SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE TO
TENDER OFFER STATEMENT
UNDER
SECTION 14(d)(1) OR 13(e)(1) OF
THE SECURITIES EXCHANGE ACT OF 1934

CHEAP TICKETS, INC.
(Name of Subject Company (issuer))

Diamondhead Acquisition Corporation
Cendant Corporation
(Name of Filing Persons (Offerors))

Common Stock, par value $0.001 per Share
(Titles of Classes of Securities)

151310
(CUSIP Number of Class of Securities)

James E. Buckman, Esq.
Vice Chairman and General Counsel
Cendant Corporation
9 West 57th Street
New York, New York 10019
(212) 413-1800
(Name, address and telephone number of person authorized to receive notices and communications on behalf of the filing person)

Copies to:

Kenton J. King, Esq.
kadden,SArps, Slate, Meagher & Flom LLP
525 University Ave., Ste. 1100
Palo Alto, California 94301
(650) 470-4500

Eric J. Bock
Senior Vice President, Legal
Cendant Corporation
9 West 57th Street
New York, New York 10019
(212) 413-1800

CALCULATION OF FILING FEE

Transaction Valuation*	Amount of Filing Fee**
$406,241,791	$81,249

* Estimated for purposes of calculating the filing fee only. This calculation assumes the purchase of 23,299,413 shares of common stock of Cheap Tickets, Inc. at the tender offer price of $16.50 per share of common stock. The transaction value also includes the offer price of $16.50 less $11.16, which is the average exercise price of outstanding options, multiplied by 2,652,698, the estimated number of options outstanding. The transaction value further includes the offer price of $16.50 less $11.805, which is the exercise price of outstanding warrants, multiplied by 1,626,426, the number of warrants outstanding.

** The amount of the filing fee, calculated in accordance with Rule 0-11 of the Securities Exchange Act of 1934, as amended, equals 1/50 of 1% of the transaction valuation.

[_]Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: _____ Filing Party:_____
Form or Registration No.: _____ Date Filed:_____

[_]Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

[X]third-party tender offer subject to Rule 14d-1.
[_]issuer tender offer subject to Rule 13e-4.
[_]going-private transaction subject to Rule 13e-3.
[_]amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer: [_]

This Tender Offer Statement on Schedule TO (this "Schedule TO") relates to the offer by Diamondhead Merger Corporation, a Delaware corporation (the "Purchaser") and a wholly owned subsidiary of Cendant Corporation, a Delaware corporation ("Cendant" or "Parent"), to purchase all the outstanding shares of common stock, par value $0.001 per share, of Cheap Tickets, Inc., a Delaware corporation ("Cheap Tickets" or the "Company"), at a purchase price of $16.50 per share, net to the seller in cash, without interest thereon, upon the terms and subject to the conditions set forth in the Offer to Purchase dated August 23, 2001 (the "Offer to Purchase"), and in the related Letter of Transmittal, copies of which are filed with this Schedule TO as Exhibits (a)(1)(A) and (a)(1)(C) respectively. This Schedule TO is being filed on behalf of Purchaser and Cendant.

The information set forth in the Offer to Purchase, including the Schedule thereto, is hereby incorporated by reference in answer to items 1 through 11 of this Schedule TO, and is supplemented by the information specifically provided herein.

ITEM 1. SUMMARY TERM SHEET

The information set forth in the "Summary Term Sheet" of the Offer to Purchase is incorporated herein by reference.

ITEM 2. SUBJECT COMPANY INFORMATION

(a) The name of the subject company is Cheap Tickets, Inc., a Delaware corporation. The Company's principal executive offices are located at 1440 Kapiolani Blvd., Honolulu, Hawaii 96814. The Company's telephone number is (808) 945-7439.

(b) This statement relates to Cheap Tickets' shares of common stock, par value $0.001 per share, of which there were 23,299,413 issued and outstanding as of August 13, 2001. The information set forth in the "Introduction" of the Offer to Purchase is incorporated herein by reference.

(c) The information set forth in Section 6 of the Offer to Purchase entitled "Price Range of Shares; Dividend on the Shares" is incorporated herein by reference.

ITEM 3. IDENTITY AND BACKGROUND OF FILING PERSON

(a) This Schedule TO is filed by the Purchaser and Cendant. The information set forth in Section 9 of the Offer to Purchase entitled "Certain Information Concerning Parent and the Purchaser" is incorporated herein by reference.

(b) The information set forth in Section 9 of the Offer to Purchase entitled "Certain Information Concerning Parent and the Purchaser" is incorporated herein by reference.

(c) The information set forth in Section 9 of the Offer to Purchase entitled "Certain Information Concerning Parent and the Purchaser" is incorporated herein by reference. Except as set forth below, during the last five years, none of the Purchaser or Cendant or, to the best knowledge of the Purchaser or Cendant, any of the persons listed on Schedule I to the Offer to Purchase (i) has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) was a party to any judicial or administrative proceeding (except for matters that were dismissed without sanction or settlement) that resulting in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws, or finding of any violation of such laws.

On June 14, 2000, the Securities and Exchange Commission (the "SEC") instituted and simultaneously settled an administrative proceeding, Administrative Proceeding File No. 3-10225, against Cendant in connection with certain accounting irregularities at the former CUC International, Inc., which merged with HFS Incorporated in December 1997 to form Cendant. The SEC found that, as a result of such accounting irregularities, Cendant violated the periodic reporting, corporate record-keeping and internal controls provisions of the federal securities laws. Without admitting or denying the findings contained in the SEC's administrative

order, Cendant consented to the issuance of an SEC order directing Cendant to cease and desist from committing or causing any violation, and any future violation, of the periodic reporting, corporate record-keeping and internal controls provisions of the federal securities laws. No financial penalties were imposed against Cendant.

ITEM 4. TERMS OF THE TRANSACTION

The information set forth in the Offer to Purchase is incorporated herein by reference.

ITEM 5. PAST CONTRACTS, TRANSACTIONS, NEGOTIATIONS AND AGREEMENTS.

The information set forth in Sections 9, 11, 12 and 13 of the Offer to Purchase entitled "Certain Information Regarding Parent and the Purchaser," "Background of the Offer," "Purpose of the Offer; Plans for the Company" and "The Merger Agreement and the Stockholder Agreement," respectively, is incorporated herein by reference. Except as set forth therein, there have been no material contacts, negotiations or transactions during the past two (2) years which would be required to be disclosed under this Item 5 between any of the Purchaser or Cendant or any of their respective subsidiaries or, to the best knowledge of Purchaser or Cendant, any of those persons listed on Schedule I to the Offer to Purchase, on the one hand, and the Company or its affiliates, on the other, concerning a merger, consolidation or acquisition, a tender offer or other acquisition of securities, an election of directors or sale or transfer of a material amount of assets.

ITEM 6. PURPOSE OF THIS TRANSACTION AND PLANS OR PROPOSALS.

(a),(c)(1-7) The information set forth in the "Introduction" and Sections 12 and 13 of the Offer to Purchase entitled "Purpose of the Offer; Plans for the Company," and "The Merger Agreement and the Stockholder Agreement," and, respectively, is incorporated herein by reference.

ITEM 7. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

The information set forth in Section 10 of the Offer to Purchase entitled "Source and Amount of Funds" is incorporated herein by reference.

ITEM 8. INTEREST IN SECURITIES OF THE COMPANY.

The information set forth in the "Introduction" and Sections 5, 9, 11 and 13 of the Offer to Purchase entitled "Certain Information Concerning Parent and the Purchaser," "Background of the Offer" and "The Merger Agreement and the Stockholder Agreement," respectively, is incorporated herein by reference.

ITEM 9. PERSONS/ASSETS RETAINED, EMPLOYED, COMPENSATED OR USED.

The information set forth in the "Introduction" and Section 16 of the Offer to Purchase entitled "Fees and Expenses" is incorporated herein by reference.

ITEM 10. FINANCIAL STATEMENTS.

Not applicable.

ITEM 11. ADDITIONAL INFORMATION

The information set forth in Sections 11, 13 and 16 of the Offer to Purchase entitled "Background of the Offer," "The Merger Agreement and the Stockholder Agreement" and "Fees and Expenses," respectively, is incorporated herein by reference.

ITEM 12. EXHIBITS

(a)(1)(A)	Offer to Purchase dated August 23, 2001.
(a)(1)(B)	Letter of Transmittal.
(a)(1)(C)	Notice of Guaranteed Delivery.
(a)(1)(D)	Letter to Brokers, Dealers, Banks, Trust Companies and other Nominees.
(a)(1)(E)	Letter to Clients for use by Brokers, Dealers, Banks, Trust Companies and other Nominees.
(a)(1)(F)	Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9
(a)(1)(G)	Press Release issued by Cendant on August 23, 2001.
(a)(1)(I)	Summary Advertisement published in the Wall Street Journal on August 23, 2001.
(a)(1)(J)	Letter to Stockholders from President and Chief Executive Officer of Cheap Tickets dated August 23, 2001.
(b)	Not applicable.
(d)(1)	Agreement and Plan of Merger dated as of August 13, 2001, among Cendant, Purchaser and Cheap Tickets.
(d)(2)	Stockholder Agreement dated as of August 13, 2001 by and among Cendant, Purchaser, Cheap Tickets and Stockholders.
(d)(3)	Confidentiality Agreement, dated May 24, 2001, as amended on July 3, 2001 and August 11, 2001, between Cheap Tickets and Cendant Internet Group, Inc.
(g)	Not applicable.
(h)	Not applicable.

SIGNATURES

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

DIAMONDHEAD ACQUISITION CORPORATION

/s/ Eric J. Bock
By: _____
Name: Eric J. Bock
Title: Senior Vice President and Secretary

CENDANT CORPORATION

/s/ Eric J. Bock
By: _____
Name: Eric J. Bock
Title: Senior Vice President, Law and Corporate Secretary

Date: August 23, 2001

INDEX TO EXHIBITS

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(h)	Not applicable.

OFFER TO PURCHASE FOR CASH
ALL OUTSTANDING SHARES OF COMMON STOCK
OF
CHEAP TICKETS, INC.
$16.50 NET PER SHARE
BY
DIAMONDHEAD ACQUISITION CORPORATION
A WHOLLY OWNED SUBSIDIARY OF
CENDANT CORPORATION

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON FRIDAY, SEPTEMBER 21, 2001, UNLESS THE OFFER IS EXTENDED.

THE OFFER IS BEING MADE PURSUANT TO AN AGREEMENT AND PLAN OF MERGER, DATED AS OF AUGUST 13, 2001 (THE "MERGER AGREEMENT") BY AND AMONG CENDANT CORPORATION, DIAMONDHEAD ACQUISITION CORPORATION AND CHEAP TICKETS, INC. (THE "COMPANY"). THE BOARD OF DIRECTORS OF THE COMPANY, BY UNANIMOUS VOTE OF THOSE PRESENT, (1) DETERMINED THAT THE TERMS OF THE OFFER AND THE MERGER ARE FAIR TO AND IN THE BEST INTERESTS OF THE STOCKHOLDERS OF THE COMPANY, (2) APPROVED THE MERGER AGREEMENT (AS DEFINED HEREIN) AND THE TRANSACTIONS CONTEMPLATED THEREBY, INCLUDING THE OFFER AND THE MERGER, AND (3) RECOMMENDS THAT THE STOCKHOLDERS OF THE COMPANY ACCEPT THE OFFER AND TENDER THEIR SHARES (AS DEFINED HEREIN) PURSUANT TO THE OFFER.

THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, (1) THERE BEING VALIDLY TENDERED AND NOT WITHDRAWN ON OR PRIOR TO THE EXPIRATION OF THE OFFER, THAT NUMBER OF SHARES THAT, WHEN ADDED TO THE SHARES THEN BENEFICIALLY OWNED BY PARENT OR THE PURCHASER, IF ANY, REPRESENTS AT LEAST A MAJORITY OF THE SHARES OUTSTANDING ON A FULLY DILUTED BASIS ON THE DATE OF PURCHASE, AND (2) THE EXPIRATION OR TERMINATION OF ANY APPLICABLE WAITING PERIOD UNDER THE HART-SCOTT-RODINO ANTITRUST IMPROVEMENTS ACT OF 1976, AS AMENDED.

IMPORTANT

Any stockholder who desires to tender all or any portion of such stockholder's shares should either (i) complete and sign the Letter of Transmittal (or facsimile thereof) in accordance with the instructions in the Letter of Transmittal, mail or deliver it and any other required documents to the Depositary (as defined herein) and either deliver the certificates for such shares to the Depositary or tender such shares pursuant to the procedures for book-entry transfer set forth in Section 3 or (ii) request such stockholder's broker, dealer, commercial bank, trust company or other nominee to effect the transaction for such stockholder. Any stockholder whose shares are registered in the name of a broker, dealer, commercial bank, trust company or other nominee must contact such person to tender their shares.

Any stockholder who desires to tender shares and whose certificates representing such shares are not immediately available, or who cannot comply with the procedures for book-entry transfer on a timely basis, may tender such shares by following the procedures for guaranteed delivery set forth in Section 3--"Procedure for Tendering Shares."

Questions and requests for assistance may be directed to Georgeson Shareholder Communications, Inc. (the "Information Agent") or Goldman Sachs & Co. (the "Dealer Manager") at their respective locations and telephone numbers set forth on the back cover of this Offer to Purchase. Requests for additional copies of this Offer to Purchase, the Letter of Transmittal and the Notice of Guaranteed Delivery may be directed to the Information Agent or the Dealer Manager, or to brokers, dealers, commercial banks or trust companies. A stockholder also may contact brokers, dealers, commercial banks or trust companies for assistance concerning the Offer to Purchase.

THE DEALER MANAGER FOR THE OFFER IS:
GOLDMAN SACHS & CO.

AUGUST 23, 2001

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SUMMARY TERM SHEET

Diamondhead Acquisition Corporation is offering to purchase all of the outstanding shares of common stock of Cheap Tickets, Inc. for $16.50 per share in cash. The following are some of the questions you may have as a stockholder of Cheap Tickets and answers to those questions. We urge you to carefully read the remainder of this Offer to Purchase and the Letter of Transmittal because the information in this summary is not complete. Additional important information is contained in the remainder of this Offer to Purchase and the Letter of Transmittal.

Who is offering to buy my shares?

Our name is Diamondhead Acquisition Corporation. We are a Delaware corporation formed for the purpose of making a tender offer for all of the common stock of Cheap Tickets. We are a wholly owned subsidiary of Cendant Corporation, a Delaware corporation. See "Introduction" to this Offer to Purchase and Section 9--"Certain Information Concerning Parent and Purchaser."

What shares are being sought in the offer?

We are seeking to purchase all of the outstanding shares of common stock of Cheap Tickets. See "Introduction" to this Offer to Purchase and Section 1--"Terms of the Offer."

How much are you offering to pay? What is the form of payment? Will I have to pay any fees or commissions?

We are offering to pay $16.50 per share, net to you, in cash. If you are the record owner of your shares and you tender your shares to us in the offer, you will not have to pay brokerage fees or similar expenses. If you own your shares through a broker or other nominee, and your broker tenders your shares on your behalf, your broker or nominee may charge you a fee for doing so. You should consult your broker or nominee to determine whether any charges will apply. See the "Introduction" to the Offer to Purchase.

Do you have the financial resources to make payment?

Cendant, our parent company, will provide us with sufficient funds to purchase all shares validly tendered and not withdrawn in the offer and to provide funding for the merger, which is expected to follow the successful completion of the offer. Cendant will use generally available corporate funds for this purpose. The offer is not conditioned upon any financing arrangements. See Section 10--"Source and Amount of Funds."

Is your financial condition relevant to my decision to tender in the offer?

We do not think that our financial condition is relevant to your decision to tender shares and accept the offer because:

- the offer is being made for all outstanding shares solely for cash;
- the offer is not subject to any financing condition; and
- if we consummate the offer, we will acquire all remaining shares for the same cash price in the merger as in the offer.

See Section 10--"Source and Amounts of Funds."

How long do I have to decide whether to tender in the offer?

You will have at least until 12:00 midnight, New York City time, on Friday, September 21, 2001, to decide whether to tender your shares in the offer. Further, if you cannot deliver everything that is required in order to make a valid tender by that time, you may be able to use a guaranteed delivery procedure, which is described later in this Offer to Purchase. See Section 1--"Terms of the Offer" and Section 3--"Procedure for Tendering Shares."

Can the offer be extended and under what circumstances?

Yes. The offer may be extended for varying lengths of time depending on the circumstances. Specifically, we have agreed in the merger agreement that:

- We may, at our discretion, extend the expiration date of the offer if any of the conditions to our obligation to accept for payment and pay for shares tendered into the offer have not been satisfied or waived by us.

- We may, at our discretion, extend the expiration date of the offer for up to 10 business days if less than 90% of the outstanding shares are tendered; our extension under these circumstances would constitute our waiver of most of the conditions of the offer.

- We may, at our discretion, elect to provide a subsequent offering period of three to 20 business days, beginning after we have purchased shares during the offer, during which stockholders may tender, but not withdraw, their shares and receive the offer consideration.

- We may extend the expiration date of the offer upon an increase in the offer price for the shares as provided under federal securities laws.

- If, at any scheduled expiration date of the offer certain specified conditions to the offer, including the Minimum Condition (defined below), have not been satisfied, Cheap Tickets may require us to extend the offer, in increments of not more than 10 business days, to a date not more than 50 days later than the date of this Offer to Purchase, subject to our right to terminate the merger agreement in accordance with its terms. Also, if at any scheduled expiration date of the offer the waiting period applicable under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or any comparable provision of foreign laws has not expired or terminated, Cheap Tickets may require us to extend the offer, in increments of not more than 10 business days, up to November 30, 2001, or, where either we or Cheap Tickets have elected in accordance with the merger agreement to extend the outside date by which the offer must be consummated, up to January 21, 2002, subject to our right to terminate the agreement in accordance with its terms. Finally, if at any scheduled expiration date of the offer, Cheap Tickets has breached or failed, in a material respect, to perform or to comply with its material agreements under the merger agreement, Cheap Tickets may require us to extend the offer to a date that is not more than 10 days after that scheduled expiration date, subject to our right to terminate the merger agreement in accordance with its terms.

See Section 1--"Terms of the Offer."

How will I be notified if the offer is extended?

If we extend the offer, we will inform Mellon Investor Services LLC, the depositary for the offer, of that fact and will make a public announcement of the extension, not later than 9:00 a.m., New York City time, on the business day after the day on which the offer was scheduled to expire. See Section 1--"Terms of the Offer."

What are the most significant conditions to the offer?

- We are not obligated to purchase any shares which are validly tendered and not withdrawn unless that number of shares which, when added to the shares then owned by us or Cendant, if any, represents at least a majority of the shares of Cheap Tickets outstanding on a fully diluted basis. We call this condition the "Minimum Condition."

- We are not obligated to purchase any shares that are validly tendered if, among other things, there is a material adverse change in Cheap Tickets or its business.

- We are not obligated to purchase shares which are validly tendered if the board of directors of Cheap Tickets will have withdrawn its recommendation of the offer and merger.

. We are not obligated to purchase any shares unless and until the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act.

The offer is subject to a number of other conditions. We can waive some of the conditions to the offer without Cheap Tickets' consent. We cannot, however, waive the Minimum Condition. See Section 14--"Certain Conditions of the Offer."

How do I tender my shares?

To tender shares, you must deliver the certificates representing your shares, together with a completed Letter of Transmittal, to Mellon Investor Services, LLC, the depositary for the offer, not later than the time the tender offer expires. If your shares are held in street name, the shares can be tendered by your nominee through Mellon Investor Services LLC If you cannot get something that is required to the depositary by the expiration of the tender offer, you may get a little extra time to do so by having a broker, a bank or other fiduciary which is a member of the Securities Transfer Agents Medallion Program or other eligible institution guarantee that the missing items will be received by the depositary within three Nasdaq Stock Market trading days. However, the depositary must receive the missing items within that three trading day period or else your shares will not be validly tendered. See Section 3--"Procedure for Tendering Shares."

Until what time can I withdraw previously tendered shares?

You can withdraw shares at any time until the offer has expired. If we have not agreed to accept your shares for payment by October 21, 2001, you can withdraw them at any time after such time until we accept them for payment. This right to withdraw will not apply to any subsequent offering period. See Section 1--"Terms of the Offer" and Section 4--"Withdrawal Rights."

How do I withdraw previously tendered shares?

To withdraw shares, you must deliver a written notice of withdrawal, or a facsimile of one, with the required information to the depositary while you still have the right to withdraw the shares. See Section 4 --"Withdrawal Rights."

What does the board of directors of Cheap Tickets think of the offer?

We are making the offer pursuant to our merger agreement with Cheap Tickets, which has been approved by the board of directors of Cheap Tickets. The board of directors of Cheap Tickets unanimously approved the merger agreement, our tender offer and the proposed merger of us with and into Cheap Tickets. The board of directors of Cheap Tickets also has unanimously determined that the merger agreement, the tender offer and the proposed merger are in the best interests of stockholders and has recommended that stockholders tender their shares. See the "Introduction" to this Offer to Purchase and Section 11--"Background of the Offer."

Have any Cheap Tickets stockholders agreed to tender their shares?

Yes. Certain stockholders owning approximately 47% of the Company's outstanding shares have agreed to tender their shares in the offer. See "Introduction" to this offer to Purchase and Section 13--"The Merger Agreement and the Stockholder Agreement."

If a majority of the shares are tendered and accepted for payment, will Cheap Tickets continue as a public company?

No. If the merger takes place, Cheap Tickets no longer will be publicly owned. Even if the merger does not take place, if we purchase all the tendered shares, there may be so few remaining stockholders and publicly held shares that Cheap Tickets common stock will no longer be eligible to be traded through a Nasdaq market or on a securities exchange, there may not be a public trading market for Cheap Tickets stock, and

Cheap Tickets may cease making filings with the SEC or otherwise being required to comply with the SEC rules relating to publicly held companies. See Section 7--"Effect of the Offer on the Market for Shares; Stock Listing; Exchange Act Registration; Margin Regulations."

Will the tender offer be followed by a merger if all the Cheap Tickets Shares are not tendered in the offer?

If we accept for payment and pay for at least a majority of the outstanding shares of Cheap Tickets on a fully diluted basis, subject to the merger agreement, we will be merged with and into Cheap Tickets. If that merger takes place, Cendant will own all of the shares of Cheap Tickets and all remaining stockholders of Cheap Tickets (other than us) will receive $16.50 per share in cash (or any other higher price per share which may be paid in the offer). See "Introduction" to this Offer to Purchase.

If I decide not to tender, how will the offer affect my shares?

If the merger described above takes place, stockholders not tendering the offer will receive the same amount of cash per share which they would have received had they tendered their shares in the offer. Therefore, if the merger takes place, the only difference to you between tendering your shares and not tendering your shares is that you will be paid earlier if you tender your shares. However, if the merger does not take place because less than a majority of the shares have been tendered, but we decide and are entitled to purchase the shares tendered anyway, the number of stockholders and number of shares of Cheap Tickets which are still in the hands of the public may be so small that there no longer may be an active public trading market (or, possibly, any public trading market) for the Cheap Tickets common stock. Also, as described above, Cheap Tickets may cease making filings with the SEC or otherwise being required to comply with the SEC rules relating to publicly held companies. See "Introduction" to this Offer to Purchase and Section 7--"Effect of the Offer on the Market for Shares; Stock Listing; Exchange Act Registration; Margin Regulation."

What is the market value of my shares as of a recent date?

On August 10, 2001, the last trading day before we announced the tender offer and the possible subsequent merger, the last sale price of Cheap Tickets common stock reported on the Nasdaq National Market was $11.85 per share. On August 22, the last full day prior to commencement of the offer, the last sale price of Cheap Tickets common stock reported on the Nasdaq National Market was $16.34 per share. We advise you to obtain a recent quotation for shares of Cheap Tickets common stock in deciding whether to tender your shares. See Section 6--"Price of Range of Shares; Dividends on the Shares."

Who can I talk to if I have questions about the tender offer?

You may call Georgeson Shareholder Communications, Inc. at (800) 223-2064 (toll-free). Georgeson Shareholder Communications Inc. is acting as the information agent for our tender offer. See the back cover of this Offer to Purchase.

To the Holders of Common Stock of
CHEAP TICKETS, INC:

INTRODUCTION

Diamondhead Acquisition Corporation, a Delaware corporation (the "Purchaser") and a wholly owned subsidiary of Cendant Corporation, a Delaware corporation ("Parent"), hereby offers to purchase all issued and outstanding shares of common stock (the "Common Stock"), $0.001 par value (the "Shares"), of Cheap Tickets, Inc., a Delaware corporation (the "Company"), at a price of $16.50 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in this Offer to Purchase and in the related Letter of Transmittal (which, together with any amendments or supplements hereto or thereto, collectively constitute the "Offer").

Tendering stockholders whose Shares are registered in their own names and who tender directly to the Depositary (as defined below) will not be obligated to pay brokerage fees or commissions or, except as set forth in Instruction 5 of the Letter of Transmittal, transfer taxes on the sale of Shares pursuant to the offer. The Purchaser will pay all fees and expenses incurred in connection with the offer of Goldman, Sachs & Co. which is acting as the Dealer Manager (the "Dealer Manager"), Georgeson Shareholder Communications Inc., which is acting as the Information Agent (the "Information Agent"), and Mellon Investor Services LLC, which is acting as the Depositary (the "Depositary"). See Section 16--"Fees and Expenses."

The offer is conditioned upon, among other things, there being validly tendered and not withdrawn prior to the expiration of the offer, that number of Shares which when added to the Shares then beneficially owned by the Parent or the Purchaser, if any, represents at least a majority of the Shares outstanding on a fully diluted basis on the date of purchase (the "Minimum Condition"). See Section 14--"Certain Conditions of the Offer."

The offer is being made pursuant to an Agreement and Plan of Merger, dated August 13, 2001 (the "Merger Agreement"), by and among the Parent, the Purchaser and the Company pursuant to which, as soon as practicable after the completion of the offer and satisfaction or waiver, if permissible, of all conditions to the Merger (as defined below), the Purchaser will be merged with and into the Company with the Company surviving the Merger as a wholly-owned subsidiary of the Parent (the "Merger"). The Company, as the corporation surviving the Merger, is sometimes herein referred to as the "Surviving Corporation." At the effective time of the Merger (the "Effective Time"), each Share then outstanding (other than Shares held by Parent, the Purchaser, the Company, or any wholly-owned subsidiary of Parent or the Company) will be converted into the right to receive $16.50 per Share, net to the seller in cash, or any higher price per Share paid in the offer (such price, being referred to herein as the "Offer Price"), without interest. The Merger Agreement is more fully described in Section 13--"The Merger Agreement and the Stockholder Agreement."

The Company has informed the Purchaser that, as of August 13, 2001, there were (i) 24,336,701 Shares issued and outstanding, of which 1,037,288 are issued and held in the Company's treasury; (ii) outstanding options to purchase an aggregate of 2,652,698 Shares under the Company's stock plans; and (iii) outstanding warrants to purchase an aggregate of 1,626,426 Shares. Based on the foregoing, and assuming that no Shares are issued after August 13, 2001, the Minimum Condition will be satisfied if at least 13,789,269 Shares are validly tendered and not withdrawn prior to the expiration of the offer. If the Minimum Condition is satisfied and the Purchaser accepts for payment the Shares tendered pursuant to the offer, the Purchaser will be able to elect a majority of the members of the Company's board of directors and to effect the merger without the affirmative vote of any other stockholder of the Company. See Section 12--"Purpose of the Offer; Plans for the Company." As a condition and inducement to Parent's and the Purchaser's entering into the Merger Agreement, certain stockholders of the Company (each, a "Stockholder"), who together hold dispositive power with respect to 10,960,637 Shares, immediately following the execution and delivery of the Merger Agreement entered into a Stockholder Agreement (the "Stockholder Agreement"), dated August 13, 2001, with the Parent and the Purchaser. Pursuant to the Stockholder Agreement, the Stockholders have agreed, among other things, to tender the Shares held by them in the offer,

and to grant Parent a proxy with respect to the voting of their Shares in favor of the Merger. In addition, in the Stockholder Agreement, each Stockholder has granted Parent an option (the "Option") to purchase all Shares beneficially owned or controlled by such Stockholder as of the date of the Stockholder Agreement, or beneficially owned or controlled by such Stockholder (including, without limitation, by way of exercise of options, warrants or other rights to purchase Shares or by way of dividend, distribution, exchange, merger, consolidation, recapitalization, reorganization, stock split or otherwise), which option is generally exercisable in the event that a Stockholder either does not tender his, her or its Shares into the offer or withdraws any Shares so tendered prior to termination of the Stockholder Agreement, subject to certain conditions. See Section 13--"The Merger Agreement and the Stockholder Agreement."

THE BOARD OF DIRECTORS OF THE COMPANY BY UNANIMOUS VOTE OF THOSE PRESENT (1) DETERMINED THAT THE TERMS OF EACH OF THE OFFER AND THE MERGER ARE FAIR TO AND IN THE BEST INTERESTS OF THE STOCKHOLDERS OF THE COMPANY, (2) APPROVED THE MERGER AGREEMENT, THE STOCKHOLDER AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREBY, INCLUDING THE OFFER AND THE MERGER, AND (3) RECOMMENDS THAT THE STOCKHOLDERS OF THE COMPANY ACCEPT THE OFFER AND TENDER THEIR SHARES TO THE PURCHASER PURSUANT TO THE OFFER.

CIBC World Markets Corp., the Company's financial advisor ("CIBC World Markets"), has delivered to the Company's board of directors its written opinion, dated August 13, 2001, to the effect that, as of such date, based on and subject to certain matters stated in such opinion, the $16.50 per Share cash consideration to be received in the Offer and the Merger, taken together, by the holders of Shares (other than Parent and its affiliates), was fair, from a financial point of view, to such holders. The full text of CIBC World Market's opinion is set forth as an Exhibit to the Company's Solicitation/Recommendation Statement on Schedule 14D-9 (the "Schedule 14D-9") under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which is being mailed to stockholders of the Company with this Offer to Purchase. Stockholders are urged to read the Schedule 14D-9 and such opinion carefully in their entirety.

Consummation of the Merger is subject to a number of conditions, including the approval and adoption of the Merger Agreement by the affirmative vote of the holders of a majority of the outstanding Shares, if required by applicable law in order to consummate the Merger. See Section 15--"Certain Legal Matters." If the Purchaser acquires at least 90% of the outstanding Shares, the Purchaser will be able to consummate the Merger without a vote of the Company's stockholders. In such event, Parent, the Purchaser and the Company have agreed in the Merger Agreement to take all necessary and appropriate action to cause the Merger to become effective as soon as practicable after the acceptance and payment for Shares by the Purchaser pursuant to the offer without a meeting of the stockholders.

THIS OFFER TO PURCHASE AND THE RELATED LETTER OF TRANSMITTAL CONTAIN IMPORTANT INFORMATION AND SHOULD BE READ IN THEIR ENTIRETY BEFORE ANY DECISION IS MADE WITH RESPECT TO THE OFFER.

THE TENDER OFFER

1. TERMS OF THE OFFER.

Upon the terms and subject to the conditions of the Offer, the Purchaser will accept for payment and pay for all Shares validly tendered prior to the Expiration Date and not theretofore withdrawn in accordance with Section 4--"Withdrawal Rights." The term "Expiration Date" means 12:00 midnight, New York City time, on Friday, September 21, 2001, unless and until, in accordance with the terms of the Merger Agreement, the Purchaser extends or the Company the period of time for which the Offer is open, in which event the term "Expiration Date" means the latest time and date at which the Offer, as so extended by the Purchaser, expires.

The Offer is conditioned upon, among other things, the satisfaction of the Minimum Condition, the expiration or termination of all waiting periods imposed by the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the regulations thereunder (the "HSR Act") and any comparable provisions under any applicable pre-merger notification, laws or regulations of foreign jurisdictions and the other conditions set forth in Section 14--"Certain Conditions of the Offer." If such conditions are not satisfied prior to the Expiration Date, the Purchaser reserves the right, subject to the Company's right to obligate the Purchaser to extend the Offer as set forth below and the terms of the Merger Agreement, to (i) decline to purchase any of the Shares tendered and terminate the Offer, (ii) waive any of the conditions to the Offer, to the extent permitted by applicable law, and, subject to complying with applicable rules and regulations of the Securities and Exchange Commission (the "SEC") and its staff applicable to the Offer, purchase all Shares validly tendered, (iii) extend the Offer and, subject to the right of stockholders to withdraw Shares, retain the Shares which will have been tendered during the period or periods for which the Offer is open or extended or (iv) amend the Offer.

Subject to the terms of the Merger Agreement, the Purchaser may (i) extend the Offer and thereby delay acceptance for payment of, and the payment for, any Shares, by giving oral or written notice of such extension to the Depositary and (ii) amend the Offer by giving oral or written notice of such amendment to the Depositary. Any extension, amendment or termination of the Offer will be followed as promptly as practicable by public announcement thereof, the announcement in the case of an extension to be issued no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date in accordance with the public announcement requirements of Rule 14d-4(c) under the Exchange Act. Without limiting the obligation of the Purchaser under such Rule or the manner in which the Purchaser may choose to make any public announcement, the Purchaser currently intends to make announcements by issuing a press release to the Dow Jones News Service. UNDER NO CIRCUMSTANCES WILL INTEREST BE PAID ON THE OFFER PRICE TO BE PAID BY THE PURCHASER FOR THE SHARES, REGARDLESS OF ANY EXTENSION OF THE OFFER OR ANY DELAY IN MAKING SUCH PAYMENT.

The Merger Agreement provides that, except as described below, the Purchaser will not (i) amend or waive the Minimum Condition, (ii) decrease the Offer Price or change the form of consideration payable in the Offer, (iii) decrease the number of Shares sought to be purchased in the Offer, (iv) impose additional conditions to the Offer, (v) extend the Offer beyond that date that is 20 business days after commencement of the Offer or the last day of the last extension, if any, of the Offer, whichever is later, except as provided in the Merger Agreement or (vi) amend any condition of the Offer described in Section 14--"Certain Conditions of the Offer" in any manner adverse to the holders of the Shares without the prior written consent of the Company, or: provided, however, that (a) if on the Expiration Date, all Offer Conditions required by the Merger Agreement will not have been satisfied or waived, the Purchaser may, from time to time, in its sole discretion, extend the Offer for such period as the Purchaser may determine, (b) the Purchaser may, in its sole discretion, provide a "Subsequent Offering Period" in accordance with Rule 14d-11 under the Exchange Act and (c) the Purchaser may, in its sole discretion, extend the Offer for any reason on one or more occasions for an aggregate period of not more than 10 business days beyond the latest expiration date of the Offer that would otherwise be permitted under clause (a) or (b) of this sentence if, on such expiration date, there have not been tendered at least 90% of the outstanding Shares; provided, further, that Purchaser's decision to extend the Offer in the case of this clause (c) will, except as provided by the Merger Agreement, constitute a waiver of each Offer Condition.

The Merger Agreement also provides that (a) if at any scheduled expiration date of the Offer the waiting period applicable under the HSR Act or any comparable provision of foreign law has not expired or terminated, the Company may require Parent and Purchaser to extend the Offer, in increments of not more than 10 business days, up to November 30, 2001, or, if elected by the Parent or by the Company pursuant to the Merger Agreement, up to January 21, 2002, subject to the right of Parent, Purchaser and the Company to terminate the Merger Agreement in accordance with its terms; (b) if at any scheduled expiration date of the Offer the condition listed in paragraph (g) of Section 14--"Certain Conditions of the Offer" has not been satisfied, the Company may require Parent and Purchaser to extend the Offer to a date that is not more than 10 days after the previously scheduled Expiration Date, subject to the right of Parent, Purchaser and the Company to terminate the Merger Agreement in accordance with its terms; and (c) if at any scheduled Expiration Date of the Offer the Minimum Condition or either of the conditions listed in paragraphs (c) or (d) of Section 14--"Certain Conditions of the Offer" have not been satisfied, the Company may require Parent and the Purchaser to extend the Offer, in increments of not more than 10 business days, to a date not more than 50 days later than the date on which the Offer is commenced, subject to the right of Parent, Purchaser or the Company to terminate the Merger Agreement in accordance with its terms.

A Subsequent Offering Period would be an additional period of time from three to 20 business days in length, following the expiration of the Offer, during which stockholders may tender Shares for the Offer Price. Rule 14d-11 provides that the Purchaser may include a Subsequent Offering Period so long as, among other things, (i) the Offer remained open for a minimum of 20 business days and has expired, (ii) all conditions to the Offer are deemed satisfied or waived by the Purchaser on or before the Expiration Date, (iii) the Purchaser accepts and promptly pays for all Shares tendered during the Offer prior to the Expiration Date, (iv) the Purchaser announces the results of the Offer, including the approximate number and percentage of Shares deposited in the Offer, no later than 9:00 a.m. New York City time on the next business day after the Expiration Date and immediately begins the Subsequent Offering Period, and (v) the Purchaser immediately accepts and promptly pays for Shares as they are tendered during the Subsequent Offering Period.

In a public release, the SEC has expressed the view that the inclusion of a Subsequent Offering Period would constitute a material change to the terms of the Offer requiring the Purchaser to disseminate new information to stockholders in a manner reasonably calculated to inform them of such change sufficiently in advance of the Expiration Date (generally five business days). The SEC, however, has recently stated that such advance notice may not be required under certain circumstances. In the event the Purchaser elects to include a Subsequent Offering Period, it will notify stockholders of the Company consistent with the requirements of the SEC. The Purchaser does not currently intend to include a Subsequent Offering Period in the Offer, although it reserves the right to do so in its sole discretion. Pursuant to Rule 14d-7 under the Exchange Act, no withdrawal rights apply to Shares tendered during a Subsequent Offering Period, and no withdrawal rights apply during the Subsequent Offering Period with respect to Shares tendered in the Offer and accepted for payment. During a Subsequent Offering Period, the Purchaser will promptly purchase and pay for all Shares tendered at the same price paid in the Offer. In addition, the Purchaser may increase the Offer Price and extend the Offer to the extent required by law in connection with such increase, in each case in its sole discretion and without Company's consent. Notwithstanding the foregoing, Purchaser may, without the consent of the Company, extend the Offer for any period required by any rule, regulation, interpretation or position of the SEC or the staff thereof applicable to the Offer.

If the Purchaser extends the Offer, or if the Purchaser (whether before or after its acceptance for payment of Shares) is delayed in its purchase of or payment for Shares or is unable to pay for Shares pursuant to the Offer for any reason, then, without prejudice to the Purchaser's rights under the Offer, the Depositary may retain tendered Shares on behalf of the Purchaser, and such Shares may not be withdrawn except to the extent tendering stockholders are entitled to withdrawal rights as described in Section 4--"Withdrawal Rights." However, the ability of the Purchaser to delay the payment for Shares which the Purchaser has accepted for payment is limited by Rule 14e-l(c) under the Exchange Act, which requires that a bidder pay the consideration offered or return the securities deposited by or on behalf of holders of securities promptly after the termination or withdrawal of the Offer.

