remain flat for 2017.

2017 CAR PRICE PROJECTIONS: AMERICAS



Forecasted rates are indicated in USD and might have different values when translated to local currencies.

NORTH AMERICA

Regulations slow rideshare growth

The North American car rental market, including the U.S. as the largest market globally, remains highly competitive looking toward 2017. Over-fleeted for the last several years, car rental companies have yet to completely right-size their oversupply to demand. However, this may be a near-term strategic focus as various acquisitions are now complete. 2016 Q1 results show softened demand, likely given the economic slowdown in the energy sector as well as other industries. A long-term position for car rental companies is to maintain a high utilization rate, which is what drives profitability.

In the ridesharing segment, supplier growth may be slower than in other regions, with estimates suggesting the Americas, which comprised 56% of global "shared transport" revenue in 2015, will decrease to 40% by 2020: likely due to a combination of increased regulations for ridesharing suppliers as well as their massive growth in other global regions.

> Given the economic volatility, limited profitability and varying market conditions, the Latin American market remains greatly fragmented.

GLOBAL MEETINGS & EVENTS: PREVIEWING 2017

Below is an initial look at Meetings & Events programs next year, including an initial forecast for both group size and cost per attendee per day in 2017. Buyers should also look forward to CWT's annual M&E supplement to this forecast, available in September and including recommendations for annual planning.

ASIA PACIFIC

5% Group size

3% Cost per attendee per day

Room construction year-over-year is expected to be modest with China having the largest pipeline. Pharma companies continue to drive M&E trends. Locally, there is increased demand for a fully consolidated approach despite government regulations limiting ownership by non-local businesses. Progress is primarily in high risk areas such as sourcing, contracting, and data and analytics. Large global companies look to deploy more globally consolidated service options including sourcing and event attendee engagement, including the use of social media and ROI/ROE/ROO strategies and analysis. Transfer of knowledge, technology, and expertise from more mature regions will be key to advancing M&E programs.

EUROPE, MIDDLE EAST & AFRICA

6% Group size

0% Cost per attendee per day

EMEA has many markets at differing levels of economic maturity. That said, overall the region is likely to see midscale hotels lead M&E bookings given strict company guidelines, reduced budgets, saving targets and increasing industry regulations. Online meeting registration/bookings are experiencing steady growth given benefits, such as data management and productivity, safety, security and traveler tracking. Given recent terrorist attacks, there may also be movement in locations, delegate numbers and prices. With the 2018 World Cup to be held in Russia, supply is expected to increase via both new construction and upgrades to current properties to meet segment market needs. Finally, the M&E impact of the UK's vote to leave the EU will not be clear for some time.

LATIN AMERICA

0% Group size

-10% Cost per attendee per day

Most companies are trying to reduce meeting costs, holding meetings locally to either save money, enable more participants, or both. In Chile, Colombia and Peru, the need for savings is magnified by the countries' complex economic scenarios and a high U.S. exchange rate. It is likely 2017 will see a majority of bookings in midscale properties to help with financial concerns. In Mexico, more clients are asking for 30- to 60-day credit lines. The World Cup and Olympic Games taking place in Brazil has created a solid infrastructure including new hotels that will create a surplus in supply and lead to lowers prices after these two global events.

NORTH AMERICA

3-5% Group size

3-5% Cost per attendee per day

Mid-scale properties are considered the hotel size of choice for M&E as the current supplier's market suggests an increase in hotel prices lies ahead for 2017. In addition, despite tighter availability and less flexible contractual clauses, sourcing teams are expected to continue to negotiate 15 - 20% attrition. Meeting demand continues to climb overall, and CWT has seen stronger than expected group size increases year over year in 2016 in North America (+10% YOY). Although we continue to see strong demand in meeting requests, early indicators of a slowing economic growth may put additional pressure on corporate earnings and reduce the pace of attendee count growth.

RECOMMENDATIONS

The key to success in travel planning and budgeting is continued adaptability and flexibility. For 2017, "wait and see" means "wait, watch and act" to preserve or improve your program. In addition:

1. **Drill deeper into the data.**
Program-wide views may not work given varying fluctuations in industries and markets. Consolidate and mix your information sources to elevate your data management capability to the next level.

2. **Monitor top markets and suppliers' performance closely**
to stay in touch with how your program is truly performing against various market conditions. Manage by exception and focus on your top opportunities and top risks.

3. **Be willing to make major program changes,**
such as having one less supplier, to have real leverage with your program. Consider alternatives in all aspects of your program and maintain flexibility with your list of preferred suppliers to ensure you can adjust and mitigate risks as market conditions evolve.

4. **Check your technology toolkit**
and make sure you have the tools most helpful in managing your program, whether it is for booking, program oversight or productivity.

5. **Get travelers on your team.**
Travel policies can be relaxed in good times but must also be tightened when market conditions require. Consider value-based policy mandates, well explained to your travelers, to ensure traveler behavior makes a difference when you really need it.

METHODOLOGY

The projections in the 2017 Global Travel Price Outlook are based on:

- A statistical model, developed by market and economic research firm, Rockport Analytics, that evaluates historical price behavior and forecasts future price references
- The market-specific expertise and travel industry knowledge of CWT and *CWT Solutions Group* personnel worldwide
- Macroeconomic information sourced from Moody's Analytics, the International Monetary Fund Research Department, the United Nations and other leading organizations

Projections were derived based on transaction data from CWT's global client portfolio, including clients' travel footprints and patterns, over the past seven years. Key macroeconomic and per-country indicators, such as current and expected GDP growth, the consumer price index, unemployment rates and crude oil prices, were used in the statistical model, as well as key supply-side drivers sourced from OAG and STR Global. All air statistics represent point of origin and include all trip types (long and short haul/ domestic, continental and intercontinental).

In addition to the modeling process, data from GBTA's Travel Manager Sentiment Survey was analyzed. The online survey took place from 7 through 30 March 2016, comprising more than 615 corporate travel managers in Asia Pacific, Europe, Latin America and North America and including both members and non-members of GBTA.

