



**ASIATRavel.COM HOLDINGS LTD**  
(Co. Reg. No.: 199907534E)

## **POSITIVE GROWTH DESPITE THE HEADLINE TRAVEL GLOOM**

The Management of Asiatravel.com Holdings Ltd wishes to update our shareholders and investors with regard to recent headline news highlighting the gloom in the travel industry.

Our operations have shown notable resilience in this difficult environment.

The hotels are experiencing lower occupancies and are suffering from a decline in room rates. However, we have taken steps to meet these challenges.

With our strong ground presence and our real-time hotel and air-ticketing platform, we have been working with our hotel partners to offer attractive promotions and special rates. These promotions have been effective and have generated a rise in room nights booked; some key destinations like Hong Kong have in fact seen record bookings.

As we are able to drive more bookings to our hotel partners in this challenging environment, we are able to increase our commissions and mark-ups in some of our core destinations to mitigate the impact of the decline in room rates on our gross profit per room night.

With the economic downturn, Asian leisure travelers are looking increasingly to short-notice, short-haul regional destinations and to mid to lower-priced hotels and attractive airfares. This shift has benefited us. Over 70% of our customers are leisure travelers. We are particularly strong in the supply of mid to lower range hotels and offer a wide choice of instant-confirmation hotel rooms and attractive air tickets to suit the budget of our pan-Asian travelers. This is evident not only in the room night growth in our core Asian destinations but also in the increase of Asian customers in our user profile.

The timely launch of our online instant confirmation air-ticketing platform across 11 Asian countries has helped us tap into this fast-growing online intra-Asia market. We note that our customers have responded favorably to our discounted online airfares. Our flight reservation service has become an important new income generator and we expect this to continue to grow as users search for online ticketing for attractive offers and convenience.

The management is confident that our business will not be severely affected by the ongoing economic downturn. We will be growing our presence and penetration throughout Asia to be ready for the eventual recovery.

The management will proactively engage our investors to keep them informed of the operating environment as it develops.

**BY ORDER OF THE BOARD**

**Submitted by Boh Tuang Poh, Executive Director, on 13 March 2009 to the SGX**