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F.Y.I.

A recent Japan Association of Travel Agents' (JATA) poll of the top 50 Japanese travel agents provided a view of the 2002 summer season.

- Overseas travel revenue down by 11.9%
- Japanese domestic travel was also off by 4.9%.
- The overall travel revenue figures showed a decrease of 7.4%.
- Revenue from outbound travel dropped to 88.1% versus last year while travel revenue by foreigners jumped to 197.8% with help of the World Cup and related events in Japan.

INFINI Homepage:

http://www.infini-trvl.co.jp/contents/english/index_e.html

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Cathay Pacific Connects with INFINI ET

On August 1, 2002 Cathay Pacific (CX) and INFINI released its Interactive Electronic Ticket product (INFINI ET) in Japan. Fabrizio Raponi, Reservations & Ticketing Manager Japan for CX talked with us about the process and preparations for launching ET.

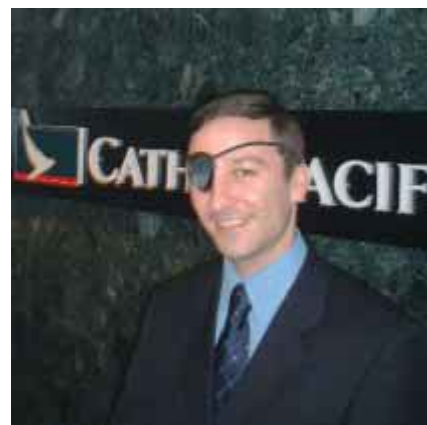
1F: What are the merits of ET for Cathay Pacific in Japan?

CX: From a technical point of view, the merit is that everything can be connected. You can connect all information from the reservations side to the airport side. There is also a big benefit for customers and for the travel agencies in terms of security. You cannot lose the document. The reservation is connected to the ticket. Before there was a link in this chain that was missing, but that now has been connected by ET.

1F: From your experience with Cathay in Italy do you see a difference between ET in the EU vs. Japan?

CX: There is not a big difference. Customers tend to be suspicious about anything electronic until they get accustomed to using it. [In the case of ET] the customer gives something, which is his or her money, but does not receive something [a paper ticket] in return. So, people will tend to worry, but as this becomes a part of peoples' daily life there will be fewer problems.

I found exactly the same perceptions among customers in Italy as I find here in Japan. The basic concern among passengers really is: "I cannot see my ticket! Where is my ticket?!"



Fabrizio Raponi
Reservations & Ticketing Manager

1F: Why is CX doing ET now in Japan?

CX: CRSs in Japan are evolving. We see that the market itself is changing. We want to offer new tools and benefits to the travel agents and the customers. I think this is the right moment to begin ET even if the start is slow. As I said before we need to change peoples' perceptions. This is part of the ET process. It is not just the technical or marketing aspects of the launch. You need to build up trust within the market that ET is good for everyone, not just for the airline and the travel agent.

1F: Are there any unique aspects of ET in Japan that you observed during your preparations?

CX: INFINI itself is unique because it is a dedicated Japanese CRS system. We had to make sure that all the error responses and information were translated properly using the Sabre platform. This was quite a big technical job being done by the INFINI, Sabre, and CX team.

1F: What was your role in the preparations?

CX: My role was to coordinate

those teams with our sales and marketing staff here in Japan. This is not intended as a plug, but there was a great team at INFINI of very skilled people that made it quite easy.

1F: We see some major European carriers offering incentives to spark interest in ET within the EU. Is that necessary here in Japan?

CX: Yes, you do need incentives to spread the use of ET into this market. But education to the use of ET is the key element.

1F: Do you think going to the actual customer is more effective than approaching the agent?

CX: I think we have to work on both channels. Travel agents are very important because eventually they will be communicating to cus-

tomers. We really need them to understand the concept of ET as this information will be passed directly onto the customer.

1F: CX is working with a number of Internet and mobile phone services in Japan. Is ET a part of that strategy?

CX: Yes. We are very keen on new technologies. We try to keep abreast of the newest developments. ET plays an important part. Through IBE (Internet Booking Engine) now you can purchase an ET ticket and it can be issued immediately and automatically through the system.

People do not realize how the paper ticket has been continually evolving. We went from the manual, handwritten tickets, TAT tickets (printed on the carbon copy) and ATB tickets (laser printed). The



next, inevitable step is ET.