ABOUT THE GBTA FOUNDATION

The GBTA Foundation is the education and research arm of the Global Business Travel Association (GBTA), the world's premier business travel and meetings trade organization headquartered in the Washington, D.C. area with operations on six continents. Collectively, GBTA's 7,000-plus members manage more than $345 billion of global business travel and meetings expenditures annually. GBTA provides its growing network of more than 28,000 travel professionals and 125,000 active contacts with world-class education, events, research, advocacy and media. For more information, see gbta.org and gbta.org/foundation.

ABOUT CARLSON WAGONLIT TRAVEL

Carlson Wagonlit Travel (CWT) is a global leader specialized in managing business travel and meetings and events. CWT serves companies, government institutions and non-governmental organizations of all sizes in more than 150 countries and territories. For more information about CWT, please visit our global website at www.carlsonwagonlit.com. Follow us on twitter@carlsonwagonlit.

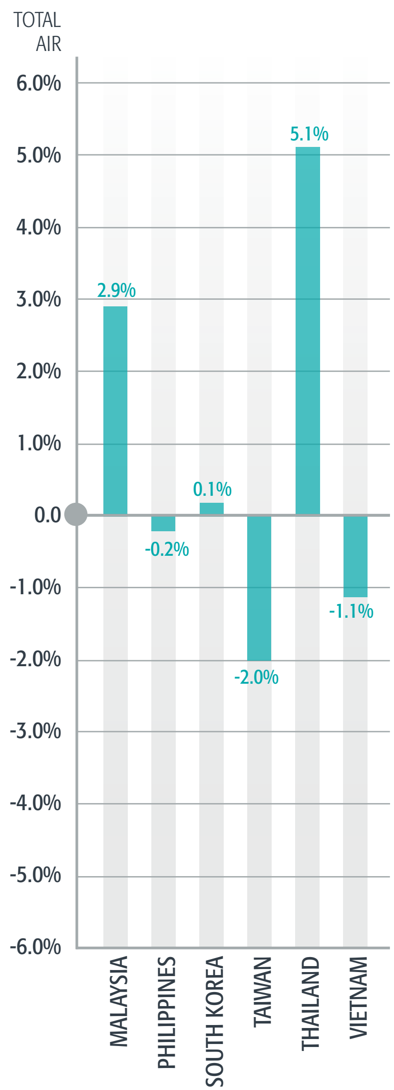
ABOUT THE CARLSON FAMILY FOUNDATION

This forecast is made possible by the Carlson Family Foundation. The Curtis L. Carlson Foundation was established in 1950, by its founder, Curtis L. Carlson. Later, the name was changed to the Carlson Family Foundation to extend the entire family in the founder's long-term philanthropic vision of giving back to the community which gave to him. The Carlson Family Foundation represents the commitment of the Carlson family to give charitably to humanitarian and community affairs. Through investments in education, mentoring, children and youth at risk, youth mentoring, anti-trafficking initiatives, and workforce development programs, the Carlson Family Foundation actively participates in creating strong and healthy communities, and a competitive workforce.

ADDITIONAL TRAVEL PRICE DATA

Asia Pacific airfares

COUNTRY - TOTAL AIR



KEY MARKET BY CLASS OF SERVICE

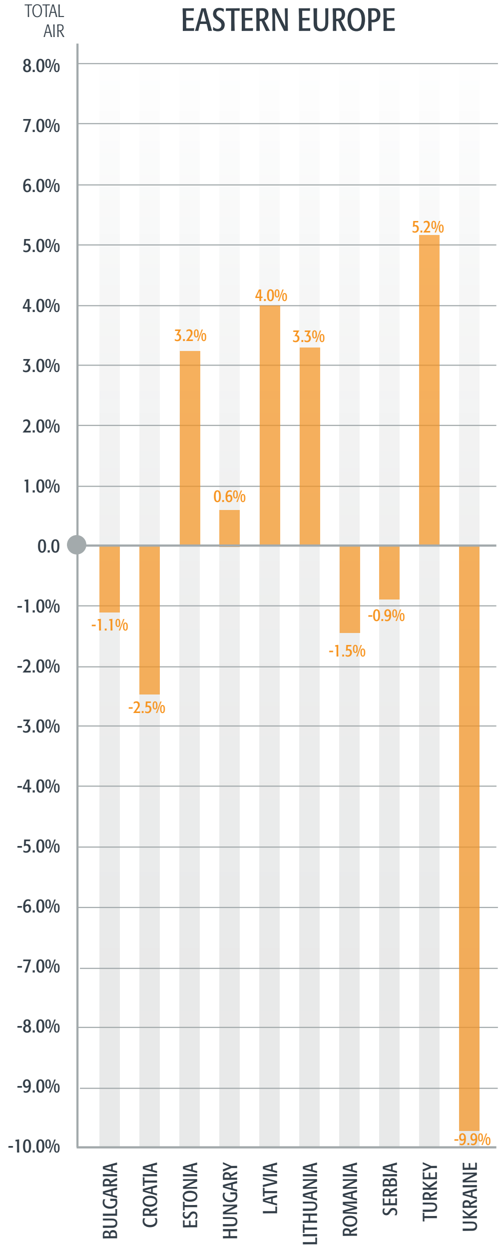
MARKET	BUSINESS			ECONOMY			TOTAL AIR
	CONTINENTAL	DOMESTIC	INTERCONTINENTAL	CONTINENTAL	DOMESTIC	INTERCONTINENTAL	
AUSTRALIA	-1.2%	0.1%	-1.2%	-1.5%	-1.6%	-0.2%	-0.9%
CHINA	-0.2%	0.8%	-0.2%	0.3%	0.8%	-0.1%	0.3%
HONG KONG	3.0%	N/A	3.0%	3.0%	N/A	3.0%	3.0%
INDIA	0.6%	-4.4%	1.4%	0.6%	-1.4%	1.2%	-0.4%
JAPAN	-5.5%	N/A	-5.5%	-5.5%	-5.5%	-5.5%	-5.5%
SINGAPORE	-2.3%	N/A	-3.8%	-2.3%	N/A	-2.8%	-2.8%
ASIA PACIFIC	**-1.0%**	**-1.2%**	**-1.0%**	**-0.9%**	**-2.0%**	**-0.7%**	**-1.1%**

