

Travel Weekly
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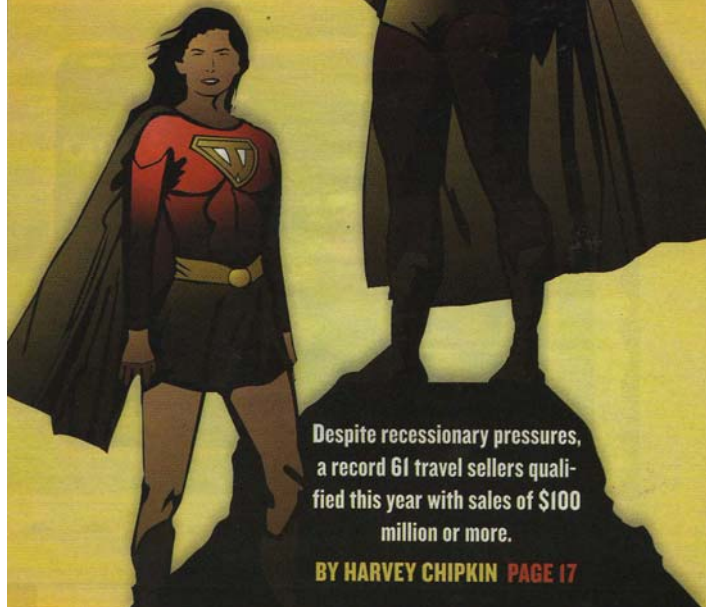
TRAVEL WEEKLY

THE NATIONAL NEWSPAPER OF THE TRAVEL INDUSTRY

SPECIAL PULLOUT SECTION

2009

POWER LIST



Despite recessionary pressures, a record 61 travel sellers qualified this year with sales of \$100 million or more.

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Introduction

Power List 2009 includes a record number of travel sellers, 62 of them, with annual sales of \$100 million or more. They arrived on the list by different routes, but many report that they endured the same split during 2008 that many travel companies experienced: decent results for the first half of the year, followed by a precipitous drop in the last half or quarter. And that experience seems to shape their future expectations. Not every participant offered a projection for 2009, but most of those who did said they expected sales to decline in the range of 15% to 25%.

Perhaps even more indicative of the economic downturn were declines in the number of employees as companies cope with soft demand and client cutbacks, particularly among some of the smaller companies further down the list.

Among the giants, the top companies continued to grow in sales and seemed to hold steady in terms of the number of employees, results of organic growth as well as acquisition. American Express, perennially No. 1, saw sales increase from \$26.4 billion to \$29.1 billion, and second-ranked Carlson Wagonlit enjoyed a jump to \$27.8 billion from \$24.9 billion.

The big online agencies reported mod-

erate gains as Expedia (No. 3) moved from \$20 billion to \$21.3 billion, Orbitz (No. 6) from \$10.6 billion to \$10.8 billion and Travelocity (No. 7) from \$10 billion to \$10.6 billion.

By far the healthiest sales jump online, and on the Power List in general, was Priceline (No. 8), which reported a 54% increase in sales, from \$4.8 billion to \$7.4 billion.

The company attributed the boost to soaring international growth and rising consumer interest in deals.

The number of "billionaires" (companies with \$1 billion-plus in sales) held steady at 13, but with some shuffling in the ranks.

The Travel Leaders Group (formerly the

Travel Acquisitions Group), which now incorporates two former Power List agencies, Tzell Travel and Traveleaders, joined that elite group, climbing from the No. 14 to the No. 10 spot in the process.

Flight Centre USA debuts in the No. 11 position with its 2008 acquisition of Liberty Travel, which had filled the No. 10 slot in last year's listing.

STA Travel, which was No. 12 in 2008, and Rich Worldwide Travel, last year's No. 37, did not participate in the 2009 survey and were therefore left off the Power List. For more on this, see the report at the conclusion of the Power List.

The number of agencies hosting outside sellers, and the number of sellers they hosted, continued to grow as companies moved to save on costs and take advantage of technology that enables travel sellers to operate remotely. Some firms, such as Nexion (No. 36), are basically hosting entities.

Diversity

The Power List is all about size and represents an effort to rank the nation's top travel sellers in terms of the total dollar volume of annual sales.

But even among the top tier of firms, those with more than \$1 billion in sales, it's clear that size doesn't equal sameness. The business mix of the top firms ranges from being virtually all corporate travel to virtually all leisure.