If the Purchaser makes a material change in the terms of the Offer or the information concerning the Offer or waives a material condition of the Offer, the Purchaser will disseminate additional tender offer materials and extend the Offer to the extent required by Rules 14d-4(c), 14d-6(d) and 14e-1 under the Exchange Act. The minimum period during which the Offer must remain open following material changes in the terms of the Offer or information concerning the Offer, other than a change in price or a change in percentage of securities sought, will depend upon the facts and circumstances then existing, including the relative materiality of the changed terms or information. In the SEC's view, an offer should remain open for a minimum of five business days from the date a material change is first published, sent or given to security holders and that, if material changes are made with respect to information not materially less significant than the offer price and the number of shares being sought, a minimum of 10 business days may be required to allow adequate dissemination and investor response. The requirement to extend the Offer will not apply to the extent that the number of business days remaining between the occurrence of the change and the then-scheduled Expiration Date equals or exceeds the minimum extension period that would be required because of such amendment. As used in this Offer to Purchase, "business day" has the meaning set forth in Rule 14d-1 under the Exchange Act.

PURSUANT TO RULE 14D-7 UNDER THE EXCHANGE ACT, NO WITHDRAWAL RIGHTS APPLY DURING THE SUBSEQUENT OFFERING PERIOD. FURTHERMORE, THE SAME CONSIDERATION, THE OFFER PRICE, WILL BE PAID TO STOCKHOLDERS TENDERING SHARES IN A SUBSEQUENT OFFERING PERIOD, IF ONE IS INCLUDED, AS IN THE OFFER.

The Company has provided the Purchaser with the Company's stockholder lists and security position listings for the purpose of disseminating the Offer to holders of Shares. This Offer to Purchase and the related Letter of Transmittal will be mailed by the Purchaser to record holders of Shares and will be furnished by the Purchaser to brokers, dealers, banks and similar persons whose names, or the names of whose nominees, appear on the stockholder lists or, if applicable, who are listed as participants in a clearing agency's security position listing, for subsequent transmittal to beneficial owners of Shares.

2. ACCEPTANCE FOR PAYMENT AND PAYMENT FOR SHARES.

Upon the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of any such extension or amendment), the Purchaser will accept for payment and will pay, promptly after the Expiration Date, for all Shares validly tendered prior to the Expiration Date and not properly withdrawn in accordance with Section 4--"Withdrawal Rights." Subject to the Merger Agreement and compliance with Rule 14e-1(c) under the Exchange Act, the Purchaser expressly reserves the right to delay acceptance for payment for Shares in order to comply with any applicable law, including, without limitation, the HSR Act and any comparable provisions under any applicable pre-merger notification laws or regulations of foreign jurisdictions. See Section 15--"Certain Legal Matters."

In all cases, payment for Shares accepted for payment pursuant to the Offer will be made only after timely receipt by the Depositary of (i) certificates for evidencing Shares (the "Share Certificates") or confirmation (a "Book-Entry Confirmation") of a book-entry transfer of such Shares into the Depositary's account at The Depositary Trust Company (the "Book-Entry Transfer Facility") pursuant to the procedures set forth in Section 3--"Procedures for Tendering Shares," (ii) a Letter of Transmittal (or facsimile thereof), properly completed and duly executed, with any required signature guarantees, or, in the case of a book-entry transfer, an Agent's Message (as defined below) in lieu of the Letter of Transmittal, and (iii) any other documents required by the Letter of Transmittal. The per share consideration paid to any holder of Common Stock pursuant to the Offer will be the highest per Share consideration paid to any other holder of such Shares pursuant to the Offer.

For purposes of the Offer, the Purchaser will be deemed to have accepted for payment, and thereby purchased, Shares properly tendered to the Purchaser and not withdrawn as, if and when the Purchaser gives oral or written notice to the Depositary of the Purchaser's acceptance for payment of such Shares pursuant to the Offer. Upon the terms and subject to the conditions of the Offer, payment for Shares accepted for payment

pursuant to the Offer will be made by deposit of the Offer Price therefor with the Depositary, which will act as agent for tendering stockholders for the purpose of receiving payment from the Purchaser and transmitting payment to tendering stockholders. UNDER NO CIRCUMSTANCES WILL INTEREST BE PAID ON THE OFFER PRICE TO BE PAID BY THE PURCHASER FOR THE SHARES, REGARDLESS OF ANY EXTENSION OF THE OFFER OR ANY DELAY IN MAKING SUCH PAYMENT.

If the Purchaser is delayed in its acceptance for payment of, or payment for, Shares or is unable to accept for payment or pay for Shares pursuant to the Offer for any reason, then, without prejudice to the Purchaser's rights under the Offer (including such rights as are set forth in Section 1--"Terms of the Offer" and Section 14--"Certain Conditions of the Offer") (but subject to compliance with Rule 14e-1(c) under the Exchange Act), the Depositary may, nevertheless, on behalf of the Purchaser, retain tendered Shares, and such Shares may not be withdrawn except to the extent tendering stockholders are entitled to exercise, and duly exercise, withdrawal rights as described in Section 4--"Withdrawal Rights."

If any tendered Shares are not purchased pursuant to the Offer for any reason, Share Certificates will be returned, without expense to the tendering stockholder (or, in the case of Shares delivered by book-entry transfer of such Shares into the Depositary's account at the Book-Entry Transfer Facility pursuant to the procedures set forth in Section 3--"Procedures for Tendering Shares," such Shares will be credited to an account maintained at the Book-Entry Transfer Facility), as promptly as practicable after the expiration or termination of the Offer.

The Purchaser reserves the right to transfer or assign, in whole or in part, to Parent or to any affiliate of Parent, the right to purchase Shares tendered pursuant to the Offer, but any such transfer or assignment will not relieve the Purchaser of its obligations under the Offer and will in no way prejudice the rights of tendering stockholders to receive payment for Shares validly tendered and accepted for payment pursuant to the Offer.

3. PROCEDURE FOR TENDERING SHARES.

Valid Tender. For a stockholder to validly tender Shares pursuant to the Offer, either (i) the Letter of Transmittal (or facsimile thereof), properly completed and duly executed, together with any required signature guarantees (or, in the case of a book-entry transfer, an Agent's Message (as defined below) in lieu of the Letter of Transmittal), and any other documents required by the Letter of Transmittal, must be received by the Depositary at one of its addresses set forth on the back cover of this Offer to Purchase prior to the Expiration Date, except with respect to any Subsequent Offering Period, and either certificates for tendered Shares must be received by the Depositary at one of such addresses or such Shares must be delivered pursuant to the procedures for book-entry transfer set forth below and a Book-Entry Confirmation (as defined below) must be received by the Depositary, in each case prior to the Expiration Date or (ii) the tendering stockholder must, prior to the Expiration Date, comply with the guaranteed delivery procedures set forth below.

Book-Entry Transfer. The Depositary will establish an account with respect to the Shares at the Book-Entry Transfer Facility for purposes of the Offer within two business days after the date of this Offer to Purchase. Any financial institution that is a participant in the Book-Entry Transfer Facility's systems may make book-entry delivery of Shares by causing the Book-Entry Transfer Facility to transfer such Shares into the Depositary's account in accordance with the Book-Entry Transfer Facility's procedure for such transfer. However, although delivery of Shares may be effected through book-entry transfer into the Depositary's account at the Book-Entry Transfer Facility, the Letter of Transmittal (or facsimile thereof), properly completed and duly executed, with any required signature guarantees, or an Agent's Message (as defined below) in lieu of the Letter of Transmittal, and any other required documents must, in any case, be received by the Depositary at one of its addresses set forth on the back cover of this Offer to Purchase prior to the Expiration Date (except with respect to a Subsequent Offering Period, if one is provided), or the tendering stockholder must comply with the guaranteed delivery procedures described below.

The term "Agent's Message" means a message transmitted by the Book-Entry Transfer Facility to, and received by, the Depositary and forming a part of a Book-Entry Confirmation, that states that the Book-Entry

Transfer Facility has received an express acknowledgment from the participant in the Book-Entry Transfer Facility tendering the Shares that such participant has received and agrees to be bound by the terms of the Letter of Transmittal and that the Purchaser may enforce such agreement against the participant. For Shares to be validly tendered during any Subsequent Offering Period, the tendering stockholder must comply with the foregoing procedures except that the required documents and certificates must be received during the Subsequent Offering Period.

THE METHOD OF DELIVERY OF SHARES, THE LETTER OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS, INCLUDING DELIVERY THROUGH THE BOOK-ENTRY TRANSFER FACILITY, IS AT THE ELECTION AND RISK OF THE TENDERING STOCKHOLDER. DELIVERY OF DOCUMENTS TO THE BOOK-ENTRY TRANSFER FACILITY IN ACCORDANCE WITH THE BOOK-ENTRY TRANSFER FACILITY'S PROCEDURES DOES NOT CONSTITUTE DELIVERY TO THE DEPOSITARY. SHARES WILL BE DEEMED DELIVERED ONLY WHEN ACTUALLY RECEIVED BY THE DEPOSITARY (INCLUDING, IN THE CASE OF A BOOK-ENTRY TRANSFER, BY BOOK-ENTRY CONFIRMATION). IF DELIVERY IS BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

Signature Guarantees. No signature guarantee is required on the Letter of Transmittal (i) if the Letter of Transmittal is signed by the registered holder(s) (which term, for purposes of this Section 3 includes any participant in the Book Entry Transfer Facility's systems whose name appears on a security position listing as the owner of the Shares) of Shares tendered therewith and such registered holder has not completed either the box entitled "Special Delivery Instructions" or the box entitled "Special Payment Instructions" on the Letter of Transmittal or (ii) if such Shares are tendered for the account of a financial institution (including most commercial banks, savings and loan associations and brokerage houses) that is a participant in the Security Transfer Agent's Medallion Program, or by any other "eligible guarantor institution," as such term is defined in Rule 17Ad-15 under the Exchange Act (each, an "Eligible Institution" and, collectively, "Eligible Institutions"). In all other cases, all signatures on Letters of Transmittal must be guaranteed by an Eligible Institution. See Instructions 1 and 5 of the Letter of Transmittal. If a Share Certificate is registered in the name of a person other than the signer of the Letter of Transmittal, or if payment is to be made, or a Share Certificate not tendered or not accepted for payment are to be returned to a person other than the registered holder of the certificates surrendered, then the tendered Share Certificate must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name or names of the registered holders or owners appear on the Share Certificate, with the signature(s) on the certificates or stock powers guaranteed by an Eligible Institution as provided in the Letter of Transmittal. See Instructions 1 and 5 of the Letter of Transmittal.

Guaranteed Delivery. If a stockholder desires to tender Shares pursuant to the Offer and the Share Certificates are not immediately available or the procedures for book-entry transfer cannot be completed on a timely basis or time will not permit all required documents to reach the Depositary prior to the Expiration Date, such stockholder's tender may be effected if all the following conditions are met:

(a) such tender is made by or through an Eligible Institution;

(b) a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form provided by the Purchaser, is received by the Depositary, as provided below, prior to the Expiration Date; and

(c) the Share Certificates (or a Book-Entry Confirmation), in proper form for transfer, together with a properly completed and duly executed Letter of Transmittal (or facsimile thereof), with any required signature guarantees (or, in the case of a book-entry transfer, an Agent's Message in lieu of a Letter of Transmittal), and any other documents required by the Letter of Transmittal are received by the Depositary within three trading days after the date of execution of such Notice of Guaranteed Delivery. A "trading day" is any day on which the National Association of Security Dealers Automated Quotation System, Inc. (the "NASDAQ") is open for business.

The Notice of Guaranteed Delivery may be delivered by hand or transmitted by telegram, facsimile transmission or mail to the Depositary and must include a guarantee by an Eligible Institution in the form set forth in such Notice of Guaranteed Delivery made available by the Purchaser.

Other Requirements. Notwithstanding any other provision hereof, payment for Shares accepted for payment pursuant to the Offer will in all cases be made only after timely receipt by the Depositary of (i) Share Certificates (or a timely Book-Entry Confirmation), (ii) a Letter of Transmittal (or facsimile thereof), properly completed and duly executed, with any required signature guarantees (or, in the case of a book-entry transfer, an Agent's Message in lieu of a Letter of Transmittal) and (iii) any other documents required by the Letter of Transmittal. Accordingly, tendering stockholders may be paid at different times depending upon when Share Certificates or Book-Entry Confirmations with respect to Shares are actually received by the Depositary. UNDER NO CIRCUMSTANCES WILL INTEREST BE PAID ON THE OFFER PRICE TO BE PAID BY THE PURCHASER FOR THE SHARES, REGARDLESS OF ANY EXTENSION OF THE OFFER OR ANY DELAY IN MAKING SUCH PAYMENT.

Appointment. By executing the Letter of Transmittal (or facsimile thereof) (or, in the case of a book-entry transfer, an Agent's Message in lieu of a Letter of Transmittal), the tendering stockholder will irrevocably appoint designees of the Purchaser, and each of them, as such stockholder's attorneys-in-fact and proxies in the manner set forth in the Letter of Transmittal, each with full power of substitution, to the full extent of such stockholder's rights with respect to the Shares tendered by such stockholder and accepted for payment by the Purchaser and with respect to any and all other Shares or other securities or rights issued or issuable in respect of such Shares. All such proxies will be considered coupled with an interest in the tendered Shares. Such appointment will be effective when, and only to the extent that, the Purchaser accepts for payment Shares tendered by such stockholder as provided herein. Upon the effectiveness of such appointment, all prior powers of attorney, proxies and consents given by such stockholder with respect to such Shares or other securities or rights will, without further action, be revoked and no subsequent powers of attorney, proxies, consents or revocations may be given by such stockholder (and, if given, will not be deemed effective). The designees of the Purchaser will thereby be empowered to exercise all voting and other rights with respect to such Shares and other securities or rights, including, without limitation, in respect of any annual, special or adjourned meeting of the Company's stockholders, actions by written consent in lieu of any such meeting or otherwise, as they in their sole discretion deem proper. The Purchaser reserves the right to require that, in order for Shares to be deemed validly tendered, immediately upon the Purchaser's acceptance for payment of such Shares, the Purchaser must be able to exercise full voting, consent and other rights with respect to such Shares and other related securities or rights, including voting at any meeting of stockholders.

Determination of Validity. All questions as to the validity, form, eligibility (including time of receipt) and acceptance of any tender of Shares will be determined by the Purchaser, in its sole discretion, which determination will be final and binding. The Purchaser reserves the absolute right to reject any or all tenders of any Shares determined by it not to be in proper form or the acceptance for payment of, or payment for which may, in the opinion of the Purchaser's counsel, be unlawful. The Purchaser also reserves the absolute right, subject to the provisions of the Merger Agreement, to waive any of the conditions of the Offer or any defect or irregularity in the tender of any Shares of any particular stockholder, whether or not similar defects or irregularities are waived in the case of other stockholders. No tender of Shares will be deemed to have been validly made until all defects or irregularities relating thereto have been cured or waived. None of the Purchaser, Parent, the Depositary, the Information Agent, the Company, the Dealer Manager or any other person will be under any duty to give notification of any defects or irregularities in tenders or incur any liability for failure to give any such notification. Subject to the terms of the Merger Agreement, the Purchaser's interpretation of the terms and conditions of the Offer (including the Letter of Transmittal and the instructions thereto and any other related documents) will be final and binding.

Backup Withholding. Under the "backup withholding" provisions of United States federal income tax law, unless a tendering holder of Shares (the "Payee"), satisfies the conditions described in Instruction 9 of the Letter of Transmittal or is otherwise exempt, the cash payable as a result of the Offer may be subject to backup withholding tax at the ordinary income tax rate applicable to unmarried individuals (currently 30.5%, effective

until December 31, 2001) (the "Withholding Rate"), multiplied by the gross proceeds. To prevent backup withholding, each Payee should provide the Depository with such holder's correct taxpayer identification number ("TIN") and certify that such holder is a U.S. person and is not subject to backup withholding by completing and signing the Substitute Form W-9 provided in the Letter of Transmittal. Certain holders (including, among others, all corporations and certain foreign individuals and entities) are not subject to backup withholding. Certain foreign holders should complete and sign a Form W-8BEN (a copy of which may be obtained from the Depository) in order to avoid backup withholding. See Instruction 9 of the Letter of Transmittal.

4. WITHDRAWAL RIGHTS.

Except as otherwise provided in this Section 4, tenders of Shares are irrevocable. Except as provided below with respect to a Subsequent Offering Period, Shares tendered pursuant to the Offer may be withdrawn pursuant to the procedures set forth below at any time prior to the Expiration Date and, unless theretofore accepted for payment and paid for by the Purchaser pursuant to the Offer, may also be withdrawn at any time after October 21, 2001.

For a withdrawal to be effective, a written, telegraphic or facsimile transmission notice of withdrawal must be timely received by the Depositary at one of its addresses set forth on the back cover of this Offer to Purchase and must specify the name of the person who tendered the Shares to be withdrawn, the number of Shares to be withdrawn and the name of the registered holder of the Shares to be withdrawn, if different from the name of the person who tendered the Shares. If Share Certificates have been delivered or otherwise identified to the Depositary, then, prior to the physical release of such certificates, the serial numbers shown on such certificates must be submitted to the Depositary and, unless such Shares have been tendered by an Eligible Institution, the signatures on the notice of withdrawal must be guaranteed by an Eligible Institution. If Shares have been tendered pursuant to the procedures for book-entry transfer as set forth in Section 3--"Procedures for Tendering Shares", any notice of withdrawal must also specify the name and number of the account at the appropriate Book-Entry Transfer Facility to be credited with the withdrawn Shares and otherwise comply with such Book-Entry Transfer Facility's procedures. Withdrawals of tenders of Shares may not be rescinded, and any Shares properly withdrawn will thereafter be deemed not validly tendered for purposes of the Offer. However, withdrawn Shares may be retendered by again following one of the procedures described in Section 3--"Procedures for Tendering Shares" any time prior to the Expiration Date.

No withdrawal rights will apply to Shares tendered into a Subsequent Offering Period under Rule 14d-11 of the Exchange Act, and no withdrawal rights apply during a Subsequent Offering Period under Rule 14d-11 with respect to Shares tendered in the Offer and accepted for payment. See Section 1--"Terms of the Offer."

All questions as to the form and validity (including time of receipt) of notices of withdrawal will be determined by the Purchaser, in its sole discretion, which determination will be final and binding. None of the Purchaser, Parent, the Depositary, the Information Agent, the Dealer Manager or any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal or incur any liability for failure to give any such notification.

5. CERTAIN FEDERAL INCOME TAX CONSEQUENCES.

The following is a general summary of certain United States federal income tax consequences of the Offer and the Merger to holders of Shares whose Shares are, respectively, sold pursuant to the Offer or converted into the right to receive cash in the Merger. This discussion is for general information purposes only and does not address all aspects of United States federal income taxation that may be relevant to particular holders of Shares in light of their specific investment or tax circumstances. The discussion is based on current provisions of the Internal Revenue Code of 1986, as amended (the "Code"), Treasury regulations issued thereunder, and administrative and judicial interpretations thereof, all as in effect as of the date hereof and all of which are subject to change, possibly with retroactive effect. This discussion applies only to holders who hold Shares as "capital assets" within the meaning of Section 1221 and of the Code may not apply to holders who acquired their Shares pursuant to the exercise of employee stock options or otherwise as compensation. In addition, this

discussion does not apply to certain types of holders subject to special tax rules including, but not limited to, insurance companies, tax-exempt organizations, financial institutions, and broker dealers or persons who hold their Shares as a part of "straddle," "hedge," "conversion transaction," "synthetic security" or other integrated investment. The tax consequences of the Offer and the Merger to holders who hold their Shares through a partnership or other pass-through entity generally will depend upon such holder's status for United States federal income tax purposes. This discussion does not address the United States federal income tax consequences to a holder that, for United States federal income tax purposes, is a non-resident alien individual, a foreign corporation, a foreign partnership or a foreign estate or trust, nor does it consider the effect of any state, local or foreign income tax or other tax laws. EACH HOLDER IS URGED TO CONSULT SUCH HOLDER'S TAX ADVISOR REGARDING THE SPECIFIC UNITED STATES FEDERAL, STATE, LOCAL AND FOREIGN INCOME AND OTHER TAX CONSEQUENCES OF THE OFFER AND THE MERGER IN LIGHT OF SUCH HOLDER'S SPECIFIC TAX SITUATION.

The receipt of cash for Shares pursuant to the Offer or the Merger will be a taxable transaction for United States federal income tax purposes and may also be a taxable transaction under state, local, or foreign tax laws. In general, a holder who receives cash in exchange for Shares pursuant to the Offer or the Merger will recognize gain or loss for United States federal income tax purposes equal to the difference, if any, between the amount of cash received and the holder's tax basis in the Shares exchanged. Gain or loss will be determined separately for each block of Shares (i.e., Shares acquired at the same time and price) exchanged pursuant to the Offer or the Merger. Such gain or loss will generally be capital gain or loss and will generally be long-term capital gain or loss if such Shares have been held for more than one year at the time of disposition.

A holder whose shares are purchased in the Offer may be subject to backup withholding at the Withholding Rate unless certain information is provided to the Depositary or an exemption applies. See Section 3--"Procedures for Tendering Shares."

6. PRICE RANGE OF THE SHARES; DIVIDENDS ON THE SHARES.

The Shares have been traded through the Nasdaq National Market under the symbol "CTIX" since March 18, 1999. The following table sets forth, for each of the periods indicated, the high and low reported closing sales prices per Share on the Nasdaq National Market based on published financial sources.

	HIGH	LOW
Fiscal Year Ended December 31, 1999		
Third Quarter	$61.50	$28.19
Fourth Quarter	32.63	12.25
Fiscal Year Ended December 31, 2000		
First Quarter	18.50	12.13
Second Quarter	15.31	9.69
Third Quarter	13.88	9.50
Fourth Quarter	11.13	7.16
Fiscal Year Ended December 31, 2001		
First Quarter	12.00	8.81
Second Quarter	16.55	9.94

On August 10, 2001, the last full trading day prior to the public announcement of the execution of the Merger Agreement, the last reported sales price of the Shares on the Nasdaq National Market was $11.85 per Share. On August 22, 2001, the last full trading day prior to the commencement of the Offer, the last reported sales price of the Shares on the Nasdaq National Market was $16.34 per Share. Stockholders are urged to obtain a current market quotation for the Shares.

The Company has not declared or paid any cash dividends since its initial public offering. In addition, under the terms of the Merger Agreement, the Company is not permitted to declare or pay dividends with respect to the Shares without the prior written consent of Parent. Specifically, the Merger Agreement provides

that neither the Company nor any of its subsidiaries will: (i) declare, set aside or pay any dividend or other distribution payable in cash, stock or property with respect to its capital stock (except for dividends or distributions from any of the Company's subsidiaries to the Company); (ii) issue, sell, pledge, dispose of or encumber any additional shares of, or securities convertible into or exchangeable for, or options, warrants, calls, commitments or rights of any kind to acquire, any shares of capital stock of any class of the Company or any of the Company's subsidiaries, other than Shares reserved for issuance on the date of the Merger Agreement pursuant to the exercise of the Company Stock Options (as defined in the Merger Agreement) then outstanding; or (iii) redeem (other than shares underlying Company Stock Options in connection with a cashless exercise of any Company Stock Option permitted by the Merger Agreement), purchase or otherwise acquire any shares of any class or series of its capital stock, or any instrument or security which consists of or includes a right to acquire such shares except in connection with the exercise of repurchase rights or rights of first refusal in favor of the Company with respect to shares of Common Stock issued upon exercise of Company Stock Options granted under the Company Stock Option Plans (as defined in the Merger Agreement).

7. EFFECT OF THE OFFER ON THE MARKET FOR THE SHARES; STOCK LISTING; EXCHANGE ACT REGISTRATION; MARGIN REGULATIONS.

Market for the Shares. The purchase of Shares by the Purchaser pursuant to the Offer will reduce the number of holders of Shares and the number of Shares that might otherwise trade publicly and could adversely affect the liquidity and market value of the remaining Shares held by the public.

NASDAQ Listing. Depending upon the number of Shares purchased pursuant to the Offer, the Shares may no longer meet the requirements of the National Association of Securities Dealers, Inc. (the "NASD") for continued inclusion on the Nasdaq National Market. Inclusion on the Nasdaq requires that an issuer either (i) have at least 750,000 publicly held shares, held by at least 400 round-lot stockholders, with a market value of at least $5,000,000, net tangible assets (total assets (excluding goodwill) less total liabilities) of at least $4,000,000, have two market makers for the shares, and have a minimum bid price of $1.00 or (ii) have at least 1,100,000 publicly held shares, held by at least 400 round-lot stockholders, with a market value of at least $15,000,000, have a minimum bid price of $5.00, have four market makers for the shares, and have either (A) a market capitalization of at least $50,000,000 or (B) total assets and revenues each of at least $50,000,000.

If the Nasdaq National Market and the Nasdaq Smallcap Market were to cease to publish quotations for the Shares, it is possible that the Shares would continue to trade in the over-the-counter market and that price or other quotations would be reported by other sources. The extent of the public market for such Shares and the availability of such quotations would depend, however, upon such factors as the number of stockholders and/or the aggregate market value of such securities remaining at such time, the interest in maintaining a market in the Shares on the part of securities firms, the possible termination of registration under the Exchange Act as described below, and other factors.

Exchange Act Registration. The Shares are currently registered under the Exchange Act. Such registration may be terminated upon application of the Company to the SEC if the Shares are neither listed on a national securities exchange nor held by 300 or more holders of record. Termination of registration of the Shares under the Exchange Act, assuming there are no other securities of the Company subject to registration, would substantially reduce the information required to be furnished by the Company to its stockholders and to the SEC and would make certain provisions of the Exchange Act no longer applicable to the Company, such as the short-swing profit recovery provisions of Section 16(b), the requirement of furnishing a proxy statement pursuant to Section 14(a) or 14(c) in connection with stockholders' meetings and the related requirement of furnishing an annual report to stockholders. Furthermore, the ability of "affiliates" of the Company and persons holding "restricted securities" of the Company to dispose of such securities pursuant to Rule 144 or Rule 144A promulgated under the Securities Act of 1933, as amended (the "Securities Act"), may be impaired or eliminated. The Purchaser intends to seek to cause the Company to apply for termination of registration of the Shares under the Exchange Act as soon after the completion of the Offer as the requirements for such termination are met. If the Nasdaq National Market listing and the Exchange Act registration of the Shares are

not terminated prior to the Merger, then the Shares will be delisted from the Nasdaq National Market and the registration of the Shares under the Exchange Act will be terminated following the consummation of the Merger.

Margin Regulations. The Shares currently are "margin securities" under the regulations of the Board of Governors of the Federal Reserve System (the "Federal Reserve Board"), which status has the effect, among other things, of allowing brokers to extend credit on the collateral of the Shares. Depending upon factors similar to those described above regarding listing and market quotations, it is possible that, following the Offer, the Shares would no longer constitute "margin securities" for the purposes of the margin regulations of the Federal Reserve Board and therefore could no longer be used as collateral for loans made by brokers. If registration of the Shares under the Exchange Act was terminated, the Shares would no longer be "margin securities."

8. CERTAIN INFORMATION CONCERNING THE COMPANY.

The Company is a Delaware corporation with its principal executive offices at 1440 Kapiolani Boulevard, Honolulu, Hawaii 96814. The telephone number of the Company at such offices is (808) 945-7439. The Company was founded in 1986 and is a leading seller of discounted leisure travel products. The Company provides consumers access to its exclusive collection of more than one million unpublished airfares on more than 60 major airlines, in addition to access to millions of regularly published fares on hundreds of airlines. The Company's family of discounted travel products also includes cruises, rental cars, and hotel accommodations. Consumers can conveniently book travel through the Company 24 hours a day, 7 days a week through its Web site at http://www.cheaptickets.com and call centers at 1-800-OKCHEAP. The Company employs more than 1,300 people, and sells an average of one ticket every 10.5 seconds.

Selected Financial Information. Set forth below is certain selected consolidated financial information with respect to the Company, excerpted or derived from the Company's Annual Reports on Form 10-K for the fiscal years ended December 31, 2000 and 1999. More comprehensive financial information is included in such reports and in other documents filed by the Company with the SEC. The following summary is qualified in its entirety by reference to such reports and other documents and all of the financial information (including any related notes) contained therein. Such reports and other documents may be inspected and copies may be obtained from the SEC in the manner set forth below.

CHEAP TICKETS, INC.

SELECTED CONSOLIDATED FINANCIAL INFORMATION
(in thousands, except per share data)

	Fiscal Year Ended December 31,		
	2000	1999	1998
Operating Data:			
Net revenues	$ 98,442	$ 74,007	$38,218
Net operating income	10,612	8,771	1,636
Net earnings	12,012	7,587	1,080
Diluted earnings per share	0.51	0.31	0.03
Balance Sheet Data:			
Total assets	$166,485	$155,610	$13,226
Total liabilities	16,690	16,998	7,705
Mandatorily redeemable preferred stock	--	--	4,180
Stockholders' equity	150,795	138,613	1,385

Certain Company Projections. Prior to entering into the Merger Agreement, representatives of Parent conducted a due diligence review of the Company, and in connection with such review received certain projections of the Company's future operating performance. To the knowledge of Parent and the Purchaser, the

Company does not as a matter of course, make public forecasts as to its future financial performance. Parent analyzed the information in the projections, certain publicly available information and additional information obtained in Parent's due diligence review of the Company, along with Parent's own estimates of potential cost savings and benefits, in evaluating the Offer and the Merger. The financial projections provided to Parent by the Company included, among other things, the following forecasts of the Company's gross bookings; revenues; earnings before interest, taxes, depreciation and amortization; and earnings before interest and taxes (in millions): 920, 121, 13 and 10 in fiscal 2001; 1,219, 167, 30 and 27 in fiscal 2002; 1,468, 200, 37, and 33 in fiscal 2003; 1,720, 236, 45 and 39 in fiscal 2004; 2,000, 273, 54 and 47 in fiscal 2005; and 2,309, 312, 62 and 55 in fiscal 2006. The financial projections contained therein are based on numerous assumptions, including assumptions concerning growth in gross bookings, product mix between published fares and unpublished fares, channel mix between call center sales and online sales, incentive fees from global distribution system suppliers, cost savings, industry performance, and general business, economic, market and financial conditions.

The Company's financial projections contained therein were prepared for the limited purpose of managing the operating plan of the Company for fiscal year 2001. They do not reflect recent developments which have occurred since they were prepared (including the Company's recently publicly announced revision downward of certain of its estimates for fiscal 2001) or give effect to the Offer and the Merger, the potential combined operations of the Company and Parent and its affiliates or changes that may be made to the Company's operations or strategy after the consummation of the Offer. This reference to the projections is provided solely because such projections have been provided to the Purchaser and none of the Purchaser.

THE PROJECTIONS WERE NOT PREPARED WITH A VIEW TO PUBLIC DISCLOSURE OR COMPLIANCE WITH PUBLISHED GUIDELINES OF THE SEC OR THE GUIDELINES ESTABLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS REGARDING PROJECTIONS OR FORECASTS. THE COMPANY'S INDEPENDENT ACCOUNTANTS HAVE NOT EXAMINED OR COMPILED ANY OF THESE PROJECTIONS OR EXPRESSED ANY CONCLUSION OR PROVIDED ANY ASSURANCE WITH RESPECT TO THE PROJECTIONS. THESE FORWARD-LOOKING STATEMENTS (AS THAT TERM IS DEFINED IN THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995) ARE SUBJECT TO CERTAIN RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THE PROJECTIONS. THE COMPANY HAS ADVISED THE PURCHASER AND PARENT THAT ITS INTERNAL FINANCIAL FORECASTS (UPON WHICH THE PROJECTIONS PROVIDED TO PARENT WERE BASED IN PART) ARE, IN GENERAL, PREPARED SOLELY FOR INTERNAL USE AND CAPITAL BUDGETING AND OTHER MANAGEMENT DECISIONS, AND ARE SUBJECTIVE IN MANY RESPECTS AND THUS SUSCEPTIBLE TO INTERPRETATIONS AND PERIODIC REVISION BASED ON ACTUAL EXPERIENCE AND BUSINESS DEVELOPMENTS. THE PROJECTIONS ALSO REFLECT NUMEROUS ASSUMPTIONS (NOT ALL OF WHICH WERE PROVIDED TO PARENT), ALL MADE BY MANAGEMENT OF THE COMPANY, WITH RESPECT TO INDUSTRY PERFORMANCE, GENERAL BUSINESS, ECONOMIC, MARKET AND FINANCIAL CONDITIONS, COMPETITION AND OTHER MATTERS THAT ARE INHERENTLY SUBJECT TO SIGNIFICANT ECONOMIC AND COMPETITIVE UNCERTAINTIES, ALL OF WHICH ARE DIFFICULT TO PREDICT, MANY OF WHICH ARE BEYOND THE COMPANY'S CONTROL AND NONE OF WHICH WERE SUBJECT TO APPROVAL BY PARENT OR THE PURCHASER. ACCORDINGLY, THERE CAN BE NO ASSURANCE THAT THE ASSUMPTIONS MADE IN PREPARING THE PROJECTIONS WILL PROVE ACCURATE, AND ACTUAL RESULTS MAY BE MATERIALLY GREATER OR LESS THAN THOSE CONTAINED IN THE PROJECTIONS. THE INCLUSION OF THE PROJECTIONS HEREIN SHOULD NOT BE REGARDED AS AN INDICATION THAT ANY OF PARENT, THE PURCHASER, THE COMPANY OR THEIR RESPECTIVE AFFILIATES OR REPRESENTATIVES CONSIDERED OR CONSIDER THE PROJECTIONS TO BE A RELIABLE PREDICTION OF FUTURE EVENTS, AND THE PROJECTIONS SHOULD NOT BE RELIED UPON AS SUCH. NONE OF PARENT, THE PURCHASER, THE COMPANY OR ANY OF THEIR RESPECTIVE AFFILIATES OR REPRESENTATIVES HAS MADE, OR MAKES ANY REPRESENTATION

TO ANY PERSON REGARDING THE INFORMATION CONTAINED IN THE PROJECTIONS AND NONE OF THEM INTENDS TO UPDATE OR OTHERWISE REVISE THE PROJECTIONS TO REFLECT CIRCUMSTANCES EXISTING AFTER THE DATE WHEN MADE OR TO REFLECT THE OCCURRENCE OF FUTURE EVENTS EVEN IN THE EVENT THAT ANY OR ALL OF THE ASSUMPTIONS UNDERLYING THE PROJECTIONS ARE SHOWN TO BE IN ERROR. IT IS EXPECTED THAT THERE WILL BE DIFFERENCES BETWEEN ACTUAL AND PROJECTED RESULTS, AND ACTUAL RESULTS MAY BE MATERIALLY HIGHER OR LOWER THAN THOSE PROJECTED.

Available Information. The Company is subject to the informational filing requirements of the Exchange Act and, in accordance therewith, is obligated to file reports, proxy statements and other information with the SEC relating to its business, financial condition and other matters. Information as of particular dates concerning the Company's directors and officers, their remuneration, options granted to them, the principal holders of the Company's securities and any material interests of such persons in transactions with the Company is required to be disclosed in proxy statements distributed to the Company's stockholders and filed with the SEC. Such reports, proxy statements and other information should be available for inspection at the public reference facilities of the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549, and at the regional offices of the SEC located at Seven World Trade Center, Suite 1300, New York, NY 10048 and Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, IL 60661. Copies of such information should be obtainable by mail, upon payment of the SEC's customary charges, by writing to the SEC's principal office at 450 Fifth Street, N.W., Washington, D.C. 20549. The SEC also maintains a website at http://www.sec.gov that contains reports, proxy statements and other information relating to the Company that have been filed via the EDGAR System. Such material should also be available for inspection at the offices of the Nasdaq National Market, located at 20 Broad Street, New York, New York 10005.

The information concerning the Company contained in this Offer to Purchase, including that set forth below under the caption "Selected Financial Information," has been furnished by the Company or has been taken from or based upon publicly available documents and records on file with the SEC and other public sources. Neither Parent nor the Purchaser assumes responsibility for the accuracy or completeness of the information concerning the Company contained in such documents and records or for any failure by the Company to disclose events which may have occurred or may affect the significance or accuracy of any such information but which are unknown to Parent or the Purchaser.

9. CERTAIN INFORMATION CONCERNING PARENT AND THE PURCHASER.

Parent is a Delaware corporation with its principal executive offices at 9 West 57th Street, New York, New York 10019. The telephone number of the Parent at such offices is (212) 413-1800. Parent is one of the foremost providers of travel and real estate services in the world. Parent operates in four business segments--Real Estate Services, Hospitality, Vehicle Services and Financial Services. Parent businesses provide a wide range of consumer and business services which are intended to complement one another and create cross-marketing opportunities both within each segment and between segments. Parent's Real Estate Services segment franchises real estate brokerage businesses, provides home buyers with mortgages and assists in employee relocations. Parent's Hospitality segment franchises hotel businesses and facilitates the sale and exchange of vacation ownership interests. Parent's Vehicle Services segment operates and franchises car rental businesses, provides fleet management services to corporate clients and government agencies and operates parking facilities in the United Kingdom. Parent's Financial Services segment provides marketing strategies primarily to financial institutions by offering an array of financial and insurance-based products to consumers, franchises tax preparation service businesses and provides consumers with access to a variety of discounted products and services.

As a franchise of hotels, residential and commercial real estate brokerage offices, car rental operations and tax preparation services, Parent licenses the owners and operators of independent businesses the right to use its brand names. Parent does not own or operate hotels, real estate brokerage offices or tax preparation offices. Instead, Parent provide its franchisees with services designed to increase their revenue and profitability.

The Purchaser is a Delaware corporation with its principal executive offices at 9 West 57th Street, New York, New York 10019. The telephone number of the Purchaser at such offices is (212) 413-1800. The Purchaser is a wholly-owned subsidiary of Parent and was formed for the purpose of making a tender offer for all the Shares of the Company.

The name, citizenship, business address, present principal occupation or employment and five-year employment history of each of the directors and executive officers of the Purchaser and Parent are set forth in Schedule I hereto.

Except as described in this Offer to Purchase or Schedule I to this Offer to Purchase (a) neither Parent, Purchaser nor, to the knowledge of Parent and the Purchaser, any of the persons listed in Schedule I or any associate or majority-owned subsidiary of Parent or Purchaser or of any of the persons so listed, beneficially owns or has a right to acquire any Shares or any other equity securities of the Company; and (b) neither Parent, Purchaser, nor, to the knowledge of Parent and the Purchaser, any of the persons or entities referred to in clause (a) above or any of their executive officers, directors or subsidiaries has effected any transaction in the Shares or any other equity securities of the Company during the past 60 days.

Except as provided by the Merger Agreement or as described in this Offer to Purchase neither Parent, Purchaser nor, to the knowledge of Parent and the Purchaser, any of the persons listed in Schedule I to this Offer to Purchase, has any contract, arrangement, understanding or relationship with any other person with respect to any securities of the Company (including, but not limited to, any contract, arrangement, understanding or relationship concerning the transfer or the voting of any such securities, joint ventures, loan or option arrangements, puts or calls, guaranties of loans, guaranties against loss or the giving or withholding of proxies, consents or authorizations).