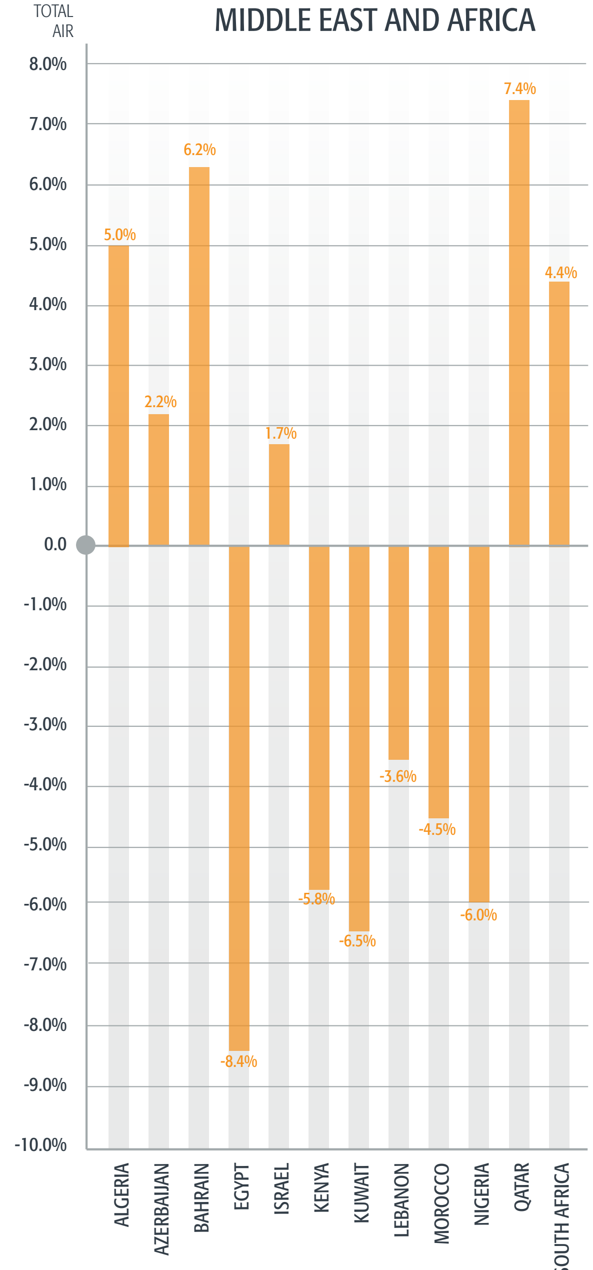
Forecasted rates are indicated in USD and might have different values when translated to local currencies.

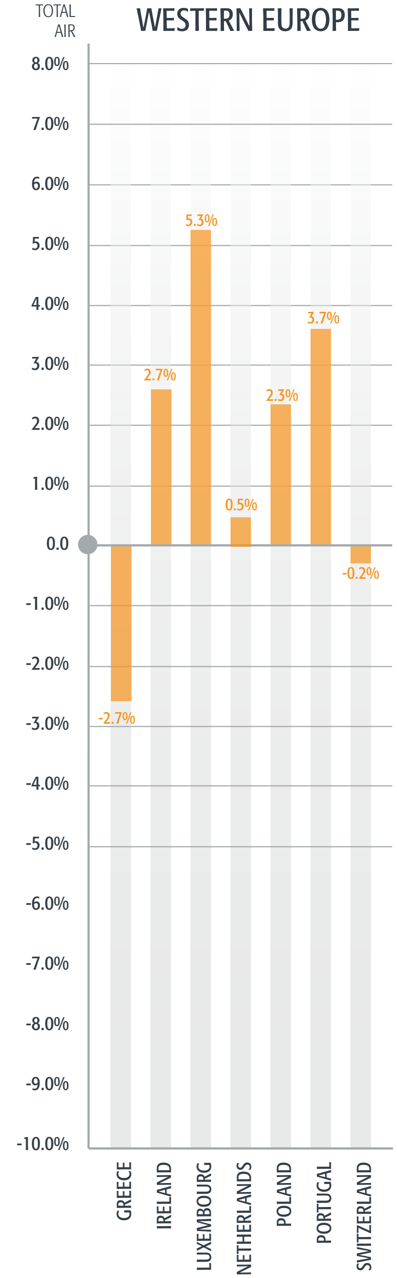
ADDITIONAL TRAVEL PRICE DATA

Europe, Middle East & Africa airfares

COUNTRY - TOTAL AIR







Forecasted rates are indicated in USD and might have different values when translated to local currencies.

ADDITIONAL TRAVEL PRICE DATA

Europe, Middle East & Africa

KEY MARKET BY CLASS OF SERVICE

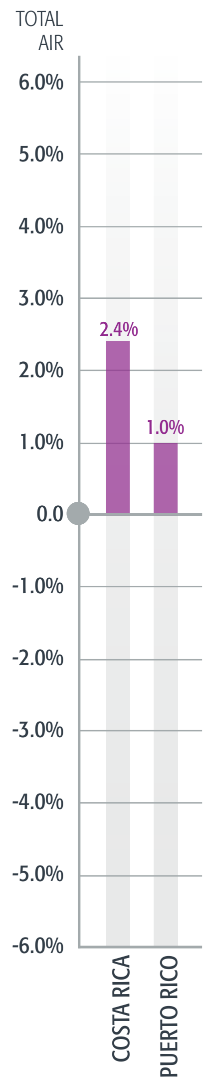
MARKET	BUSINESS			ECONOMY			TOTAL AIR
	CONTINENTAL	DOMESTIC	INTERCONTINENTAL	CONTINENTAL	DOMESTIC	INTERCONTINENTAL	
RUSSIA	4.5%	3.0%	4.2%	3.7%	4.6%	4.1%	4.0%
EASTERN EUROPE	**4.5%**	**3.0%**	**4.2%**	**3.7%**	**4.6%**	**4.1%**	**4.0%**
SAUDI ARABIA	N/A	2.8%	1.7%	2.0%	2.0%	1.4%	2.0%
MIDDLE EAST & AFRICA	**1.4%**	**2.8%**	**1.4%**	**2.0%**	**2.0%**	**1.4%**	**2.0%**
BELGIUM	-3.5%	N/A	-3.4	-3.6	N/A	-3.3%	-3.4%
DENMARK	-1.2%	-1.4%	-1.2%	-1.2%	-0.4%	-2.0%	-1.2%
FRANCE	-2.0%	N/A	-1.6%	-1.7%	-1.2%	-1.4%	-1.6%
GERMANY	0.3%	0.6%	1.3%	1.3%	1.8%	2.2%	1.2%
ITALY	-0.9%	N/A	-0.6%	-0.7%	-0.2%	-0.7%	-0.6%
NETHERLANDS	-0.2%	N/A	0.4%	0.5%	N/A	0.8%	0.5%
SPAIN	2.3%	2.4%	2.3%	2.5%	2.6%	2.4%	2.4%
SWEDEN	0.9%	1.2%	1.0%	1.3%	1.6%	1.1%	1.2%
SWITZERLAND	-1.6%	1.1%	-0.8%	-1.0%	1.4%	-0.6%	-0.2%
UNITED KINGDOM	2.2%	1.6%	2.1%	2.3%	2.8%	2.3%	2.2%
WESTERN EUROPE	**-0.4%**	**0.9%**	**0.0%**	**0.0%**	**1.0%**	**0.1%**	**0.5%**