It also ranges from being totally online to only a little online.

Some billion-dollar travel sellers are family owned, some never were. Some Power List companies are household names, while

others are rarely in the news.

One company that has seen its share of headlines recently is YTB (No. 25), a publicly traded multilevel marketer with an ARC appointment and a reported \$424 million in travel sales, most of it through a network of tens of thousands of small, hosted, work-from-home recruits.

A source of unending controversy since it first gained national attention a few years ago, YTB recently settled an action brought by the State of California that accused the company of operating an illegal pyramid scheme.

Even if YTB succeeds in transforming itself into a franchise operation and fulfilling the other terms of the California settlement, the company is likely to remain a galvanizing force for friends and foes alike.

For the purposes of the Power List, however, only one thing matters: total sales. Although this number is not included in YTB's annual financial report to the Securities and Exchange Commission, it is consistent with a company statement to the SEC.

"During fiscal 2007, the aggregate value of the retail travel services that have been booked by our RTAs and independent franchisees surpassed \$400 million," YTB reported in the statement.

The company has stated that the total represents retail travel sales and excludes revenue from other activities.

A number of agencies appear for the first time here: Flight Centre USA, Frosch, Travelong, Travel Experts, AdTrav Travel Management, World Travel Service, Atlas Travel International, Peak Travel Group, OneTravel and Travel-On. —Harvey Chipkin

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Methodology

The compilation of Travel Weekly's Power List 2009 began early this year when questionnaires were sent to about 70 companies that:

- had appeared on the list in previous years;
- had been in the news because of recent growth, including acquisitions; or
- had contacted Travel Weekly believing they qualified. (There were an unusually high number of these this year.)

All questionnaires were sent via email. Most were returned the same way, with the exception of two that were faxed to Travel Weekly.

As was the case for the past few years, Travel Weekly requested that gross sales volume, the basis for our rankings, be certified by a company's owner, CEO or CFO.

Responses showed that most companies were happy to cooperate with that stipulation.

In a small number of cases, certification was made by an executive at the vice presidential level who had financial oversight.

In several cases, sales totals were based on publicly disclosed information because the companies are publicly held.

A handful of companies that Travel

Weekly believed qualified for the list opted not to participate. Travel Weekly was unable to obtain reliable sales figures for two firms, STA Travel and Rich Worldwide Travel. For more on those companies, see the report at the conclusion of the Power List.

Where a company did not certify its own sales figure, the source of the sales figure is explained in parentheses.

All cooperating firms did certify sales, but it must be kept in mind that even those numbers are difficult to verify because the great majority of travel sellers are privately held and under no obligation to disclose financial data. Also, there is no commonly accepted standard for calculating sales volume, and there is no clearinghouse in the U.S. that tracks nonairline sales, as ARC

does for airline sales.

Where possible, Travel Weekly sought to confirm accuracy in the figures by checking them against other data and articles published in the past year. We also reviewed responses for consistency and used various other resources to ensure accuracy.

The survey on which these rankings were based included questions involving sales figures; ARC sales; travel-related subsidiaries; percentage of sales from business or leisure, etc.; and corporate structure.

There were several open-ended questions about recent and planned developments to which companies could reply in any way they felt appropriate for them.

In an effort to keep up with relentless changes, the Power List questionnaire is reviewed and revised annually to ensure that the questions remain relevant.

Responses to the questionnaire determined the length of the profiles that accompany each listed agency.

Some companies supplied a minimum of information on developments in 2008 or on the company itself; others had a lot to say.

Companies were offered the option of having an executive interviewed by a Travel Weekly editor. Several took advantage

of that opportunity.

There might be companies that should be on the 2009 Power List but escaped our attention. Representatives of such companies should contact Travel Weekly Managing Editor Rebecca Tobin at rtobin@travelweekly.com to request a questionnaire for inclusion in next year's Power List.



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2008 Sales: **\$150 million**

Employees: **60**

Previous Ranking: **48**

HQ: Miami
T (305) 677-2308
F (760) 631-0742
www.americasvacationcenter.com

Executives

CHAIRMAN: Pat Anderson
CO-PRESIDENT: Van Anderson
CO-PRESIDENT: Brad Anderson

2008 Developments

- Launched Vacation Explorer beta; provides affiliates with access to booking live inventory with preferred tour operators and other suppliers

Company Facts

- \$150 million in sales through hosted outside agents
- 100% of sales from leisure travel
- Part of American Express network
- Privately held