Except as set forth in this Offer to Purchase or in Item 3 of the Schedule TO (as defined below) to which this Offer to Purchase is an exhibit, none of Parent, the Purchaser nor, to the best knowledge of Parent and the Purchaser, any of the persons listed on Schedule I to this Offer to Purchase, has had any business relationship or transaction with the Company or any of its executive officers, directors or affiliates that is required to be reported under the rules and regulations of the SEC applicable to the Offer. Except as set forth in this Offer to Purchase, there have been no contracts, negotiations or transactions between Parent or any of its subsidiaries or, to the best knowledge of Parent, any of the persons listed in Schedule I to this Offer to Purchase, on the one hand, and the Company or its affiliates, on the other hand, concerning a merger, consolidation or acquisition, tender offer or other acquisition of securities, an election of directors or a sale or other transfer of a material amount of assets. None of the persons listed in Schedule I has, during the past five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors). None of the persons listed in Schedule I has, during the past five years, been a party to any judicial or administrative proceeding (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of federal or state securities laws.

Available Information. Pursuant to Rule 14d-3 under the Exchange Act, Parent and the Purchaser filed with the SEC a Tender Offer Statement on Schedule TO (the "Schedule TO"), of which this Offer to Purchase forms a part, and exhibits to the Schedule TO. Additionally, Parent is subject to the information and reporting requirements of the Exchange Act and is required to file periodic reports, proxy statements and other information with the SEC relating to its business, financial condition and other matters. Certain information, as of particular dates, concerning Parent's business, principal physical properties, capital structure, material pending legal proceedings, operating results, financial condition, directors and officers (including their remuneration and stock options granted to them), the principal holders of Parent's securities, any material interests of such persons in transactions with Parent and certain other matters is required to be disclosed in proxy statements and annual reports distributed to Parent's stockholders and filed with the SEC. The Schedule TO and the exhibits thereto, as well as these other reports, proxy statements and other information, may be inspected and copied at the SEC's public reference facilities in the same manner as set forth above with respect to the Company in Section 8--"Certain Information Concerning the Company."

10. SOURCE AND AMOUNT OF FUNDS.

The Offer is not conditioned upon any financing arrangements. Parent and Purchaser estimate that the total amount of funds required to consummate the Offer and the Merger, will be approximately $410 million plus any related transaction fees and expenses. The Purchaser will acquire all such funds from Parent, which currently intends to use generally available corporate funds for this purpose, including the proceeds of recently completed financings.

Because the only consideration in the Offer and Merger is cash and the Offer is to purchase all outstanding Shares, and in view of the absence of a financing condition and the amount of consideration payable in relation to the financial capacity of Parent and its affiliates, the Purchaser believes the financial condition of Parent and its affiliates is not material to a decision by a holder of Shares whether to sell, tender or hold Shares pursuant to the Offer.

11. BACKGROUND OF THE OFFER.

The following information was prepared by the Parent and the Company. Information about the Company was provided by the Company, and neither Purchaser nor Parent takes any responsibility for the accuracy or completeness of any information regarding meetings or discussions in which Parent or its representatives did not participate.

Parent continually explores and conducts discussions with regards to acquisitions and other strategic corporate transactions that are consistent with its corporate strategies.

Parent was contacted in March 2000 by CIBC World Markets regarding a possible transaction with the Company and requested to sign a confidentiality agreement with standstill provisions. In April 2000, after outstanding negotiation of the confidentiality agreement, Parent declined to execute the confidentiality agreement and accordingly, no discussions were had at that time with the Company.

Beginning in May 2001, Parent began evaluating and investigating the possibility of a business relationship with Cheap Tickets.

In May, 2001, Representatives of Parent contacted Sam Galeotos, the Company's Chief Executive Officer and informed him that Parent was interested in exploring the possibilities of various relationships between the two companies. As a result of the conversation, Parent delivered a proposed confidentiality agreement on behalf to the Company.

On May 24, 2001, the Company and Cendant Internet Group, Inc. executed a confidentiality agreement, which was further amended during the course of negotiations. In the period following execution of the confidentiality agreement Parent began a review of certain information delivered by the Company to Parent.

On June 19, 2001, Mr. Samuel Katz, Chief Strategic Officer and other representatives of Parent met at Parent's offices in New York City with Mr. Galeotos and the Company's financial advisor, CIBC World Markets ("CIBC"), to discuss the possibility of a commercial relationship between the two companies. Mr. Katz and Mr. Galeotos engaged in a separate conversation, in which Henry R. Silverman, Parent's chief executive officer, briefly participated. In exploring the various forms which a possible relationship between the two companies might take, Mr. Katz and Mr. Galeotos' also engaged in a discussion of the possibility of Parent's acquiring the Company. Mr. Katz acknowledged Mr. Galeotos' stated desire for Parent to indicate to the Company any interest in acquiring the Company.

On June 21, 2001, Parent delivered a non-binding indication of interest to the Company, indicating Parent's interest in acquiring the Company, based on a valuation of between $17 and $20 per share, subject to due diligence, board approval and other customary conditions. Parent also delivered at that time a preliminary request for due diligence information.

On June 25, the Company issued a press release and hosted an open conference call to announce its preliminary financial results of the quarter ending June 30, 2001, including the fact that revenue and earnings would be significantly below consensus estimates. The Company attributed the shortfall to technical problems with its fare publishing and booking software, problems at its call centers and overall market conditions. Immediately following the announcement and during the following weeks, the Company's stock traded in a significantly lower range than during the preceding weeks.

On June 27, 2001 Goldman, Sachs & Co., Parent's financial advisor, and CIBC discussed issues affecting the earnings underlying the June 26 press release and the potential impact of the announcement on any possible valuation of the Company. Mr. Katz and Mr. Galeotos also spoke regarding the same topic.

During the week of June 25th, 2001 the two companies agreed to schedule a due diligence session for the following week. On July 5 and 6, 2001, representatives of Parent, including William Hunscher, Jr., Executive Vice President--Strategic Development Group of Parent, met with representatives of the Company in Honolulu, Hawaii for initial due diligence sessions. At these meetings, Company management made presentations concerning the Company, its current and historical financial performance, its prospects and various operational matters. From this time through August 12, 2001, representatives of the parties continued to review due diligence information concerning the business and the financial condition of the Company.

From the time of these meetings in Honolulu through August 12, 2001, Mr. Galeotos and the Company's legal and financial advisors conducted negotiations, through meetings and telephone calls, with Parent and its advisors concerning primarily both the price of a potential offer for the Company and the structure and terms of such an offer and subsequent merger, including the terms of a Stockholder Agreement which Parent had requested in its negotiations to be entered into with the Company's majority stockholder, Michael Hartley.

On July 17, 2001, Parent delivered a revised non-binding indication of interest to the Company indicating its interest in acquiring the Company, based on a valuation of between $15 and $17 per share and subject to continued due diligence and the negotiation of definitive documentation.

Over the next several days, representatives of the two companies, including its financial advisors, spoke regarding Parent's proposed valuation range. Among other things, the Company communicated its desire to receive from Parent a proposal containing a single price.

On July 19, counsel for Parent provided a draft of a merger agreement to counsel for the Company and a draft of a stockholder agreement to be provided to the Stockholders. Between July 25 and August 12, representatives of Parent and the Company negotiated the provisions of the proposed merger agreement. Between August 7, 2001 and August 12, 2001, representatives of Parent and of the Stockholders negotiated the terms of the proposed stockholder agreement.

On July 19, 2001, Mr. Hunscher orally communicated to Mr. Galeotos, and delivered to CIBC World Markets, Parent's revised non-binding indication of interest in a possible transaction at a price of $17 per share, again subject to the results of ongoing due diligence and board approvals.

Negotiations concerning valuation, as well as the structure and terms of a possible transaction, continued through meetings and telephone calls between July 20 and August 11 among representatives of the two companies, including their legal and financial advisors.

On July 23 and 24, 2001, representatives of Parent and the Company, including their financial advisors, met in Denver, Colorado to continue discussions regarding financial performance and various operational matters, as well as the status of Parent's proposal to and the price at which Parent might acquire the Company.

Representatives of the two companies met thereafter with representatives of Delta Air Lines ("Delta") to discuss possible changes to the terms of the Company's strategic alliance with Delta, with discussions continuing in early August regarding possible amendments to agreements between Delta and the Company. Parent and the Company negotiated with Delta through August 11, 2001 regarding such changes. These discussions were prompted by provisions in the May 2001 agreements with Delta (the "Original Delta Agreements") which provided Delta with the right to scale back certain of the benefits owing to the Company under these agreements in the event of a change in control. As a result of these negotiations, on August 11, the

Company and Delta agreed to amend certain elements of the strategic alliance, effective upon completion of the tender offer by Parent, which amendment removed certain provisions which were favorable to the Company or established new contingencies upon which such provisions would continue.

On August 2, 2001, the Company announced its results for the second quarter of 2001 which, as previously indicated in its June 25 public announcement, were below analysts' expectations. The Company also revised downward its financial guidance for its [revenues and earnings] for the remainder of 2001.

On August 6, 2001, the Executive Committee of Parent's Board of Directors, acting pursuant to powers set forth in Parent's By-Laws, unanimously approved the transaction and authorized proceeding with the Offer, the Merger and the transactions contemplated thereby and by the proposed merger agreement and stockholder agreement, subject to final changes and modifications to such agreements as might be negotiated and approved by management of Parent.

On August 7 and 8, 2001, representatives of Parent and the Company, including their financial advisors, discussed Parent's most recent indication of interest. Parent indicated that it continued to be interested in acquiring the Company but at a price of less than $17 per share, for a number of reasons relating to, among other things, the Company's financial performance and uncertainties relating to supplier relationships. On August 9, 2001, Mr. Hunscher spoke with Mr. Galateos indicating Parent's willingness to consummate a transaction at $15.50 per share.

On August 10, 2001, after further negotiations between Parent and the Company, Parent and the Company agreed to continue negotiations on definitive documents on the basis of a purchase price of $16.50 per share. On August 11 and 12, 2001 all principal terms and conditions of the Merger Agreement, including the Offer, were finalized, including a purchase price of $16.50 per share.

On August 12, the Company's Board of Directors met and unanimously approved the terms of the transaction.

On August 13, the Merger Agreement was executed by Parent, Purchaser and the Company. On August 13, each Stockholder and Parent, Purchaser and the Company executed the Stockholder Agreement.

On August 13, 2001, prior to the opening of trading on The Nasdaq Stock Market, the execution of the Merger Agreement was announced in a joint press release by the Company and Parent.

During the Offer, Parent and Purchaser intend to have ongoing contacts with the Company and its directors, officers and stockholders.

12. PURPOSE OF THE OFFER; PLANS FOR THE COMPANY.

Purpose of the Offer. The purpose of the Offer is to enable Parent to acquire control of, and the entire equity interest in, the Company. The Offer is being made pursuant to the Merger Agreement and is intended to increase the likelihood that the Merger will be effected. The purpose of the Merger is to acquire all outstanding Shares not purchased pursuant to the Offer. The transaction is structured as a merger in order to ensure the acquisition by Parent of all the outstanding Shares.

If the Merger is consummated, Parent's common equity interest in the Company would increase to 100% and Parent would be entitled to all benefits resulting from that interest. These benefits include complete management with regard to the future conduct of the Company's business and any increase in its value. Similarly, Parent will also bear the risk of any losses incurred in the operation of the Company and any decrease in the value of the Company.

Stockholders of the Company who sell their Shares in the Offer will cease to have any equity interest in the Company and to participate in its earnings and any future growth. If the Merger is consummated, the stockholders will no longer have an equity interest in the Company and instead will have only the right to

receive cash consideration pursuant to the Merger Agreement. See Section 13--"The Merger Agreement and the Stockholder Agreement." Similarly, the stockholders of the Company will not bear the risk of any decrease in the value of the Company after selling their Shares in the Offer or the subsequent Merger.

The primary benefits of the Offer and the Merger to the stockholders of the Company are that such stockholders are being afforded an opportunity to sell all of their Shares for cash at a price which represents a premium of approximately 38% over the closing market price of the Shares on the last full trading day prior to the public announcement that the Company, Parent and the Purchaser executed the Merger Agreement.

Plans for the Company. Pursuant to the terms of the Merger Agreement, promptly upon the purchase of and payment for any Shares by the Purchaser pursuant to the Offer, Parent currently intends to seek the maximum representation on the Company's board of directors, subject to the requirement in the Merger Agreement that if Shares are purchased pursuant to the Offer, there will be until the Effective Time at least two members of the Company's board of directors, who qualify as independent directors and who are not current or former executive officers of the Company.

In connection with consummation of the Merger and the acquisition of the entire equity interest in the Company, Parent expects to enter into an agreement with Travel Portal, Inc. ("TPI"), an affiliate of Parent, pursuant to which, among other things, following the Merger, the Company's Internet operations will be integrated into TPI, and Parent will provide TPI with call center and fulfillment services. Under these arrangements, Parent expects to retain certain intellectual property and the Company's off-line booking business that includes all call center operations. Parent also expects that under these arrangements, TPI will recognize all revenues for travel booked via the Internet, while Parent will recognize revenues from off-line booking business, fees from the provision to TPI of call center services, license fees for certain intellectual property and, following the completion of Parent's currently pending acquisition of Galileo International, Inc., ("Galileo"), GDS segment fees. In addition to the Company's existing relationship with Sabre Group, Inc., Parent is considering having the Company enter into an agreement with Galileo for the provision to the Company of GDS services.

In connection with the execution of the Merger Agreement, the Company and Delta Air Lines, Inc. ("Delta") entered into certain agreements that will amend or replace the Company's existing agreements with Delta, to be effective only in the event the Purchaser accepts Shares for payment and pays for Shares pursuant to the Offer (the "New Delta Agreements"). Under the Original Delta Agreements, Delta has the right to terminate its agreements with the Company and nonetheless receive 75% of the warrant's value (in terms of the difference between the strike price of the warrants and the Offer Price), but forfeit 25% of such value. The New Delta Agreements, on the other hand, provide for a continuing relationship between the Company and Delta, albeit for a lesser period than provided under the original agreements, and for Delta to receive 100% of the warrant's value--75% upon consummation of the Merger and the remaining 25% no later than 12 months later.

In addition, Parent intends to continue to evaluate the business and the operations of the Company during the pendency of the Offer. After consummation of the Offer, Parent intends to conduct a detailed review of the Company and its assets, corporate structure, dividend policy, capitalization, operations, properties, policies, management and personnel and will consider, subject to the terms of the Merger Agreement, what, if any, changes would be desirable in light of the circumstances which exist upon completion of the Offer. Such changes could include changes in the Company's business, corporate structure, certificate of incorporation, by-laws, capitalization, board of directors, management or dividend policy, although, except as disclosed above, Parent has no current plans with respect to any of such matters.

The Merger Agreement provides that the directors of the Purchaser and the officers of the Company at the Effective Time of the Merger will, from and after the Effective Time, be the initial directors and officers, respectively, of the Surviving Corporation.

Except as disclosed in this Offer to Purchase, neither Parent nor the Purchaser has any present plans or proposals that would result in an extraordinary corporate transaction, such as a merger, reorganization,

liquidation, sale or transfer of material amounts of assets, relocation of operations, involving the Company or any of its subsidiaries, or any material changes in the Company's corporate structure, business or composition of its management or personnel.

13. THE MERGER AGREEMENT AND THE STOCKHOLDER AGREEMENT.

Merger Agreement.

The following summary of certain provisions of the Merger Agreement is qualified in its entirety by reference to the Merger Agreement, which is incorporated herein by reference. A copy of the Merger Agreement has been filed by Parent and the Purchaser, pursuant to Rule 14d-3 under the Exchange Act, as exhibit (d)(1) to the Tender Offer Statement on Schedule TO (together with any amendments, supplements, schedules, annexes and exhibits thereto, the "Schedule TO"). The Merger Agreement may be examined and copies may be obtained at the places and in the manner set forth in Section 8--"Certain Information Concerning the Company." Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the Merger Agreement.

The Offer. The Merger Agreement provides for the making of the Offer. The obligation of the Purchaser to accept for payment and pay for Shares tendered pursuant to the Offer is subject to the satisfaction of the Minimum Condition and certain other conditions described in Section 14--"Certain Conditions of the Offer."

The Merger. The Merger Agreement provides that, following the consummation of the Offer, subject to the terms and conditions thereof, at the Effective Time of the Merger (i) the Purchaser will be merged with and into the Company and, as a result of the Merger, the separate corporate existence of the Purchaser will cease, (ii) the Company will be the successor or surviving corporation (sometimes referred to as the "Surviving Corporation") in the Merger and will continue to be governed by the laws of the State of Delaware, and (iii) the separate corporate existence of the Company with all its rights, privileges, immunities, powers and franchises will continue unaffected by the Merger.

The respective obligations of Parent and the Purchaser, on the one hand, and the Company, on the other hand, to effect the Merger are subject to the satisfaction on or prior to the Closing Date (as defined in the Merger Agreement) of each of the following conditions: (i) the Merger Agreement will have been approved and adopted by the requisite vote of the holders of the Shares, to the extent required by the Company's certificate of incorporation and the DGCL, in order to consummate the Merger; (ii) no law will have been enacted or promulgated by any United States or other governmental entity which prohibits the consummation of the Merger, and there will be no order or injunction of a court of competent jurisdiction in effect preventing the consummation of the Merger, (iii) the Purchaser will have purchased, or caused to be purchased, the Shares pursuant to the Offer, unless such failure to purchase is a result of a breach of the Purchaser's obligation to accept for payment or pay for Shares validly tendered pursuant to the Offer in violation of the terms of the Offer or the Merger Agreement, and (iv) the applicable waiting period under the HSR Act and any comparable provisions under any applicable pre-merger notification on laws or regulations of foreign jurisdictions will have expired or been terminated.

At the Effective Time of the Merger (i) each issued and outstanding share of Purchaser Common Stock will be converted into and become one fully paid and nonassessable share of common stock of the Surviving Corporation, and (ii) each Share that is owned by the Company as treasury stock and each Share owned by Parent, the Purchaser or any other wholly-owned subsidiary of Parent will be cancelled and retired and will cease to exist, and no consideration will be delivered in exchange therefor, and (iii) each issued and outstanding Share will be converted into the right to receive the Offer Price, without interest, paid pursuant to the Offer. From and after the Effective Time, all such Shares will no longer be outstanding and will automatically be cancelled and retired and will cease to exist, and each holder of a certificate representing any such Shares will cease to have any rights with respect thereto, except the right to receive the Merger Consideration therefore upon the surrender of such certificate without interest thereon.

Company Option Plans. At the Effective Time, in accordance with determinations by the Company Board of Director pursuant to the Company Stock Option Plans (as defined below), each stock option, stock

equivalent right or similar right to acquire Shares (each, a "Company Stock Option") issued pursuant to the Company's 1997 Stock Option Plan or the Company's Amended and Restated 1999 Stock Incentive Plan (including the Company's 1999 Non-Employee Director Option Program, as amended, thereunder) (collectively, the "Company Stock Option Plans"), whether or not then exercisable or vested, which is outstanding and unexercised immediately prior thereto will become immediately fully vested and exercisable. The Merger Agreement provides that at the Effective Time, each Company Stock Option will be converted automatically into options to purchase shares of Parent common stock ("Parent Shares"), and Parent will assume each such Company Stock Option (hereinafter, an "Assumed Option") subject to the terms of the applicable Company Stock Option Plan and the agreement evidencing the grant thereunder of such Company Stock Option; provided, however, that from and after the Effective Time, (A) the number of Parent Shares purchasable upon exercise of an Assumed Option will be equal to the number of Shares that were purchasable under such Assumed Option immediately prior to the Effective Time multiplied by the Exchange Ratio (as defined below), and rounded down to the nearest whole share, and (B) the per share exercise price under such Assumed Option will be adjusted by dividing the per share exercise price under such Assumed Option by the Exchange Ratio, and rounding up to the nearest cent, subject, in each case, if applicable, to compliance with provisions relating to "incentive stock options" under the Internal Revenue Code, of 1986, as amended. The "Exchange Ratio" is the number obtained by dividing the $16.50 (or any higher price paid in the Offer) by the closing price of a Parent Share on the trading day immediately preceding the Effective Time.

The Company's Board of Directors. The Merger Agreement provides that promptly upon the purchase of and payment for any Shares by Parent or the Purchaser which represents at least a majority of the outstanding Shares (on a fully-diluted basis), Parent will be entitled to elect or designate such number of directors, rounded up to the next whole number, on the Company's board of directors as is equal to the product of the total number of directors on the Company's board of directors multiplied by the percentage that the aggregate number of Shares beneficially owned by the Purchaser, Parent and any of their affiliates bears to the total number of Shares then outstanding. The Company will, upon Parent's request, use its reasonable efforts either to promptly increase the size of the Company's board of directors, including by amending the bylaws of the Company if necessary so as to increase the size of the Company's board of directors, or promptly secure the resignations of such number of its incumbent directors, or both, as is necessary to enable Parent's designees to be so designated to the Company's board of directors, and will use its reasonable efforts to cause Parent's designees to be so designated at such time. At such time, the Company will, upon Parent's request, also cause persons elected or designated by Parent to constitute the same percentage (rounded up to the next whole number) as is on the Company's board of directors of (i) each committee of the Company's board of directors, (ii) each board of directors (or similar body) of each Company Subsidiary (as defined in Section 3.2 of the Merger Agreement), and (iii) each committee (or similar body) of each such board, in each case only to the extent permitted by applicable law or the rules of any stock exchange on which the Company Common Stock is listed. The Company's obligations with respect to this section of the Merger Agreement are subject to Section 14(f) of the Exchange Act and Rule 14f-1 General Rules and Regulations under the Exchange Act.

In the event that Parent's designees are elected or designated to the Company's board of directors, then, until the Effective Time, the Company will cause the Company's board of directors to have at least two directors who are non-executive directors (the "Independent Directors"); provided, however, that if any Independent Director is unable to serve due to death or disability, the remaining Independent Director(s) will be entitled to elect or designate another person (or persons), who is not a current or former executive of the Company ("Non-Executive"), and such non-executive person (or persons) will be deemed to be an Independent Director for purposes of the Merger Agreement. If no Independent Director then remains, the other directors will designate two persons who are Non-Executives on the date hereof (or, in the event there will be less than two directors who are Non-Executive Directors on the date hereof available to fill such vacancies as a result of such persons' deaths, disabilities or refusals to serve, such number of other Non-Executives who are willing to fill such vacancies) and such Non-Executives will be deemed Independent Directors for purposes of the Merger Agreement. Notwithstanding anything in the Merger Agreement to the contrary, if Parent's designees constitute a majority of the Company's board of directors after the acceptance for payment of Shares pursuant to the Offer and prior to the Effective Time, then the affirmative vote of a majority of the Independent

Directors (or if only one exists, then the vote of such Independent Director) will be required to (i) amend or terminate the Merger Agreement by the Company, (ii) exercise or waive any of the Company's rights, benefits or remedies hereunder, if such action would materially and adversely affect holders of Shares other than Parent or Purchaser, (iii) amend the certificate of incorporation or bylaws of the Company if such action would materially and adversely affect holders of Shares other than Parent or Purchaser, or (iv) take any other action of the Company's board of directors under or in connection with the Merger Agreement if such action would materially and adversely affect holders of Shares other than Parent or Purchaser; provided, however, that if there will be no Independent Directors as a result of such persons' deaths, disabilities or refusal to serve, then such actions may be effected by majority vote of the entire Company's board of directors.

Stockholders' Meeting. Pursuant to the Merger Agreement, the Company will, if required by applicable law in order to consummate the Merger (i) duly call, give notice of, convene and hold a special meeting of its stockholders as soon as reasonably practicable following the acceptance for payment and purchase of Shares by the Purchaser pursuant to the Offer for the purpose of considering and taking action upon the Merger Agreement, (ii) prepare and file with the SEC a preliminary proxy or information statement relating to the Merger and the Merger Agreement and use its reasonable efforts to obtain and furnish the information required to be included by the SEC in the Proxy Statement (as hereinafter defined) and, after consultation with Parent, respond promptly to any comments made by the SEC with respect to the preliminary proxy or information statement and cause a definitive proxy or information statement (the "Proxy Statement") to be mailed to its stockholders, (iii) unless the Company's board of directors determines in good faith, following the advice from outside counsel, that to do so is reasonably likely to cause it to violate its fiduciary duties to the Company stockholders under applicable law, include in the Proxy Statement the recommendation of the Company's board of directors that stockholders of the Company vote in favor of the approval of the Merger and the adoption of the Merger Agreement, and (iv) unless the Company's board of directors determines in good faith, following the advice from outside counsel, that to do so is reasonably likely to cause it to violate its fiduciary duties to the Company stockholders under applicable law, use its reasonable efforts to solicit from holders of Shares proxies in favor of the Merger and take all other action reasonably necessary or advisable to secure the approval of stockholders required by the DGCL and any other applicable law to effect the Merger.

The Merger Agreement provides that Parent will vote, or cause to be voted, all of the Shares then owned by it, the Purchaser or any of its other subsidiaries and affiliates in favor of the approval of the Merger and the Merger Agreement.

Interim Operations; Covenants. Pursuant to the Merger Agreement, the Company has agreed that, except as expressly contemplated by the Merger Agreement, in the ordinary course of business consistent with past practice, as set forth in the Company Disclosure Schedule or as consented to in writing by Parent, which consent will not be unreasonably withheld:

(a) the business of the Company and the Company Subsidiaries will be conducted only in the ordinary course of business consistent with past practice, and each of the Company and the Company Subsidiaries will use its reasonable efforts to preserve its present business organization intact and maintain satisfactory relations with customers, suppliers, employees, contractors, distributors and others having business dealings with it;

(b) the Company and the Company Subsidiaries will not, directly or indirectly, (i) except upon exercise of the Company Stock Options or other rights to purchase Shares pursuant to the Company Stock Option Plans outstanding on the date hereof or granted in compliance with the Merger Agreement, issue, sell, transfer or pledge or agree to sell, transfer or pledge any treasury stock of the Company or, except to the Company, any capital stock of any Company Subsidiary beneficially owned by it, (ii) amend its Certificate of Incorporation or Bylaws or similar organizational documents; or (iii) split, combine or reclassify the outstanding Shares or any outstanding capital stock of the Company;

(c) neither the Company nor any Company Subsidiary will: (i) declare, set aside or pay any dividend or other distribution payable in cash, stock or property with respect to its capital stock (except for dividends or

distributions from any Company Subsidiary to the Company); (ii) issue, sell, pledge, dispose of or encumber any additional shares of, or securities convertible into or exchangeable for, or options, warrants, calls, commitments or rights of any kind to acquire, any shares of capital stock of any class of the Company or any Company Subsidiaries, other than Shares reserved for issuance on the date hereof pursuant to the exercise of the Company Stock Options outstanding on the date hereof; (iii) transfer, lease, license, sell, mortgage, pledge, dispose of, or encumber any of its assets (real, personal or mixed, tangible or intangible) (other than (x) personal property having an aggregate book value not in excess of $300,000 and sold in the ordinary course of business consistent with past practice, (y) product sold to customers in the ordinary course of business and (z) short-term investments which (A) are re-invested in accordance with the Company Disclosure Schedule or (B) the proceeds of which are used for working capital purposes or capital expenditures permitted in accordance with the Merger Agreement, or dispose of or permit to lapse any rights to the use of any Intellectual Property material to the Company and the Company Subsidiaries on a consolidated basis, or disposed of or disclosed (except as necessary in the conduct of its business) to any person other than representatives of Parent, any Trade Secret or other Intellectual Property material to the Company and the Company Subsidiaries on a consolidated basis and not theretofore a matter of public knowledge; (iv) incur or modify any material indebtedness or other liability, other than in the ordinary course of business consistent with past practice; or (v) redeem (other than shares underlying Company Stock Options in connection with a cashless exercise of any Company Stock Option permitted by this Agreement), purchase or otherwise acquire any shares of any class or series of its capital stock, or any instrument or security which consists of or includes a right to acquire such shares except in connection with the exercise of repurchase rights or rights of first refusal in favor of the Company with respect to shares of Common Stock issued upon exercise of Company Stock Options granted under the Company Stock Option Plans;

(d) except as required pursuant to Benefit Plans in effect as of the date of the Merger Agreement and set forth in the Company Disclosure Schedule, neither the Company nor any Company Subsidiary will (i) make any change in the compensation or benefits payable or to become payable (including any increase pursuant to any Benefit Plan) to any of its officers, directors, employees, agents or consultants (other than increases in wages to employees who are not directors, officers or affiliates, in the ordinary course of business consistent with past practice) or to persons providing management services, (ii) subject to clause (iv) below, enter into any Benefit Plan or make any loans to, or subject to certain exceptions transfer properties (real, personal or mixed, tangible or intangible), any of its officers, directors, employees, affiliates, agents or consultants or (iii) make any change in its existing borrowing or lending arrangements for or on behalf of any of such persons pursuant to an employee benefit plan or otherwise or (iv) hire or engage any (x) employees or consultants other than employees with a title of director or below or non-exempt employees hired in each case on an at-will basis or (y) consultants engaged pursuant to contracts terminable within thirty days without the payment of penalties;

(e) except as required pursuant to Benefit Plans in effect as of the date of the Merger Agreement and which are set forth in the Company Disclosure Schedule, neither the Company nor any Company Subsidiary will (i) pay or make any accrual or arrangement for payment of any pension, retirement allowance or other employee benefit pursuant to any existing Benefit Plan to any officer, director, employee or affiliate or pay or agree to pay or make any accrual or arrangement for payment to any officer, director, employee or affiliate of the Company of any amount relating to unused vacation days, except payments and accruals made in the ordinary course of business consistent with past practice; (ii) adopt or pay, grant, issue, accelerate or accrue salary or other payments or benefits pursuant to any Benefit Plan with or for the benefit of any Company director, officer, employee, agent or consultant, whether past or present; or (iii) amend in any material respect any such existing Benefit Plan (other than consulting agreements terminable within thirty days without the payment of penalties) in a manner inconsistent with subsection (d) above or this subsection (e);

(f) the Company will not enter into (i) any of Company Agreement that would be a certain type of Material Company Agreement enumerated in the Merger Agreement were in effect as of the date of the Merger Agreement, (ii) any Company Agreement with a term of greater than one month with any of the 25 biggest airlines (in terms of the Company's published fare gross bookings for the first 6 months of 2001) that would be

a Material Company Agreement, were in effect as of the date of the Merger Agreement, (iii) any material License Agreement or (iv) any real estate lease (the "New Material Agreements"); and the Company will not, (A) in any material respect, modify, amend or terminate any Material Company Agreement or New Material Agreement or (B) in any respect modify, amend or terminate any New Material Agreement described in clause (ii) immediately above and any Material Company Agreement that would be such a New Material Agreement were it entered into after the date of the Merger Agreement which would either extend the term thereof or reduce the benefit to the Company of the commissions available thereunder; and neither the Company nor any Company Subsidiary will waive, release or assign any material rights on claims under any Material Company Agreement or New Material Agreement;

(g) except pursuant to agreements in effect as of the date of the Merger Agreement and set forth in the Company Disclosure Schedule, neither the Company nor any Company Subsidiary will permit any insurance policy insuring material assets or material risks naming it as a beneficiary or a loss payee to be cancelled or terminated without notice to Parent;

(h) neither the Company nor any Company Subsidiary will (i) incur or assume any short-term indebtedness or long-term indebtedness; (ii) assume, guarantee, endorse or otherwise become liable or responsible (whether directly, contingently or otherwise) for the obligations of any other Person; (iii) make any loans, advances or capital contributions to, or investments in, any other Person; (iv) enter into any material commitment or transaction (including, but not limited to, any borrowing, capital expenditure or purchase, sale or lease of assets or real estate) except (x) to the extent set forth (and then only in time frame set forth) in the overall operating plan and capital and operating budgets for the Company authorized and approved by the Company's board of directors, in each case as set forth in the Company Disclosure Schedule or (y) investments in short-term investments which are re-invested in accordance with the Company Disclosure Schedule; or (v) dispose of or permit any Encumbrance upon (x) the current assets of the Company, including, without limitation, cash and cash equivalents as reflected on the most recent balance sheet of the Company or, (y) except for Permitted Liens, any other assets of the Company;

(i) neither the Company nor any Company Subsidiary will (i) change any of the accounting methods used by it materially affecting its assets, liabilities or business, except for such changes required by GAAP or (ii) make or change any election, change an annual accounting period, adopt or change any Tax accounting method, file any amended Tax Returns, enter into any closing agreement, settle or consent to any Tax Claim, surrender any right to claim a refund of Taxes, or consent to any extension or waiver of the limitation period applicable to any Tax Claim;

(j) except pursuant to agreements in effect as of the date of the Merger Agreement and set forth in the Company Disclosure Schedule, neither the Company nor any Company Subsidiary will pay, discharge or satisfy any claims, liabilities or obligations (whether absolute, accrued, contingent or otherwise), other than the payment, discharge or satisfaction of any such claims, liabilities or obligations, in the ordinary course of business consistent with past practice (including payments under Company Agreements in accordance with the terms of such agreements as in effect on the date hereof), or of claims, liabilities or obligations reflected or reserved against in, or contemplated by, the consolidated financial statements (or the notes thereto) of the Company;

(k) cancel any debts owing to the Company or any Company Subsidiary that are material to the Company and the Company Subsidiaries on a consolidated basis or waive any claims or rights of material value to the Company and the Company Subsidiaries on a consolidated basis;

(l) neither the Company nor any Company Subsidiary will adopt a plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization of the Company or any Company Subsidiary (other than the Merger);

(m) write down the value of any inventory (including write-downs by reason of shrinkage or mark-down) or write off as uncollectible any notes or accounts receivable, except for write-downs and write-offs in the ordinary course of business consistent with past practice or that are not material to the Company and the Company Subsidiaries on a consolidated basis;

(n) neither the Company nor any Company Subsidiary will take, or agree in writing or otherwise to take, any action that would or is reasonably likely to result in any of the conditions to the Merger or any of the conditions to the Offer set forth in the Merger Agreement, not being satisfied, or would make any representation or warranty of the Company contained herein inaccurate in any material respect at, or as of any time prior to, the Effective Time, or that would materially impair the ability of the Company to consummate the Merger in accordance with the Merger Agreement or materially delay such consummation; and

(o) neither the Company nor any Company Subsidiary will enter into any written agreement, contract, commitment or arrangement to do any of the foregoing, or authorize, recommend, propose, in writing or announce an intention to do any of the foregoing.

No Solicitation. Pursuant to the Merger Agreement, the Company has ceased and caused to be terminated all existing discussions, negotiations and communications with any individual, entity or other person with respect to any tender or exchange offer involving the Company, any proposal for a merger, consolidation or other business combination involving the Company, any proposal or offer to acquire in any manner a substantial equity interest in, or a substantial portion of the business or assets of, the Company (other than immaterial or insubstantial assets or inventory in the ordinary course of business or assets held for sale), any proposal or offer with respect to any recapitalization or restructuring with respect to the Company or any proposal or offer with respect to any other transaction similar to any of the foregoing with respect to the Company other than pursuant to the transactions to be effected pursuant to the Merger Agreement ("Acquisition Proposal"). Except as provided below, from the date of the Merger Agreement until the earlier of termination of the Merger Agreement or the Effective Time, the Company will not and will not authorize or permit its officers, directors, director-level and above employees, investment bankers, attorneys, accountants or other agents to (collectively, "Representatives") (and use its best efforts to cause its other employees not to) directly or indirectly (i) initiate, solicit or knowingly encourage, or knowingly take any action to facilitate the making of, any offer or proposal which constitutes or is reasonably likely to lead to any Acquisition Proposal, (ii) enter into any agreement with respect to any Acquisition Proposal, or (iii) in the event of an unsolicited Acquisition Proposal for the Company, engage in negotiations or discussions with, or provide any information or data concerning the Company's business, properties or assets to, any person (other than Parent or any of its affiliates or representatives) relating to any Acquisition Proposal. Any violation of the foregoing restrictions by any of the Company's Representatives, whether or not such Representative is so authorized and whether or not such Representative is purporting to act on behalf of the Company or otherwise, will be deemed a breach of the Merger Agreement by the Company. Notwithstanding the foregoing, nothing contained in the Merger Agreement will prohibit the Company or its board of directors from (x) complying with Rule 14d-9 or Rule 14e-2 promulgated under the Exchange Act, including taking and disclosing to the Company's stockholders its position with respect to tender or exchange offer by a third party pursuant to Rules 14d-9 and 14e-2 promulgated under the Exchange Act, (y) making such disclosure to the Company's stockholders as in the good-faith judgment of the Company Board of Directors, only after receipt of advice from outside legal counsel to the Company that such disclosure is required under applicable law (z) referring a third party to the "No Solicitation" clause of the Merger Agreement or making a copy of said clause available to any third party.

Notwithstanding the foregoing, prior to the acceptance of Shares pursuant to the Offer, the Company may furnish information and data concerning its business, properties and assets to any person pursuant to a confidentiality agreement with terms no less favorable to the Company than those contained in the Confidentiality Agreement, dated as of May 24, 2001 entered into between Parent and the Company (as amended, the "Confidentiality Agreement"), and may negotiate and participate in discussions and negotiations with such person concerning an Acquisition Proposal if, and only if, (x) such Acquisition Proposal is for (i) a merger or other business combination involving the Company, (ii) a proposal or offer to acquire in any manner,

directly or indirectly, an equity interest in or any voting securities of the Company representing 25% or more of the Shares or of the total voting securities of the Company outstanding or (iii) an offer to acquire in any manner, directly or indirectly, a substantial portion of the assets of the Company other than the Merger; (y) such entity or group has on an unsolicited basis, and in the absence of any violation of the Merger Agreement by the Company, submitted a bona fide written proposal to the Company relating to any such Takeover Proposal which the Company's board of directors determines in good faith, after consulting with outside legal counsel and a nationally recognized investment banking firm, involves consideration to the holders of the Shares that is superior to the consideration offered pursuant to the Offer, considering, among other things, the nature of the currency being offered, or otherwise is reasonably likely to represent a superior transaction to the Offer and the Merger and which is not conditioned upon obtaining additional financing other than that which is committed (or which in the good faith judgment of the Company's board of directors, after consultation with a nationally recognized investment banking firm, is reasonably capable of being obtained by such person); and (z) in the good-faith opinion of the Company's board of directors, only after consultation with outside legal counsel to the Company, providing such information or access or engaging in such discussions or negotiations is in the best interests of the Company and its stockholders and the failure to provide such information or access or to engage in such discussions or negotiations would be reasonably likely to cause the Company's board of directors to violate its fiduciary duties to the Company's stockholders under applicable law (an Acquisition Proposal which satisfies clauses (x), (y) and (z) being referred to as a "Superior Proposal"). The Company will within twenty-four (24) hours following receipt (to the Company's knowledge) of a Takeover Proposal notify Parent of receipt of same, and provide Parent with a copy of such Takeover Proposal and identity of the Person making such Takeover Proposal. The Company will promptly, and in any event within twenty-four (24) hours following determination by the Company's board of directors that a Takeover Proposal is a Superior Proposal and prior to providing any such party with any material non-public information, notify Parent of such determination. The Company will promptly provide to Parent any material non-public information regarding the Company provided to any other party which was not previously provided to Parent, such additional information to be provided no later than the date of provision of such information to such other party.

