

Good Morning,

I thought I'd start by giving you some background information on SideStep, the technology company we founded back in 1999.

From the start, our vision has been to build a special kind of search engine that makes it easy for users to instantaneously access rapidly changing information from across the Internet. As our technology matured, we discovered that it worked extraordinarily well for accessing travel. Since travel is a very sizeable and dynamic market, SideStep has focused all its efforts on providing access to the largest and most useful assortment of travel options online. SideStep currently connects to more than 130 different internet-connected systems including traditional published inventory, web-only fares and special negotiated rates.

SideStep makes it easy to book directly on a variety of web sites which are typically a very low cost distribution channel. Once the buyer has made their selection, SideStep streamlines the purchasing process by navigating the buyer directly to the point-of-purchase web page with brands they can trust. Since SideStep introduces buyers directly to our travel partners, we give them the opportunity to build a richer, closer relationship with their customers.

The standard version of SideStep is available for free, from our web site and a number of our airline, hotel and rental car partners. Our system provides access to one of the broadest selections of fares and rates available online, including more than 45,000 hotel properties, 585 different domestic and international airlines and over 2,800 rental car locations.

SideStep has won numerous awards, including Forbes magazine's Best of the Web and CIO magazine's Web Business 50 award, and is frequently mentioned in the press. We regularly receive accolades from travel agents who find our system useful. Furthermore, companies that sell travel have embraced us nearly across the board. We continue to be encouraged by the number of quality travel companies that are asking to participate in our system.

With such strong support from the travel industry and from travel buyers of all types, the SideStep service, which was formally launched 1 ½ years ago, has already grown to become one of the most popular online travel systems for both leisure and business travelers. This growth to nearly 2 million users has been driven primarily by word-of-mouth from satisfied users.

SideStep is currently facilitating annualized gross bookings in excess of \$200M and is growing organically at a rate in excess of 30% quarter over quarter. SideStep is both cash flow positive and profitable.

SideStep's system is based on the latest distributed Internet architectures and technologies which result in increased system performance at a dramatically lower cost.

For example, rather than using a large number of dedicated, proprietary communication links to each of our partners, SideStep utilizes low-cost Internet bandwidth. Similarly, rather than relying on a few large computers to run the system, SideStep's architecture allows us to run across many small, inexpensive computers working together. And we can add these computers one at a time whenever more capacity is needed. Most importantly, taking advantage of the latest technologies to lower costs ultimately enables lower prices for consumers.

Across the Internet, SideStep has a number of communications technologies that make it easy and inexpensive for systems to communicate. The most exciting new area of development is called Web Services. All the major computer software companies such as Microsoft, IBM and Sun Microsystems support Web Services. For example, SideStep has been searching for fares and booking transactions using XML Web Services with Dollar Rent A Car for some time now. SideStep is also a member of the Open Travel Alliance, which will make it even easier for travel distribution systems to speak the same language over the Internet.

Not all of SideStep's partners have these latest capabilities yet. Fortunately our system is extremely flexible in that we have been able to connect to any Internet connected system with no work on the part of our partners. Some of these communication methods are based on older techniques, such as EDI, while others are based on technology that emulates user interaction on a web site. In working together with our partners, we have been steadily improving Internet distribution systems and further reducing costs. The benefits of SideStep's distribution model are so dramatic and clear; we believe that only a company with ulterior motives would ultimately decline to participate.

SideStep has also produced a number of customized versions of our system for many of our partners. For example, Carlson Wagonlit Travel, has licensed a customized version of SideStep for their travel agents that fully integrates special non-public travel inventory in addition to displaying web fares and published fares. Additionally, CWT's edition of SideStep has a customized display with additional information of interest to their travel agents.

As long as web fares are available through systems like SideStep, all types of users will be ensured access to the widest range of inventory at the lowest possible cost. Whether using our free standard version or a customized licensed version, SideStep makes it easy for consumers and travel agents to access the broadest variety of inventory, including web fares.

Thank you very much for your time and attention.