



Dear Shareholders,

I would like to take this opportunity to reflect back on our 2011 performance and the significant progress we made on a number of fronts.

2011 was an investment year for the company, as we dedicated substantial technology and operations resources towards the completion of the migration of all our consumer brands onto a common technology platform. As you may recall, we began investing in the development of our global platform in 2005, and in 2008 we successfully completed the migration of ebookers to the platform. ebookers performance has improved dramatically since migration, demonstrating the platform's powerful capabilities. In 2010 we migrated the hotel booking path of our U.S. leisure brands, Orbitz.com and CheapTickets, and in 2011 we completed the migration of RatesToGo.com, HotelClub.com and CheapTickets. And, in February 2012 we migrated the remaining booking paths of Orbitz.com to the platform, marking the completion of our multi-year global migration project in which we invested \$145 million. This was an extremely important milestone for the company. With all of our consumer brands on a common platform, we are now able to direct our technology teams' efforts more heavily towards innovation and growth. The migration unlocks immense opportunities for us in 2012 and beyond to enhance the customer experience and drive business efficiencies.

We generated over \$11 billion of consumer demand across our global brands in 2011 and grew net revenue by 1% to \$766.8 million. Adjusted EBITDA was \$126.9 million in 2011, down 17% from 2010, reflecting investments in our global platform migrations and a challenging first half of 2011. In the second half of 2011, year-over-year performance improved significantly, particularly for standalone hotel room nights within our U.S. leisure brands where booked standalone hotel room night growth rates improved from negative to positive during the fourth quarter. HotelClub continued to face competitive challenges in 2011 but we are optimistic that its recent migration onto the global platform will improve our competitive position over time. Our U.S. distribution business had an impressive year in 2011, delivering 60% year-over-year growth in stayed hotel room nights. Our U.S. distribution business also entered into an important new partnership with American Express Consumer Travel Network, which we expect to launch in the second half of 2012. ebookers had another strong year of performance, growing hotel room nights by 29% year-over-year. We strengthened the mix of revenue coming from international during 2011; international revenue represented 29% of total revenue in 2011 versus 23% in 2010. Hotel revenue represented 36% of total revenue in 2011, and air revenue 39%.

Looking forward to 2012 and beyond, we are now poised to take full advantage of having all of our consumer businesses on a common technology platform. We are investing in a number of key areas that we expect will drive significant performance improvements, specifically:

- **Marketing optimization:** in 2011 we successfully brought our search-engine marketing bidding in-house and we were pleased with the resulting improvements we saw in marketing efficiency. In 2012 we will look to continue to improve the efficiency of our marketing spending through the application of advanced analytics techniques across all channels.
- **Site optimization:** the common platform makes it easy for us to build functionality once and deploy it across all of our global brands. We are focused on creating a streamlined and personalized shopping experience for our consumers that will make it easier and faster to find and book their travel.
- **Mobile:** in 2011 we launched powerful mobile websites and hotel apps for iPhone and iPad. We also launched the Mobile Steals program, offering mobile exclusive discounts in more than 75 markets around the world. In 2012 we are focused on continuing to expand on our mobile product offerings.
- **Data infrastructure:** we also continue to invest in our data infrastructure, which we believe will ultimately allow us to deliver an unparalleled level of personalization to our consumers.

In conclusion, we are excited about the trajectory of our business and the potential to capitalize on our investments, and we are energized by the opportunity to continue to play a key role in improving the way consumers search and book travel. We believe we have a strong team and the right strategy to position the company for long-term sustainable growth.

Thank you for your continued support and confidence. I look forward to updating you on our progress throughout 2012.

Sincerely,

A handwritten signature in black ink that reads "Barney Harford".

Barney Harford  
CEO  
April 27, 2012

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EBITDA and Adjusted EBITDA are non-GAAP financial measures as defined by the SEC. EBITDA, a performance measure used by management, is defined as net income or net loss plus: net interest expense, provision for income taxes and depreciation and amortization. Adjusted EBITDA represents EBITDA, as adjusted to eliminate the effect of certain non-cash items, such as goodwill and intangible asset impairment charges and stock-based compensation expense, and other unusual or non-recurring items, all of which vary widely from company to company and may impact comparability. A reconciliation of net income (loss) to EBITDA and EBITDA to Adjusted EBITDA is contained in our full year 2011 earnings press release dated February 16, 2012, a copy of which is available on our Investor Relations website ([investors.orbitz.com](http://investors.orbitz.com)) under the heading "News Releases."

This letter contains forward-looking statements that are subject to risks, uncertainties and other factors (including the factors that are described in the section entitled "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2011) that may cause our actual results, performance or achievements to be materially different than the results, performance or achievements expressed or implied by the forward-looking statements. We undertake no obligation to publicly revise any forward looking statement to reflect circumstances or events after the date hereof.