The Merger Agreement provides that except as set forth in the Merger Agreement, neither the Company's board of directors nor any committee thereof will (i) withdraw or modify, or propose to withdraw or modify, in a manner adverse to the transactions (as defined in the Merger Agreement), to Parent or to the Purchaser, the approval or recommendation by the Company's board of directors or any such committee of the Offer, the Merger Agreement or the Merger, (ii) approve or recommend or propose to approve or recommend, any Acquisition Proposal or (iii) enter into any agreement (other than as provided by the Merger Agreement) with respect to any Acquisition Proposal. Notwithstanding the foregoing, prior to the time of acceptance for payment of Shares in the Offer, the Company's board of directors may (subject to the terms of this and the following sentence) (A) withdraw or modify its approval or recommendation of the Offer, this Agreement or the Merger, if after consultation with its independent legal counsel, it determines in good faith that failure to take such action would be reasonably likely to cause it to violate its fiduciary duties to Company stockholders under applicable law, or (B) approve or recommend a Superior Proposal, or enter into an agreement with respect to a Superior Proposal, in the case of each of clauses (A) and (B), if at any time after seventy-two (72) hours (or, if longer, two business days) have elapsed following the Company's delivery to Parent of written notice advising Parent that the Company's board of directors has received a Superior Proposal specifying the material terms and conditions of such Superior Proposal and identifying the Person making such Superior Proposal; provided, however, that the Company will not enter into an agreement with respect to a Superior Proposal unless the Company will also have terminated this Agreement in compliance with the Merger Agreement. Any such withdrawal, modification or change of the recommendation or the Company's board of directors, the approval or recommendation or proposed approval or recommendation of any Superior Proposal or the entry by the Company into any agreement with respect to any Superior Proposal will not change the approval of the Company's board of directors for purposes of causing any state takeover statute or other state law to be inapplicable to the transactions provided for or contemplated by the Merger Agreement or the Stockholder Agreement (the "Transactions"), including each of the Offer, the Merger and the Stockholder Agreement.

The Merger Agreement provides that the Company may terminate the Merger Agreement and enter into a letter of intent, agreement-in-principle, acquisition agreement or other similar agreement (each, an "Acquisition Agreement") with respect to a Superior Proposal, provided that, prior to any such termination, (i) the Company has provided Parent written notice that it intends to terminate this Agreement pursuant to the Merger Agreement, identifying the Superior Proposal then determined to be more favorable and the parties thereto and delivering a copy of the Acquisition Agreement for such Superior Proposal in the form to be entered into, (ii) during the period following the delivery of the second notice referred to in clause (i) above and ending upon the delivery of the notice referred to in clause (iii) below, Parent will have the right to propose adjustments in the terms and conditions of the Merger Agreement and the Company will have caused its financial and legal advisors to negotiate with Parent in good faith such proposed adjustments in the terms and conditions of the Merger Agreement, and (iii) (A) at least seventy-two (72) hours (or, if longer, two business days) after the Company has provided the notice referred to in clause (i) above, the Company delivers to Parent a written notice of termination of the Merger Agreement in accordance with its terms, and (B) prior to the effective termination of the Merger Agreement, the Company delivers to Parent (x) a cashier's check in the amount of the Termination Fee (as defined the Merger Agreement and as summarized below) and (y) a written acknowledgment from each other party to such Superior Proposal that waives any right it may have to contest the validity or enforceability of any of the terms and conditions of this Agreement.

Indemnification and Insurance. The Merger Agreement provides that for a period of six (6) years after the Effective Time, the Surviving Corporation (or any successor to the Surviving Corporation) will indemnify, defend and hold harmless the present and former officers and directors of the Company and the Company Subsidiaries, and persons who become any of the foregoing prior to the Effective Time, against all losses, claims, damages, liabilities, costs, fees and expenses (including reasonable fees and disbursements of counsel and judgments, fines, losses, claims, liabilities and amounts paid in settlement (provided that any such settlement is effected with the written consent of the Parent or the Surviving Corporation, which consent will not unreasonably be withheld)) arising out of actions or omissions occurring at or prior to the Effective Time to the full extent permissible under applicable provisions of the DGCL, the terms of the Company's certificate of incorporation or the bylaws, and under any agreements as in effect at the date hereof (true and correct copies of which have been previously provided to Parent); provided, however, that in the event any claim or claims are asserted or made within such six (6) year period, all rights to indemnification in respect of any such claim or claims will continue until disposition of any and all such claims.

Parent will, from and after the date on which its designees are appointed to a majority of the Company's directorships cause the Surviving Corporation to, and the Surviving Corporation will, perform all of the indemnification obligations set forth the Company's certificate of incorporation and bylaws, all as in effect on the date of the Merger Agreement. In addition, Parent will cause the Surviving Corporation to, and the Surviving Corporation will, pay all amounts that become due and payable under the indemnification provisions of the Company's certificate of incorporation and bylaws. Parent has guaranteed these indemnification obligations of the Surviving Corporation.

Representations and Warranties. Pursuant to the Merger Agreement, the Company has made customary representations and warranties to Parent and the Purchaser with respect to, among other things, its organization, subsidiaries and affiliates, capitalization, authority relative to the transactions, validity of the agreement, approvals by its board of directors, the vote of its stockholders required to approve the transactions, consents and approvals necessary for the Company to consummate the Transactions, the Company's financial statements and public filings, conduct of the Company's business, its liabilities, litigation involving the Company, employee benefit plans, taxes, its contracts, real and personal property, potential conflicts of interest among the Company, the Company subsidiaries, and any of their affiliates, intellectual property, labor matters, compliance with applicable laws, environmental matters, information that the Company may provide in the Proxy Statement, if any, information that the Company has provided in the Schedule 14D-9 filed by the Company in accordance with the Exchange Act, the opinion of the Company's financial advisor, insurance, brokers that may be entitled to any fees from the Company, personnel, and continuance of the Company's business relationships.

Certain representations and warranties in the Merger Agreement made by the Company are qualified as to "materiality," "Company Material Adverse Effect" or "Company Material Adverse Change." For purposes of the Merger Agreement and this Offer to Purchase, the term "Company Material Adverse Effect" or "Company Material Adverse Change" means any change, event or effect, as the case may be, that is materially adverse to the business, operations, properties (including intangible properties), condition (financial or otherwise), results of operations, or assets or liabilities, with all such matters being considered in the aggregate, of the Company and the Company Subsidiaries, taken as a whole, except any such change, event or effect resulting primarily from: (i) any change in the market price or trading volume of the Company's securities; (ii) conditions (including changes in economic, financial market, regulatory or political conditions) affecting generally the online travel or leisure travel industries in which the Company participates, (iii) actions taken, delayed or omitted to be taken by the Company at the written request of any of certain enumerated executive officers of Parent after the date of the Merger Agreement, (iv) certain enumerated items in the Company Disclosure Schedule; or (v) any disruption of certain employee, customer, supplier or other similar relationships or other events or circumstances resulting primarily from or which are primarily attributable to the execution or announcement of the Merger Agreement and the identity of the Parent.

Pursuant to the Merger Agreement, each of Parent and the Purchaser has made customary representations and warranties to the Company with respect to, among other things, its organization, authority to enter into the Merger Agreement and consummate the Transactions, consents and approvals necessary to consummate the Transactions, information that each of Parent and the Purchaser may provide in the Proxy Statement, if any, information that each of Parent and the Purchaser has provided in the Offer Documents filed by Parent and the Purchaser in accordance with the Exchange Act, brokers that may be entitled to any fees from Parent or the Purchaser, and Purchaser's financial ability to consummate the Offer.

Termination; Fees. The Merger Agreement may be terminated and the Transactions contemplated therein abandoned at any time prior to the Effective Time of the Merger, whether before or after stockholder approval:

(a) by mutual written consent of Parent and the Company; or

(b) by Parent if the Minimum Condition defined in the Merger Agreement is not satisfied by the Expiration Date; provided, however, that Parent will not be entitled to terminate the Merger Agreement for such reason if it or the Purchaser is in material breach of its representations and warranties, covenants or other obligations under the Merger Agreement and such breach has been the cause of, or resulted in, such failure to satisfy the Minimum Condition; or

(c) by either Parent or the Company (i) if a court of competent jurisdiction or other Governmental Entity will have issued an order, decree or ruling or taken any other action, in each case permanently restraining, enjoining or otherwise prohibiting any of the Transactions or the Stockholder Agreement, (ii) prior to the purchase of Shares pursuant to the Offer, if there has been a breach by the other party of any representation or warranty set forth in the Merger Agreement, which breach will result in any condition set forth in Section 14 "Certain Conditions of the Offer" not being satisfied (and such breach is not reasonably capable of being cured and such condition is not reasonably capable of being satisfied within ten days after the receipt of written notice thereof), (iii) prior to the purchase of Shares pursuant to the Offer, if there has been a breach by the other party of any covenant or agreement set forth in the Merger Agreement, which breach will result in any condition set forth in Section 14 "Certain Conditions of the Offer" not being satisfied (and such breach is not reasonably capable of being cured and such condition is not reasonably capable of being satisfied within ten days after the receipt of written notice thereof), or (iv) if the Offer has not been consummated by November 30, 2001 (the "Initial Drop Dead Date"); provided, however, that if the failure of the Offer to have been consummated (x) by the Initial Drop Dead Date is the result of the failure of the HSR Condition (as defined in the Merger Agreement), then either Parent or the Company may elect on or one day prior to such date to extend the drop dead date to January 21, 2002 (the "Second Drop Dead Date"); provided, further, however, that the right to terminate this Agreement pursuant to this clause (iv) will not be available to any party whose failure to fulfill any obligation under this Agreement has been the cause of, or resulted in, the failure of the Offer to be consummated by the Initial Drop Dead Date or the Second Drop Dead Date, as the case may be; or

(d) by Parent, at any time prior to the purchase of the Shares pursuant to the Offer, if (i) the Company's board of directors will have withdrawn, modified, or changed its recommendation in respect of this Agreement or the Offer in a manner adverse to the Transactions, to the Parent or to the Purchaser, (ii) the Company's board of directors will have approved or recommended any proposal other than by Parent or the Purchaser in respect of an Acquisition Proposal or entered into an agreement with respect to any Acquisition Proposal (other than a confidentiality agreement entered into in accordance with the Merger Agreement), (iii) the Company will have exercised a right with respect to a Superior Proposal referenced in the Merger Agreement and will, directly or through its Representatives, continue discussions with any third party concerning a Superior Proposal for more than 10 business days after the determination by the Company's board of directors that a Takeover Proposal is a Superior Proposal, (iv) an Acquisition Proposal that is publicly disclosed will have been commenced, publicly proposed or communicated in a public manner to the Company which contains a proposal as to price (without regard to whether such proposal specifies a specific price or a range of potential prices) and the Company will not have rejected in a manner that becomes publicly disclosed such proposal within ten business days after its existence first becomes publicly disclosed, (v) the Company will have materially violated or breached any of its obligations under the Merger Agreement, or (vi) the Company's board of directors will have approved any transaction other than the Transactions under Section 203 of the DGCL; or

(e) by the Company in connection with entering into an agreement with respect to a Superior Proposal; or

(f) by the Company in the event that the Offer has expired without Purchaser purchasing any Shares pursuant thereto.

In the event of the termination of the Merger Agreement as provided above, written notice thereof will forthwith be given to the other party or parties specifying the provision of the Merger Agreement pursuant to which such termination is made, and the Merger Agreement will become null and void and there will be no liability on the part of Parent, the Purchaser or the Company, except (i) as set forth in the Merger Agreement and (ii) nothing will relieve any party from liability for any breach of the Merger Agreement.

If (i) Parent will have terminated the Merger Agreement pursuant to clause (d), above; (ii) the Company will have terminated the Merger Agreement pursuant to clause (e), above; (iii) Parent will have terminated the Merger Agreement pursuant to clause (c), above, following the date of the Merger Agreement, but prior to such termination there will have been a Takeover Proposal (other than a Takeover Proposal prior to the date of the Merger Agreement or that is withdrawn prior to the termination of the Merger Agreement); (iv) (x) Parent will have terminated the Merger Agreement pursuant to clause (b), above, or clause (c)(ii), above, (y) following the date of the Merger Agreement, but prior to such termination, there will have been a Takeover Proposal (other than a Takeover Proposal prior to the date of the Merger Agreement or that is withdrawn prior to the termination of the Merger Agreement), and (z) concurrently with such termination, or within 12 months thereafter, (A) the Company enters into a merger agreement, acquisition agreement or similar agreement (including a letter of intent) with respect to a Takeover Proposal, or a Takeover Proposal is consummated or (B) the Company enters into a merger agreement, acquisition agreement or similar agreement (including a letter of intent) with respect to a Superior Proposal, or a Superior Proposal is consummated; or (v) (x) the Merger Agreement will have been terminated pursuant to clause (b), above, or (c)(iv), above, (y) any stockholder party to the Stockholder Agreement will have breached or failed to perform any of obligations of such stockholder party under the Stockholder Agreement and (z) within 12 months thereafter, (A) the Company enters into a merger agreement, acquisition agreement or similar agreement (including a letter of intent) with respect to a Takeover Proposal, or a Takeover Proposal is consummated, or (B) the Company enters into a merger agreement, acquisition agreement or similar agreement (including a letter of intent) with respect to a Superior Proposal, or a Superior Proposal is consummated, then the Company will pay $16,000,000 plus an amount not to exceed $500,000 of the out-of-pocket expenses incurred by Parent and the Purchaser in connection with the Offer, the Merger, the Merger Agreement and the consummation of the Transactions (the "Termination Fee") (x) in no event later than two business days after the date of such termination if pursuant to clause (d) or clause (c)(iii), above, and, (y) in the case of a termination (A) pursuant to clause (b) or clause (c)(iii) or (B) in the case of clause (v) of this paragraph, upon the earlier of the execution of such agreement or consummation of such Takeover Proposal or Superior Proposal.

Stockholder Agreement.

The following summary of certain provisions of the Stockholder Agreement is qualified in its entirety by reference to the Stockholder Agreement, which is incorporated herein by reference and a copy of which has been filed with the SEC as an Exhibit to the Schedule TO. Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the Stockholder Agreement.

As a condition and inducement to Parent and the Purchaser's entering into the Merger Agreement and incurring the liabilities therein, the Stockholders, who have voting power and dispositive power with respect to an aggregate of 10,960,637 Shares, representing approximately 47% of the Shares outstanding on August 13, 2001, immediately following the execution and delivery of the Merger Agreement, entered into the Stockholder Agreement. One of the Stockholders is a founder of the Company and Executive Chairman of the Company's board of directors.

Each Stockholder has agreed that, prior to the termination of the Stockholder Agreement pursuant to its terms, he, she or it will not (i) transfer, assign, sell, gift-over, pledge or otherwise dispose of, or consent to any of the foregoing ("Transfer"), any or all of the Shares or any right or interest therein; (ii) enter into any contract, option or other agreement, arrangement or understanding with respect to any Transfer; (iii) grant any proxy, power-of-attorney or other authorization or consent with respect to any of the Shares; (iv) deposit any of the Shares into a voting trust, or enter into a voting agreement or arrangement with respect to any of the Shares; or (v) take any other action that would in any way restrict, limit or interfere with the performance of the Stockholder's obligations under the Stockholders Agreement or the transactions contemplated thereby.

Each Stockholder has granted Parent a continuing proxy with respect to the voting of such Shares (i) in favor of the Merger or any other transaction pursuant to which Parent proposes to acquire the Company for which shareholders of the Company would receive consideration per share equal to or greater than the consideration to be received by such shareholders in the Offer and the Merger and (ii) against any action or agreement which would impede, interfere with or prevent the Merger.

Subject to the terms and conditions of the Stockholder Agreement, each Stockholder has granted to Parent a continuing option (the "Option"), irrevocable until termination of the Stockholder Agreement, to purchase for cash all, but not less than all, of the Common Stock beneficially owned or controlled by such Stockholder as of the date of the Stockholder Agreement, or beneficially owned or controlled by such Stockholder at any time after the date of the Stockholder Agreement (including, without limitation, by way of exercise of options, warrants or other rights to purchase Company Common Stock as contemplated by the Stockholder Agreement or by way of dividend, distribution, exchange, merger, consolidation, recapitalization, reorganization, stock split, grant of proxy or otherwise) by such Stockholder (as adjusted as set forth in the Stockholder Agreement) (the "Option Shares") at a purchase price equal to $16.50 per Share or any higher price that may be paid in the Offer or the Merger. Parent may exercise the Option with respect to all Option Shares held by any Stockholder by notice given to such Stockholder at any time prior to termination of the Stockholder Agreement and following either failure of such Stockholder to timely tender his, her or its shares into the Offer in accordance with the Stockholder Agreement or the withdrawal of such shares once tendered.

Parent has agreed, in the event that it purchases shares from stockholders pursuant to its exercise of the Options, to take all commercially reasonable actions to offer to purchase and to purchase (by merger, tender offer or otherwise) all of the outstanding equity securities of the Company at a price per Share no less than that paid to the Stockholders pursuant to its exercise of the Options, subject to certain limitations set forth in the Stockholder Agreement, including that Parent will not be required to make any offer for a period of longer than 20 business days or on terms and conditions that are less favorable to Parent than the terms and conditions set forth in the Merger Agreement and in the other transactions contemplated in connection with the Offer and the Merger; and provided, that, except in the event that the Merger Agreement has been terminated prior to the purchase by Parent of shares pursuant to its exercise of the Options, compliance by Parent with all of its material obligations under the Merger Agreement will be deemed to satisfy these obligations.

Each Stockholder agreed that neither such Stockholder nor any of its representatives will (i) initiate, solicit or knowingly encourage, or knowingly take any action to facilitate the making of, any offer or proposal which constitutes or is reasonably likely to lead to any Acquisition Proposal, (ii) enter into any agreement with respect to any Acquisition Proposal, or (iii) in the event of an unsolicited Acquisition Proposal for the Company, engage in negotiations or discussions with, or provide any information or data to, any Person (other than Parent or any of its affiliates or representatives) relating to any Acquisition Proposal.

Each Stockholder has also agreed with respect to their respective Shares that in the event of a termination of the Stockholder Agreement, for a period of twelve months following the date of the Stockholder Agreement, that he, she or it will not agree to tender such Shares into any tender offer or vote in favor of or grant any option in connection with a Takeover Proposal, in any such case pursuant to an agreement that does not provide for termination of such agreement in the event of the termination of any agreement between the Company and any other party relating to a Takeover Proposal.

The Stockholder Agreement, and all rights and obligations of the parties thereunder, will terminate immediately upon the earlier of (a) the termination of the Merger Agreement in accordance with its terms or (b) the Effective Time unless any Stockholder is in breach of any material term of the Stockholder Agreement; provided, however, that in the event that, prior to the termination of the Stockholder Agreement, Parent has notified any Stockholder of its exercise of the Options pursuant to the Stockholder Agreement, the Stockholder Agreement will not terminate until ten business days following the date specified in such notice for the closing of the purchase of the shares, as such date may be extended pursuant to the Stockholder Agreement; provided further, however, that, pursuant to the terms of the Stockholder Agreement, certain sections of that Agreement survive any termination of the Stockholder Agreement. The terms "Acquisition Proposal," "Takeover Proposal," and "Effective Time" as used in the Stockholder Agreement have the meanings ascribed to them in the Merger Agreement.

14. CERTAIN CONDITIONS OF THE OFFER.

Conditions of the Offer. Notwithstanding any other provisions of the Offer, and in addition to (and not in limitation of) the Purchaser's rights to extend and amend the Offer at any time in its sole discretion (subject to the provisions of the Merger Agreement), the Purchaser will not be required to accept for payment or, subject to any applicable rules and regulations of the SEC, including Rule 14e-l(c) under the Exchange Act (relating to the Purchaser's obligation to pay for or return tendered Shares promptly after termination or withdrawal of the Offer), pay for, and may delay the acceptance for payment of or, subject to the restriction referred to above, the payment for, any validly tendered Shares unless the Minimum Condition (as defined in the Merger Agreement) will have been satisfied. Furthermore, notwithstanding any other provisions of the Offer, the Purchaser will not be required to accept for payment or pay for any validly tendered Shares if, at the Expiration Date (i) any applicable waiting periods under the HSR Act and any comparable provisions under any applicable pre-merger notification laws or regulations of foreign jurisdictions have not expired or terminated prior to termination of the Offer, or (ii) any of the following events will occur and be continuing (other than as a result of any action or inaction of Parent and Purchaser that constitutes a breach of the Merger Agreement):

(a) there will be threatened in writing or pending any suit, action or proceeding by any Governmental Entity against the Purchaser, Parent, the Company or any Company Subsidiary (i) seeking to prohibit or impose any material limitations on Parent's or the Purchaser's ownership or operation (or that of any of their respective Subsidiaries or affiliates) of all or a material portion of their or the Company's and the Company Subsidiaries' businesses or assets, taken as a whole, or to compel Parent or the Purchaser or their respective Subsidiaries and affiliates to dispose of or hold separate any material portion of the business or assets of the Company or Parent and their respective Subsidiaries, in each case taken as a whole, (ii) challenging the acquisition by Parent or the Purchaser of any Shares under the Offer, seeking to restrain or prohibit the making or consummation of the Transactions, or seeking to obtain from the Company, Parent or the Purchaser, by reason of any of the Transactions, any damages that would reasonably be likely to have a Company Material Adverse Effect (as defined in the Merger Agreement), (iii) seeking to impose material limitations on the ability of the Purchaser, or

render the Purchaser unable, to accept for payment, pay for or purchase some or all of the Shares pursuant to the Offer and the Merger (but not including for these purposes any limitations that relate solely to Parent's ability to access the funds it requires to consummate the Offer), (iv) seeking to impose material limitations on the ability of Purchaser or Parent effectively to exercise full rights of ownership of the Shares, including, without limitation, the right to vote the Shares purchased by it on all matters properly presented to the Company's stockholders or (v) which otherwise is reasonably likely to have a Company Material Adverse Effect;

(b) there will be any statute, rule, regulation, judgment, order or injunction enacted, entered, enforced, promulgated or deemed applicable, pursuant to an authoritative interpretation by or on behalf of a Government Entity, to the Offer or the Merger, or any other action will be taken by any Governmental Entity, other than the application to the Offer or the Merger of applicable waiting periods under the HSR Act or any comparable provisions of any applicable pre-merger notification laws or regulations of foreign jurisdictions, that is reasonably likely to result, directly or indirectly, in any of the consequences referred to in clauses (i) through (v) of paragraph (a) above;

(c) there will have occurred and be continuing (i) any general suspension of trading in, or limitation on prices for, securities on the Nasdaq Stock Market for a period in excess of three hours (excluding any organized halt triggered solely as a result of a specified decrease in a market index or suspensions or limitations resulting solely from physical damage, technological or software breakdowns or malfunctions or interference with such exchanges not related to market conditions), (ii) a declaration by a Governmental Entity of a banking moratorium or any suspension of payments in respect of banks in the United States, (iii) a commencement of a war, armed hostilities or other international or national calamity directly or indirectly involving the United States, which in any case is reasonably expected to have a Company Material Adverse Effect or to materially adversely affect Parent's or Purchaser's ability to consummate the Transactions, or (iv) any extraordinary limitation (whether or not mandatory) by any Governmental Entity on the extension of credit generally by banks or other financial institutions or (v) a change in general financial, bank or capital market conditions which materially and adversely affects the ability of financial institutions in the United States to extend credit or syndicate loans;

(d) (i) any of the representations and warranties of Company contained in the Merger Agreement (other than those referred to below), will not be true and correct as of the date of the Merger Agreement and as of the Expiration Date, except for representations and warranties that relate to a specific date or time (which need only be true and correct as of such date or time), unless the inaccuracies under such representations and warranties (without giving effect to any materiality or material adverse effect qualifier or standard contained in any such representation or warranty), taken together in their entirety, would not, individually or in the aggregate, reasonably be expected to result in a Company Material Adverse Effect; (ii) any of the representations and warranties in the Merger Agreement pertaining to (A) the capitalization of the Company will not be true and correct as of the date of the Merger Agreement and as of the Expiration Date or (B) to the opinion of the Company's financial advisor or to the Company's financial statements will not be true and correct in all material respects as of the date of the Merger Agreement and as of the Expiration Date; or (iii) inaccuracies in or breaches of any of the representations and warranties pertaining to the corporate organization of the Company, the authority of the Company to enter into the Merger Agreement and the Transactions, or the requisite approvals of the stockholders or the Company's board of directors concerning the Merger Agreement and the Transactions will be reasonably likely to have a material adverse effect on the ability of either the Company or Parent to consummate any of the Transactions;

(e) since the date of the Merger Agreement, there will have occurred any events or changes which have had, individually or in the aggregate, a Company Material Adverse Change;

(f) the Company's board of directors or any committee thereof will have (i) withdrawn, or modified or changed in a manner adverse to the Transactions, to the Parent or to the Purchaser (including by amendment of the Schedule 14D-9), its recommendation of the Offer, the Merger Agreement, or the Merger, (ii) approved or

recommended any Acquisition Proposal or entered into any agreement (other than a confidentiality agreement entered into in accordance with the Merger Agreement) with respect to a Superior Proposal pursuant to the Merger Agreement, (iii) resolved to do any of the foregoing or (iv) taken a neutral position or made no recommendation, in each case in a manner that is publicly disclosed, with respect to a publicly disclosed Acquisition Proposal (other than by Parent or the Purchaser) after a reasonable amount of time (and in no event more than 10 business days following public communication thereof) has elapsed for the Company's board of directors or any committee thereof to review and make a recommendation with respect thereto;

(g) the Company will have breached or failed, in any material respect, to perform or to comply with any material agreement or material covenant to be performed or complied with by it under the Merger Agreement;

(h) the Purchaser will have failed to receive a certificate executed by the President or a Vice President of the Company, dated as of the scheduled expiration of the Offer, to the effect that the conditions set forth in clauses (d), (e) and (g), above, have not occurred;

(i) all consents, permits and approvals of governmental authorities required by the Merger Agreement will not have been obtained; or

(j) the Merger Agreement will have been terminated in accordance with its terms.

The foregoing conditions are for the sole benefit of Parent and the Purchaser, may be asserted by Parent or the Purchaser regardless of the circumstances giving rise to such condition, and may be waived by Parent or the Purchaser in whole or in part at any time and from time to time and in the sole discretion of Parent or the Purchaser, subject in each case to the terms of the Merger Agreement. The failure by Parent or the Purchaser at any time to exercise any of the foregoing rights will not be deemed a waiver of any such right and, each such right shall be deemed an ongoing right which may be asserted at any time and from time to time.

15. CERTAIN LEGAL MATTERS.

Except as described in this Section 15, based on information provided by the Company, none of the Company, Purchaser or Parent is aware of any license or regulatory permit that appears to be material to the business of the Company that might be adversely affected by the Purchaser's acquisition of shares as contemplated herein or of any approval or other action by a domestic or foreign governmental, administrative or regulatory agency or authority that would be required for the acquisition and ownership of the shares by the Purchaser as contemplated herein. Should any such approval or other action be required, the Purchaser and Parent presently contemplate that such approval or other action will be sought, except as described below under "State Takeover Laws." While, except as otherwise described in this Offer to Purchase, the Purchaser does not presently intend to delay the acceptance for payment of or payment for shares tendered pursuant to the Offer pending the outcome of any such matter, there can be no assurance that any such approval or other action, if needed, would be obtained or would be obtained without substantial conditions or that failure to obtain any such approval or other action might not result in consequences adverse to the Company's business or that certain parts of the Company's business might not have to be disposed of or other substantial conditions complied with in the event that such approvals were not obtained or such other actions were not taken or in order to obtain any such approval or other action. If certain types of adverse action are taken with respect to the matters discussed below, the Purchaser could decline to accept for payment or pay for any shares tendered. See Section 14--"Certain Conditions of the Offer" for certain conditions to the Offer, including conditions with respect to governmental actions.

Delaware Law. In general, Section 203 of the DGCL prevents an "interested stockholder" (generally, a stockholder owning 15% or more of a corporation's outstanding voting stock or an affiliate thereof) from engaging in a "business combination" (defined to include a merger and certain other transactions as described below) with a Delaware corporation for a period of three years following the time on which such stockholder became an interested stockholder unless (i) prior to such time the corporation's board of directors approved either the business combination or the transaction which resulted in such stockholder becoming an interested stockholder, (ii) upon consummation of the transaction which resulted in such stockholder becoming an

interested stockholder, the interested stockholder owned at least 85% of the corporation's voting stock outstanding at the time the transaction commenced (excluding shares owned by certain employee stock option plans and persons who are directors and also officers of the corporation) or (iii) on or subsequent to such time, the business combination is approved by the corporation's board of directors and authorized at an annual or special meeting of stockholders by the affirmative vote of at least 66 2/3% of the outstanding voting stock not owned by the interested stockholder such action may not be taken by written consent. The board of directors of the Company has taken all actions necessary to exempt the Merger Agreement and the actions contemplated thereby, including the Offer and the Merger, and by the Stockholder Agreement, including the grant of the proxy and the Options from the provisions of Section 203 of the DGCL, and has agreed not to take any action to affect such exemption.

State Takeover Laws. A number of states have adopted laws which purport, to varying degrees, to apply to attempts to acquire corporations that are incorporated in, or which have substantial assets, stockholders, principal executive offices or principal places of business or whose business operations otherwise have substantial economic effects in, such states. The Company, directly or through subsidiaries, conducts business in a number of states throughout the United States, some of which have enacted such laws. Except as described herein, we do not know whether any of these laws will, by their terms, apply to the Offer or the Merger and have not complied with any such laws. To the extent that certain provisions of these laws purport to apply to the Offer or the Merger we believe that there are reasonable bases for contesting such laws.

In 1982, in Edgar v. MITE Corp., the Supreme Court of the United States invalidated on constitutional grounds the Illinois Business Takeover Statute which, as a matter of state securities law, made takeovers of corporations meeting certain requirements more difficult. However, in 1987, in CTS Corp. v. Dynamics Corp. of America, the Supreme Court held that the State of Indiana could, as a matter of corporate law, constitutionally disqualify a potential acquirer from voting shares of a target corporation without the prior approval of the remaining stockholders where, among other things, the corporation is incorporated, and has a substantial number of stockholders, in the state. Subsequently, in TLX Acquisition Corp. v. Telex Corp., a Federal District Court in Oklahoma ruled that the Oklahoma statutes were unconstitutional insofar as they apply to corporations incorporated outside Oklahoma in that they would subject such corporations to inconsistent regulations. Similarly, in Tyson Foods, Inc. v. McReynolds, a Federal District Court in Tennessee ruled that four Tennessee takeover statutes were unconstitutional as applied to corporations incorporated outside Tennessee. This decision was affirmed by the United States Court of Appeals for the Sixth Circuit. In December 1988, a Federal District Court in Florida held in Grand Metropolitan PLC v. Butterworth, that the provisions of the Florida Affiliated Transactions Act and the Florida Control Share Acquisition Act were unconstitutional as applied to corporations incorporated outside of Florida.

Cheap Tickets' principal executive offices are located in Hawaii, and Cheap Tickets maintains substantial operations there. Under the Hawaii Takeover Disclosures Law certain procedures and disclosures are requested in connection with any tender offer to acquire more than 10% of any class of equity securities of the target corporation or any offer that would increase by more than 5% the equity ownership of the offeror in the target corporation, unless the board has approved the tender offer in writing. The Board has approved the Offer and the Merger in writing. Accordingly, the Hawaii Takeover Disclosure Law is inapplicable to the Transactions (as defined in the Merger Agreement), including the Offer and Merger.

Antitrust. Under the HSR Act, and the rules that have been promulgated thereunder by the Federal Trade Commission (the "FTC"), certain acquisition transactions may not be consummated unless certain information has been furnished to the Antitrust Division of the Department of Justice (the "Antitrust Division") and the FTC and certain waiting period requirements have been satisfied.

A Notification and Report Form with respect to the Offer was filed under the HSR Act on August 16, 2001, and the waiting period with respect to the Offer under the HSR Act will expire at 11:59 p.m., New York City time, on August 31, 2001 unless extended by a request for additional information or documentary material. Before such time, however, either the FTC or the Antitrust Division may extend the waiting period by requesting additional information or material from the Purchaser. If such request is made, the waiting period will expire at 11:59 p.m., New York City time, on the tenth calendar day after the Purchaser has substantially complied with such request. Thereafter, the waiting period may be extended only by court order or with the Purchaser's consent.

The FTC and the Antitrust Division frequently scrutinize the legality under the antitrust laws of transactions such as the Purchaser's acquisition of shares pursuant to the Offer and the Merger. At any time before or after the Purchaser's acquisition of shares, the Antitrust Division or the FTC could take such action under the antitrust laws as it deems necessary or desirable in the public interest, including seeking to enjoin the acquisition of shares pursuant to the Offer or otherwise or seeking divestiture of shares acquired by the Purchaser or divestiture of substantial assets of Parent or its subsidiaries. Private parties, as well as state governments, may also bring legal action under the antitrust laws under certain circumstances. Based upon an examination of publicly available information relating to the businesses in which Parent and the Company are engaged, Parent and the Purchaser believe that the acquisition of shares by the Purchaser will not violate the antitrust laws. Nevertheless, there can be no assurance that a challenge to the Offer or other acquisition of shares by the Purchaser on antitrust grounds will not be made or, if such a challenge is made, of the result. See Section 14--"Certain Conditions of the Offer" for certain conditions to the Offer, including conditions with respect to litigation and certain governmental actions.

In addition to the United States, the antitrust and competition laws of other countries may apply to the Offer and the Merger and additional filings and notifications may be required. Parent and the Company are reviewing whether any such filings are required and intend to make such filings promptly to the extent required. However, Parent does not currently believe that any such filing will be required.

Federal Reserve Board Regulations. Regulations G, U and X (the "Margin Regulations") of the Federal Reserve Board restrict the extension or maintenance of credit for the purpose of buying or carrying margin stock, including the Shares, if the credit is secured directly or indirectly by margin stock. Such secured credit may not be extended or maintained in an amount that exceeds the maximum loan value of all the direct and indirect collateral securing the credit, including margin stock and other collateral. All financing for the Offer has been structured so as to be in full compliance with the Margin Regulations.

A complaint entitled Franks vs. Cheap Tickets, Inc., George M. Mrkonic, Sam E. Galeotos, Michael J. Hartley, Cece Smith and Giles H. Bateman, was filed in the Circuit Court of the First Circuit of the State of Hawaii against Cheap Tickets and certain directors of Cheap Tickets, as a purported class action on August 13, 2001.

The Franks complaint seeks damages and preliminary and permanent injunctive relief, costs and disbursements, including reasonable attorneys' and experts' fees. The Franks action alleges, among other things, that the individual defendants breached their fiduciary duties by failing to properly determine Cheap Tickets' value as an acquisition candidate, failing to obtain adequate consideration for Cheap Tickets' common stock, and obtaining additional unspecified benefits for themselves in the transaction.

Cheap Tickets and the individual defendants believe that these complaints are meritless and they will be defended vigorously.

16. FEES AND EXPENSES.

Except as set forth below, neither Parent nor the Purchaser will pay any fees or commissions to any broker, dealer or other person for soliciting tenders of shares pursuant to the Offer.

The Purchaser has retained Georgeson Shareholder Communications, Inc. to act as the Information Agent and Mellon Investor Services LLC to act as the Depositary in connection with the Offer. Such firms each will receive reasonable and customary compensation for their services. The Purchaser has also agreed to reimburse each such firm for certain reasonable out-of-pocket expenses and to indemnify each such firm against certain liabilities in connection with their services, including certain liabilities under federal securities laws.

The Purchaser will not pay any fees or commissions to any broker or dealer or other person (other than the Information Agent and the Dealer Manager) for making solicitations or recommendations in connection with the Offer. Brokers, dealers, banks and trust companies will be reimbursed by the Purchaser for customary mailing and handling expenses incurred by them in forwarding material to their customers.

17. MISCELLANEOUS.

The Offer is being made to all holders of Shares other than the Company. The Purchaser is not aware of any jurisdiction in which the making of the Offer or the tender of Shares in connection therewith would not be in compliance with the laws of such jurisdiction. If the Purchaser becomes aware of any jurisdiction in which the making of the Offer would not be in compliance with applicable law, the Purchaser will make a good faith effort to comply with any such law. If, after such good faith effort, the Purchaser cannot comply with any such law, the Offer will not be made to (nor will tenders be accepted from or on behalf of) the holders of Shares residing in such jurisdiction. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer will be deemed to be made on behalf of the Purchaser by one or more registered brokers or dealers licensed under the laws of such jurisdiction.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION ON BEHALF OF PARENT OR THE PURCHASER NOT CONTAINED HEREIN OR IN THE LETTER OF TRANSMITTAL AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED.

Parent and Purchaser have filed with the SEC the Tender Offer Statement on Schedule TO pursuant to Rule 14d-3 under the Exchange Act, together with the exhibits thereto, furnishing certain additional information with respect to the Offer and may file amendments thereto. In addition, the Company has filed the Schedule 14D-9 pursuant to Rule 14d-9 under the Exchange Act, together with exhibits thereto, setting forth its recommendation and furnishing certain additional related information. Such Schedule and any amendments thereto, including exhibits, may be examined and copies may be obtained in the manner set forth in Section 8 "Certain Information Concerning the Company" (except that they will not be available at the regional offices of the SEC).

Diamondhead Acquisition Corporation
August 23, 2001

SCHEDULE I

DIRECTORS AND EXECUTIVE OFFICERS OF
PARENT AND PURCHASER

1. PARENT. The name, business address and present principal occupation or employment, and material occupations, positions, offices or employments for the past five years, of each of the directors and executive officers of Parent are set forth below. Unless otherwise indicated, each such person is a citizen of the United States. Unless otherwise indicated, the business address of each such person is c/o Cendant Corporation, 9 West 57th Street, New York, New York 10019.