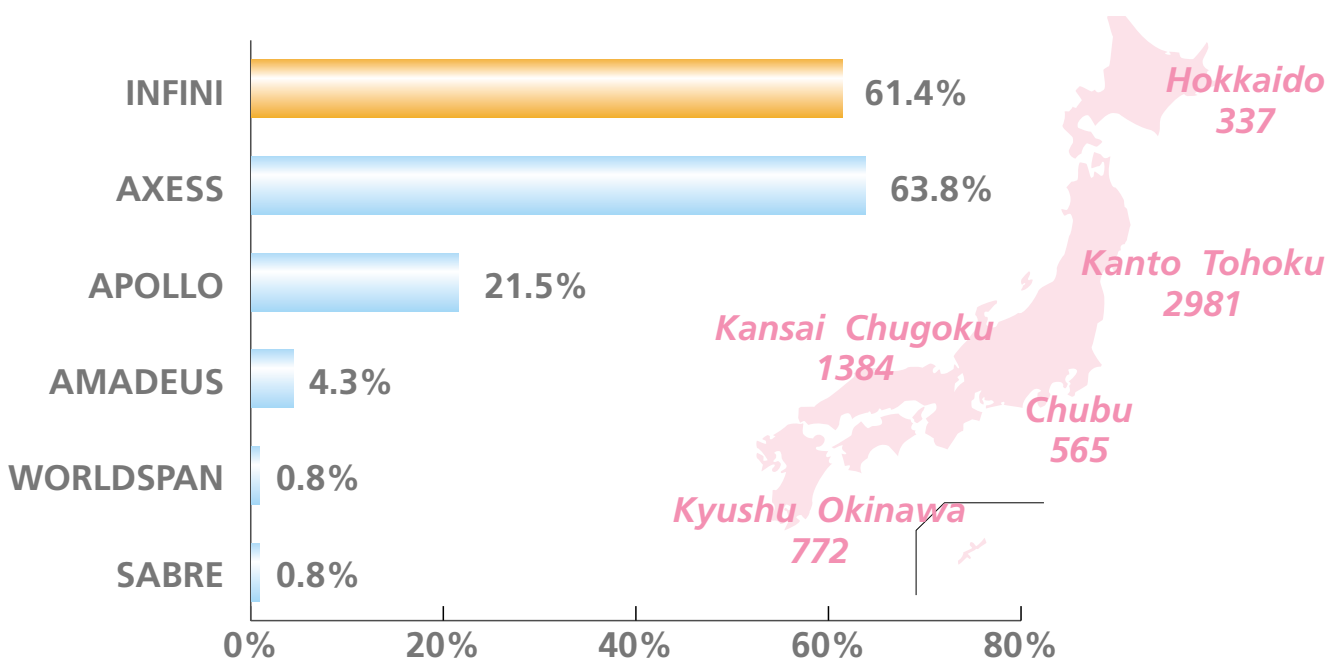
1F: Do you think that ET works for only certain markets?

CX: No. For instance, ET in the US market is now very common while for other markets, it is just developing. As a result, customers have a different perception in the US. Now if you give them a paper ticket they may look at your strangely. Whereas in Italy or other parts of the EU people look at you strangely, when you provide an E-ticket. If [widespread use] can be achieved in other markets, I do not see any reason why it cannot be done here in Japan.

Ed.Note: BSP Japan data indicates a trend toward increased Electronic Ticketing (ET). The following are recent ET figures in Japan: Apr02- 2.7% May02-2.7% Jun02-3.1% July02- 3.5% Aug02-3.9%