Forecasted rates are indicated in USD and might have different values when translated to local currencies.

ADDITIONAL TRAVEL PRICE DATA

Americas airfares

LATIN AMERICA - TOTAL AIR



LATIN AMERICA - KEY MARKET BY CLASS OF SERVICE

MARKET	BUSINESS			ECONOMY			TOTAL AIR
	CONTINENTAL	DOMESTIC	INTERCONTINENTAL	CONTINENTAL	DOMESTIC	INTERCONTINENTAL	
ARGENTINA	-7.8%	N/A	-3.7%	-4.3%	-7.3%	-4.9%	-5.6%
BRAZIL	-10.3%	N/A	-9.1%	-6.4%	-7.7%	-6.4%	-7.1%
CHILE	-1.4%	N/A	1.3%	-0.7%	1.8%	0.7%	0.5%
MEXICO	N/A	4.1%	0.4%	5.5%	4.3%	0.9%	4.0%
LATIN AMERICA & THE CARIBBEAN	**-6.5%**	**4.1%**	**-2.8%**	**-1.5%**	**-2.2%**	**-2.4%**	**-1.9%**

NORTH AMERICA - KEY MARKET BY CLASS OF SERVICE

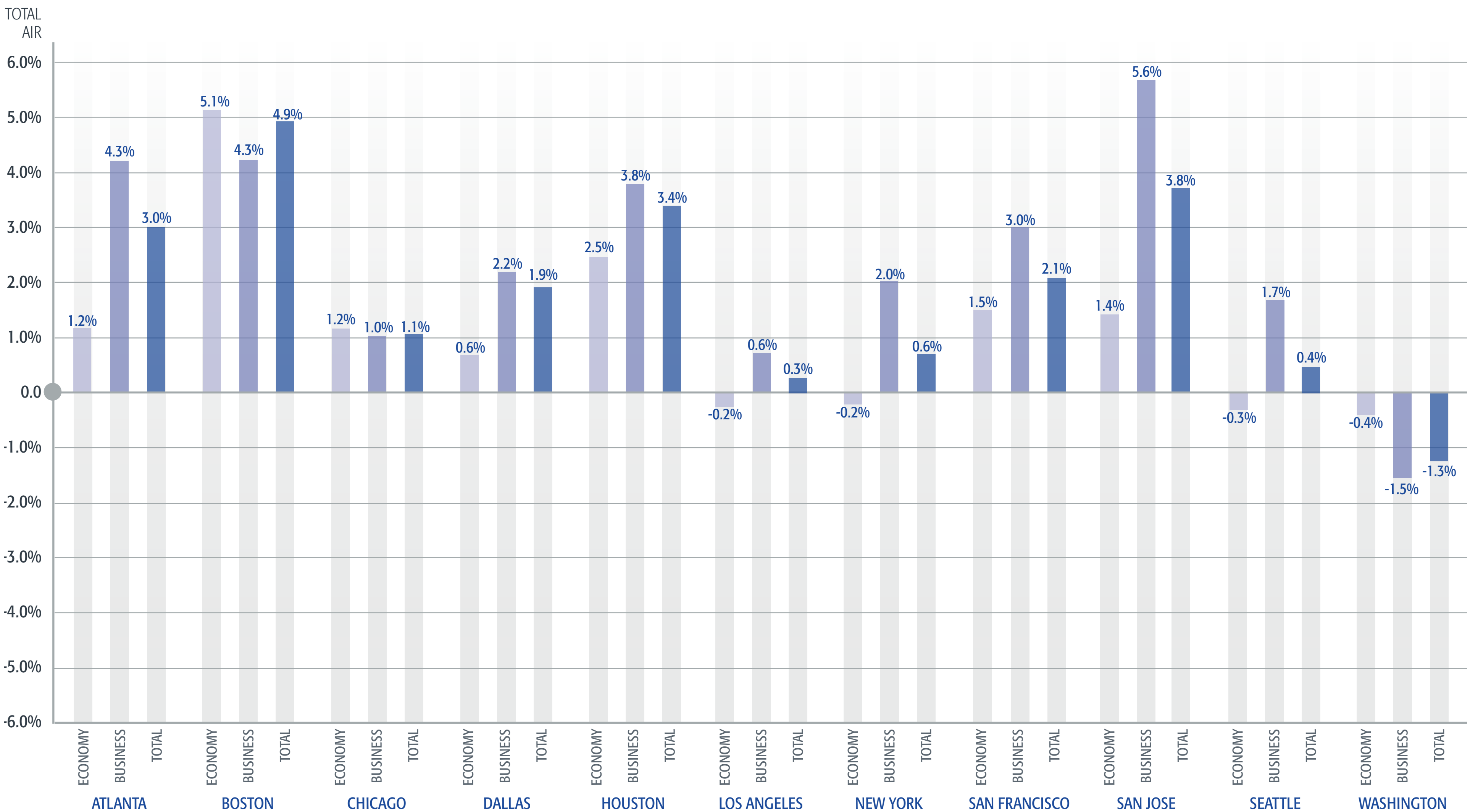
MARKET	BUSINESS			ECONOMY			TOTAL AIR
	CONTINENTAL	DOMESTIC	INTERCONTINENTAL	CONTINENTAL	DOMESTIC	INTERCONTINENTAL	
CANADA	2.0%	3.5%	4.6%	4.5%	5.9%	6.2%	4.4%
U.S.	3.5%	3.8%	3.8%	3.6%	3.7%	3.9%	3.7%
NORTH AMERICA	**2.7%**	**3.6%**	**4.0%**	**3.8%**	**4.0%**	**4.2%**	**3.7%**

Forecasted rates are indicated in USD and might have different values when translated to local currencies.