Name and Address	Present Principal Occupation or Employment; Material Positions Held During the Past Five Years
Henry R. Silverman.....	Mr. Silverman, age 60, has been President and Chief Executive Officer and Director of Parent since December 1997 and Chairman of the Board of Directors and Chairman of the Executive Committee of the Board of Directors since July 28, 1998. Mr. Silverman was Chairman of the Board, Chairman of the Executive Committee and Chief Executive Officer of HFS from May 1990 until December 1997. From November 1994 until February 1996, Mr. Silverman also served as Chairman of the Board and Chief Executive Officer of Chartwell Leisure Inc.
James E. Buckman.....	Mr. Buckman, age 56, has been a Vice Chairman since November 1998 and General Counsel and a Director of Parent since December 1997. Mr. Buckman was a Senior Executive Vice President of Parent from December 1997 until November 1998. Mr. Buckman was the Senior Executive Vice President and General Counsel and Assistant Secretary of HFS from May 1997 to December 1997, a Director of HFS since June 1994 and was Executive Vice President, General Counsel and Assistant Secretary of HFS from February 1992 to May 1997. Mr. Buckman also serves as a director and officer of several subsidiaries of Parent. From November 1994 to February 1996, Mr. Buckman served as the Executive Vice President, General Counsel and Secretary of Chartwell and until August 1996 he served as a director of Chartwell. Mr. Buckman also serves as a Director of PHH Corporation, a wholly owned subsidiary of Parent, which files reports pursuant to the Exchange Act.
Stephen P. Holmes..... Cendant Corporation 6 Sylvan Way Parsippany, NJ 07054	Mr. Holmes, age 43, has been a Vice Chairman and Director of Parent and Chairman and Chief Executive Officer of the Travel Division of Parent since December 1997. Mr. Holmes was Vice Chairman of HFS from September 1996 until December 1997 and was a Director of HFS from June 1994 until December 1997. From July 1990 through September 1996, Mr. Holmes served as Executive Vice President, Treasurer and Chief Financial Officer of HFS. Mr. Holmes also serves as a director and officer of several subsidiaries of Parent. Mr. Holmes is a director of PHH Corporation, a wholly owned subsidiary of Parent, which files reports pursuant to the Exchange Act. Mr. Holmes is also a Director of Avis Europe PLC. Mr. Holmes was a Director of Avis Group Holdings, Inc. from September 1997 until March 1, 2001.
Kevin M. Sheehan..... Cendant Corporation 6 Sylvan Way Parsippany, NJ 07054	Mr. Sheehan, age 48, has been Senior Executive Vice President and Chief Financial Officer since March 1, 2001. From August 1999 to February 2001, Mr. Sheehan was President--Corporate and Business Affairs and Chief Financial Officer of Avis Group Holdings, Inc. and a Director of that company since June 1999. From December 1996 to August 1999, Mr. Sheehan was Executive Vice President and Chief Financial Officer of

Name and Address	Present Principal Occupation or Employment; Material Positions Held During the Past Five Years
	Avis Group Holdings, Inc. He served as Executive Vice President and Chief Financial Officer of Avis Car Rental Services, Inc. from December 1996 until March 1, 2001 and of PHH from June 1999 until March 1, 2001. From September 1996 to September 1997, Mr. Sheehan was a Senior Vice President of HFS. From December 1994 to September 1996, Mr. Sheehan was Chief Financial Officer for STT Video Partners, a joint venture between Time Warner, Telecommunications, Inc., Sega of America and HBO. Prior thereto, he was with Reliance Group Holdings, Inc., an insurance holding company, and some of its affiliated companies for ten years and was involved with the formation of the Spanish language television network, Telemundo Group, Inc. and from 1991 through 1994 was Senior Vice President--Finance and Controller.
Richard A. Smith..... Cendant Corporation 6 Sylvan Way Parsippany, NJ 07054	Mr. Smith, age 47, has been Chairman and Chief Executive Officer of the Real Estate Division of Parent since December 1997. Mr. Smith was President of the Real Estate Division of HFS from October 1996 to December 1997 and Executive Vice President of Operations for HFS Incorporated from February 1992 to October 1996. Mr. Smith is a Director of Homestore.com, Inc. and NRT Incorporated.
John W. Chidsey..... Cendant Corporation 6 Sylvan Way Parsippany, NJ 07054	Mr. Chidsey, age 39, has been Chief Executive Officer of the Diversified Services Division, including the Individual Membership Segment, since March 2000. Mr. Chidsey was Chief Executive Officer of the Diversified Services Division, excluding the Individual Membership Segment, from January 2000 until March 2000. Mr. Chidsey was Chairman and Chief Executive Officer of the Insurance/Wholesale Division of the Company from November 1998 until January 2000. From May 1998 to November 1998, Mr. Chidsey was President and Chief Operating Officer of the Alliance Marketing Division of the Company. From December 1997 to May 1998, Mr. Chidsey was Executive Vice President, Business Development of the Company. From 1995 to December 1997, Mr. Chidsey was Senior Vice President, Preferred Alliance Services for HFS. Prior to joining HFS, Mr. Chidsey was the Chief Financial Officer at two divisions of PepsiCo, Inc. with responsibilities for international operations.
Samuel L. Katz.....	Mr. Katz, age 36, has been Senior Executive Vice President and Chief Strategic Officer of Parent since January 2001. From January 2000 to January 2001, Mr. Katz was Senior Executive Vice President and Chief Executive Officer of the Cendant Internet Group. Mr. Katz was Senior Executive Vice President, Strategic Development of the Company from July 1999 to January 2000, Executive Vice President, Strategic Development from April 1998 until January 2000, and Senior Vice President, Acquisitions from December 1997 to March 1998. Mr. Katz was Senior Vice President, Acquisitions of HFS from January 1996 to December 1997. From June 1993 to December 1995, Mr. Katz was Vice President of Dickstein Partners Inc., a private investment firm. Mr. Katz is a director of Specialty Catalog Corp. and NRT Incorporated.
Thomas D. Christopoul... Cendant Corporation 6 Sylvan Way Parsippany, NJ 07054	Mr. Christopoul, age 36, has been Senior Executive Vice President and Chief Administrative Officer of Parent since April 2000. From January 2000 to April 2000, Mr. Christopoul was President, Cendant Membership Services. From October 1999 to January 2000, Mr. Christopoul was Executive Vice President,

Corporate Services. From April 1998 to October 1999, Mr. Christopoul was Executive Vice President, Human Resources, and from December 1997 until April 1998, Mr. Christopoul was Senior Vice President,

Name and Address	Present Principal Occupation or Employment; Material Positions Held During the Past Five Years
	Human Resources. Mr. Christopoul was Senior Vice President, Human Resources of HFS from October 1996 until December 1997 and Vice President Human Resources of HFS from October 1995 until October 1996. He also is Chairman of Advance-Ross Corporation, a subsidiary of Parent.
Tobia Ippolito.....	Mr. Ippolito, age 37, has been Executive Vice President and Chief Accounting Officer for Parent since 1999. Prior to that, he was Executive Vice President, Finance and Administration for the Cendant Internet Group. From 1993 to 1997, Mr. Ippolito was the Corporate Controller of HFS Incorporated.
Myra J. Biblowit..... The Breast Cancer Research Foundation Suite 1209 654 Madison Avenue New York, NY 10021	Ms. Biblowit, age 52, has been a Director of Parent since April 2000. Since April 2001, Ms. Biblowit has been President of The Breast Cancer Research Foundation. From July 1997 until March 2001, she served as Vice Dean for External Affairs for the New York University School of Medicine and Senior Vice President of the Mount Sinai-NYU Health System. From June 1991 to June 1997, Ms. Biblowit was Senior Vice President, and Executive Director of the Capital Campaign for the American Museum of National History and prior to that, served as Executive Vice President of the Central Park Conservancy from 1986 to 1991. Ms. Biblowit is currently a member of the Board of Directors of the Women's Executive Circle, UJA Federation, a Trustee of the Historic House Trust of New York City and a Trustee of the Columbia Land Conservancy. Ms. Biblowit is a former Director of Art Spaces and a founding Director of the City Parks Foundation. Ms. Biblowit is also a member of the Women's Forum.
The HonorAable William S. Cohen..... The Cohen Group 600 13th St., NW Suite 640 Washington, DC 20005	The Honorable William S. Cohen, age 60, has been a Director of Parent since January 2001. Since January 2001, Secretary Cohen has been the Chairman and Chief Executive Officer of The Cohen Group, a consulting company. From January 1997 until January 2001, Secretary Cohen served as U.S. Secretary of Defense. From 1979 until January 1997, Secretary Cohen served as the U.S. Senator for the State of Maine. From 1973 until 1979, Secretary Cohen served as a member of the House of Representatives from Maine's Second Congressional District.
Leonard S. Coleman.....	Mr. Coleman, age 52, has been a Director of Parent since December 1997. Mr. Coleman was a Director of HFS from April 1997 until December 1997. Mr. Coleman is presently Senior Advisor to Major League Baseball. Mr. Coleman was President of The National League of Professional Baseball Clubs from 1994-1999, having previously served since 1992 as Executive Director, Market Development of Major League Baseball. Mr. Coleman was a Director of Avis Group Holdings, Inc. from September 1997 until March 1, 2000. Mr. Coleman is a director of the following corporations which file reports pursuant to the Exchange Act: Owens Corning, The Omnicom Group, New Jersey Resources, H.J. Heinz Company, Radio Unica and Electronic Arts.
Martin Edelman..... Paul, Hastings, Janofsky & Walker LLP 399 Park Avenue New York, NY 10022	Mr. Edelman, age 59, has been a Director of Parent since December 1997. Mr. Edelman was a Director of HFS from November 1993 until December 1997. Mr. Edelman is Of Counsel to Paul, Hastings, Janofsky & Walker, a New York City law firm, since June 2000. Mr. Edelman was a partner with Battle

Fowler, which merged with Paul Hastings, Janofsky & Walker, from 1972 through 1993 and from January 1, 1994 until June 2000 was Of Counsel to Battle Fowler. Mr. Edelman is also a partner of Chartwell Hotels Associates, Chartwell Leisure Associates L.P., Chartwell Leisure Associates

Name and Address	Present Principal Occupation or Employment; Material Positions Held During the Past Five Years
	L.P. II, and of certain of their respective affiliates. Mr. Edelman also serves as a director of the following corporations which file reports pursuant to the Exchange Act: Capital Trust and Arcadia Realty Trust and Vitamin Shoppe, Inc. Mr. Edelman was Chairman of the Board of Directors of Avis Rent A Car, Inc. from December 1998 until November 1999. Mr. Edelman was a Director of Avis Group Holdings, Inc. from September 1997 until March 1, 2001.
John C. Malone, Ph.D.... Liberty Media Corporation 9197 South Pioria St. Englewood, CO 80112	Dr. Malone, age 59, has been a Director of Parent since March 2000. Since 1999, Dr. Malone has been Chairman of Liberty Media Group. Prior to serving as Chairman of Liberty Media Group, Dr. Malone was the Chairman (1996-1999), Chief Executive Officer (1994-1999), and President (1994-1997) of Tele-Communications, Inc., Chief Executive Officer (1992-1994) and President (1973-1994) of TCI Communications Inc. Dr. Malone is a Director of Liberty Media Group, The Bank of New York, the CATO Institute, Discovery Communications, Inc., BET Holdings II, Inc., 360 Networks, Inc. and USANi, LLC. Dr. Malone also is a Director of AT&T Corporation and a Member of AT&T's Governance and Nominating Committee and the Capital Stock Committee since March 1999.
Cheryl D. Mills..... Oxygen Media, Inc. 75 Ninth Avenue New York, NY 10018	Ms. Mills, age 36, has been a Director of Parent since June 2000. Since October 1999, Ms. Mills has been Senior Vice President for Corporate Policy and Public Programming of Oxygen Media, Inc. From 1997 to 1999, Ms. Mills was Deputy Counsel to President Clinton. From 1993 to 1996, Ms. Mills also served as Associate Counsel to the President, and as Deputy General Counsel of the Clinton/Gore Transition Planning Foundation. From 1990 to 1992, Ms. Mills was an associate at the Washington, D.C. law firm of Hogan and Hartson. Ms. Mills currently serves on the Board of the National Partnership for Women and Families, the Stanford Law School Board of Visitors, and the William J. Clinton Presidential Library Foundation Board of Trustees. Ms. Mills also serves on the Advisory Board of Grassroots.com.
The Rt. Hon. Brian Mulroney, P.C., LL.D. .. Ogilvy Renault 1981 McGill College Ave. Suite 1100 Montreal, Quebec H3A 3C1	Mr. Mulroney, age 62, has been a Director of Parent since December 1997. Mr. Mulroney was a Director of HFS from April 1997 until December 1997. Mr. Mulroney was Prime Minister of Canada from 1984 to 1993 and is currently Senior Partner in the Montreal-based law firm, Ogilvy Renault. He is a director of the following corporations which file reports pursuant to the Exchange Act: America Online Latin America, Inc., Archer Daniels Midland Company Inc., Barrick Gold Corporation, TrizecHahn Corporation Ltd., Quebecor, Inc. and Quebecor World Inc. Mr. Mulroney is a citizen of Canada.
Robert E. Nederlander... Nederlander Organization, Inc. 1450 Broadway 20th Floor New York, NY 10018	Mr. Nederlander, age 67, has been a Director of Parent since December 1997. Mr. Nederlander was a Director of HFS from July 1995 to December 1997. Since November 1981, Mr. Nederlander has been President and Director of the Nederlander Organization, Inc., owner and operator of one of the world's largest chains of legitimate theaters. Mr. Nederlander has been Chairman of the Board of Riddell Sports Inc. since April 1988 and was the Chief Executive Officer of such corporation from 1988 through April 1, 1993. From February until June 1992, Mr. Nederlander was also Riddell Sports

Inc.'s interim President and Chief Operating Officer. He served as the Managing General Partner of the New York Yankees from August 1990 until December 1991, and has been a limited partner since 1973. Mr. Nederlander

Name and Address	Present Principal Occupation or Employment; Material Positions Held During the Past Five Years
	has been President since October 1985 of Nederlander Television and Film Productions, Inc.; Chairman of the Board and Chief Executive Officer since January 1988 of Mego Financial Corp. and Vice Chairman of the Boardsince February 1988 to early 1993 of Vacation Spa Resorts, Inc., an affiliate of Mego. Mr. Nederlander was a director of Mego Mortgage Corp. from September 1996 until June 1998. Mr. Nederlander also served as Chairman of the Board of Allis-Chalmers Corp. from May 1989 to 1993 and as Vice Chairman of Allis-Chalmers Corp. from 1993 through October 1996. He is currently a Director of Allis-Chalmers Corp. In October 1996, Mr. Nederlander became a director of New Communications, Inc., a publisher of community oriented free circulation newspapers.
Robert W. Pittman..... AOL Time Warner, Inc. 22000 AOL Way Dulles, VA 20166	Mr. Pittman, age 47, has been a Director of Parent since December 1997. Mr. Pittman was a Director of HFS from July 1994 until December 1997. Since January 2001, Mr. Pittman has been President and Co-Chief Operating Officer of AOL Time Warner, Inc. From February 1998 until January 2001, Mr. Pittman was President and Chief Operating Officer ofAmerica Online, Inc., a provider of internet online services. From October 1996 to February 1998, Mr. Pittman was President and Chief Executive Officer of AOL Networks, a unit of America Online, Inc. From September 1995 through October 1996, Mr. Pittman served as the Chief Executive Officer and Managing Partner of Parent's subsidiary, Century 21 Real Estate Corporation. From 1990 until September 1995, Mr. Pittman served as President and Chief Executive Officer of Time Warner Enterprises, a business development unit of Time Warner Inc. and, from 1991 to September 1995, additionally, as Chairman and Chief Executive Officer of Six Flags Entertainment Corporation, the parent of Six Flags Theme Parks Inc. Mr. Pittman serves as a director of AOL Time Warner, Inc., which files reports pursuant to the Exchange Act.
Sheli Z. Rosenberg..... Equity Group Investments, Inc. 2 N. Riverside Plaza Suite 600 Chicago, IL 60606	Ms. Rosenberg, age 59, has been a Director of Parent since April 2000. Since January 1, 2000, Ms. Rosenberg has been Vice Chairwoman of Equity Group Investments, Inc., a privately held investment company which controls over 500 properties throughout the United States. From October 1994 to December 1999, Ms. Rosenberg was President and Chief Executive Officer of Equity Group Investments, Inc. Ms. Rosenberg serves as a Director of the following companies which file reports pursuant to the Exchange Act: Anixter International Inc., CVS Corporation, Capital Trust, Dynergy Inc., Manufactured Home Communities, Inc., Equity Residential Properties Trust and Equity Office Property Trust. Ms. Rosenberg also currently sits on the Boards of The Chicago Network, National Partnership of Women & Families, Women's Issue Network Foundation and Rush-Presbyterian-St. Luke's Medical Center.
Robert F. Smith..... Car Component Technologies, Inc. 10 Ironhorse Drive Bedford, NH 03110	Mr. Smith, age 68, has been a Director of Parent since December 1997. Mr. Smith was a Director of HFS from February 1993 until December 1997. From November 1994 until August 1996, Mr. Smith also served as a Director of Chartwell Leisure Inc. Mr. Smith is the retired Chairman and Chief Executive Officer of American Express Bank, Ltd. He joined AEBL's parent company, the American Express Company, in 1981 as Corporate Treasurer before moving to American Express Bank and serving as Vice

Chairman and Co-Chief Operating Officer and then President prior to becoming Chief Executive Officer. Mr. Smith is currently an equity owner and Senior Managing Director of Car Component Technologies, Inc., an automobile parts remanufacturer, located in Bedford, New Hampshire.

2. PURCHASER. The name, business address and present principal occupation or employment, and material occupations, positions, offices or employments for the past five years, of each of the directors and executive officers of Parent are set forth below. Each such person is a citizen of the United States. The business address of each such person is c/o Cendant Corporation, 9 West 57th Street, New York, New York 10019 unless otherwise set forth in Section 1 of this Schedule I above.

Name and Position with Purchaser	Present Principal Occupation or Employment; Material Positions Held During the Past Five Years
James E. Buckman..... Director, Executive Vice President, General Counsel and Assistant Secretary	Mr. Buckman, age 56, has been a Vice Chairman since November 1998 and General Counsel and a Director of Parent since December 1997. Mr. Buckman was a Senior Executive Vice President of Parent from December 1997 until November 1998. Mr. Buckman was the Senior Executive Vice President and General Counsel and Assistant Secretary of HFS from May 1997 to December 1997, a Director of HFS since June 1994 and was Executive Vice President, General Counsel and Assistant Secretary of HFS from February 1992 to May 1997. Mr. Buckman also serves as a director and officer of several subsidiaries of Parent. From November 1994 to February 1996, Mr. Buckman served as the Executive Vice President, General Counsel and Secretary of Chartwell and until August 1996 he served as a director of Chartwell. Mr. Buckman also serves as a Director of PHH Corporation, a wholly owned subsidiary of Parent, which files reports pursuant to the Exchange Act.
Stephen P. Holmes..... Director, President	Mr. Holmes, age 43, has been a Vice Chairman and Director of Parent and Chairman and Chief Executive Officer of the Travel Division of Parent since December 1997. Mr. Holmes was Vice Chairman of HFS from September 1996 until December 1997 and was a Director of HFS from June 1994 until December 1997. From July 1990 through September 1996, Mr. Holmes served as Executive Vice President, Treasurer and Chief Financial Officer of HFS. Mr. Holmes also serves as a director and officer of several subsidiaries of Parent. Mr. Holmes is a director of PHH Corporation, a wholly owned subsidiary of Parent, which files reports pursuant to the Exchange Act. Mr. Holmes is also a Director of Avis Europe PLC. Mr. Holmes was a Director of Avis Group Holdings, Inc. from September 1997 until March 1, 2001.
Kevin M. Sheehan..... Executive Vice President and Treasurer	Mr. Sheehan, age 46, has been Senior Executive Vice President and Chief Financial Officer of Parent since March 1, 2001. From August 1999 to February 2001, Mr. Sheehan was President--Corporate and Business Affairs and Chief Financial Officer of Avis Group Holdings, Inc. and a Director of that company since June 1999. From December 1996 to August 1999, Mr. Sheehan was Executive Vice President and Chief Financial Officer of Avis Group Holdings, Inc. He served as Executive Vice President and Chief Financial Officer of Avis Car Rental Services, Inc. from December 1996 until March 1, 2001 and of PHH from June 1999 until March 1, 2001. From September 1996 to September 1997, Mr. Sheehan was a Senior Vice President of HFS. From December 1994 to September 1996, Mr. Sheehan was Chief Financial Officer for STT Video Partners, a joint venture between Time Warner, Telecommunications, Inc., Sega of America and HBO. Prior thereto, he was with Reliance Group Holdings, Inc., an insurance holding company, and some of its affiliated companies for ten years and was involved with the formation of the Spanish language television network, Telemundo Group, Inc. and from 1991 through 1994 was Senior Vice President--

Finance and Controller.

Name, Position with Purchaser and Address	Present Principal Occupation or Employment; Material Positions Held During the Past Five Years
Eric J. Bock..... Senior Vice President and Secretary	Mr. Bock, age 36, has been Senior Vice President, Law and Corporate Secretary of Parent since January 2000. From July 1997 to January 2000, he was Vice President, Legal. From June 1994 to July 1997, Mr. Bock was an associate at the law firm of Skadden, Arps, Slate, Meagher & Flom, LLP.

Facsimile copies of the Letter of Transmittal, properly completed and duly signed, will be accepted. The Letter of Transmittal, certificates for shares and any other required documents should be sent or delivered by each stockholder of the Company or his broker, dealer, commercial bank, trust company or other nominee to the Depositary, at one of the addresses set forth below:

Depositary for the Offer is:

Mellon Investor Services LLC

By Mail	By Hand	By Overnight Delivery
Mellon Investor Services LLC Post Office Box 3301 South Hackensack, NJ 07606 Attn: Reorganization Department	Mellon Investor Services LLC 120 Broadway, 13th Floor New York, NY 10271 Attn: Reorganization Department	Mellon Investor Services LLC 85 Challenger Road--Mail Drop-Georg Ridge field Park, NJ 07660 Attn: Reorganization Department

By Facsimile Transmission: (For Eligible Institutions Only)	Confirm Receipt of Facsimile by Telephone:
(201) 329-8936	(201) 296-4860

Questions and requests for assistance or additional copies of this Offer to Purchase, the Letter of Transmittal, the Notice of Guaranteed Delivery and the Guidelines for Certification of Taxpayer Identification on Substitute Form W-9 may be directed to the Information Agent at the locations and telephone numbers set forth below. Stockholders may also contact Goldman, Sachs & Co., Dealer Manager for the Offer, or their broker, dealer, commercial bank or trust company for assistance concerning the Offer.

The Information Agent for the Offer is:

[LOGO OF GEORGESON SHAREHOLDER]

17 State Street
New York, New York 10004
Banks and Brokers call collect: (212) 440-9800

All others call Toll-Free: (800) 223-2064

The Dealer Manager for the Offer is:

Goldman, Sachs & Co.
85 Broad Street
New York, New York 10004
(212) 902-1000 (Call Collect)
or
(800) 323-5678 (Toll-Free)

Exhibit 99.(A)(1)(B)

Letter of Transmittal
To Tender Shares of Common Stock

of

Cheap Tickets, Inc.
Pursuant to the Offer to Purchase dated August 23, 2001

by

Diamondhead Acquisition Corporation

a Wholly Owned Subsidiary of

Cendant Corporation

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON FRIDAY, SEPTEMBER 21, 2001, UNLESS THE OFFER IS EXTENDED.

The Depositary for the Offer is:

MELLON INVESTOR SERVICES LLC

By Mail:	By Hand:	By Overnight Delivery:
Mellon Investor Services LLC Post Office Box 3300 South Hackensack, NJ 07606 Attn: Reorganization Department	Mellon Investor Services LLC 120 Broadway, 13th Floor New York, NY 10271 Attn: Reorganization Department	Mellon Investor Services LLC 85 Challenger Road--Mail Drop-Reorg Ridgefield Park, NJ 07660 Attn: Reorganization Department

By Facsimile Transmission
(For Eligible Institutions Only):

(201) 296-4293

Confirm Receipt of Facsimile by Telephone:

(201) 296-4860

DELIVERY OF THIS LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY. YOU MUST SIGN THIS LETTER OF TRANSMITTAL IN THE APPROPRIATE SPACE THEREFOR PROVIDED BELOW AND COMPLETE THE SUBSTITUTE FORM W-9 SET FORTH BELOW. THE INSTRUCTIONS ACCOMPANYING THIS LETTER OF TRANSMITTAL SHOULD BE READ CAREFULLY BEFORE THIS LETTER OF TRANSMITTAL IS COMPLETED.

IF CERTIFICATES ARE REGISTERED IN DIFFERENT NAMES, A SEPARATE LETTER OF TRANSMITTAL MUST BE SUBMITTED FOR EACH DIFFERENT REGISTERED HOLDER. SEE INSTRUCTION 4.

DESCRIPTION OF SHARES SURRENDERED

Name(s) and Address(es) of Registered Holder(s) (Please fill in, if blank exactly as name(s) appear(s) on Share Certificate(s)	Share Certificate(s) Enclosed (Attach additional signed list if necessary)	
	Share Certificate Number(s)	Number of Shares Represented by Share Certificate(s)

Total Shares

Lost Certificates

[_]I have lost my Certificates that represented Shares and require assistance in obtaining replacement Certificates. I understand that I must contact the Depositary to obtain instructions for replacing a lost Certificate (See Instruction 10).

SPECIAL PAYMENT INSTRUCTIONS
(See Instructions 3, 4, 5 and 7)

Fill in ONLY if check is to be issued in a name other than that set forth above.

Issue and deliver check to:

Name _____
(Please Print)

Address _____

_____

_____

_____
(Include Zip Code)

_____
(Tax Identification or Social Security Number)

(See Instruction 11)

SPECIAL DELIVERY INSTRUCTIONS
(See Instructions 3 and 7)

Fill in ONLY if check is to be issued in the name set forth above but delivered to an address other than that set forth above.

Deliver check to:

Name _____
(Please Print)

Address _____

_____

_____
(Include Zip Code)

_____
(Tax Identification or Social Security Number)

(See Instruction 11)

PLEASE READ CAREFULLY THE ACCOMPANYING INSTRUCTIONS

Ladies and Gentlemen:

In connection with the merger (the "Merger") of Diamondhead Acquisition Corporation, a Delaware corporation and wholly owned subsidiary of Cendant Corporation, a Delaware corporation (the "Purchaser"), with and into Cheap Tickets, Inc., a Delaware corporation (the "Company"), pursuant to an Agreement and Plan of Merger between the Purchaser and the Company, dated as of August 13, 2001 (the "Merger Agreement"), the undersigned herewith surrenders the above described certificate(s) (the "Certificate(s)"), which prior to the Merger represented shares of common stock, par value $0.001 per share, of the Company (the "Shares"), to be exchanged for cash in the amount of $16.50 per Share, without interest and subject to applicable withholding, payable pursuant to the Merger. By delivery of this Letter of Transmittal to the Depositary (as hereinafter defined), the undersigned hereby forever waives all dissenter's rights under applicable Delaware law and withdraws all written objections to the Merger and/or demands for appraisal, if any, with respect to the Shares owned by the undersigned.

The undersigned represents that the undersigned has full authority to surrender the Shares, free and clear of all liens, claims and encumbrances. The undersigned will, upon request, execute and deliver any additional documents reasonably deemed appropriate or necessary by the Depositary in connection with the surrender of the Shares. All authority conferred or agreed to be conferred in this Letter of Transmittal shall be binding upon the successors, assigns, heirs, executors, administrators and legal representatives of the undersigned and shall not be affected by, and shall survive, the death or incapacity of the undersigned. The surrender of Shares hereby is irrevocable.

The undersigned understands that surrender is not made in acceptable form until the receipt by Mellon Investor Services LLC (the "Depositary") of this Letter of Transmittal, or a facsimile hereof, duly completed and signed, and of the Certificate(s), together with all accompanying evidences of authority in form satisfactory to the Company (which may delegate power in whole or in part to the Depositary). All questions as to validity, form and eligibility of any surrender of Shares hereby will be determined by the Company (which may delegate power in whole or in part to the Depositary) and such determination shall be final and binding.

The undersigned understands that payment for surrendered Shares will be made as promptly as practicable after the surrender of Certificate(s) representing the Shares is made in acceptable form.

Please issue the check to which the undersigned is entitled in the name set forth above and deliver such check to the address set forth above, unless otherwise indicated under the Special Payment Instructions or Special Delivery Instructions above.

IMPORTANT

STOCKHOLDER SIGN HERE

_____

_____
(Signature(s) of Owner(s))

Must be signed by registered holder(s) exactly as name(s) appear(s) on stock certificate(s) or on a security position listing or by person(s) authorized to become registered holder(s) by certificates and documents transmitted herewith. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, please set forth full title. See Instruction 4. (For information concerning signature guarantees see Instruction 3.)

Dated: _____, 2001

Name(s) _____

_____
(Please Print)

Capacity _____
(See Instruction 4)

Address _____

_____

_____
(Including Zip Code)

Area Code and Telephone No. (Business) _____

Area Code and Telephone No. (Residence) _____

Tax Identification or Social Security No. _____
(Complete the Substitute Form W-9 contained herein)

SIGNATURE GUARANTEE
(See Instruction 3, if required)

Authorized Signature _____

Name _____
(Please Print)

Title _____
(Please Print)

Name of Firm _____

Address _____
(Include Zip Code)

Area Code and Telephone No. _____

Dated: _____

INSTRUCTIONS
Forming Part of the Terms and Conditions of the Offer

1. Delivery of Letter of Transmittal and Certificate(s). This Letter of Transmittal or a facsimile hereof, filled in and signed, must be used in connection with the delivery and surrender of the Certificate(s). A Letter of Transmittal and the Certificate(s) must be received by the Depositary, in satisfactory form, in order to make an effective surrender. Delivery of the Certificate(s) and other documents shall be effected, and the risk of loss and title to the Certificate(s) shall pass, only upon proper delivery of the Certificate(s) to the Depositary. The method of delivery of the Certificate(s) and other documents is at the election and risk of the stockholder. If such delivery is by mail, registered mail with return receipt requested, properly insured, is recommended. Surrender may be made by mail, by hand or by overnight courier to Mellon Investor Services LLC, as Depositary, at one of the addresses shown above. In all cases, sufficient time should be allowed to insure timely delivery. A mailing envelope addressed to the Depositary is enclosed for your convenience.

2. Terms of Conversion of the Shares. Each Share (as shown in the box at the top of this Letter of Transmittal) was converted at the effective time of the Merger into the right to receive $16.50 in cash, without interest and subject to applicable withholding.

3. Guarantee of Signature. The Certificate(s) need not be endorsed and stock powers and signature guarantees are unnecessary unless (a) the Certificate(s) is registered in a name other than that of the person surrendering the Certificate(s) or (b) such registered holder completes the Special Payment Instructions or Special Delivery Instructions. In the case of (a) above, any such Certificate(s) must be duly endorsed or accompanied by a properly executed stock power with the signature on the endorsement or stock power and on the Letter of Transmittal guaranteed by a participant in the Security Transfer Agents Medallion Program, the New York Stock Exchange Medallion Signature Guarantee Program or the Stock Exchange Medallion Program. In the case of (b) above, only the signature on the Letter of Transmittal should be similarly guaranteed.

4. Signatures on Letter of Transmittal and Endorsements. If this Letter of Transmittal is signed by the registered holder(s) of the Shares surrendered hereby, the signature(s) must correspond with the name(s) as written on the face of the Certificate(s) without alteration, enlargement or any change whatsoever.

If any of the Shares surrendered hereby are held of record by two or more joint owners, all such owners must sign this Letter of Transmittal.

If any of the Shares surrendered hereby are registered in different names on several Certificates, it will be necessary to complete, sign and submit as many separate Letters of Transmittal as there are different registrations of Certificates.

If this Letter of Transmittal or any Share certificate or stock power is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, such person should so indicate when signing, and proper evidence satisfactory to the Company of the authority of such person so to act must be submitted.

If this Letter of Transmittal is signed by the registered holder(s) of the Shares listed and surrendered hereby, no endorsements of Certificates or separate stock powers are required unless payment is to be issued in the name of a person other than the registered holder(s). Signatures on any such Certificates or stock powers must be guaranteed by an Eligible Institution.

If this Letter of Transmittal is signed by a person other than the registered holder(s) of the Shares evidenced by Certificates listed and surrendered hereby, the Certificates must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name(s) of the registered holder(s) appear(s) on the Certificates. Signature(s) on any such Certificates or stock powers must be guaranteed by an Eligible Institution.

5. Stock Transfer Taxes. Except as otherwise provided in this Instruction 5, Purchaser will pay all stock transfer taxes applicable to payments for tendered Shares. If, however, payment of the purchase price of any Shares tendered is to be made to, or if Share certificates for shares not tendered or accepted for payment are to be registered in the name of any person other than the registered holder(s) or if tendered Share certificates are registered in the name of any person other than the person(s) signing this Letter of Transmittal, the amount of any stock transfer taxes (whether imposed on the registered holder(s) or such other person(s)) payable on account of the transfer to such other person will be deducted from the purchase price unless satisfactory evidence of the payment of such taxes or an exemption therefrom, is submitted to the Purchaser.

EXCEPT AS PROVIDED IN THIS INSTRUCTION 5, IT WILL NOT BE NECESSARY FOR TRANSFER TAX STAMPS TO BE AFFIXED TO THE SHARE CERTIFICATE(S) LISTED IN THIS LETTER OF TRANSMITTAL.

6. Validity of Surrender, Irregularities. All questions as to validity, form and eligibility of any surrender of Shares hereby will be determined by the Company (which may delegate power in whole or in part to the Depositary), and such determination shall be final and binding. The Company reserves the right to waive any irregularities or defects in the surrender of any Shares, and its interpretations of the terms and conditions of the Merger Agreement and of this Letter of Transmittal (including these instructions) with respect to such irregularities or defects shall be final and binding. A surrender will not be deemed to have been made until all irregularities have been cured or waived.

7. Special Payment and Delivery Instructions. Indicate the name and address to which payment for the Shares is to be sent if different from the name and/or address of the person(s) signing this Letter of Transmittal.

8. Additional Copies. Additional copies of this Letter of Transmittal and of the Offer to Purchase may be obtained from the Depositary at its addresses listed above.

9. Inadequate Space. If the space provided on this Letter of Transmittal is inadequate, the Share certificate numbers and number of Shares should be listed on a separate signed schedule affixed hereto.

10. Letter of Transmittal Required; Surrender of Certificate(s); Lost Certificate(s). You will not receive any cash for your Shares unless and until you deliver this Letter of Transmittal or a facsimile hereof, duly completed and signed, to the Depositary, together with the Certificate(s) representing such Shares and any required accompanying evidences of authority in form satisfactory to the Company. If the Certificate(s) has (have) been lost or destroyed, such fact should be indicated on the face of this Letter of Transmittal. In such event, the Depositary will forward additional documentation necessary to be completed in order to surrender effectively such lost or destroyed Certificate(s). No interest will be paid on amounts due for the Shares.

11. Taxpayer Identification Number and Backup Withholding. Federal income tax law generally requires that, unless an exemption applies, a tendering holder whose Shares are accepted for payment must provide the Depositary (the "Payor") with such holder's correct Taxpayer Identification Number ("TIN"). If the Payor is not provided with the correct TIN and no exemption applies, such holder may be subject to a $50 penalty imposed by the Internal Revenue Service and backup withholding at the ordinary income tax rate applicable to unmarried individuals (currently 30.5% effective until December 31, 2001) (the "Withholding Rate") may be imposed upon the gross proceeds of any payment received hereunder. If withholding results in an overpayment of taxes, a refund may be obtained.

To prevent backup withholding, each tendering holder of Shares not otherwise exempt must provide such holder's correct TIN by completing the "Substitute Form W-9" set forth herein, which requires a tendering holder to certify, under penalties of perjury, (1) that the TIN provided is correct (or that such holder is awaiting a TIN), (2) that (i) the holder is exempt from backup withholding, (ii) the holder has not been notified by the Internal Revenue Service that such holder is subject to backup withholding as a result of a failure to report all interest or dividends or (iii) the Internal Revenue Service has notified the holder that such holder is no longer subject to backup withholding, and (3) that the holder is a U.S. person.

Certain holders (including, among others, all corporations and certain foreign individuals) are not subject to these backup withholding and reporting requirements. To prevent possible erroneous backup withholding, an exempt holder, other than a foreign person, must enter its correct TIN in Part 1 of Substitute Form W-9, write "Exempt" in Part 2 of such form, and sign and date the form. See the enclosed Guidelines for Certification of Taxpayer Identification Number of Substitute Form W-9 (the "W-9 Guidelines") for additional instructions. In order for a nonresident alien or foreign entity to qualify as exempt recipients, such person must submit a completed Form W-8BEN, "Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding" signed under penalties of perjury attesting to such exempt status. Such forms may be obtained from the Payor.

If the Shares are held in more than one name or are not in the same name of the actual owner, consult the W-9 Guidelines for information on which TIN to report.

If you do not have a TIN, consult the W-9 Guidelines for instructions on applying for a TIN, write "Applied For" in the space for the TIN in Part 1 of the Substitute Form W-9, and sign and date the Substitute Form W-9 and the Certificate of Awaiting Taxpayer Identification Number set forth herein. Notwithstanding that you follow these procedures, the Payor will withhold at the Withholding Rate on all payments made prior to the time a properly certified TIN is provided to the Payor. However, such amounts will be refunded to such holder if a TIN is provided to the Payor within 60 days, backup withholding will begin and continue until you furnish your TIN to the Payor. Note: Writing "Applied For" on the form means that you have already applied for a TIN or that you intend to apply for one in the near future.

IMPORTANT: THIS LETTER OF TRANSMITTAL (OR FACSIMILE HEREOF), PROPERLY COMPLETED AND DULY EXECUTED (TOGETHER WITH ANY REQUIRED SIGNATURE GUARANTEES AND CERTIFICATES OR CONFIRMATION OF BOOK-ENTRY TRANSFER AND ALL OTHER REQUIRED DOCUMENTS), OR A PROPERLY COMPLETED AND DULY EXECUTED NOTICE OF GUARANTEED DELIVERY MUST BE RECEIVED BY THE DEPOSITARY ON OR PRIOR TO THE EXPIRATION DATE (AS DEFINED IN THE OFFER TO PURCHASE).

TO BE COMPLETED BY ALL TENDERING HOLDERS OF SECURITIES

PAYOR'S NAME: MELLON INVESTOR SERVICES LLC

SUBSTITUTE Form W-9 Department of the Treasury Internal Revenue Service	Part 1--PLEASE PROVIDE YOUR TIN IN THE BOX AT RIGHT AND CERTIFY BY SIGNING AND DATING BELOW	Social Security Number OR Employer Identification Number TIN
	Part 2--FOR PAYEES EXEMPT FROM BACKUP WITHHOLDING (SEE INSTRUCTIONS)	
Payor's Request for Taxpayer Identification Number ("TIN") and Certification	Part 3--CERTIFICATION--UNDER PENALTIES OF PERJURY, I CERTIFY THAT (1) The number shown on this form is my correct TIN (or I am waiting for a number to be issued to me), (2) I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (the "IRS") that I am subject to backup withholding as a result of a failure to report all interest or dividends or (c) the IRS has notified me that I am no longer subject to backup withholding, and (3) I am a U.S. Person (including a U.S. resident alien). SIGNATURE _____ DATE _____	

You must cross out item (2) in Part 3 above if you have been notified by the IRS that you are currently subject to backup withholding because of underreporting interest or dividends on your tax return.

YOU MUST COMPLETE THE FOLLOWING CERTIFICATE IF YOU WROTE "APPLIED FOR" IN PART 1 OF THE SUBSTITUTE FORM W-9

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify under penalties of perjury that a taxpayer identification number has not been issued to me, and that I mailed or delivered an application to receive a taxpayer identification number to the appropriate Internal Revenue Service Center or Social Security Administration Office (or I intend to mail or deliver an application in the near future). I understand that if I do not provide a taxpayer identification number to the payor by the time of payment, an amount of all reportable payments made to me will be withheld at the ordinary income tax rate applicable to unmarried individuals (currently 30.5%, effective until December 31, 2001) (the "Withholding Rate"), but will be refunded to me if I provide a certified taxpayer identification number within 60 days.

SIGNATURE _____ DATE _____

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING ON ANY GROSS PROCEEDS AT THE WITHHOLDING RATE. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS.

The Information Agent for the Offer is:

[LOGO OF GEORGESON SHAREHOLDER]

17 State Street
New York, New York 10004
Banks and Brokers call collect: (212) 440-9800

All others call Toll-Free: (800) 223-2064

Exhibit 99.(A)(1)(C)

Notice of Guaranteed Delivery for
Tender of Shares of Common Stock

of

Cheap Tickets, Inc.

to

Diamondhead Acquisition Corporation
a Wholly Owned Subsidiary of

Cendant Corporation
(Not to be used for signature guarantees)

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON FRIDAY, SEPTEMBER 21, 2001, UNLESS THE OFFER IS EXTENDED.