INFINI's Presence in The Japan Market

JATA* Registered Agency Locations: 9,827 = 100%



*JAPAN Association of Travel Agencies

As of September 2002

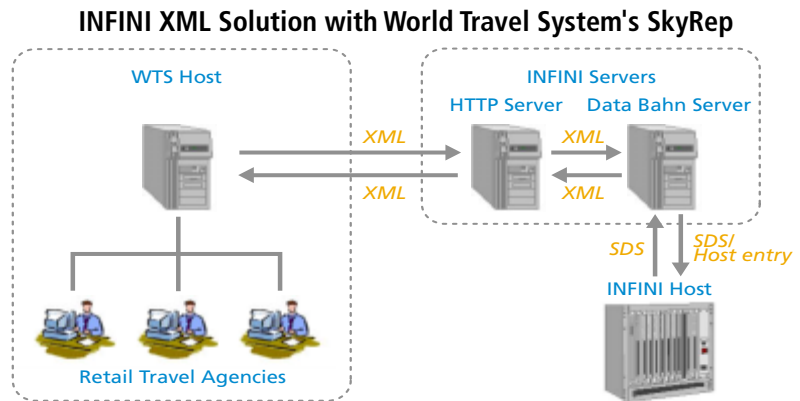
XML: The Language of Opportunity

Implementation of XML ("eXtensible Markup Language") solutions continues to generate interesting applications and create business opportunities within the Japanese travel agent market.

One of INFINI's most recent successes involved World Travel System (WTS), a major Japanese agent trying to strengthen its capacity within the expanding niche of retail and retail internet agencies who still require a ticketing agency. WTS foresees potential growth in this area and has released a new service called SkyRep to meet this need. INFINI was there to help.

Yukiko Wako, part of the INFINI's team leading the XML development activities says, "XML impact is very positive for the travel industry here. It provides a flexible tool

for agents to adopt to the changing nature of the travel market. We are excited about the opportunities that XML can provide for all in this market"



Partner Spotlight-Toshiba Corporation e-Solutions Company

Toshiba Corporation e-Solutions Company is one of INFINI's working partners for the development of network solutions, particularly XML development.

Shoji Yoshida of the Distribution Channel & Service department talked to us about their interaction with INFINI and their view on changes in Japanese distribution.

1F: Could you elaborate on the development that Toshiba is doing with INFINI?

TIS: Toshiba is working with INFINI on building XML interfaces to facilitate data transmission between INFINI's airline and travel agent customers. XML is our main tool for connecting INFINI to the Internet and various hosts' computers

1F: What is the merit of XML?

TIS: Technically, it can be difficult to explain, but from a sales point of view the benefit is very obvious. XML's real merit is that it provides different companies across differing industries a single format for data transfer and communication. There is a strong tendency among certain industries and companies to modify data transfer language

for their own purposes. Ultimately, these languages become obstacles to an efficient flow of data or require revisions to ensure the proper transmission. XML is a common language that can bridge these differences.

1F: Why did Toshiba decide to enter this sector?

TIS: As I am sure you are aware – the OpenTravel Alliance (OTA), comprised by all the major players in the travel industry is working to create and implement industry-wide, open e-business specifications. These specifications serve as a common e-business language to encourage the development of systems that meet the needs of travelers and the travel industry.

Toshiba recently began to participate in the OTA. The May 2002 Open Travel Alliance in Berlin, Germany was an important point for us as OTA demonstrated its clear support of XML as the standard for the travel industry. This boosted our confidence and supported our view that the opportunities in this sector would expand.

TOSHIBA



*Shoji Yoshida
of Toshiba Corporation e-Solutions
Company Distribution Channel &
Service Department*

1F: Do you see continued growth in the travel area?

TIS: Yes. We see an opportunity in joining all aspects of the travel industry together with a single language. While change is slow now, we see that there is real momentum towards using ET and going paperless in Japan. We see the chance to be the company that helps provide the solutions to connect all aspects of this distribution in Japan.