ADDITIONAL TRAVEL PRICE DATA

Americas airfares

UNITED STATES METRO MARKET FORECAST - AIR

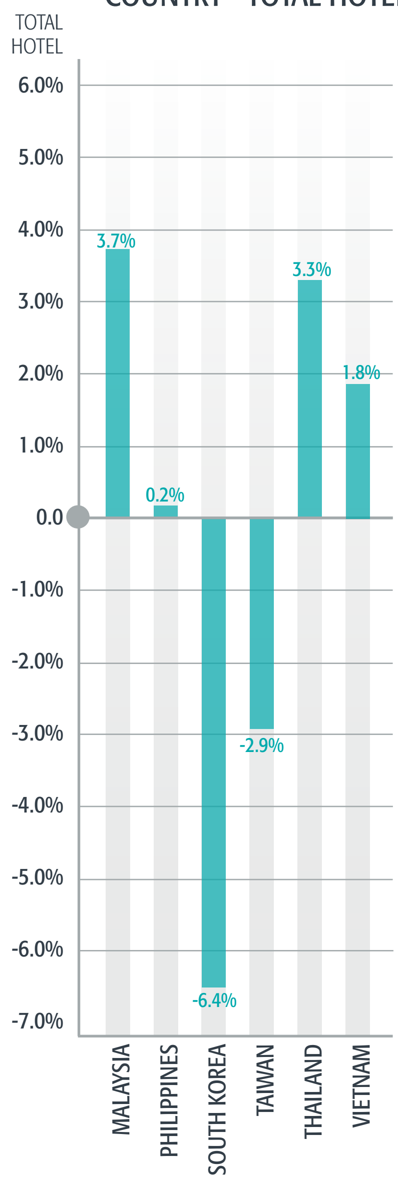


Forecasted rates are indicated in USD and might have different values when translated to local currencies.

ADDITIONAL TRAVEL PRICE DATA

Asia Pacific hotel rates

COUNTRY - TOTAL HOTEL



KEY MARKET BY CLASS OF SERVICE

MARKET	MIDSCALE	UPSCALE	TOTAL HOTEL
AUSTRALIA	5.4%	3.4%	4.4%
CHINA	1.5%	1.0%	1.2%
HONG KONG	-0.7%	0.0%	-0.2%
INDIA	-2.4%	-2.4%	-2.4%
JAPAN	-0.9%	-1.5%	-1.4%
SINGAPORE	-5.7%	-5.8%	-5.7%
ASIA PACIFIC	**-0.5%**	**-0.9%**	**-0.6%**

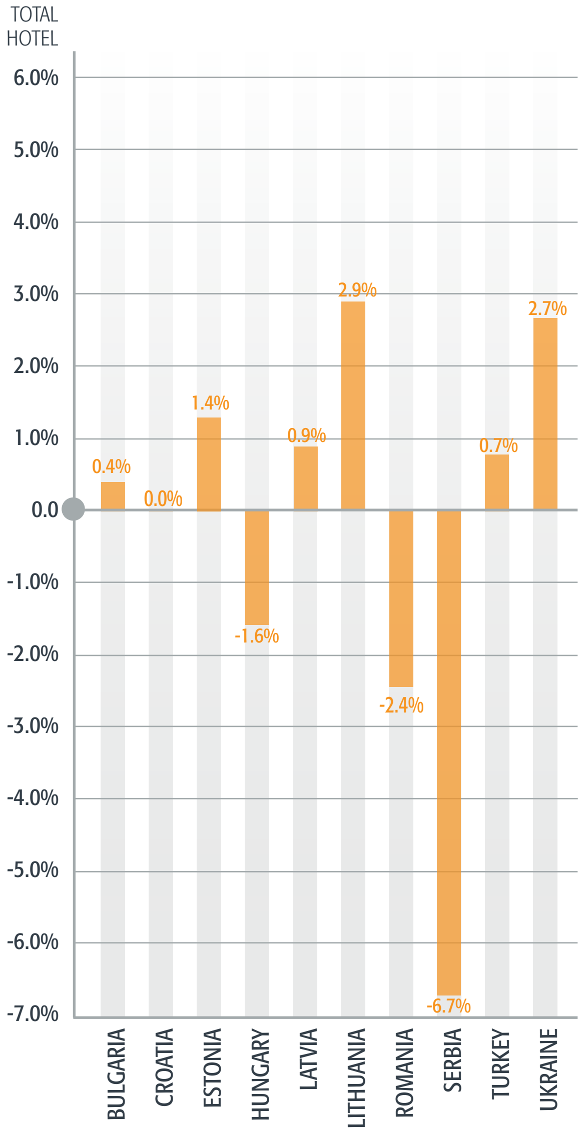
Forecasted rates are indicated in USD and might have different values when translated to local currencies.