This Notice of Guaranteed Delivery, or a form substantially equivalent hereto, must be used to accept the Offer (as defined below) if certificates for Shares (as defined below) are not immediately available, if the procedure for book-entry transfer cannot be completed on a timely basis, or if time will not permit all required documents to reach Mellon Investor Services LLC (the "Depositary") on or prior to the Expiration Date (as defined in Section 1 of the Offer to Purchase). This form may be delivered by hand, transmitted by facsimile transmission or mailed (to the Depositary). See Section 3 of the Offer to Purchase.

The Depositary for the Offer is:

Mellon Investor Services LLC

By Mail:	By Overnight Courier:	By Hand:
Mellon Investor Services LLC Reorganization Department PO Box 3301 South Hackensack, NJ 07606	Mellon Investor Services LLC Reorganization Department 85 Challenger Road Mail Stop--Reorg Ridgefield Park, NJ 07660	Mellon Investor Services LLC Reorganization Department 120 Broadway 13th Floor New York, NY 10271

By Facsimile Transmission:

(for eligible institutions only)
(201) 296-4293

Confirm Facsimile By Telephone:

(201) 296-4860

DELIVERY OF THIS NOTICE OF GUARANTEED DELIVERY TO AN ADDRESS OTHER THAN ONE SET FORTH ABOVE OR TRANSMISSION OF INSTRUCTIONS VIA FACSIMILE TO A NUMBER OTHER THAN THE FACSIMILE NUMBER SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY TO THE DEPOSITARY.

THIS NOTICE OF GUARANTEED DELIVERY TO THE DEPOSITARY IS NOT TO BE USED TO GUARANTEE SIGNATURES. IF A SIGNATURE ON A LETTER OF TRANSMITTAL IS REQUIRED TO BE GUARANTEED BY AN "ELIGIBLE INSTITUTION" (AS DEFINED IN THE OFFER TO PURCHASE) UNDER THE INSTRUCTIONS THERETO, SUCH SIGNATURE GUARANTEES MUST APPEAR IN THE APPLICABLE SPACE PROVIDED IN THE SIGNATURE BOX ON THE LETTER OF TRANSMITTAL.

The Eligible Institution that completes this form must communicate the guarantee to the Depositary and must deliver the Letter of Transmittal or an Agent's Message (as defined in the Offer to Purchase) and certificates for Shares to the Depositary within the time period shown herein. Failure to do so could result in a financial loss to such Eligible Institution.

THE GUARANTEE ON THE REVERSE SIDE MUST BE COMPLETED.

Ladies and Gentlemen:

The undersigned hereby tenders to Diamondhead Acquisition Corporation, a Delaware corporation and a wholly owned subsidiary of Cendant Corporation, a Delaware corporation, upon the terms and subject to the conditions set forth in the Offer to Purchase dated August 23, 2001 (the "Offer to Purchase") and the related Letter of Transmittal (which, together with any amendments or supplements thereto, constitute the "Offer"), receipt of which is hereby acknowledged, the number of shares of common stock, par value $0.001 per share, of Cheap Tickets, Inc., a Delaware corporation (the "Company"), set forth below, pursuant to the guaranteed delivery procedures set forth in the Offer to Purchase.

Name(s) of Record Holder(s): _____

Number of Shares Tendered: _____

Certificate No(s) (if available): _____
(please print)

Address(es): _____

_____
(Zip Code)

[_]Check if securities will be tendered by book-entry transfer

Name of Tendering Institution: _____

Area Code and Telephone No.(s): _____

_____

Signature(s): _____

Account No.: _____

Dated: , 2001

GUARANTEE
(Not to be used for signature guarantee)

The undersigned, a firm that is a participant in the Securities Transfer Agents Medallion Program, or an "eligible guarantor institution" (as such term is defined in Rule 17Ad-15 under the Securities Exchange Act of 1934, as amended), hereby guarantees to deliver to the Depositary either the certificates evidencing all tendered Shares, in proper form for transfer, or to deliver Shares pursuant to the procedure for book-entry transfer into the Depositary's account at The Depository Trust Company (the "Book-Entry Transfer Facility"), in either case together with the Letter of Transmittal (or a facsimile thereof) properly completed and duly executed, with any required signature guarantees or an Agent's Message (as defined in the Offer to Purchase) in the case of a book-entry delivery, and any other required documents, all within three New York Stock Exchange trading days after the date hereof.

Name of Firm: _____

Address: _____

_____
Zip Code

Area Code and Tel. No. _____

(Authorized Signature)

Name: _____
(Please type or print)

Title: _____

Date: , 2001

NOTE: DO NOT SEND CERTIFICATES FOR SHARES WITH THIS NOTICE. CERTIFICATES FOR SHARES SHOULD BE SENT WITH YOUR LETTER OF TRANSMITTAL.

Exhibit 99.(A)(1)(D)

Offer to Purchase for Cash

All Outstanding Shares of Common Stock

of

Cheap Tickets, Inc.

at

$16.50 Net Per Share

by

Diamondhead Acquisition Corporation

a Wholly Owned Subsidiary of

Cendant Corporation

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON FRIDAY, SEPTEMBER 21, 2001, UNLESS THE OFFER IS EXTENDED.

To Brokers, Dealers, Banks,
Trust Companies and other Nominees:

We have been engaged by Diamondhead Acquisition Corporation, a Delaware corporation (the "Purchaser") and a wholly owned subsidiary of Cendant Corporation, a Delaware corporation ("Parent"), and Parent to act as Dealer Manager in connection with the Purchaser's offer to purchase all outstanding shares of common stock, par value $0.001 per share (the "Shares"), of Cheap Tickets, Inc., a Delaware corporation (the "Company"), at $16.50 per share (the "Offer Price"), net to the seller in cash, without interest thereon, upon the terms and subject to the conditions set forth in the Purchaser's Offer to Purchase dated August 23, 2001 (the "Offer to Purchase"), and in the related Letter of Transmittal (which, together with any amendments or supplements thereto, collectively constitute the "Offer"). Please furnish copies of the enclosed materials to those of your clients for whom you hold Shares registered in your name or in the name of your nominee.

Enclosed herewith are copies of the following documents:

1. Offer to Purchase dated August 23, 2001;

2. Letter of Transmittal to be used by stockholders of the Company in accepting the Offer (facsimile copies of the Letter of Transmittal may be used to tender the Shares);

3. The Letter to Stockholders from the President and Chief Executive Officer of the Company accompanied by the Company's Solicitation/Recommendation Statement on Schedule 14D-9;

4. A printed form of letter that may be sent to your clients for whose account you hold shares in your name or in the name of a nominee, with space provided for obtaining such clients' instructions with regard to the Offer;

5. Notice of Guaranteed Delivery with respect to Shares;

6. Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9; and

7. Return envelope addressed to The Bank of New York, as Depositary.

THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, (A) THERE BEING VALIDLY TENDERED AND NOT VALIDLY WITHDRAWN PRIOR TO THE EXPIRATION DATE (AS DEFINED IN SECTION 1 OF THE OFFER TO PURCHASE) THAT NUMBER OF SHARES THAT WOULD REPRESENT AT LEAST A MAJORITY OF THE SHARES OUTSTANDING ON A FULLY DILUTED BASIS ON THE DATE OF PURCHASE, (B) ANY WAITING PERIOD UNDER THE HART-SCOTT-RODINO ANTITRUST IMPROVEMENTS ACT OF 1976, AS AMENDED, APPLICABLE TO THE

PURCHASE OF SHARES PURSUANT TO THE OFFER OR TO THE MERGER HAVING EXPIRED OR BEEN TERMINATED AND (C) THE RECEIPT OF OTHER REQUISITE MATERIAL REGULATORY AND ANTITRUST CLEARANCES.

We urge you to contact your clients promptly. Please note that the Offer and withdrawal rights will expire at 12:00 midnight, New York City time, on Friday, September 21, 2001, unless extended. The Company's board of directors has unanimously approved and adopted the Merger Agreement (as defined herein) and the transactions contemplated thereby and determined that the Offer and the Merger (as defined herein) are advisable and fair to and in the best interests of the Company and its stockholders. Accordingly, the Company's board of directors unanimously recommends that the stockholders tender their Shares in the Offer.

The Offer is being made pursuant to the Agreement and Plan of Merger dated as of August 23, 2001 (the "Merger Agreement"), among Parent, the Purchaser and the Company pursuant to which, as soon as practicable following the consummation of the Offer and the satisfaction or waiver of certain conditions, the Purchaser will be merged with and into the Company, with the Company surviving the Merger as a wholly owned subsidiary of Parent (the "Merger"). At the effective time of the Merger, each outstanding Share (other than Shares owned by Parent, the Purchaser or the Company or any subsidiary of Parent or the Company or by stockholders, if any, who are entitled to and properly exercise appraisal rights under Delaware law) will be converted into the right to receive the price per Share paid pursuant to the Offer in cash, without interest thereon, as set forth in the Merger Agreement and described in the Offer to Purchase. The Merger Agreement provides that the Purchaser may assign any or all of its rights and obligations (including the right to purchase Shares in the Offer) to Parent or any wholly owned subsidiary of Parent.

In all cases, payment for Shares accepted for payment pursuant to the Offer will be made only after timely receipt by the Depositary of (a) certificates for (or a timely Book-Entry Confirmation (as defined in the Offer to Purchase) with respect to) such Shares, (b) a Letter of Transmittal (or a facsimile thereof), properly completed, and duly executed, with any required signature guarantees, or, in the case of a book-entry transfer effected pursuant to the procedure set forth in Section 2 of the Offer to Purchase, an Agent's Message (as defined in the Offer to Purchase), and (c) any other documents required by the Letter of Transmittal. Accordingly, tendering shareholders may be paid at different times depending upon when certificates for Shares or Book-Entry Confirmations with respect to Shares are actually received by the Depositary. Under no circumstances will interest be paid on the purchase price of the Shares to be paid by the Purchaser, regardless of any extension of the Offer or any delay in making such payment.

Neither of the Purchaser or Parent will pay any fees or commissions to any broker or dealer or other person (other than the Dealer Manager, as described in the Offer to Purchase) in connection with the solicitation of tenders of Shares pursuant to the Offer. You will be reimbursed by the Purchaser upon request for customary mailing and handling expenses incurred by you in forwarding the enclosed Offering materials to your customers.

Questions and requests for additional copies of the enclosed material may be directed to the Information Agent or the Dealer Manager at their respective addresses and telephone numbers set forth on the back cover of the enclosed Offer to Purchase.

Very truly yours,

Goldman, Sachs & Co.

NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL RENDER YOU OR ANY OTHER PERSON THE AGENT OF THE PURCHASER, PARENT, THE DEPOSITARY, THE INFORMATION AGENT OR THE DEALER MANAGER OR AUTHORIZE YOU OR ANY OTHER PERSON TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION ON BEHALF OF ANY OF THEM WITH RESPECT TO THE OFFER NOT CONTAINED IN THE OFFER TO PURCHASE OR THE LETTER OF TRANSMITTAL.

Exhibit 99.(A)(1)(E)

Offer to Purchase for Cash

All Outstanding Shares of Common Stock

of

Cheap Tickets, Inc.

at

$16.50 Net Per Share

by

Diamondhead Acquisition Corporation

a Wholly Owned Subsidiary of

Cendant Corporation

August 23, 2001

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON FRIDAY, SEPTEMBER 21, 2001, UNLESS THE OFFER IS EXTENDED.

To Our Clients:

Enclosed for your consideration is an Offer to Purchase dated August 23, 2001 (the "Offer to Purchase"), and the related Letter of Transmittal (which, together with amendments or supplements thereto, collectively constitute the "Offer") relating to the Offer by Diamondhead Acquisition Corporation, a Delaware corporation ("Purchaser") and a wholly owned subsidiary of Cendant Corporation, a Delaware corporation ("Parent"), to purchase all outstanding shares of common stock, par value $0.001 per share (the "Shares"), of Cheap Tickets, Inc., a Delaware corporation (the "Company"), at a purchase price of $16.50 per Share, net to seller in cash upon the terms and subject to the conditions set forth in the Offer.

Also enclosed is the Letter to Stockholders from the President and Chief Executive Officer of the Company accompanied by the Company's Solicitation/Recommendation Statement on Schedule 14D-9.

WE (OR OUR NOMINEES) ARE THE HOLDER OF RECORD OF SHARES HELD BY US FOR YOUR ACCOUNT. A TENDER OF SUCH SHARES CAN BE MADE ONLY BY US AS THE HOLDER OF RECORD AND PURSUANT TO YOUR INSTRUCTIONS. THE LETTER OF TRANSMITTAL IS FURNISHED TO YOU FOR YOUR INFORMATION ONLY AND CANNOT BE USED TO TENDER SHARES HELD BY US FOR YOUR ACCOUNT.

We request instructions as to whether you wish to tender any of or all the Shares held by us for your account pursuant to the terms and conditions set forth in the Offer.

Your attention is directed to the following:

1. The offer price is $16.50 per Share net to the seller in cash, without interest thereon, upon the terms and subject to the conditions of the Offer.

2. The Offer is being made for all outstanding Shares.

3. The Company's board of directors has unanimously approved and adopted the Merger Agreement (as defined below) and the transactions contemplated thereby and determined that the Offer and the Merger (as defined below) are advisable and fair to and in the best interests of the Company and its stockholders. Accordingly, the Company's board of directors unanimously recommends that the stockholders tender their Shares in the Offer.

4. The Offer is being made pursuant to the Agreement and Plan of Merger dated as of August 13, 2001 (the "Merger Agreement"), among Parent, the Purchaser and the Company pursuant to which, as soon as practicable following the consummation of the Offer and the satisfaction or waiver of certain conditions, the Purchaser will be merged with and into the Company with the Company surviving the merger as a wholly owned indirect subsidiary of Parent (the "Merger"). At the effective time of the Merger, each outstanding Share (other than Shares owned by Parent, the Purchaser or the Company or any subsidiary of Parent or the Company or by stockholders, if any, who are entitled to and properly exercise appraisal rights under Delaware Law) will be converted into the right to receive the price per Share paid pursuant to the Offer in cash, without interest, as set forth in the Merger Agreement and described in the Offer to Purchase. The Merger Agreement provides that the Purchaser may assign any or all of its rights and obligations (including the right to purchase Shares in the Offer) to Parent or any wholly owned subsidiary of Parent, but no such assignment shall relieve the Purchaser of its obligations under the Merger Agreement.

5. THE OFFER AND WITHDRAWAL RIGHTS EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON FRIDAY, SEPTEMBER 21, 2001 (THE "EXPIRATION DATE"), UNLESS THE OFFER IS EXTENDED BY THE PURCHASER, IN WHICH EVENT THE TERM "EXPIRATION DATE" SHALL MEAN THE LATEST TIME AT WHICH THE OFFER, AS SO EXTENDED BY THE PURCHASER, WILL EXPIRE.

6. The Offer is conditioned upon, among other things, (a) there being validly tendered and not validly withdrawn prior to the Expiration Date that number of Shares that would represent at least a majority of the Shares outstanding on a fully diluted basis on the date of purchase, (b) any waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, applicable to the purchase of Shares pursuant to the Offer or to the Merger having expired or been terminated and (c) the receipt of other requisite material regulatory and antitrust clearances.

7. Any stock transfer taxes applicable to a sale of Shares to the Purchaser will be borne by the Purchaser, except as otherwise provided in Instruction 6 of the Letter of Transmittal.

8. Tendering stockholders will not be obligated to pay brokerage fees or commissions to the Dealer Manager, the Depositary or the Information Agent or, except as set forth in Instruction 6 of the Letter of Transmittal, transfer taxes on the purchase of Shares by Purchaser pursuant to the Offer. However, federal income tax backup withholding at the ordinary income tax rate applicable to unmarried individuals (currently 30.5% effective until December 31, 2001), may be required, unless an exemption is provided or unless the required taxpayer identification information is provided. See Instruction 9 of the Letter of Transmittal.

Your instructions to us should be forwarded promptly to permit us to submit a tender on your behalf prior to the Expiration Date.

If you wish to have us tender any of or all the Shares held by us for your account, please so instruct us by completing, executing, detaching and returning to us the instruction form on the detachable part hereof. An envelope to return your instructions to us is enclosed. If you authorize the tender of your Shares, all such Shares will be tendered unless otherwise specified on the detachable part hereof. YOUR INSTRUCTIONS SHOULD BE FORWARDED TO US IN AMPLE TIME TO PERMIT US TO SUBMIT A TENDER ON YOUR BEHALF PRIOR TO THE EXPIRATION DATE.

Payment for Shares accepted for payment pursuant to the Offer will in all cases be made only after timely receipt by Mellon Investor Services LLC (the "Depositary") of (a) certificates for (or a timely Book-Entry Confirmation) (as defined in the Offer to Purchase) with respect to such Shares, (b) a Letter of Transmittal (or a facsimile thereof), properly completed and duly executed, with any required signature guarantees, or, in the case of a book-entry transfer effected pursuant to the procedures set forth in Section 2 of the Offer to Purchase, an Agent's Message, and (c) any other documents required by the Letter of Transmittal. Accordingly, tendering stockholders may be paid at different times depending upon when certificates for Shares or Book-Entry Confirmations with respect to Shares are actually received by the Depositary. UNDER NO CIRCUMSTANCES WILL INTEREST BE PAID ON THE PURCHASE PRICE OF THE SHARES TO BE PAID BY THE

PURCHASER, REGARDLESS OF ANY EXTENSION OF THE OFFER OR ANY DELAY IN MAKING SUCH PAYMENT.

The Offer is not being made to (nor will tenders be accepted from or on behalf of) holders of Shares in any jurisdiction in which the making of the Offer or the acceptance thereof would not be in compliance with the laws of such jurisdiction. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer is being made on behalf of the Purchaser by Goldman, Sachs & Co., the Dealer Manager for the Offer, or one or more registered brokers or dealers that are licensed under the laws of such jurisdiction.

Instructions with Respect to the
Offer to Purchase for Cash All Outstanding Shares of Common Stock

of

Cheap Tickets, Inc.

by

Diamondhead Acquisition Corporation

a Wholly Owned Subsidiary of

Cendant Corporation

The undersigned acknowledge(s) receipt of your letter, the Offer to Purchase of Diamondhead Acquisition Corporation, dated August 23, 2001 (the "Offer to Purchase"), and the related Letter of Transmittal relating to shares of common stock, par value $0.001 per share (the "Shares"), of Cheap Tickets, Inc., a Delaware corporation.

This will instruct you to tender the number of Shares indicated below held by you for the account of the undersigned, on the terms and subject to the conditions set forth in the Offer to Purchase and related Letter of Transmittal.

NUMBER OF SHARES TO BE TENDERED:(1)

SHARES: _____

Dated: _____, 2001

SIGN HERE

(Signature(s))

Please Type or Print Name(s)

Please Type or Print Address(es)

Area Code and Telephone Number

Tax Identification or Social Security Number

- --------

(1) Unless otherwise indicated, it will be assumed that all your Shares are to be tendered.

GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9

Guidelines for Determining the Proper Identification Number to Give the Payor.

Social security numbers have nine digits separated by two hyphens: e.g. 000-00-0000. Employer identification numbers have nine digits separated by only one hyphen: e.g. 00-0000000. The table below will help determine the number to give the payor.

For this type of account:	Give the SOCIAL SECURITY number of--
1. An individual's account	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account(1)
3. Husband and wife (joint account)	The actual owner of the account or, if joint funds, either person(1)
4. Custodian account of a minor (Uniform Gift to Minors Act)	The minor(2)
5. Adult and minor (joint account)	The adult or, if the minor is the only contributor, the minor(1)
6. Account in the name of guardian or committee for a designated ward, minor, or incompetent person	The ward, minor, or incompetent person(3)
7. a. A revocable savings trust account (in which grantor is also trustee)	The grantor-trustee(1)
b. Any "trust" account that is not a legal or valid trust under State law	The actual owner(1)

For this type of account:	Give the EMPLOYER IDENTIFICATION number of--
8. Sole proprietorship account	The owner(4)
9. A valid trust, estate, or pension trust	The legal entity (do not furnish the identifying number of the personal representative or trustee unless the legal entity itself is not designated in the account title.)(5)
10. Corporate account	The corporation
11. Religious, charitable, or educational	The organization

	organization account	
12.	Partnership account held in the name of the business	The partnership
13.	Association, club, or other tax-exempt organization	The organization
14.	A broker or registered nominee	The broker or nominee
15.	Account with the Department of Agriculture in the name of a public entity (such as a State or local government, school district, or prison) that receives agricultural program payments	The public entity

(1) List first and circle the name of the person whose number you furnish.
(2) Circle the minor's name and furnish the minor's social security number.
(3) Circle the ward's, minor's or incompetent person's name and furnish such person's social security number.
(4) Show the name of the owner. If the owner does not have an employer identification number, furnish the owner's social security number.
(5) List first and circle the name of the legal trust, estate or pension trust.

NOTE: IF NO NAME IS CIRCLED WHEN THERE IS MORE THAN ONE NAME, THE NUMBER WILL BE CONSIDERED TO BE THAT OF THE FIRST NAME LISTED.

Obtaining a Number

If you do not have a taxpayer identification number or you do not know your number, obtain form SS-5, Application for a Social Security Number Card (for resident individuals), Form SS-4, Application for Employer Identification Number (for businesses and all other entities), Form W-7 for International Taxpayer Identification Number (for alien individuals required to file U.S. tax returns), at an office of the Social Security Administration or the Internal Revenue Service.

To complete the Substitute Form W-9, if you do not have a taxpayer identification number, write "Applied For" in the space for the taxpayer identification number in Part 1, sign and date the Form, and give it to the requester. Generally, you will then have 60 days to obtain a taxpayer identification number and furnish it to the requester. Notwithstanding that you follow these procedures, the Payor will withhold (at the Withholding Rate) on all payments made prior to the time a properly certified TIN is provided to the Payor within 60 days.

Payees Exempt from Backup Withholding Penalties

Payees specifically exempted from backup withholding on All payments included the following:

. A corporation.
. A financial institution.
. An organization exempt from tax under section 501(a), or an individual retirement plan, or a custodian account under Section 403(b)(7).
. The United States or any agency or instrumentality thereof.
. A State, the District of Columbia, a possession of the United States, or any subdivision or instrumentality thereof.
. A foreign government, a political subdivision of a foreign government, or any agency or instrumentality thereof.
. An international organization or any agency, or instrumentality thereof.
. A registered dealer in securities or commodities registered in the United States or a possession of the United States.
. A real estate investment trust.
. A common trust fund operated by a bank under section 584(a).
. An entity registered at all times under the Investment Company Act of 1940.
. A foreign central bank of issue.

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*Unless otherwise noted herein, all references below to section numbers or to regulations are references to the Internal Revenue Code and the regulations promulgated thereunder.

Certain exempt payees described above should file a Substitute Form W- 9 to avoid possible erroneous backup withholding. (See Instruction 11 above). FILE THIS FORM WITH THE PAYOR, FURNISH YOUR TAXPAYER IDENTIFICATION NUMBER, WRITE "EXEMPT" IN PART 2, SIGN AND DATE THE FORM AND RETURN IT TO THE PAYOR.

Certain payments other than interest, dividends, and patronage dividends that are not subject to information reporting are also not subject to backup withholding. For details, see the sections 6041, 6041A(a), 6042, 6044, 6045, 6049, 6050A and 6050N and the regulations thereunder.

Privacy Act Notice.--Section 6109 requires most recipients of dividend, interest, or other payments to give taxpayer identification numbers to payers who must report the payments to IRS. IRS uses the numbers for identification purposes and to help verify the accuracy of tax reforms. Payers must be given the numbers whether or not recipients are required to file tax returns. Payers must generally withhold at the Withholding Rate of taxable interest, dividend, and certain other payments to a payee who does not furnish a taxpayer identification number to a payer. Certain penalties may also apply.

Penalties

(1) Penalty for Failure to Furnish Taxpayer Identification Number.--If you fail to furnish your correct taxpayer identification number to a payer, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.
(2) Civil Penalty for False Statements With Respect to Withholding.--If you make a false statement with no reasonable basis which results in no imposition of backup withholding, you are subject to a penalty of $500.

(3) Criminal Penalty for Falsifying Information.--If you willfully falsify certifications or affirmations, you may be subject to criminal penalties including fines and/or imprisonment.

FOR ADDITIONAL INFORMATION CONTACT YOUR TAX CONSULTANT OR THE INTERNAL REVENUE SERVICE.

EXHIBIT 99.(a)(1)(G)

CENDANT CORPORATION COMMENCES TENDER OFFER FOR ALL OF THE OUTSTANDING SHARES OF CHEAP TICKETS, INC. COMMON STOCK AT $16.50 PER SHARE

NEW YORK and HONOLULU, Aug. 23 -- Cendant Corporation (NYSE: CD) and Cheap Tickets, Inc. (Nasdaq: CTIX) announced that Diamondhead Acquisition Corporation, a wholly owned subsidiary of Cendant, is commencing today a cash tender offer for all of the outstanding shares of common stock of Cheap Tickets at a price of $16.50 per share. The tender offer is being made pursuant to an Offer to Purchase, dated August 23, 2001, and in connection with an Agreement and Plan of Merger dated as of August 13, 2001 among Cendant, Diamondhead and Cheap Tickets. The tender offer is scheduled to expire at 12:00 midnight, New York City time, on Friday, September 21, 2001.

Certain stockholders owning approximately 47% of the outstanding common stock of Cheap Tickets have agreed with Cendant to tender their shares in the tender offer.

Following completion of the tender offer and receipt of stockholder approval, if required, Cendant intends to consummate a merger in which Diamondhead will be merged with and into Cheap Tickets. Cheap Tickets will then be a wholly owned subsidiary of Cendant. Any remaining Cheap Tickets stockholders will receive the same cash price paid in the tender offer.

The Board of Directors of Cheap Tickets has unanimously approved the Merger Agreement and recommends that Cheap Tickets stockholders accept the offer and tender their shares.

The tender offer is subject to conditions, including tender of that number of shares of Cheap Tickets common stock that, when added to the shares beneficially owned by Cendant, if any, represents at least a majority of the outstanding common stock of Cheap Tickets on a fully diluted basis, expiration or termination of any waiting period under the Hart-Scott-Rodino Antitrust Improvement Act of 1976, as amended, or under applicable foreign merger control regulations, and to other customary conditions.

The Depositary for the tender offer is Mellon Investor Services, L.L.C., 85 Challenger Road, Ridgefield Park, NJ 07660.

The Dealer Manager for the tender offer is Goldman, Sachs & Co., 85 Broad Street, New York, New York 10004.

The Information Agent for the tender offer is Georgeson Shareholder Communications Inc., 17 State Street, 10th Floor, New York, New York 10004.

Cendant Corporation is primarily a provider of travel and residential real estate services. With approximately 57,000 employees, New York City-based Cendant provides these services to businesses and consumers in over 100 countries.

More information about Cendant, its companies, brands and current SEC filings may be obtained by visiting the Company's Web site at http://www.Cendant.com or by calling 877-4INFO-CD (877-446-3623).

Cheap Tickets is a leading seller of discount leisure travel products, with the majority of sales derived from non-published and published airline tickets both on-line and off-line. Cheap Tickets is one of the leading on-line travel agencies, with over 3 million unique visitors per month. On average, Cheap Tickets sells one ticket every 10.5 seconds. For 2001, Cheap Tickets expects its annual gross travel bookings to exceed $800 million, and to generate in excess of 8 million Global Distribution System (GDS) segments through 2.6 million transactions. The company was founded in 1986 as a traditional travel agency, and since launching its website in October 1997, Cheap Tickets has been successful in deriving approximately 40 percent of its gross travel bookings from its Internet channel.

Statements in this release which are not historical facts or information constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on current expectations and the current economic environment. Cendant and Cheap Tickets caution that these statements are not guarantees of future performance. Actual results may differ materially from those expressed or implied in the forward-looking statements. Important assumptions and other important factors that could cause actual results to differ materially from those in the forward-looking statements are specified in Cendant's Form 10-K/A for the year ended December 31, 2000, Form 10-Q for the quarter ended March 31, 2001 and subsequently filed periodic reports, and in Cheap Tickets' Form 10-K for the fiscal year ended December 31, 2000, Form 10-Q for the fiscal quarter ended March 31, 2001 and subsequently filed periodic reports, if any.

This announcement is neither an offer to purchase nor a solicitation of an offer to sell securities of Cheap Tickets. The tender offer is being made pursuant to a tender offer statement and related materials. Investors and security holders are strongly advised to read both the tender offer statement and the solicitation/recommendation statement regarding the tender offer referred to in this press release, because they contain important information. The tender offer statement will be filed by Cendant with the Securities and Exchange Commission (SEC), and the solicitation/recommendation statement will be filed by Cheap Tickets with the SEC. Investors and security holders may obtain a free copy of these statements and other documents filed by Cendant and Cheap Tickets at the SEC's website at www.sec.gov.

The tender offer statement and related materials may be obtained for free by directing such requests to Georgeson Shareholder Communication Inc., 17 State Street, 10th Floor, New York, New York 10004, or by calling toll free (800) 223-2064.

EXHIBIT 99(A)(1)(I)

This announcement is neither an offer to purchase nor a solicitation of an offer to sell Shares (as defined below). The Offer (as defined below) is made solely by the Offer to Purchase, dated August 23, 2001 (the "Offer to Purchase"), and the related Letter of Transmittal and is being made to all holders of Shares. The Offer is not being made to (nor will tenders be accepted from or on behalf of) holders of Shares in any jurisdiction in which the making of the Offer or the acceptance thereof would not be in compliance with the laws of such jurisdiction or any administrative or judicial action pursuant thereto. However, the Purchaser (as defined below) may, in its discretion, take such action as it may deem necessary to make the Offer in any jurisdiction and extend the Offer to holders of such Shares in such jurisdiction. In any jurisdiction where securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of the Purchaser by Goldman, Sachs & Co. (the "Dealer Manager") or one or more registered brokers or dealers licensed under the laws of such jurisdiction.

Notice of Offer to Purchase for Cash
All Outstanding Shares of Common Stock
of
Cheap Tickets, Inc.
at $16.50 Net Per Share
by
Diamondhead Acquisition Corporation a wholly owned subsidiary of Cendant Corporation

Diamondhead Acquisition Corporation, a Delaware corporation (the "Purchaser") and a wholly owned subsidiary of Cendant Corporation, a Delaware corporation ("Cendant" or "Parent"), is offering to purchase all issued and outstanding shares of common stock ("Common Stock"), par value $0.001 (the "Shares"), of Cheap Tickets, Inc., a Delaware corporation (the "Company"), at a price of $16.50 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to Purchase and in the related Letter of Transmittal (which, together with any amendments or supplements thereto, collectively constitute the "Offer"). Tendering stockholders who have Shares registered in their names and who tender directly to Mellon Investor Services, LLC (the "Depositary") will not be obligated to pay brokerage fees or commissions or, except as set forth in the Letter of Transmittal, transfer taxes on the sale of Shares pursuant to the Offer. Stockholders who hold their Shares through a broker or bank should consult such institution as to whether it charges any service fees. The Purchaser will pay all fees and expenses incurred in connection with the Offer of the Dealer Manager, the Depositary, and Georgeson Shareholder Communications, Inc., which is acting as the Information Agent (the "Information Agent"). The Purchaser is offering to acquire all Shares as a first step in acquiring the entire equity interest in the Company. Following consummation of the Offer, the Purchaser intends to effect the merger described below.

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON FRIDAY, SEPTEMBER 21, 2001, UNLESS THE OFFER IS EXTENDED.

The Offer is conditioned upon, among other things, (1) there being validly tendered and not withdrawn on or prior to the expiration of the offer, that number of Shares that, when added to the Shares then beneficially owned by Parent or the Purchaser, if any, represents at least a majority of the Shares outstanding on a fully diluted basis on the date of purchase and (2) the expiration or termination of any applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

The Offer is being made pursuant to an Agreement and Plan of Merger, dated as of August 13, 2001 (the "Merger Agreement"), by and among Parent, the Purchaser and the Company, pursuant to which, as soon as practicable after the completion of the Offer and satisfaction or waiver, if permissible, of all conditions to the Merger (as defined below), the Purchaser will be merged with and into the Company and the separate corporate existence of the Purchaser will thereupon cease. The merger of the Purchaser with and into the Company, as effected pursuant to the immediately preceding sentence, is referred to herein as the "Merger," and the Company as the surviving corporation of the Merger is sometimes herein referred to as the "Surviving Corporation." At the effective time of the Merger (the "Effective Time"), each share of Common Stock then outstanding (other than Shares held by Parent, the Purchaser or any other wholly owned subsidiary of Parent) will be cancelled and retired and converted into the right to receive $16.50 per Share, net to the seller in cash, or any higher price per share of Common Stock paid in the Offer (such price being referred to herein as the "Offer Price"), in cash payable to the holder thereof without interest.

The Board of Directors of the Company, by unanimous vote of those present, (1) determined that the terms of the Offer and the Merger are fair to and in the best interests of the stockholders of the Company, (2) approved the Merger Agreement and the transactions contemplated thereby, including the Offer and the Merger, and (3) recommends that the stockholders of the Company accept the Offer and tender their Shares to the Purchaser pursuant to the Offer.

As a condition and inducement to Parent's and the Purchaser's entering into the Merger Agreement and incurring the liabilities therein, certain stockholders of the Company (each, a "Stockholder"), who hold dispositive power with respect to 10,960,637 Shares (approximately 47% of the total currently outstanding), immediately following the execution and delivery of the Merger Agreement entered into a Stockholder Agreement (the "Stockholder Agreement"), dated as of August 13, 2001, with Parent and the Purchaser. Pursuant to the Stockholder Agreement, the Stockholders have agreed, among other things, to tender the Shares held by them in the Offer, and to grant Parent a proxy with respect to the voting of such Shares in favor of the Merger with respect to such Shares upon the terms and subject to the conditions set forth therein. In addition, in the Stockholder Agreement, each Stockholder has granted Parent an option (the "Stockholder Option") to purchase all Shares beneficially owned or controlled by such Stockholder as of the date of the Stockholder Agreement, or beneficially owned or controlled by such Stockholder (including, without limitation, by way of exercise of options, warrants or other rights to purchase Shares or by way of dividend, distribution, exchange, merger, consolidation, recapitalization, reorganization, stock split or otherwise), which option is generally exercisable prior to termination of the Stockholder Agreement in the event either that a Stockholder does not tender his, her or its Shares into the offer or withdraws any Shares so tendered.

For purposes of the Offer, the Purchaser will be deemed to have accepted for payment, and thereby purchased, Shares properly tendered to the Purchaser and not withdrawn as, if and when the Purchaser gives oral or written notice to the Depositary of the Purchaser's acceptance for payment of such Shares pursuant to the Offer. Upon the terms and subject to the conditions of the Offer, payment for Shares accepted for payment pursuant to the Offer will be made by deposit of the Offer Price therefor with the Depositary, which will act as agent for tendering Stockholders for the purpose of receiving payment from the Purchaser and transmitting payment to tendering Stockholders. Under no circumstances will interest be paid on the Offer Price to be paid by the Purchaser for the Shares, regardless of any extension of the Offer or any delay in making such payment. In all cases, payment for Shares accepted for payment pursuant to the Offer will be made only after timely receipt by the Depositary of (i) certificates

representing (or a timely Book-Entry Confirmation with respect to) such Shares, (ii) a Letter of Transmittal (or facsimile thereof), properly completed and duly executed, with any required signature guarantees, or, in the case of a book-entry transfer, an Agent's Message, and (iii) any other documents required by the Letter of Transmittal.

If on the Expiration Date as defined below, all conditions to the Offer required by the Merger Agreement to have been satisfied have not been satisfied or waived, the Purchaser may, from time to time, in its sole discretion, extend the Offer for such period as the Purchaser may determine, (b) the Purchaser may, in its sole discretion, provide a "Subsequent Offering Period" in accordance with Rule 14d-11 under the Exchange Act and (c) the Purchaser may, in its sole discretion, extend the Offer for any reason on one or more occasions for an aggregate period of not more than 10 business days beyond the latest expiration date of the Offer that would otherwise be permitted under clause (a) or (b) of this sentence if, on such expiration date, there have not been tendered at least 90% of the outstanding Shares; provided, further, that Purchaser's decision to extend the Offer in the case of this clause (c) will, except as provided by the Merger Agreement, constitute a waiver of each Offer Condition. The Merger Agreement also provides that (a) if at any scheduled expiration date of the Offer the waiting period applicable under the HSR Act or any comparable provision of foreign law has not expired or terminated, the Company may require Parent and Purchaser to extend the Offer, in increments of not more than 10 business days, up to November 30, 2001, or, if elected by us or by the Company pursuant to the Merger Agreement, up to January 21, 2002, subject to the right of Parent, Purchaser and the Company to terminate the Merger Agreement in accordance with its terms; (b) if at any scheduled expiration date of the Offer the condition listed in paragraph (g) of Section 14 "Certain Conditions of this Offer" has not been satisfied, the Company may require Parent and Purchaser to extend the Offer to a date that is not more than 10 days after the previously scheduled expiration date, subject to the right of Parent, Purchaser and the Company to terminate the Merger Agreement in accordance with its terms; and (c) if at any scheduled expiration date of the Offer the Minimum Condition or either of the conditions listed in paragraphs (c) or (d) of Section 14 "Certain Conditions of this Offer" have not been satisfied, the Company may require us to extend the Offer, in increments of not more than 10 business days, to a date not more than 50 days later than the date on which the Offer is commenced, subject to the right of Parent, Purchaser and the Company to terminate the Merger Agreement in accordance with its terms. The term "Expiration Date" shall mean 12:00 Midnight, New York City time, on September 21, 2001, unless and until the Purchaser, in accordance with the terms of the Merger Agreement, extends the period of time for which the Offer is open, in which event the term "Expiration Date" shall mean the latest time and date at which the Offer, as so extended by the Purchaser, shall expire.

Any extension, amendment or termination of the Offer will be followed as promptly as practicable by public announcement thereof, the announcement in the case of an extension to be issued no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date in accordance with the public announcement requirements of Rule 14d-4(c) under the Exchange Act.