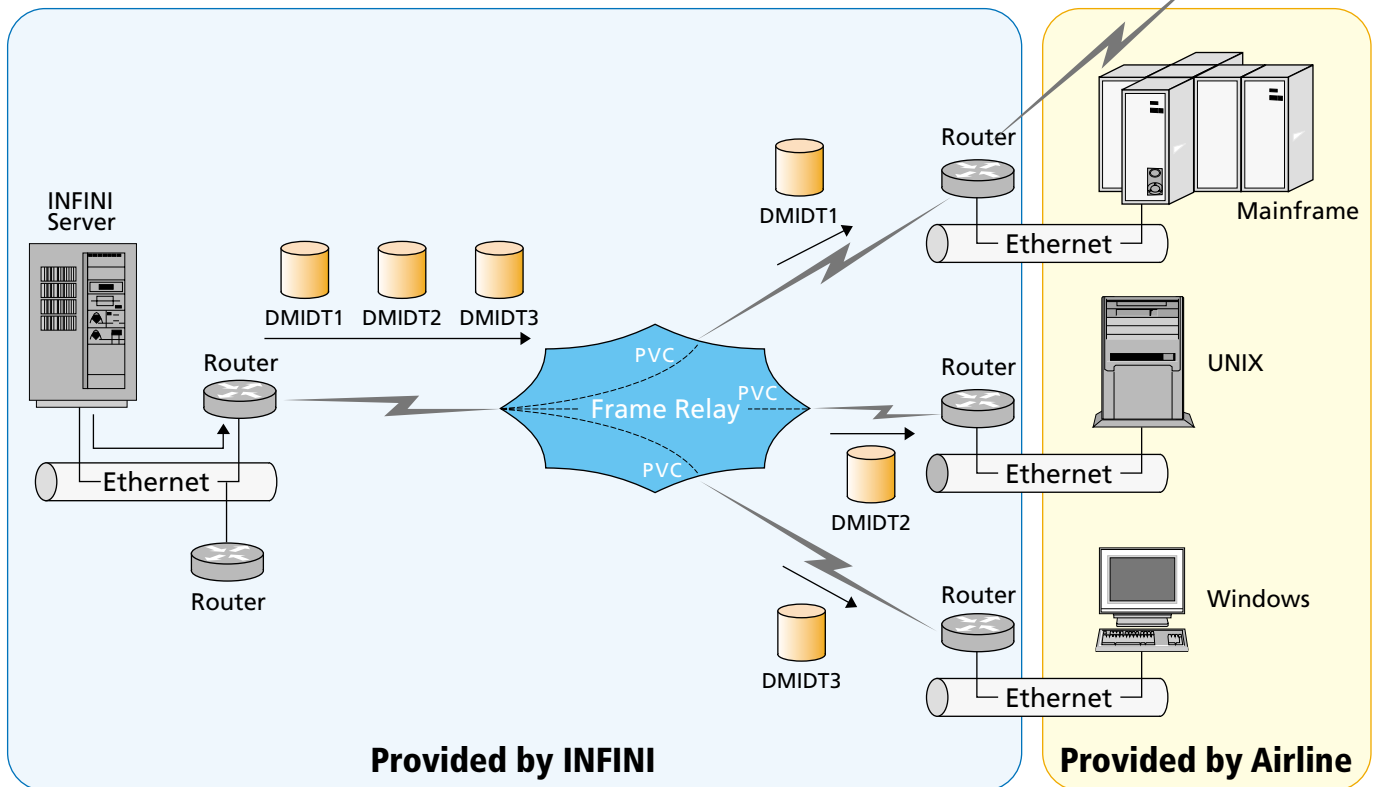
Daily MIDT Overview

INFINI Marks DMIDT Launch with Special Incentive

Carriers contracting before March 2003 receive a 20% discount off the normal fee for the first 6 months.

Network Monitoring by INFINI Agent.

Airlines need to prepare a private telecommunication line.



Sharpen Your Competitive Edge with INFINI DMIDT

INFINI, the only Japanese CRS providing marketing data to airlines in Japan, introduces Daily MIDT, a CRM tool that provides airlines with an accurate picture of the travel market as it moves. This essential data can add an effective edge to all aspects of your market strategy in Japan. In today's demanding economic environment it is important to have INFINI booking data on a real time basis to pinpoint where and when your customers are traveling and how you can reach them.

For an added incentive, INFINI will provide a 20% discount from the normal DMIDT fee of JPY1,000,000 for the initial 6-month period for

airlines that contract for the product by March 2003. The monthly cost savings would amount to JPY200,000 per month. Please contact your INFINI account manager for more details or send an e-mail to vmktg@infini-trvl.co.jp to take advantage of this opportunity.

DMIDT TECH FACTS

What INFINI provides:

1. The circuits and the router for frame relay.
2. Site construction and the accompanying costs related to DMIDT except for the installation construction for the DSU/TA, router, and modem.

What the Carrier Needs for MIDT:

1. DSU/TA, router, and modem installation
2. TCP/IP environment for connections for DMIDT data transfer
3. In the case of LAN usage, a general Ethernet (both Ethernet and Token Ring is preferred)
4. A private telecommunication line is necessary for monitoring by the Network Operation Center (NOC/ via a dial-up modem).
5. Any construction related to connection from the INFINI provided router to the Carrier's server
6. INFINI requires an additional address for the router as in the case the carrier uses a "10.10.0.0" address in its LAN.