ADDITIONAL TRAVEL PRICE DATA

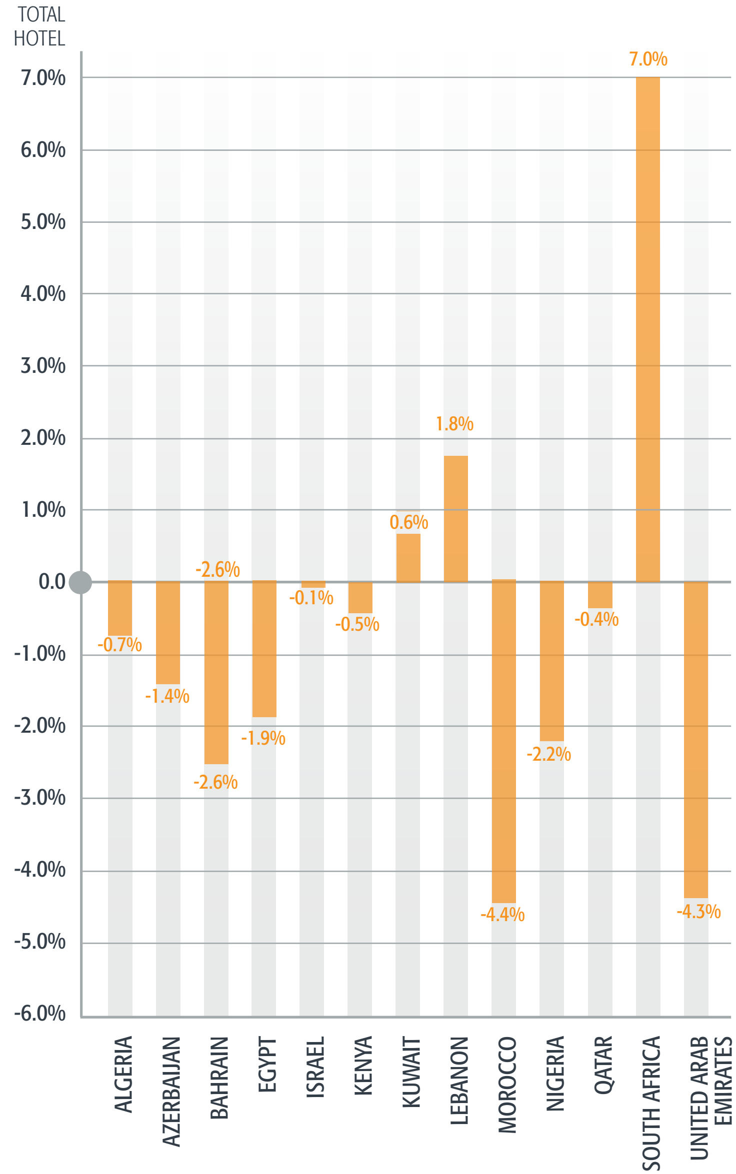
Europe, Middle East & Africa hotel rates

COUNTRY - TOTAL HOTEL

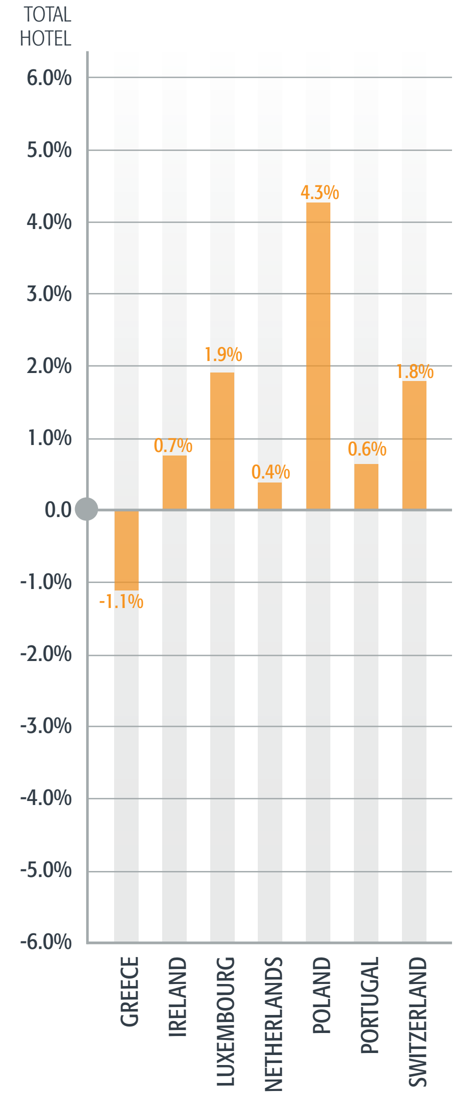
EASTERN EUROPE



MIDDLE EAST AND AFRICA



WESTERN EUROPE



Forecasted rates are indicated in USD and might have different values when translated to local currencies.

ADDITIONAL TRAVEL PRICE DATA

Europe, Middle East & Africa

KEY MARKET BY CLASS OF SERVICE

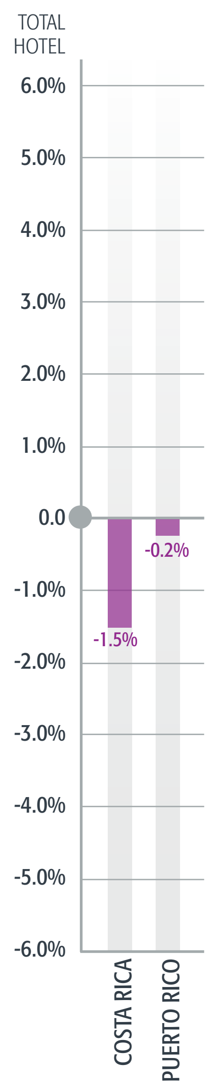
MARKET	MIDSCALE	UPSCALE	TOTAL HOTEL
RUSSIA	-1.4%	-2.9%	-2.6%
EASTERN EUROPE	**-1.4%**	**-2.9%**	**-2.4%**
SAUDI ARABIA	4.7%	-0.9%	3.2%
UNITED ARAB EMIRATES	-4.3%	-4.3%	-4.3%
MIDDLE EAST & AFRICA	**0.2%**	**-2.6%**	**-0.5%**
BELGIUM	0.4%	0.7%	0.4%
FINLAND	-1.1%	-0.8%	-1.1%
FRANCE	1.9%	0.9%	1.4%
GERMANY	0.4%	0.4%	0.4%
ITALY	1.7%	1.9%	1.8%
NETHERLANDS	0.5%	0.1%	0.4%
NORWAY	2.5%	0.0%	0.8%
SPAIN	1.2%	2.3%	1.7%
SWEDEN	4.0%	4.0%	4.0%
UNITED KINGDOM	7.4%	6.4%	6.9%
WESTERN EUROPE	**1.8%**	**1.6%**	**1.8%**

Forecasted rates are indicated in USD and might have different values when translated to local currencies.