Shares tendered pursuant to the Offer may be withdrawn (pursuant to the procedures set forth below) at any time prior to the Expiration Date and, unless theretofore accepted for payment and paid for by the Purchaser pursuant to the Offer, may also be withdrawn at any time after October 21, 2001 until we accept them for payment. No withdrawal rights will apply to Shares tendered into a Subsequent Offering Period under Rule 14d-11 of the Exchange Act, and no withdrawal rights apply during a Subsequent Offering Period under Rule 14d-11 with respect to Shares tendered in the Offer and accepted for payment. For a

withdrawal to be effective, a written, telegraphic or facsimile transmission notice of withdrawal must be timely received by the Depositary at one of its addresses set forth on the back cover of the Offer to Purchase and must specify the name of the person who tendered the Shares to be withdrawn, the number of Shares to be withdrawn and the name of the registered holder of the Shares to be withdrawn, if different from the name of the person who tendered the Shares. If certificates representing Shares have been delivered or otherwise identified to the Depositary, then, prior to the physical release of such certificates, the serial numbers shown on such certificates must be submitted to the Depositary and, unless such Shares have been tendered by an Eligible Institution (a financial institution (including most commercial banks, savings and loan associations and brokerage houses) that is a participant in the Security Transfer Agent's Medallion Program, or any other "eligible guarantor institute", as such term is defined in Rule 17Ad-15 under the Exchange Act), the signatures on the notice of withdrawal must be guaranteed by an Eligible Institution. If Shares have been tendered pursuant to the procedures for book-entry transfer as set forth in Section 3 of the Offer to Purchase, any notice of withdrawal must also specify the name and number of the account at the appropriate Book-Entry Transfer Facility to be credited with the withdrawn Shares and otherwise comply with such Book-Entry Transfer Facility's procedures. Withdrawals of tenders of Shares may not be rescinded, and any Shares properly withdrawn will thereafter be deemed not validly tendered for purposes of the Offer. However, withdrawn Shares may be retendered by again following one of the procedures described in Section 3 of the Offer to Purchase any time prior to the Expiration Date. All questions as to the form and validity (including time of receipt) of notices of withdrawal will be determined by the Purchaser, in its sole discretion, and its determination will be final and binding.

The receipt of cash for Shares pursuant to the Offer or the Merger will be a taxable transaction for United States federal income tax purposes and may also be a taxable transaction under applicable state, local or foreign tax laws. Stockholders should consult with their own tax advisors as to the particular tax consequences of the Offer and the Merger to them, including the applicability and effect of the alternative minimum tax and any state, local or foreign income and other tax laws and of changes in such tax laws. For a more complete description of certain U.S. federal income tax consequences of the Offer and the Merger, see Section 5 of the Offer to Purchase.

The information required to be disclosed by paragraph (d)(1) of Rule 14d-6 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended, is contained in the Offer to Purchase and is incorporated herein by reference.

The Company has provided the Purchaser with the Company's stockholder lists and security position listings for the purpose of disseminating the Offer to holders of Shares. The Offer to Purchase, the related Letter of Transmittal and other relevant documents will be mailed by the Purchaser to record holders of Shares, and will be furnished by the Purchaser to brokers, dealers, banks and similar persons whose names, or the names of whose nominees, appear on the stockholder lists, or, if applicable, who are listed as participants in a clearing agency's security position listing, for subsequent transmittal to beneficial owners of Shares.

The Offer to Purchase and the Letter of Transmittal contain important information and should be read in their entirety before any decision is made with respect to the Offer.

Questions and requests for assistance or additional copies of the Offer to Purchase, Letter of Transmittal and other tender offer documents may be directed to the Information Agent or the Dealer Manager at the respective addresses and telephone numbers set forth below, and copies will be furnished at the Purchaser's expense. The Purchaser will not pay any fees or commissions to any

broker or dealer or other person (other than the Dealer Manager) for soliciting tenders of Shares pursuant to the Offer.

The Information Agent for the Offer is:

Georgeson Shareholder LOGO

17 State Street, 10th Floor
New York, New York 10004
Banks and Brokers call collect: (212) 440-9800
All Others Call Toll Free: (800) 223-2064

The Dealer Manager for the Offer is:

Goldman, Sachs & Co.
85 Broad St.
New York, New York 10004
(212) 902-1000 (Call Collect)
(800) 323-5678 (Toll-Free)

August 23, 2001

EXHIBIT 99.(a)(1)(J)

[LOGO OF CHEAP TICKETS]

August 23, 2001

Dear Stockholder:

We are pleased to inform you that on August 13, 2001, Cheap Tickets, Inc. ("Cheap Tickets") entered into an Agreement and Plan of Merger (the "Merger Agreement") with Cendant Corporation ("Cendant"), a Delaware corporation, and Diamondhead Acquisition Corporation ("Purchaser"), a Delaware corporation and wholly-owned subsidiary of Cendant. The Merger Agreement provides for the acquisition of Cheap Tickets by Cendant.

Under the terms of the Merger Agreement, Purchaser has commenced today a tender offer to purchase all outstanding shares of Cheap Tickets common stock at a price of $16.50 per share, net to tendering stockholders in cash. The tender offer is currently scheduled to expire at 12:00 o'clock midnight, New York time, on Friday, September 21, 2001. Michael J. Hartley, the Executive Chairman of the Board of Cheap Tickets, has agreed with Cendant to tender his shares of Cheap Tickets common stock into the tender offer by Cendant. Following the successful completion of the tender offer, the Purchaser will be merged into Cheap Tickets and all shares of Cheap Tickets common stock not purchased in the tender offer (other than shares held by stockholders who perfect appraisal rights under Delaware Law, if applicable) will be converted into the right to receive in cash the same price per share as paid in the tender offer.

Your Board of Directors has unanimously approved the Merger Agreement, the tender offer and the merger and has determined that the Merger Agreement, the tender offer and the merger are fair to and in the best interests of holders of Cheap Tickets' common stock. Accordingly, the Board of Directors recommends that you accept the tender offer and tender your Cheap Tickets stock to Purchaser pursuant to the tender offer.

In arriving at their recommendations, the Board of Directors gave careful consideration to a number of factors that are described in the enclosed Schedule 14D-9. Included as Schedule II to the Schedule 14D-9 is the written opinion, dated August 13, 2001, to the Board of Directors of CIBC World Markets Corp., Cheap Tickets' financial advisor, to the effect that, as of that date and based upon and subject to certain matters stated in such opinion, the $16.50 per share cash consideration to be received in the tender offer and the merger, taken together, by holders of Cheap Tickets common stock (other than Cendant and its affiliates) was fair, from a financial point of view, to such holders.

Also accompanying this letter is a copy of Purchaser's Offer to Purchase and related materials, including a letter of transmittal for use in tendering your shares. These documents set forth the terms and conditions of Purchaser's tender offer and provide instructions as to how to tender your shares. We urge you to read each of the enclosed materials carefully.

Very truly yours,

/s/ Sam E. Galeotos
Sam E. Galeotos
Chief Executive Officer and
President

EXHIBIT 99(D)(1)

AGREEMENT AND PLAN OF MERGER

by and among

CENDANT CORPORATION

DIAMONDHEAD ACQUISITION CORPORATION

and

CHEAP TICKETS, INC.

dated

August 13, 2001

Index of Defined Terms

AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER (hereinafter referred to as this "Agreement"), dated August 13, 2001, by and among Cendant Corporation, a Delaware corporation ("Parent"), Diamondhead Acquisition Corporation, a Delaware corporation and a wholly-owned subsidiary of Parent (the "Purchaser"), and Cheap Tickets, Inc., a Delaware corporation (the "Company").

WHEREAS, the Board of Directors of each of Parent, the Purchaser and the Company has approved, and deems it advisable and in the best interests of its respective stockholders to consummate, the acquisition of the Company by Parent upon the terms and subject to the conditions set forth herein;

WHEREAS, in furtherance thereof, it is proposed that Purchaser make a cash tender offer (the "Offer") to acquire all shares of the issued and outstanding common stock, par value $0.001, of the Company (the "Shares"), for $16.50 per share, net to the seller in cash (such price, or any such higher price per Share as may be paid in the Offer, referred to herein as the "Offer Price");

WHEREAS, also in furtherance of such acquisition, the Board of Directors of each of Parent, Purchaser and the Company has approved this Agreement and the Merger (as defined in Section 1.4) following the Offer in accordance with the General Corporation Law of the State of Delaware (the "DGCL") and upon the terms and subject to the conditions set forth herein;

WHEREAS, the Board of Directors of the Company (the "Company Board of Directors") has determined that the consideration to be paid for each Share in the Offer and the Merger is fair to the holders of such Shares and has resolved to recommend that the holders of such Shares accept the Offer and approve this Agreement and each of the Transactions (as defined in Section 3.4) upon the terms and subject to the conditions set forth herein;

WHEREAS, as a condition and further inducement to Parent and the Purchaser to enter into this Agreement and incur the obligations set forth herein, certain stockholders of the Company (each, a "Stockholder") concurrently herewith are entering into a Stockholder Agreement (the "Stockholder Agreement"), dated as of the date hereof, with Parent and the Purchaser, in the form attached hereto as

Exhibit A, pursuant to which each such Stockholder has agreed, among other things, to tender such Stockholder's Shares in the Offer, to grant to Parent the option to purchase such Shares under certain circumstances upon payment by Parent of the Offer Price, and to grant Parent a proxy with respect to the voting of such Shares in favor of the Merger upon the terms and subject to the conditions set forth therein; and

WHEREAS, the Company, Parent and Purchaser desire to make certain representations, warranties, covenants and agreements in connection with the Offer and the Merger.

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, warranties, covenants and agreements set forth herein, the parties hereto agree as follows:

ARTICLE I

THE OFFER AND MERGER

Section 1.1 The Offer. (a) Provided that this Agreement shall not have been terminated in accordance with Section 8.1 and none of the events set forth in Annex I hereto shall have occurred and be continuing, as promptly as practicable, and, in any event, within eight (8) business days of the date hereof, the Purchaser shall commence (within the meaning of Rule 14d-2 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) the Offer to purchase for cash all Shares at the Offer Price, subject only to (i) there being validly tendered and not withdrawn prior to the expiration of the Offer that number of Shares which, together with the Shares then beneficially owned by Parent or the Purchaser, represents at least a majority of the Shares outstanding on a fully-diluted basis, assuming the exercise of all options, warrants, rights and convertible securities outstanding on the Expiration Date (the "Minimum Condition") and (ii) the other conditions set forth in Annex I hereto (the Minimum Condition, together with such other conditions set forth in Annex I, collectively, the "Offer Conditions"). Subject to the prior satisfaction or waiver by Parent or the Purchaser of the Offer Conditions, the Purchaser shall consummate the Offer in accordance with its terms and accept for payment and pay for all Shares tendered pursuant to the Offer as soon as Purchaser is legally permitted to do so under applicable law. The obligations of the Purchaser to commence the Offer and accept for payment and pay for any Shares validly tendered on or prior to the expiration of the Offer and not withdrawn shall be subject only to the Offer Conditions. The Offer shall be made by means of an offer to purchase (the "Offer to Purchase") that contains the terms set forth in this Agreement and the Offer Conditions. The Purchaser shall not amend or waive the Minimum Condition, decrease the Offer Price, change the form of consideration payable in the Offer, decrease the number of Shares sought in the Offer, impose additional conditions to the Offer, extend the Offer beyond the date that is twenty (20) business days after commencement of the Offer or the last day of the last extension (in accordance with this Section 1.1), if any, of the Offer, whichever is later (the "Expiration Date") except as set forth below or amend any other condition of the Offer in any manner adverse to the holders of the Shares without the prior written consent of the Company (such consent to be authorized by the Company Board of Directors or a duly authorized committee thereof), provided, however, that (x) if on the Expiration Date, all Offer Conditions shall not have been satisfied or waived, the Purchaser may, from time to time, in its sole discretion, extend the Offer for such period as the Purchaser may determine, (y) the Purchaser may, in its sole discretion, provide a

"subsequent offering period" in accordance with Rule 14d-11 under the Exchange Act or (z) the Purchaser may, in its sole discretion, extend the Offer for any reason on one or more occasions for an aggregate period of not more than 10 business days beyond the latest expiration date of the Offer that would otherwise be permitted under clause (x) or (y) of this sentence if, on such expiration date, there have not been tendered at least 90% of the outstanding Shares; provided, further, however, that Purchaser's decision to extend the
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Offer in the case of this clause (z) shall constitute a waiver of each Offer Condition (other than the conditions set forth in paragraphs (a) and (b)). In addition, the Purchaser may increase the Offer Price and extend the Offer to the extent required by law in connection with such increase, in each case in its sole discretion and without the Company's consent. Parent and Purchaser agree that if at any scheduled Expiration Date of the Offer, the Minimum Condition, the HSR Condition or any of the conditions set forth in paragraphs (c), (d) or (g) of Annex 1 (but, in the case of failure of the condition set forth in paragraph (d) of Annex 1, only where such failure is due to an unintentional breach by the Company of the representations and warranties referred to therein) shall not have been satisfied, but at such scheduled Expiration Date all of the other Offer Conditions shall then be satisfied, or if not then satisfied (but not including for such purposes the conditions set forth in paragraphs (e) of Annex I which must be satisfied at the time of each request of the Company pursuant to this sentence), are in Parent's good faith belief reasonably capable of being satisfied, as to each of clauses (i), (ii) and (iii) below, prior to the date which is indicated in each such clause as the latest date to which the Offer may be extended pursuant to such clause, then, at the request of the Company (confirmed in writing and received at least 24 hours prior to the then scheduled Expiration Date), Purchaser shall extend the Offer from time to time (each such individual extension not to exceed ten business days after the previously scheduled expiration date, unless the parties otherwise agree), but (i) in the case of the non-satisfaction of the HSR Condition only, to a date that is no later than the Initial Drop Dead Date, or, in the case of the election of Parent or the Company pursuant to Section 8.1(c)(iv), to the Second Drop Dead Date, subject in each case to any right of Parent, Purchaser or the Company to terminate this Agreement pursuant to the terms hereof and (ii) in the case of condition set forth in paragraph (g) of Annex 1, to a date which is no later than the date which is ten (10) days after the previously scheduled Expiration Date, subject to any right of Parent, Purchaser or the Company to terminate this Agreement pursuant to the terms hereof, and (iii) in all other cases, to a date that is no later than the date which is fifty (50) days after the date on which the Offer is commenced, subject to any right of Parent, Purchaser or the Company to terminate this Agreement pursuant to the terms hereof.

(b) As soon as practicable on the date the Offer is commenced, Parent and the Purchaser shall file with the Securities and Exchange Commission (the "SEC"), pursuant to Regulation M-A under the Exchange Act ("Regulation M-A"), a Tender Offer Statement on Schedule TO with respect to the Offer (together with all amendments, supplements and exhibits thereto, the "Schedule TO"). The Schedule TO shall include the summary term sheet required under Regulation M-A and, as exhibits, the Offer to Purchase and a form of letter of transmittal and summary advertisement (collectively, together with any amendments and supplements thereto, the "Offer Documents"). Parent and the Purchaser agree to take all steps necessary to cause the Offer Documents to be filed with the SEC and disseminated to holders of Shares, in each case as and to the extent required by applicable federal securities laws. Parent and the Purchaser, on the one hand, and the Company, on the other hand, agree to promptly correct any information provided by it for use in the Offer Documents if and to the extent that it shall have become false or misleading in any material respect or as otherwise required by law. The Purchaser further agrees to take all steps necessary to cause the Offer Documents as so corrected to be filed with the SEC and disseminated to holders of Shares, in each case as and to the extent required by applicable federal securities laws. The Company and its counsel shall be given a reasonable opportunity to review the Schedule TO before it is filed with the SEC. In addition, Parent and the Purchaser agree to provide the Company and its counsel in writing with any comments, whether written or oral, that Parent, the Purchaser or their counsel may receive from time to time from the SEC or its staff with respect to the Offer Documents promptly after Parent's or the Purchaser's, as the case may be, receipt of such comments, and any written or oral responses thereto.

(c) Parent shall provide or cause to be provided to Purchaser on a timely basis funds necessary to accept for payment, and to pay for, any Shares that Parent becomes obligated to accept for payment, and pay for, pursuant to the Offer.

(d) Parent or Purchaser shall engage an information agent in connection with the Offer.

Section 1.2 Company Actions. (a) In a manner in compliance with the Exchange Act and the Securities Act, with regards to timeliness, among other things, the Company shall, in a manner that complies with Rule 14d-9 under the Exchange Act, file with the SEC a Tender Offer Solicitation/Recommendation Statement on Schedule 14D-9 (together with all amendments, supplements and exhibits thereto, the "Schedule 14D-9") that shall, subject to the provisions of

Section 5.3(c), contain the recommendation referred to in clause (iii) of Section 3.5. The Company further agrees to take all steps necessary to cause the Schedule 14D-9 to be filed with the SEC and disseminated to holders of Shares, in each case as and to the extent required by applicable federal securities laws. The Company, on the one hand, and Parent and the Purchaser, on the other hand, agree to promptly correct any information provided by it for use in the Schedule 14D-9 if and to the extent that it shall have become false or misleading in any material respect or as otherwise required by law. The Company agrees to take all steps necessary to cause the Schedule 14D-9 as so corrected to be filed with the SEC and disseminated to holders of the Shares, in each case as and to the extent required by applicable federal securities laws. Parent, the Purchaser and their counsel shall be given a reasonable opportunity to review the Schedule 14D-9 before it is filed with the SEC. In addition, the Company agrees to provide Parent, the Purchaser and their counsel in writing with any comments, whether written or oral, that the Company or its counsel may receive from time to time from the SEC or its staff with respect to the Schedule 14D-9 promptly after the Company's receipt of such comments, and any written or oral responses thereto.

(b) In connection with the Offer, the Company shall promptly furnish or cause to be furnished to the Purchaser mailing labels, security position listings and any available listing or computer file containing the names and addresses of the record holders of the Shares as of a recent date, and shall promptly furnish the Purchaser with such information and assistance (including, but not limited to, lists of holders of the Shares, updated daily, and their addresses, mailing labels and lists of security positions) as the Purchaser or its agent may reasonably request for the purpose of communicating the Offer to the record and beneficial holders of the Shares. Subject to the requirements of applicable law, and except for such steps as are necessary to disseminate the Offer Documents and any other documents necessary to consummate the Merger, Parent and Purchaser shall, and shall cause their agents to, hold in confidence the information contained in any such labels, listings and files, use such information only in connection with the Offer and the Merger and, if this Agreement is terminated, upon request, deliver, and use their reasonable efforts to cause their agents to deliver, to the Company all copies of such information then in their possession or control.

Section 1.3 Directors. (a) Promptly upon the purchase of and payment for any Shares by Parent or the Purchaser which represents at least a majority of the outstanding Shares (on a fully-diluted basis), Parent shall be entitled to elect or designate such number of directors, rounded up to the next whole number,

on the Company Board of Directors as is equal to the product of the total number of directors on the Company Board of Directors (giving effect to the directors elected or designated by Parent pursuant to this sentence) multiplied by the percentage that the aggregate number of Shares owned by the Purchaser, Parent and any of their affiliates bears to the total number of Shares then outstanding. The Company shall, upon Parent's request, use its reasonable efforts either to promptly increase the size of the Company Board of Directors, including by amending the Bylaws of the Company if necessary so as to increase the size of the Company Board of Directors, or promptly secure the resignations of such number of its incumbent directors, or both, as is necessary to enable Parent's designees to be so elected or designated to the Company's Board of Directors, and shall use its reasonable efforts to cause Parent's designees to be so elected or designated at such time. At such time, the Company shall, upon Parent's request, also cause persons elected or designated by Parent to constitute the same percentage (rounded up to the next whole number) as is on the Company Board of Directors of (i) each committee of the Company Board of Directors, (ii) each board of directors (or similar body) of each Company Subsidiary (as defined in Section 3.2), and (iii) each committee (or similar body) of each such board, in each case only to the extent permitted by applicable law or the rules of any stock exchange on which the Company Common Stock is listed. The Company's obligations under this Section 1.3(a) shall be subject to Section 14(f) of the Exchange Act and Rule 14f-1 promulgated thereunder. The Company shall promptly upon execution of this Agreement take all actions required pursuant to such Section 14(f) and Rule 14f-1 in order to fulfill its obligations under this Section 1.3(a), including, but not limited to, mailing to stockholders (together with the Schedule 14D-9) the information required by Section 14(f) and Rule 14f-1 as is necessary to enable Parent's designees to be elected or designated to the Company Board of Directors. Parent or the Purchaser shall supply the Company with information with respect to either of them and their nominees, officers, directors and affiliates to the extent required by Section 14(f) and Rule 14f-1. The provisions of this Section 1.3(a) are in addition to and shall not limit any rights that any of the Purchaser, Parent or any of their respective affiliates may have as a holder or beneficial owner of Shares as a matter of law with respect to the election of directors or otherwise.

(b) In the event that Parent's designees are elected or designated to the Company Board of Directors, then, until the Effective Time, the Company shall cause the Company Board of Directors to have at least two directors who are non-executive directors (the "Independent Directors"); provided, however, that if any Independent Director is unable to serve due to death or disability, the remaining Independent Director(s) shall be entitled to elect or designate another person (or

persons), who is not a current or former executive of the Company ("Non-Executive"), and such non-executive person (or persons) shall be deemed to be an Independent Director for purposes of this Agreement. If no Independent Director then remains, the other directors shall designate two persons who are Non-Executives on the date hereof (or, in the event there shall be less than two directors who are Non-Executive Directors on the date hereof available to fill such vacancies as a result of such persons' deaths, disabilities or refusals to serve, such number of other Non-Executives who are willing to fill such vacancies) and such Non-Executives shall be deemed Independent Directors for purposes of this Agreement. Notwithstanding anything in this Agreement to the contrary, if Parent's designees constitute a majority of the Company Board of Directors after the acceptance for payment of Shares pursuant to the Offer and prior to the Effective Time, then the affirmative vote of a majority of the Independent Directors (or if only one exists, then the vote of such Independent Director) shall be required to (i) amend or terminate this Agreement by the Company, (ii) exercise or waive any of the Company's rights, benefits or remedies hereunder, if such action would materially and adversely affect holders of Shares other than Parent or Purchaser, (iii) amend the Certificate of Incorporation or Bylaws of the Company if such action would materially and adversely affect holders of Shares other than Parent or Purchaser, or (iv) take any other action of the Company Board of Directors under or in connection with this Agreement if such action would materially and adversely affect holders of Shares other than Parent or Purchaser; provided, however, that if there
shall be no Independent Directors as a result of such persons' deaths, disabilities or refusal to serve, then such actions may be effected by majority vote of the entire Company Board of Directors.

Section 1.4 The Merger. (a) Subject to the terms and conditions of this Agreement, at the Effective Time (as defined in Section 1.5), the Company and the Purchaser shall consummate a merger (the "Merger") pursuant to which (i) the Purchaser shall be merged with and into the Company and the separate corporate existence of the Purchaser shall thereupon cease, (ii) the Company shall be the successor or surviving corporation in the Merger and shall continue to be governed by the laws of the State of Delaware, and (iii) the separate corporate existence of the Company with all its rights, privileges, immunities, powers and franchises shall continue unaffected by the Merger. The corporation surviving the Merger is sometimes hereinafter referred to as the "Surviving Corporation." The Merger shall have the effects set forth in the DGCL.

(b) The Certificate of Incorporation of the Purchaser, as in effect immediately prior to the Effective Time, shall be the Certificate of Incorporation of the Surviving Corporation, except as to the name of the Surviving Corporation, until thereafter amended as provided by law and such Certificate of Incorporation.

(c) The Bylaws of the Purchaser, as in effect immediately prior to the Effective Time, shall be the Bylaws of the Surviving Corporation, except as to the name of the Surviving Corporation, until thereafter amended as provided by law, the Certificate of Incorporation of the Surviving Corporation and such Bylaws.

Section 1.5 Effective Time. Parent, the Purchaser and the Company shall cause an appropriate Certificate of Merger (the "Certificate of Merger") to be executed and filed on the Closing Date (as defined in Section 1.6) (or on such other date as Parent and the Company may agree) with the Secretary of State of the State of Delaware as provided in the DGCL. The Merger shall become effective on the date on which the Certificate of Merger has been duly filed with the Secretary of State of the State of Delaware or such time as is agreed upon by the parties and specified in the Certificate of Merger, such time hereinafter referred to as the "Effective Time."

Section 1.6 Closing. The closing of the Merger (the "Closing") will take place at 10:00 a.m., west coast time, on a date to be specified by the parties, such date to be no later than the second business day after satisfaction or waiver of all of the conditions set forth in Article VII (the "Closing Date"), at the offices of Skadden, Arps, Slate, Meagher & Flom LLP, 525 University Avenue, Palo Alto, California 94301, unless another date or place is agreed to in writing by the parties hereto.

Section 1.7 Directors and Officers of the Surviving Corporation. The directors of the Purchaser immediately prior to the Effective Time shall, from and after the Effective Time, be the directors of the Surviving Corporation, and the officers of the Company immediately prior to the Effective Time shall, from and after the Effective Time, be the officers of the Surviving Corporation, in each case until their respective successors shall have been duly elected, designated or qualified, or until their earlier death, resignation or removal in accordance with the Surviving Corporation's Certificate of Incorporation and Bylaws.

Section 1.8 Subsequent Actions. If at any time after the Effective Time the Surviving Corporation shall determine, in its sole discretion, or shall be advised, that any deeds, bills of sale, assignments, assurances or any other actions or things are necessary or desirable to vest, perfect or confirm of record or otherwise in the Surviving Corporation its right, title or interest in, to or under any of the rights, properties or assets of either of the Company or the Purchaser acquired or to be acquired by the Surviving Corporation as a result of, or in connection with, the Merger or otherwise to carry out this Agreement, then the officers and directors of the Surviving Corporation shall be authorized to execute and deliver, in the name and on behalf of either the Company or the Purchaser, all such deeds, bills of sale, instruments of conveyance, assignments and assurances and to take and do, in the name and on behalf of each of such corporations or otherwise, all such other actions and things as may be necessary or desirable to vest, perfect or confirm any and all right, title or interest in, to and under such rights, properties or assets in the Surviving Corporation or otherwise to carry out this Agreement.

Section 1.9 Stockholders' Meeting. (a) If required by applicable law in order to consummate the Merger, the Company, acting through the Company Board of Directors, shall, in accordance with applicable law:

(i) duly call, give notice of, convene and hold a special meeting of its stockholders (the "Special Meeting") as soon as reasonably practicable following the acceptance for payment and purchase of Shares by the Purchaser pursuant to the Offer for the purpose of considering and taking action upon this Agreement;

(ii) prepare and file with the SEC a preliminary proxy or information statement relating to the Merger and this Agreement and use its reasonable efforts to obtain and furnish the information required to be included by the SEC in the Proxy Statement (as hereinafter defined) and, after consultation with Parent, respond promptly to any comments made by the SEC with respect to the preliminary proxy or information statement and cause a definitive proxy or information statement (the "Proxy Statement") to be mailed to its stockholders;

(iii) unless the Company Board of Directors determines in good faith, following the advice from outside counsel, that to do so is reasonably likely to cause it to violate its fiduciary duties to the Company

stockholders under applicable law, include in the Proxy Statement the recommendation of the Company Board of Directors that stockholders of the Company vote in favor of the approval of the Merger and the adoption of this Agreement; and

(iv) unless the Company Board of Directors determines in good faith, following the advice from outside counsel, that to do so is reasonably likely to cause it to violate its fiduciary duties to the Company stockholders under applicable law, use its reasonable efforts to solicit from holders of Shares proxies in favor of the Merger and take all other action reasonably necessary or advisable to secure the approval of stockholders required by the DGCL and any other applicable law to effect the Merger.

(b) Parent agrees to vote, or cause to be voted, all of the Shares then owned by it, the Purchaser or any of its other subsidiaries and affiliates in favor of the approval of the Merger and the adoption of this Agreement.

Section 1.10 Merger Without Meeting of Stockholders. Notwithstanding Section 1.9, in the event that Parent, the Purchaser or any other subsidiary of Parent shall acquire at least 90% of the outstanding shares of each class of capital stock of the Company, pursuant to the Offer or otherwise, the parties hereto agree, subject to Article VII, to take all necessary and appropriate action to cause the Merger to become effective as soon as practicable after such acquisition, without a meeting of stockholders of the Company, in accordance with Section 253 of the DGCL.

ARTICLE II

CONVERSION OF SECURITIES

Section 2.1 Conversion of Capital Stock. As of the Effective Time, by virtue of the Merger and without any action on the part of the holders of any Shares or common stock, par value $0.01 per share, of the Purchaser (the "Purchaser Common Stock"):

(a) Purchaser Common Stock. Each issued and outstanding share of Purchaser Common Stock shall be converted into and become one fully paid and nonassessable share of common stock of the Surviving Corporation.

(b) Cancellation of Treasury Stock and Parent-Owned Stock. All Shares that are owned by the Company as treasury stock and any Shares owned by Parent, the Purchaser or any other wholly-owned Subsidiary of Parent shall be cancelled and retired and shall cease to exist, and no consideration shall be delivered in exchange therefor.

(c) Conversion of Shares. Each issued and outstanding Share (other than Shares to be cancelled in accordance with Section 2.1(b) and other than Dissenting Shares (as defined in Section 2.3)) shall be converted into the right to receive the Offer Price, payable to the holder thereof in cash, without interest (the "Merger Consideration"). From and after the Effective Time, all such Shares shall no longer be outstanding and shall automatically be cancelled and retired and shall cease to exist, and each holder of a certificate representing any such Shares shall cease to have any rights with respect thereto, except the right to receive the Merger Consideration therefor upon the surrender of such certificate in accordance with Section 2.2, without interest thereon.

(d) Conversion of Stock Options. Each Company Stock Option (as hereinafter defined) shall be treated in accordance with Section 2.4 below.

Section 2.2 Exchange of Certificates. (a) Paying Agent. Parent shall designate a bank or trust company to act as agent for the holders of Shares in connection with the Merger (the "Paying Agent") and to receive the funds to which holders of Shares shall become entitled pursuant to Section 2.1(c). Prior to the Effective Time, Parent or the Purchaser shall deposit, or cause to be deposited, with the Paying Agent the aggregate Merger Consideration. For purposes of determining the amount of Merger Consideration to be so deposited, Parent and the Purchaser shall assume that no stockholder of the Company will perfect any right to appraisal of his, her or its Shares. Such funds shall be invested by the Paying Agent as directed by Parent or the Surviving Corporation, in its sole discretion, pending payment thereof by the Paying Agent to the holders of the Shares. Earnings from such investments shall be the sole and exclusive property of Parent and the Surviving Corporation, and no part of such earnings shall accrue to the benefit of holders of Shares.

(b) Exchange Procedures. Promptly after the Effective Time, the Paying Agent shall mail to each holder of record of a certificate or certificates, which

immediately prior to the Effective Time represented outstanding Shares (the "Certificates"), whose shares were converted pursuant to Section 2.1 into the right to receive the Merger Consideration (i) a letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to the Certificates shall pass, only upon delivery of the Certificates to the Paying Agent and shall be in such form and have such other provisions as Parent may reasonably specify) and (ii) instructions for effecting the surrender of the Certificates in exchange for payment of the Merger Consideration. Upon surrender of a Certificate for cancellation to the Paying Agent or to such other agent or agents as may be appointed by Parent, together with such letter of transmittal, duly executed, the holder of such Certificate shall be entitled to receive in exchange therefor the Merger Consideration for each Share formerly represented by such Certificate and the Certificate so surrendered shall forthwith be cancelled. If payment of the Merger Consideration is to be made to a Person other than the Person in whose name the surrendered Certificate is registered, it shall be a condition precedent of payment that (x) the Certificate so surrendered shall be properly endorsed or shall be otherwise in proper form for transfer, and (y) the Person requesting such payment shall have paid any transfer and other taxes required by reason of the payment of the Merger Consideration to a Person other than the registered holder of the Certificate surrendered or shall have established to the satisfaction of the Surviving Corporation that such tax either has been paid or is not required to be paid. Until surrendered as contemplated by this Section 2.2, each Certificate shall be deemed at any time after the Effective Time to represent only the right to receive the Merger Consideration in cash as contemplated by this Section 2.2, without interest thereon.

(c) Transfer Books; No Further Ownership Rights in Shares. At the Effective Time, the stock transfer books of the Company shall be closed and thereafter there shall be no further registration of transfers of Shares on the records of the Company. From and after the Effective Time, the holders of Certificates evidencing ownership of Shares outstanding immediately prior to the Effective Time shall cease to have any rights with respect to such Shares, except as otherwise provided for herein or by applicable law. If, after the Effective Time, Certificates are presented to the Surviving Corporation for any reason, they shall be cancelled and exchanged as provided in this Article II.

(d) Termination of Fund; No Liability. At any time following six months after the Effective Time, the Surviving Corporation shall be entitled to require the Paying Agent to deliver to it any funds (including any interest received with respect thereto) made available to the Paying Agent and not disbursed (or for which disbursement is pending subject only to the Paying Agent's routine

administrative procedures) to holders of Certificates, and thereafter such holders shall be entitled to look only to the Surviving Corporation (subject to abandoned property, escheat or other similar laws) only as general creditors thereof with respect to the Merger Consideration payable upon due surrender of their Certificates, without any interest thereon. Notwithstanding the foregoing, neither the Surviving Corporation nor the Paying Agent shall be liable to any holder of a Certificate for Merger Consideration delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

Section 2.3 Dissenting Shares. (a) Notwithstanding anything in this Agreement to the contrary, Shares outstanding immediately prior to the Effective Time and held by a holder who has not voted in favor of the Merger or consented thereto in writing and who has complied with Section 262 of the DGCL ("Dissenting Shares") shall not be converted into a right to receive the Merger Consideration, unless such holder fails to perfect or withdraws or otherwise loses his or her right to appraisal. A holder of Dissenting Shares shall be entitled to receive payment of the appraised value of such Shares held by him or her in accordance with Section 262 of the DGCL, unless, after the Effective Time, such holder fails to perfect or withdraws or loses his or her right to appraisal, in which case such Shares shall be converted into and represent only the right to receive the Merger Consideration, without interest thereon, upon surrender of the Certificate or Certificates representing such Shares pursuant to Section 2.2.

(b) The Company shall give Parent (i) prompt notice of any written demands for appraisal of any Shares, attempted withdrawals of such demands and any other instruments served pursuant to the DGCL and received by the Company relating to rights of appraisal and (ii) the opportunity to participate in the conduct of all negotiations and proceedings with respect to demands for appraisal under the DGCL. Except with the prior written consent of Parent, the Company shall not voluntarily make any payment with respect to any demands for appraisal or settle or offer to settle any such demands for appraisal.

Section 2.4 Company Option Plans. (a) Parent acknowledges that, in accordance with determinations by the Company Board of Director pursuant to the Company Stock Option Plans (as defined below), at the Effective Time, each stock option, stock equivalent right or similar right to acquire Shares (each, a "Company Stock Option") issued pursuant to the Company's 1997 Stock Option Plan or the Company's Amended and Restated 1999 Stock Incentive Plan (including the Company's 1999 Non-Employee Director Option Program, as amended, thereunder) (collectively, the "Company Stock Option Plans"), whether or not then

exercisable or vested, which is outstanding and unexercised immediately prior thereto shall become immediately fully vested and exercisable. At the Effective Time, each Company Stock Option shall cease to represent a right to acquire Shares and shall be converted automatically into options to purchase shares of Parent common stock ("Parent Shares"), and Parent shall assume each such Company Stock Option (hereinafter, an "Assumed Option") subject to the terms of the applicable Company Stock Option Plan and the agreement evidencing the grant thereunder of such Company Stock Option; provided, however, that from and after the Effective Time, (A) the number of Parent Shares purchasable upon exercise of an Assumed Option shall be equal to the number of Shares that were purchasable under such Assumed Option immediately prior to the Effective Time multiplied by the Exchange Ratio (as defined below), and rounded down to the nearest whole share, and (B) the per share exercise price under such Assumed Option shall be adjusted by dividing the per share exercise price under such Assumed Option by the Exchange Ratio, and rounding up to the nearest cent. In the case of any Assumed Options that are "incentive stock options" (as defined in Section 422 of the Code), the exercise price, the number of Parent Shares purchasable pursuant to such options and the terms and conditions of exercise of such options shall be determined in order to comply with Section 424(a) of the Code. For purposes of this Section 2.4, the "Exchange Ratio" shall be the number obtained by dividing the Merger Consideration by the closing price of a Parent Share on the trading day immediately preceding the Closing Date.

(b) The Company shall take all such steps as may be required to cause any dispositions of Shares (including derivative securities with respect to Shares) resulting from the transactions contemplated by Article II of this Agreement by each individual who is subject to the reporting requirements of Section 16(a) of the Exchange Act with respect to the Company, to be exempt under Rule 16b-3 promulgated under the Exchange Act.

(c) Prior to the Effective Time, the Company Stock Option Plans shall terminate and all rights under any provision of any other plan, program or arrangement providing for the issuance or grant of any other interest in respect of the capital stock of the Company or any Company Subsidiary (as defined in Section 3.2(a)) shall be cancelled.

(d) As soon as practicable after the Effective Time, Parent shall deliver to each holder of an outstanding Company Stock Option an appropriate notice setting forth such holder's rights pursuant thereto and such Company Stock Option shall continue in effect on the same terms and conditions (subject to the adjustments

required by this Section 2.4 after giving effect to the Merger). Parent shall take all corporate action necessary to reserve for issuance a sufficient number of shares of Parent Shares for delivery upon exercise of such Assumed Options pursuant to the terms set forth in this Section 2.4.

(e) Parent shall file with the SEC, prior to the Effective Time, a registration statement on Form S-8 (or any successor form) relating to Parent Shares issuable pursuant to the Assumed Options, which registration statement shall include a reoffer prospectus. Parent shall use its commercially reasonable efforts to cause shares of Parent Shares, when issued upon exercise of Assumed Options, to be listed on such exchanges as Parent Shares are listed immediately prior to the Effective Time.

(f) Prior to the Appointment Date, the Company shall cause the administrator of the Company Option Plans to clarify certain language in such plans in order to further determine that the actions taken with respect to the Company Stock Options pursuant to this Section 2.4 are consistent with the terms of the Company Option Plans.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth in the schedule of exceptions to the Company's representations and warranties set forth herein, delivered to Parent prior to the execution of this Agreement (the "Company Disclosure Schedule"), the Company represents and warrants to Parent and the Purchaser as set forth below.

Section 3.1 Organization. (a) The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has the requisite corporate power and authority and all necessary governmental licenses, authorizations, permits, consents and approvals to own, lease and operate its properties and to carry on its business as it is now being conducted, except where the failure to be so organized, existing and in good standing or to have such power, authority, or governmental licenses, authorizations, permits, consents or approvals would not, individually or in the aggregate, (A) be reasonably expected to

have a Company Material Adverse Effect or (B) be reasonably likely to have a material adverse effect on the Company's ability to consummate the Transactions. As used in this Agreement, "Company Material Adverse Change" or "Company Material Adverse Effect" means any change, event or effect, as the case may be, that is materially adverse to the business, operations, properties (including intangible properties), condition (financial or otherwise), results of operations, or assets or liabilities, with all such matters being considered in the aggregate, of the Company and the Company Subsidiaries, taken as a whole, except any such change, event or effect resulting primarily from: (i) any change in the market price or trading volume of the Company's securities; (ii) conditions (including changes in economic, financial market, regulatory or political conditions) affecting generally the online travel or leisure travel industries in which the Company participates, (iii) actions taken, delayed or omitted to be taken by the Company at the written request of any of the individuals specified in Schedule 3.1(a)(iii) of the Company Disclosure Schedule ("Designated Parent Individuals") after the date hereof and prior to the earlier of (A) the termination of this Agreement in accordance with Article VIII and (B) the Appointment Date, (iv) items set forth in Section 3.1(a)(iv) in the Company Disclosure Schedule; or (v) any disruption of employee (other than as set forth in Section 3.1(a)(v) in the Company Disclosure Schedule), customer, supplier or other similar relationships or other events or circumstances resulting primarily from or which are primarily attributable to the execution or announcement of this Agreement and the identity of the Parent.