ADDITIONAL TRAVEL PRICE DATA

Americas hotel rates

LATIN AMERICA - TOTAL HOTEL



LATIN AMERICA - KEY MARKET BY CLASS OF SERVICE

MARKET	MIDSCALE	UPSCALE	TOTAL HOTEL
ARGENTINA	-2.9%	-3.0%	-2.9%
BRAZIL	-1.1%	-4.2%	-3.1%
CHILE	-0.4%	-0.4%	-0.4%
MEXICO	2.3%	3.0%	2.6%
LATIN AMERICA & THE CARIBBEAN	**-0.5%**	**-1.2%**	**-0.9%**

NORTH AMERICA - KEY MARKET BY CLASS OF SERVICE

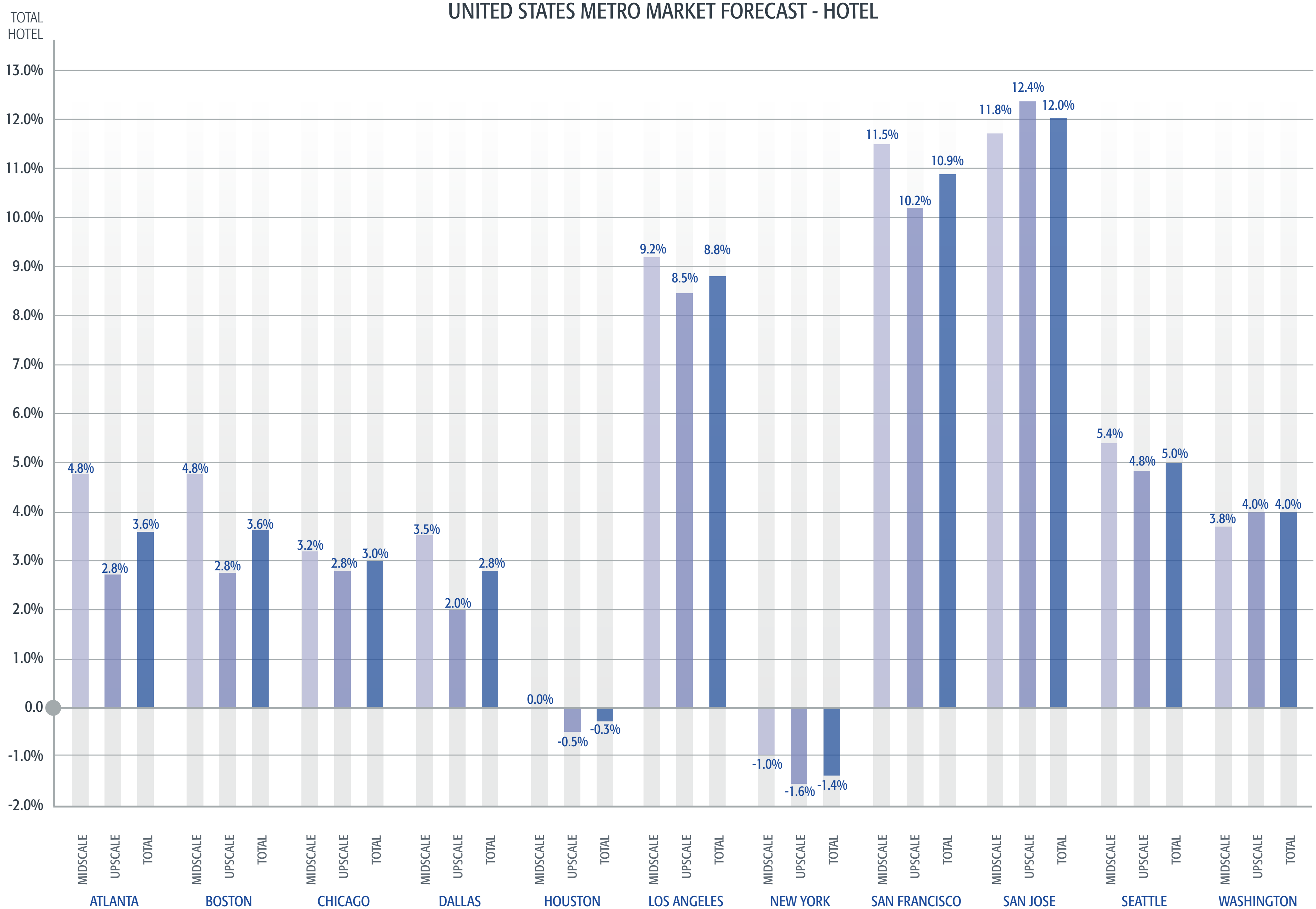
MARKET	MIDSCALE	UPSCALE	TOTAL HOTEL
CANADA	6.0%	5.3%	5.7%
UNITED STATES	4.2%	3.4%	3.9%
NORTH AMERICA	**4.5%**	**3.5%**	**4.0%**

Forecasted rates are indicated in USD and might have different values when translated to local currencies.

ADDITIONAL TRAVEL PRICE DATA

Americas hotel rates

UNITED STATES METRO MARKET FORECAST - HOTEL



Forecasted rates are indicated in USD and might have different values when translated to local currencies.

ADDITIONAL TRAVEL PRICE DATA

Asia Pacific rental car rates

KEY MARKET BY CLASS OF SERVICE

MARKET	MIDSIZE	FULL SIZE	TOTAL CAR
AUSTRALIA	2.0%	2.0%	2.0%
INDIA	-0.6%	NA	-0.6%
NEW ZEALAND	1.0%	1.0%	1.0%
ASIA PACIFIC	**0.8%**	**1.0%**	**0.8%**

Forecasted rates are indicated in USD and might have different values when translated to local currencies.

ADDITIONAL TRAVEL PRICE DATA

Europe, Middle East & Africa rental car rates

COUNTRY - TOTAL CAR

KEY MARKET BY CLASS OF SERVICE

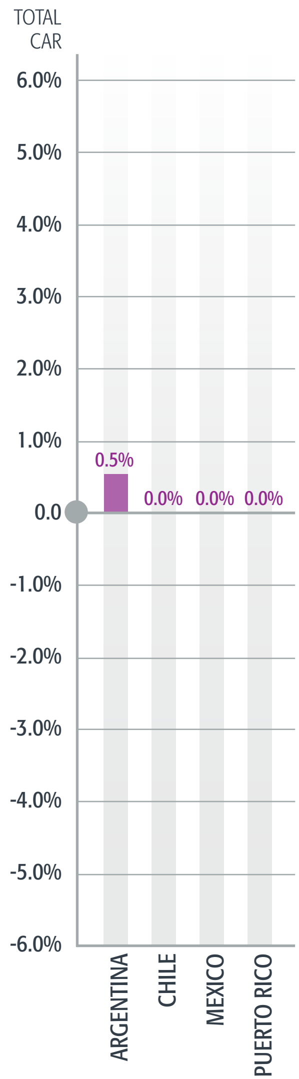
MARKET	MIDSIZE	FULL SIZE	TOTAL CAR
SOUTH AFRICA	0.0%	0.0%	0.0%
MIDDLE EAST & AFRICA	**0.0%**	**0.0%**	**0.0%**
BELGIUM	0.0%	0.0%	0.0%
FRANCE	-0.5%	-0.5%	-0.5%
GERMANY	-0.5%	-0.5%	-0.5%
ITALY	-0.5%	-0.5%	-0.5%
SPAIN	-0.5%	-0.5%	-0.5%
SWEDEN	0.0%	0.0%	0.0%
SWITZERLAND	0.0%	0.0%	0.0%
UNITED KINGDOM	-0.5%	-0.5%	-0.5%
WESTERN EUROPE	**-0.1%**	**-0.1%**	**-0.1%**

Forecasted rates are indicated in USD and might have different values when translated to local currencies.

ADDITIONAL TRAVEL PRICE DATA

Americas rental car rates

LATIN AMERICA - TOTAL CAR



LATIN AMERICA - KEY MARKET BY CLASS OF SERVICE

MARKET	MIDSIZE	FULL SIZE	TOTAL CAR
BRAZIL	0.5%	0.5%	0.5%
LATIN AMERICA & THE CARIBBEAN	**0.5%**	**0.5%**	**0.5%**

NORTH AMERICA - KEY MARKET BY CLASS OF SERVICE

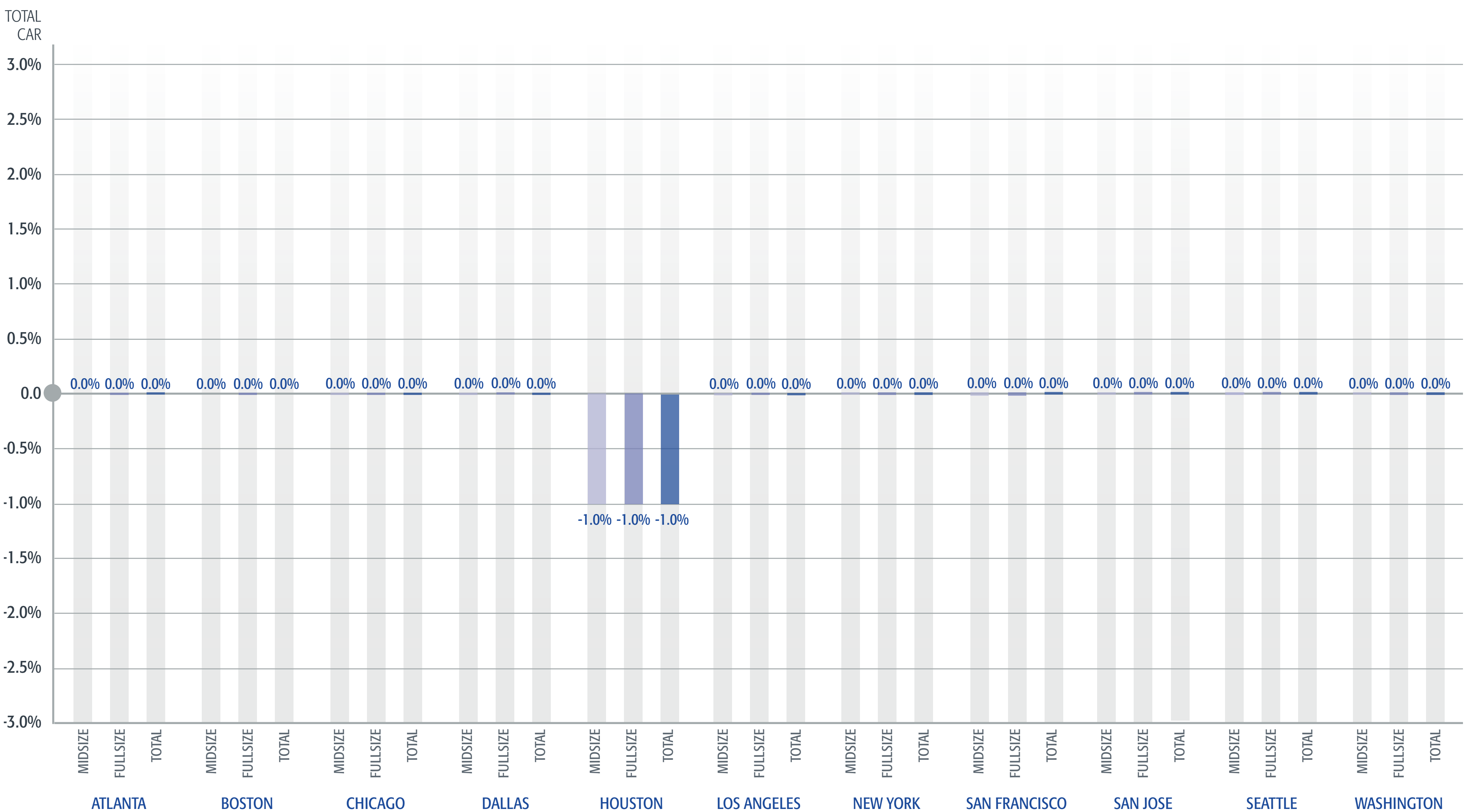
MARKET	MIDSIZE	FULL SIZE	TOTAL CAR
CANADA	0.0%	0.0%	0.0%
UNITED STATES	0.0%	0.0%	0.0%
NORTH AMERICA	**0.0%**	**0.0%**	**0.0%**

Forecasted rates are indicated in USD and might have different values when translated to local currencies.

ADDITIONAL TRAVEL PRICE DATA

Americas rental car rates

UNITED STATES METRO MARKET FORECAST - CAR



Forecasted rates are indicated in USD and might have different values when translated to local currencies.