(b) The Company is duly qualified or licensed to do business and in good standing (to the extent the concept of good standing exists) in each jurisdiction in which the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification or licensing necessary, except where the failure to be so qualified or licensed or in good standing would not, individually or in the aggregate, be reasonably likely to have a Company Material Adverse Effect.

Section 3.2 Subsidiaries and Affiliates. (a) Section 3.2(a) of the Company Disclosure Schedule sets forth the name, jurisdiction of incorporation or organization and authorized and outstanding capital of each Company Subsidiary and the jurisdictions in which each Company Subsidiary is qualified to do business. Other than with respect to the Company Subsidiaries, the Company does not own, directly or indirectly, any capital stock or other equity securities of any corporation or have any direct or indirect equity or ownership interest in any business other than publicly-traded securities constituting less than five percent of the outstanding equity of the issuing entity. All of the outstanding capital stock of each Company

Subsidiary is owned directly or indirectly by the Company free and clear of all liens, charges, security interests, options, claims, mortgages, title defects or objections, liens, claims, leases, chattel mortgages, conditional sales contracts, collateral security arrangements and other title or interest retention arrangements, pledges, or other encumbrances and restrictions of any nature whatsoever ("Encumbrances"), and is validly issued, fully paid and nonassessable, and there are no outstanding options, rights or agreements of any kind relating to the issuance, sale or transfer of any capital stock or other equity securities of any such Company Subsidiary to any person except the Company. As used in this Agreement, the term "Company Subsidiary" means each Person which is a Subsidiary of the Company. As used in this Agreement, the term "Subsidiary" means with respect to any party, any corporation, partnership or other organization, whether incorporated or unincorporated, of which (i) at least a majority of the securities or other interests having by their terms ordinary voting power to elect a majority of the board of directors or others performing similar functions with respect to such corporation or other organization is directly or indirectly owned or controlled by such party or by any one or more of its Subsidiaries, or by such party and one or more of its Subsidiaries or (ii) such party or any other Subsidiary of such party is a general partner (excluding any such partnership where such party or any Subsidiary of such party does not have a majority of the voting interest in such partnership). As used in this Agreement, the term "Person" means a natural person, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Entity or other entity or organization.

(b) Each Company Subsidiary (i) is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, (ii) has the requisite corporate or other power and authority to carry on its business as it is now being conducted and to own the properties and assets it now owns, and (iii) is duly qualified or licensed to do business as a foreign corporation in good standing (to the extent the concept of good standing exists) in each jurisdiction in which the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification or license necessary, except where the failure to be so duly qualified or licensed and in good standing would not individually or in the aggregate be reasonably expected to have a Company Material Adverse Effect. Each jurisdiction in which a Company Subsidiary is organized or qualified or licensed to do business is listed in Section 3.2(b) of the Company Disclosure Schedule. The Company has heretofore delivered to Parent complete and correct copies of the Certificate of Incorporation and Bylaws (or other organizational or governing documents) of the Company and each Company Subsidiary, as is in effect on the date hereof.

Section 3.3 Capitalization. (a) Except as set forth in Schedule 3.3(a) of the Company Disclosure Schedule, the authorized capital stock of the Company consists of (i) 70,000,000 shares of common stock, $0.001 par value per share (the "Common Stock") and (ii) 10,000,000 shares of preferred stock, $0.01 par value per share (the "Preferred Stock"). As of the date hereof, (i) 24,336,701 shares of Common Stock are issued and outstanding, (ii) no shares of Preferred Stock are issued and outstanding, (iii) 1,037,288 shares of Common Stock are issued and held in the treasury of the Company, and (iv) a total of 2,936,279 shares of Common Stock are reserved for issuance pursuant to the Option Plans. All of the outstanding shares of the Company's capital stock are, and all Shares which may be issued pursuant to the exercise of outstanding Options will be, when issued in accordance with the terms thereof, duly authorized, validly issued, fully paid and non-assessable. There are no bonds, debentures, notes or other indebtedness having general voting rights (or convertible into securities having such rights) ("Voting Debt") of the Company or any Company Subsidiary issued and outstanding. Except as disclosed in this Section 3.3 or set forth in Section 3.3(a) in the Company Disclosure Schedule (i) there are no shares of capital stock of the Company authorized, issued or outstanding, (ii) there are no existing options, warrants, calls, pre-emptive rights, subscriptions or other rights, agreements, arrangements or commitments of any kind relating to the issued or unissued capital stock of the Company or any Company Subsidiary obligating the Company or any Company Subsidiary to issue, transfer or sell or cause to be issued, transferred or sold any shares of capital stock or Voting Debt of, or other equity interest in, the Company or any Company Subsidiary or securities convertible into or exchangeable for such shares or equity interests, or obligating the Company or any Company Subsidiary to grant, extend or enter into any such option, warrant, call, subscription or other right, agreement, arrangement or commitment, and (iii) there are no outstanding contractual obligations of the Company or any Company Subsidiary to repurchase, redeem or otherwise acquire any Shares or the capital stock of the Company or any Company Subsidiary or any affiliate of the Company or to provide funds to make any investment (in the form of a loan, capital contribution or otherwise) in any Company Subsidiary or any other entity. Section 3.3(a) of the Company Disclosure Schedule sets forth, with respect to each existing warrant to purchase capital stock of the Company, the number of shares issuable, and the purchase price payable therefor upon the exercise of each such warrant.

(b) Section 3.3(b) of the Company Disclosure Schedule lists all existing warrants issued by the Company or any Company Subsidiary (each, a "Warrant") to purchase capital stock of the Company and, with respect to such Warrants, the number of shares issuable, and the purchase price payable therefor

upon exercise of such Warrant. After the Effective Time, no Warrant will remain or purport to remain outstanding and convertible into cash, property or securities of the Parent, Purchaser or the Surviving Corporation.

(c) Except as set forth in Schedule 3.3(a) of the Company Disclosure Schedule, as of the date hereof, Company Stock Options to purchase 2,652,698 shares of Common Stock are outstanding under the Company Stock Option Plans. All of such Options have been granted to directors and employees of the Company and only in the ordinary course of business consistent with past practice. Section 3.3.(c) of the Disclosure Schedule sets forth a listing of all outstanding Company Stock Options as of the date hereof and, with respect to such Options, (i) the holder, (ii) the date of grant, (iii) the exercise price, (iv) the number of shares of Common Stock subject thereto. All Company Stock Options granted under the Company Stock Option Plans have been granted pursuant to award agreements in substantially the form attached as an exhibit to Section 3.3(c) of the Company Disclosure Schedule.

(d) Except for the Stockholder Agreement, there are no voting trusts or other agreements or understandings to which the Company or any Company Subsidiary is a party with respect to the voting of the capital stock of the Company or any of the Company Subsidiaries.

Section 3.4 Authorization; Validity of Agreement; Company Action.

The Company has full corporate power and authority to execute and deliver this Agreement and has the full corporate power and authority to perform the transactions provided for or contemplated by this Agreement and the Stockholder Agreement, including, but not limited to, the Offer and the Merger (collectively, the "Transactions"). The execution, delivery and performance by the Company of this Agreement, and the consummation by it of the Transactions, have been duly and validly authorized by the Company Board of Directors and, no other corporate action on the part of the Company is necessary (other than, with respect to the Merger, the approval and adoption of the Merger and this Agreement by holders of a majority of the Shares and the filing of the Certificate of Merger as required by the DGCL) to authorize the execution and delivery by the Company of this Agreement and the consummation by it of the Transactions. This Agreement has been duly executed and delivered by the Company and, assuming due and valid authorization, execution and delivery hereof by Parent and the Purchaser, is a valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except that (i) such enforcement may be subject to applicable bankruptcy, insolvency or other similar laws, now or hereafter in effect, affecting creditors' rights generally,

and (ii) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

Section 3.5 Board Approvals. The Company Board of Directors, at a meeting duly called and held, has unanimously (i) determined that this Agreement, the Offer and the Merger are, taken together, fair to and in the best interests of the stockholders of the Company, (ii) duly and validly approved and taken all corporate action required to be taken by the Company Board of Directors to authorize the consummation of the Transactions, and (iii) resolved to recommend that the stockholders of the Company accept the Offer, tender their Shares to the Purchaser pursuant to the Offer, and approve and adopt this Agreement and the Merger, and, subject to Section 5.3 of this Agreement, none of the aforesaid actions by the Company Board of Directors has been amended, rescinded or modified after the date hereof. The action taken by the Company Board of Directors constitutes approval of the Transactions (including each of the Offer and the Merger) by the Company Board of Directors under Section 203 of the DGCL, and no other state takeover statute is applicable to the Transactions (including, for the sake of clarity, the transactions contemplated by the Stockholder Agreement and the option granted pursuant thereto).

Section 3.6 Required Vote. The affirmative vote of the holders of a majority of the outstanding Shares is the only vote of the holders of any class or series of the Company's capital stock necessary to approve the Merger. No vote of any class or series of the Company's capital stock is necessary to approve any of the Transactions other than the Merger.

Section 3.7 Consents and Approvals; No Violations. Except as set forth in Section 3.7 of the Company Disclosure Schedule, none of the execution, delivery or performance of this Agreement by the Company, the consummation by the Company of the Transactions or compliance by the Company with any of the provisions of this Agreement will (i) conflict with or result in any breach of (A) any provision of the Certificate of Incorporation, the Bylaws or similar organizational documents of the Company or any Company Subsidiary or (B) any state securities or blue sky laws or the DGCL, (ii) require any filing by the Company with, or permit, authorization, consent or approval on behalf of the Company of, any court, arbitral tribunal, administrative agency or commission or other governmental or other regulatory authority or agency, foreign or domestic (a "Governmental Entity") (except for (A) compliance with any applicable requirements of the Exchange Act, (B) any filings as may be required under the DGCL in connection with the Merger,

including without limitation the filing of the Certificate of Merger with the Secretary of State of the State of Delaware and any filings that may be required to be made with the relevant authorities of other states in which the Company or any Company Subsidiary is qualified to do business, (C) filings, permits, authorizations, consents and approvals as may be required under the Hart-Scott-Rodin Antitrust Improvements Act of 1976, as amended (the "HSR Act"), (D) the
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filing with the SEC and the Nasdaq Stock Market, Inc. of (1) the Schedule 14D-9, (2) a Proxy Statement if stockholder approval is required by law and (3) such reports under Section 13(a) of the Exchange Act as may be required in connection with this Agreement and the Transactions, or (E) such filings and approvals as may be required by any applicable state securities, blue sky or takeover laws), (iii) result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, amendment, cancellation or acceleration) under, any of the terms, conditions or provisions of any note, bond, mortgage, lien, indenture, lease, license, contract, understanding, commitment, arrangement or agreement, whether oral or written, or other instrument or obligation to which the Company or any Company Subsidiary is a party or by which any of them or any of their respective properties or assets may be bound (each, a "Company Agreement") or (iv) violate
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any order, writ, injunction, decree, statute, rule or regulation applicable to the Company, any Company Subsidiary or any of their respective properties or assets, except in the case of clauses (i)(B), (ii), (iii) or (iv) where (x) any failure to obtain such permits, authorizations, consents or approvals, (y) any failure to make such filings, or (z) any such violations, breaches or defaults would not, individually or in the aggregate, (A) be reasonably likely to have a Company Material Adverse Effect or (B) be reasonably likely to have a material adverse effect on the Company's ability to consummate the Transactions.

(a) The Company sells airline tickets only through its retail stores, through its website and through call centers. The Company has no retail store or call center located outside the United States, and its website is hosted in the United States. No ticket for airline travel originating outside the United States can be purchased from the Company on its website without a credit card that has a United States billing address, and no such ticket will be delivered to a mailing address outside the United States. No E-tickets are available for purchase on the website. No ticket for airline travel originating outside the United States can be purchased from a Company call center (all of which are located in the United States) without using a credit card that has a United States billing address, except when a person with a credit card with a billing address outside of the United States faxes to the call center

an individual authorization to use such credit card, in which case the tickets may be sent by courier to a billing address outside the United States; annual revenues from such sales to customers with European addresses do not exceed $1 million. There are no European nation-specific front pages or access pages on the Company's website.

Section 3.8 Company SEC Documents and Financial Statements. The Company has filed with the SEC all forms, reports, schedules, statements and other documents required by it to be filed since June 30, 1999 under the Exchange Act or the Securities Act of 1933, as amended (the "Securities Act") (as such documents have been amended since the time of their filing, collectively, the "Company SEC Documents"). As of their respective dates, or if amended, as of the date of the last such amendment, the Company SEC Documents (a) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading and (b) complied in all material respects with the applicable requirements of the Exchange Act and the Securities Act, as the case may be, and the applicable rules and regulations of the SEC thereunder. None of the Company Subsidiaries is required to file any forms, reports or other documents with the SEC. All of the audited consolidated financial statements and unaudited consolidated interim financial statements of the Company included in the Company SEC Documents (collectively, the "Financial Statements") (i) have been prepared from, are in accordance with, and accurately reflect in all material respects the books and records of the Company and its consolidated Subsidiaries as of the times and for the periods referred to therein, (ii) comply in all material respects with applicable accounting requirements and with the published rules and regulations of the SEC with respect thereto in effect during the periods involved, (iii) have been prepared in accordance with generally accepted accounting principles ("GAAP") applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto and except, in the case of the unaudited interim statements, as may be permitted under Form 10-Q of the Exchange Act) and (iv) fairly present the consolidated financial position and the consolidated results of operations and cash flows (subject, in the case of unaudited interim financial statements, to normal year-end adjustments) of the Company and its consolidated Subsidiaries as of the times and for the periods referred to therein.

Section 3.9 Absence of Certain Changes. Except as contemplated by this Agreement or as agreed by any of the Designated Parent Individuals in writing after the date hereof, and except as set forth in Section 3.9 of the Company Disclosure Schedule, since December 31, 2000 (the "Balance Sheet Date"), and

except (in respect of the period after the date hereof) as permitted after the date hereof by Section 5.2 hereof, each of the Company and each Company Subsidiary has conducted its respective business only in the ordinary course of business consistent with past practice.

(i) Except as contemplated by this Agreement or as agreed by any of the Designated Parent Individuals in writing after the date hereof, (ii) except as set forth in Section 3.9 of the Company Disclosure Schedule and, (iii) in respect only of clauses (b) and (d) below (and to the extent that clause (g) relates to such clauses, clause (g)), except (in respect of the period after the date hereof) as permitted after the date hereof by Section 5.2 hereof, from the Balance Sheet Date, neither the Company nor any Company Subsidiary has:

(a) suffered any Company Material Adverse Change;

(b) incurred any liabilities or obligations (absolute, accrued, contingent or otherwise), except items incurred in (and in amounts that are in) the ordinary course of business consistent with past practice;

(c) taken any action that, if taken after the date of this Agreement without the prior written consent of Parent, would be a violation of Section 5.2 hereof.

(d) paid, discharged or satisfied any claim, liability or obligation (whether absolute, accrued, contingent or otherwise), other than the payment, discharge or satisfaction of items which are not material to the Company and the Company Subsidiaries on a consolidated basis or in the ordinary course of business consistent with past practice, of liabilities and obligations reflected or reserved against in the Balance Sheet or incurred in the ordinary course of business consistent with past practice since the Balance Sheet Date;

(e) except for matters that have previously been authorized or approved by the Company Board of Directors, either expressly or as a part of the overall operating plan and capital and operating budgets for the Company, in each case as set forth in Section 5.2 of the Company Disclosure Schedule, made any individual capital expenditure or commitment (including for intangible capital assets) in excess of $100,000 or any such capital expenditures or commitments in excess of $500,000 in the aggregate; or

(f) agreed, whether in writing or otherwise, to take any action described in this section.

Section 3.10 No Undisclosed Liabilities. Except (a) as set forth in Section 3.10 of the Company Disclosure Schedule, (b) as disclosed in the Financial Statements and (c) for liabilities and obligations incurred in the ordinary course of business consistent with past practice since the Balance Sheet Date, neither the Company nor any Company Subsidiary has incurred any liabilities or obligations of any nature, whether or not accrued, contingent or otherwise that would be required by GAAP to be recognized or disclosed on a consolidated balance sheet of the Company or any Company Subsidiary or in the notes thereto. Section 3.10(c) of the Company Disclosure Schedule sets forth, as of the date hereof, the amount of the principal and unpaid interest outstanding under each instrument evidencing any amount of indebtedness for borrowed money of the Company and the Company Subsidiaries which will accelerate or become due or result in a right of redemption or repurchase on the part of the holder of such indebtedness (with or without due notice or lapse of time) as a result of this Agreement or the Transactions.

Section 3.11 Litigation. Except as set forth in Section 3.11 of the Company Disclosure Schedule, as of the date hereof there is no suit, claim, action, proceeding, including, without limitation, arbitration proceeding or alternative dispute resolution proceeding, or investigation (i) pending or, (ii) to the knowledge of the Company, (x) threatened against, (y) affecting and which, if successful, would be reasonably likely to have an adverse effect on the Company's business or results or operations, or (z) naming as a party thereto the Company or any Company Subsidiary before any Governmental Entity; and except in the case of Clause (ii)(y) above, the Company does not know or have any reason to know of any valid basis for any such material suit, claim, action or proceeding.

Section 3.12 Employee Benefit Plans; ERISA. (a) Except as disclosed in Section 3.12(a) of the Company Disclosure Schedule, there exist, as of the date hereof, no employment or consulting agreement, collective bargaining agreement or any bonus, pension, profit sharing, deferred or extra compensation, incentive compensation, stock ownership, stock purchase, stock option, phantom stock, stock appreciation right or other stock-based incentive, retirement, vacation, severance, change in control or termination pay (or other termination), disability, death benefit, hospitalization, medical, life insurance or other insurance or any other plan, program, agreement, arrangement or understanding (whether or not legally binding) that is sponsored, maintained, contributed to or required to be contributed

to, or has been entered into by the Company or any Company Subsidiary or any person or entity that, together with the Company and its Subsidiaries, is treated as a single employer under Section 414(b), (c), (m) or (o) of the Internal Revenue Code of 1986, as amended (the "Code") (the Company and each such other person or entity, an "ERISA Affiliate") for the benefit of any current or former employees, officers, consultants or directors of the Company or any Company Subsidiary (collectively, the "Benefit Plans"). Since the versions of documents delivered or made available as provided above, there have been no adoptions or amendments of any plans, and no adoptions or amendments of plans are contemplated except to conform the plans to changes in applicable laws.

(b) The Company has made available to Parent true, complete and correct copies of (i) each Benefit Plan (or, in the case of any unwritten Benefit Plans, descriptions thereof), (ii) the three most recent annual reports on Form 5500 filed with the Internal Revenue Service with respect to each Benefit Plan (if any such report was required), plus schedules related thereto, (iii) the most recent summary plan description for each Benefit Plan for which such summary plan description is required (together with all Summaries of Material Modification issued with respect thereto), (iv) each trust agreement and group annuity contract relating to any Benefit Plan (if any such report was required) and (v) all material contracts and employee communications relating to each Benefit Plan.

(c) Each Benefit Plan has been established and administered all material respects in accordance with its terms and applicable laws, including, but not limited to, the Employee Retirement Income Security Act of 1974, as amended ("ERISA")), the Code and other applicable laws.

(d) All Benefit Plans that are "employee pension benefit plans" (as defined in Section 3(2) of ERISA)(the "Pension Plans"), intended to qualify under Sections 401(a) and 501(a) of the Code have been the subject of determination letters from the Internal Revenue Service to the effect that such Pension Plans are so qualified and are exempt from federal income taxes under Sections 401(a) and 501(a), respectively, of the Code, a true, complete and correct copy of each such determination letter has been provided to Parent, and no such determination letter has been revoked nor has any event occurred since the date of the most recent determination letter or application therefor for each Pension Plan that would reasonably be expected to adversely affect its qualification or materially increase its costs.

(e) Neither the Company, nor any Company Subsidiary, nor any

ERISA Affiliate has at any time maintained, contributed or been obligated to contribute to any Benefit Plan that is subject to Title IV of ERISA, including without limitation any "multiemployer plan" (as defined in Section 4001(a)(3) of ERISA).

(f) Except as set forth in Section 3.12(e) of the Company Disclosure Schedule and as contemplated by Section 2.4 of this Agreement, no current or former employee, officer, consultant or director of the Company or any Company Subsidiary will be entitled to any additional compensation or benefits or any acceleration of the time of payment or vesting or any other enhancement of any compensation or benefits under any Benefit Plan as a result of the Transactions.

(g) Except as disclosed in Section 3.12(g) of the Company Disclosure Schedule, the deduction of any amount payable or benefit provided pursuant to the terms of the Benefit Plans, or any other arrangement, obligation or agreement, whether written or oral, or otherwise will not be subject to disallowance under Section 280G or 162(m) of the Code. Except as disclosed in Section 3.12(g) of the Company Disclosure Schedule, no person is entitled to receive any "gross-up" payment from the Company or any Company Subsidiary, the Surviving Corporation or any other person in the event that the excise tax of Section 4999(a) of the Code is imposed on such person.

(h) No Benefit Plan provides benefits, including without limitation death or medical benefits (whether or not insured), with respect to current or former employees, officers, consultants or directors of the Company, any Company Subsidiary or any Commonly Controlled Entity after retirement or other termination of service, other than (i) coverage mandated by applicable law or (ii) death benefits or retirement benefits under any Pension Plan.

(i) There are no pending or, to the Company's knowledge, threatened or anticipated claims by or on behalf of any Benefit Plan, by any employee or beneficiary under any Benefit Plan or otherwise involving any Benefit Plan (other than routine and immaterial claims for benefits).

(j) Neither the Company nor any Company Subsidiary, any Commonly Controlled Entity, any of the Benefit Plans, any trust created thereunder nor any trustee or administrator thereof has engaged in a transaction or has taken or failed to take any action in connection with which any such Person or entity or any party dealing with the Benefit Plans or any such trust could be subject to either a civil penalty assessed pursuant to section 409 or 502(i) or ERISA or a tax imposed pursuant to section 4975, 4976 or 4980B of the Code.

(k) Except as disclosed in Section 3.12(a) of the Company Disclosure Schedule, no increase in the compensation or benefits of officers or employees (including pursuant to any Benefit Plan) made since December 31, 2000 is customary on a periodic basis or required by any agreement or understanding.

Section 3.13 Taxes. (a) Except as set forth in Section 3.13 of the Company Disclosure Schedule:

(i) the Company and each Company Subsidiary (x) have timely filed (or there have been timely filed on their behalf) with the appropriate Tax Authorities all Tax Returns (as hereinafter defined) required to be filed by them, and such Tax Returns are true, correct and complete in all material respects, and (y) have timely paid (or there have been paid on their behalf) or accrued on the Financial Statements in accordance with GAAP all Taxes (as defined below) that are due and payable except for those Taxes that are being contested in good faith and for which adequate reserves have been established in the Financial Statements in accordance with GAAP;

(ii) there are no liens for Taxes upon any property or assets of the Company or any Company Subsidiary, except for liens for Taxes not yet due or for Taxes that are being contested in good faith and for which adequate reserves have been established in the Financial Statements in accordance with GAAP;

(iii) no Federal, state, local or foreign action, suit, claim, audit, assessment, or judicial or administrative proceeding (each a "Tax Claim") is pending with regard to any Taxes or Tax Returns of the Company or any Company Subsidiary and, to the knowledge of the Company, no Tax Claim has been threatened;

(iv) the Company and each Company Subsidiary have complied with all applicable rules and regulations relating to the withholding of Taxes and have withheld and paid over to the relevant Taxing Authority (as defined below) or accrued on the Financial Statements in accordance with GAAP all Taxes required to have been withheld and paid, including, without limitation, withholding in connection with payments to employees, independent contractors, creditors, stockholders or other third parties;

(v) the Financial Statements contain adequate reserves in accordance with GAAP for all Taxes payable by the Company and each Company

Subsidiary for all taxable periods and portions thereof accrued through the date of such Financial Statements;

(vi) the Federal income Tax Returns of the Company and the Company Subsidiaries have been examined by the applicable Tax Authorities (or the applicable statutes of limitation for the assessment of Taxes for such periods have expired) for all periods through and including December 31, 1998, and as of the date hereof, no material adjustments have been asserted as a result of such examinations which have not been (x) resolved and fully paid, or (y) reserved on the Financial Statements in accordance with GAAP;

(vii) neither the Company nor any Company Subsidiary is or was a party to any agreement providing for the allocation, indemnification, or sharing of Taxes;

(viii) neither the Company nor any Company Subsidiary has been a member of any "affiliated group" (as defined in section 1504(a) of the Code) (or any combined or unitary group under foreign, state, or local law) (each, an "Affiliated Group") other than the Affiliated Group of which
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Company is the "parent" and is not subject to Treas. Reg. 1.1502-6 (or any similar provision under foreign, state, or local law) for any period other than in connection with the Affiliated Group of which the company is the "parent"; and

(ix) neither the Company nor any Company Subsidiary has consented to the extension or waiver of any limitation period applicable to Taxes, Tax Returns or Tax Claims.

(b) "Tax" or "Taxes" means any (x) Federal, state, local, and foreign
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income, gross receipts, property, sales, use, license, excise, franchise, employment, payroll, premium, withholding, alternative or added minimum, ad valorem, or transfer tax, or any other tax, custom, duty, governmental fee or other like assessment or charge of any kind, including any interest, additions to tax, or penalties applicable thereto, imposed by any Tax Authority or (y) liability for the payment of any amounts described in clause (x) above as a result of transferor or successor liability. "Tax Authority" means the Internal
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Revenue Service and any other domestic or foreign governmental authority responsible for the administration of any Taxes. "Tax Returns" mean all
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Federal, state, local, and foreign tax returns, declarations, statements, reports, schedules, forms, and information returns and any amendments thereto.

Section 3.14 Contracts. Except as set forth in Section 3.14 of the Company Disclosure Schedule, each Company Agreement is valid, binding and enforceable and is in full force and effect, except where any failures, individually or in the aggregate, to be valid, binding and enforceable and in full force and effect would not be reasonably likely to have a Company Material Adverse Effect, and there are no defaults thereunder, except those defaults that would not, individually or in the aggregate, be reasonably likely to have a Company Material Adverse Effect. Section 3.14 of the Company Disclosure Schedule sets forth a true and complete list as of the date hereof of (each, a "Material Company Agreement"):

(a) any agreement required to be filed as an Exhibit to an Annual Report on Form 10-K of the Company pursuant to Item 601(b)(10) of Regulation S-K of the Securities Act), entered into by the Company or any Company Subsidiary since December 31, 2000 and all amendments to any such Company Agreements included as an exhibit to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000;

(b) all non-competition or similar agreements imposing restrictions on the ability of the Company or any Company Subsidiary to conduct any business (or the manner in which any of them may conduct business) in any jurisdiction or territory;

(c) any Company Agreement in effect as of the date hereof (i) for the supply of published fare airline tickets, including any agreements relating to commissions (normal, override or other) payable in respect of the sale of such airline tickets, (ii) for the supply of net fare or opaque fare airline tickets (as to which there are no agreements to pay to the Company any commissions) which contain any restrictions on the manner in which the Company sells such tickets (other than restrictions which (x)(A) require the sale of such tickets together with other products, (B) require such tickets to be sold opaquely or (C) do not permit the sale of such tickets on the internet, and (y) have not been agreed to for a period of more than two months) and (iii) relating to global distribution services;

(d) any Company Agreement that requires the Company to conduct business exclusively with one or more Persons in any particular geographic area or with respect to any particular product or service and that cannot be canceled by the Company within 60 days following notice thereof without the payment of any penalty;

(e) indentures, credit agreements, security agreements, mortgages,

guarantees and promissory notes, and other Company Agreements relating to the borrowing of money or the lending of money by the Company or any Company Subsidiary involving amounts in excess of $100,000 individually or, other than in respect of the mortgage set forth in Section 3.14 of the Company Disclosure Schedule, $250,000 in the aggregate;

(f) partnership, joint venture and similar agreements;

(g) bonds or agreements of guarantee or indemnification in which the Company or any Company Subsidiary acts as surety, guarantor or indemnitor with respect to any obligation (fixed or contingent) in excess of $50,000 individually or $250,000 in the aggregate and that cannot be terminated by the Company any Company Subsidiary within 60 days following notice thereof without the payment of a material penalty, other than any of the foregoing relating to obligations of the Company or any Company Subsidiary;

(h) any personal property lease with an annual payment thereunder of more than $50,000; and

(i) any Company Agreement (other than those listed in paragraphs (a) through (h) immediately above) which provides for payments to or from the Company in an amount of $100,000 annually or $300,000 in the aggregate over the maximum life of such Company Agreement.

Section 3.15 Real and Personal Property. (a) Section 3.15(a) of the Company Disclosure Schedule sets forth a complete list of all real property owned by the Company and the Company Subsidiaries (the "Owned Real Property"). Each of the Company and the Company Subsidiaries has good, valid and marketable title to all the properties and assets which it purports to own (real, personal and mixed, tangible and intangible) and which are material to the conduct of their business, including, without limitation, all the properties and assets reflected in the Balance Sheet, except for (i) personal property having an aggregate book value not in excess of $300,000 sold since the Balance Sheet Date and (ii) except for product sold to customers in the ordinary course of business. All the properties and assets purchased by the Company and the Company Subsidiaries since the Balance Sheet Date through the date hereof, other than (i) products sold to customers in the ordinary course of business, (ii) short term investments and (iii) products described in (and in the amounts set forth in the overall operating plan and capital and operating budgets for the Company, in each case as set forth in Section 5.2(h) of the Company Disclosure Schedule, are listed in the Company Disclosure Schedule. All such

properties and assets are free and clear of all Encumbrances and are not, in the case of real property, subject to any rights of way, building use restrictions, exceptions, variances, reservations or limitations of any nature whatsoever except, with respect to all such properties and assets, (i) liens incurred in connection with the purchase of personal tangible property securing specified liabilities or obligations (with respect to which no default exists) that are not in excess of the purchase price paid for such property; (ii) imperfections of title, if any, (A) none of which, individually or in the aggregate(x) are substantial in amount, (y) materially detract from the value or impair the use of the property subject thereto, or (z) impair the operations of the Company or any Company Subsidiary and (B) which have arisen only in the ordinary course of business and consistent with past practice since the Balance Sheet Date; and (iii) statutory liens for current taxes not yet due or (regardless of whether liquidated) mechanics liens (the liens referred to in clauses (i) through (iii), collectively, "Permitted Liens").

(b) Section 3.15(b) sets forth a complete list of all real property leased as of the date hereof by the Company and the Company Subsidiaries (the "Leased Real Property", and, together with the Owned Real Property, the "Real Property"). Except as disclosed in Section 3.15(b) of the Company Disclosure Schedule, the Company is not a party to any lease, assignment or similar arrangement under which the Company is a lessor, assignor or otherwise makes available for use by any third party any portion of the Real Property. All such leases are valid, binding and enforceable in accordance with their terms, and are in full force and effect; there are no existing defaults by the Company or any Company Subsidiary thereunder; no event of default has occurred which (whether with or without notice, lapse of time or the happening or occurrence of any other event) would constitute a default thereunder.

Section 3.16 Potential Conflict of Interest. Except as set forth in Section 3.16(a) of the Company Disclosure Schedule or in the Company SEC Documents filed prior to the date hereof, since December 31, 1999 through the date hereof, there have been no transactions, agreements, arrangements or understandings between the Company or any Company Subsidiary, on the one hand, and their respective affiliates, on the other hand, that would be required to be disclosed under Item 404 of Regulation S-K under the Securities Act (except for amounts due as normal salaries and bonuses and in reimbursements of ordinary expenses). Except as set forth in Section 3.16(b) of the Company Disclosure Schedule or in the Company SEC Documents filed prior to the date hereof, as of the date hereof, no current executive officer or director of the Company or any Company Subsidiary (and, to the knowledge of the Company, no former executive officer or director of the Company

or any Company Subsidiary listed in Section 3.16(b), (i) owns, directly or indirectly, any interest in (excepting not more than one percent (1%) stock holdings for investment purposes in securities of publicly-held and traded companies) or is an officer, director, employee or consultant of any person which is a competitor, lessor, lessee, customer or supplier of the Company; and no officer or director of the Company or any of Company Subsidiary, (ii) owns, directly or indirectly, in whole or in part, any Intellectual Property which the Company or any Company Subsidiary is using or the use of which is necessary for the business of the Company or any Company Subsidiary, (iii) has notified the Company of, or threatened, any claim, charge, action or cause of action against the Company or any Company Subsidiary, except for immaterial claims for accrued vacation pay, accrued benefits under any Benefit Plans and similar matters and agreements existing on the date hereof, (iv) has made, on behalf of the Company or any Company Subsidiary, any payment or commitment to pay any commission, fee or other amount to, or to purchase or obtain or otherwise contract to purchase or obtain any goods or services from, any other Person of which any officer or director of the Company or any Company Subsidiary, or, to the Company's knowledge, a relative of any of the foregoing, is a partner or stockholder (except stock holdings solely for investment purposes in securities of publicly held and traded companies), (v) owes any money to the Company or any Company Subsidiary (except for reimbursement of advances in the ordinary course of business consistent with past practice) or (vi) is party to any Company Agreement other than (A) Company Agreements with former directors or officers that are no longer in effect, (B) Company Agreement in effect as of the date hereof pursuant to any Benefit Plan in Section 3.12 of this Agreement or in Section 3.12 in the Company Disclosure Schedule, and (C) Company Agreements entered into in the ordinary course of business consistent with past practice; nor are there any Company Agreements between the Company or any Company Subsidiaries, on the one hand, and any holder of more than 5% of the Company's equity securities, on the other hand, or any affiliate thereof.

Section 3.17 Intellectual Property. (a) As used herein, the term "Intellectual Property" means the following items that are held for use or used in the business of the Company and each of the Company Subsidiaries as currently conducted or as presently contemplated to be conducted and any licenses to use any of the following: all trademarks, service marks, trade names, Internet domain names, designs, logos, slogans and general intangibles of like nature, together with all goodwill, registrations and applications relating to the foregoing and unregistered trademarks (collectively, "Trademarks"); patents, patent applications and any continuations, divisionals, continuations-in-part, renewals, reissues for any of the foregoing (collectively, "Patents"); copyrights (including registrations and

applications for any of the foregoing and common law copyrights)("Copyrights");
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computer programs, including any and all software implementations of algorithms, models and methodologies whether in source code or object code form, databases and compilations, including any and all data and collections of data, all documentation, including user manuals and training materials, related to any of the foregoing and the content and information contained on any Web site (collectively, "Software"); and confidential information, technology, know-how,
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inventions, processes, formulae, algorithms, models and methodologies (collectively "Trade Secrets").

(b) Section 3.17(b) of the Company Disclosure Schedule sets forth, for all Intellectual Property owned or licensed by the Company and any of the Company Subsidiaries, a complete and accurate list, of all U.S. and foreign: (A) Patents; (B) Trademarks (including domain name registrations); (C) registered Copyrights and all unregistered Copyrights material to the conduct of the business; (D) Software that is owned by the Company or any of the Company Subsidiaries ("Proprietary Software"); and (E) Software (other than licenses for
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readily available commercial software programs having an acquisition price of less than $5,000) that is licensed or leased by the Company or any of the Company Subsidiaries. In respect of the Software, Section 3.17(b) of the Company Disclosure Schedule shall describe which Software is owned, licensed, or leased, as the case may be.

(c) Section 3.17(c) of the Company Disclosure Schedule sets forth a complete and accurate list of all agreements granting, obtaining, or restricting any right to use or to practice any rights under any Intellectual Property, to which the Company or any of the Company Subsidiaries is a party or otherwise bound, as licensee or licensor thereunder, including, without limitation, agreements for Software that is material to the conduct of the business of the Company and/or the Company Subsidiaries and which is licensed, leased or otherwise used by the Company or any of the Company Subsidiaries (other than licenses for readily available commercial software programs having an acquisition price of less than $5,000), agreements for Proprietary Software (and identifies which Software is owned, licensed, leased, or otherwise used, as the case may be), other license agreements, development agreements, settlement agreements, consent-to-use agreements and covenants not to sue (collectively, "License Agreements"). No royalties, honoraria or other fees are payable by the
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Company or any of the Company Subsidiaries to any third parties for the use of or right to use any Intellectual Property except pursuant to the License Agreements.

(d) Except as set forth in Section 3.17(d) of the Company Disclosure Schedule:

(i) the Company or the Company Subsidiaries own or have the right to use all Intellectual Property free and clear of all Encumbrances, except as set forth in Section 3.17(d)(i) of the Company Disclosure Schedule and except for (x) imperfections of title, if any, (A) none of which, individually or in the aggregate, (m) are substantial in amount, (n) materially detract from the value or impair the use of the property subject thereto, or (o) impair the operations of the Company or any Company Subsidiary and (B) which have arisen only in the ordinary course of business and consistent with past practice and (y) statutory liens for current taxes not yet due;

(ii) the Company or any of the Company Subsidiaries is listed in the records of the appropriate United States, state, or foreign registry as the sole current owner or assignee of record for each application and registration listed in Section 3.17(b) of the Disclosure Schedule, other than the Software listed therein that is licensed or leased by the Company or any of the Company Subsidiaries;

(iii) any Intellectual Property owned or, to the Company's knowledge, any third party Intellectual Property used or licensed by the Company or the Company Subsidiaries has been duly maintained, is valid and subsisting, in full force and effect and has not been cancelled, expired or abandoned, except as set forth in Section 3.17(d)(iii) of the Company Disclosure Schedule;

(iv) there is no pending or threatened, claim, suit, arbitration or other adversarial proceeding before any court, agency, arbitral tribunal, or registration authority in any jurisdiction involving (A) the Intellectual Property owned by the Company or any of the Company Subsidiaries, or (B) to the Company's knowledge, the Intellectual Property licensed to the Company or any of the Company Subsidiaries, alleging that the activities or the conduct of the Company's or any of the Company Subsidiaries' businesses infringe upon, violate or constitute the unauthorized use of the intellectual property rights of any third party or challenging the Company or any the Company Subsidiaries' ownership, use, validity, enforceability or registrability of any Intellectual Property, except as set forth in Section 3.17(d)(iv) of the Company Disclosure Schedule;

(v) neither the Company nor any Company Subsidiaries have licensed or sublicensed its rights in any Intellectual Property, or received or been granted any such rights, other than pursuant to the License Agreements;

(vi) (A) no third party is misappropriating, infringing, diluting or violating any Intellectual Property owned by the Company or any of the Company Subsidiaries, (B) to the Company's knowledge, no third party is misappropriating, infringing, diluting or violating any Intellectual Property used by the Company or any of the Company Subsidiaries, and (C) no such claims, suits, arbitrations or other adversarial proceedings have been brought or threatened against any third party by the Company or any of the Company Subsidiaries, except as set forth in Section 3.17(d)(vi) of the Company Disclosure Schedule;

(vii) the License Agreements are valid and binding obligations of the Company or Company Subsidiaries, enforceable in accordance with their terms, and there exists no event or condition which will result in a violation or breach of, or constitute a default by the Company or Company Subsidiaries or, to the Company's knowledge, the other party thereto, under any such License Agreement;

(viii) the Company and each of the Company Subsidiaries takes reasonable measures to protect the confidentiality of Trade Secrets, and no Trade Secret of the Company or any of the Company Subsidiaries has been disclosed or authorized to be disclosed by the Company or any of the Company Subsidiaries to any third party other than the Company's legal, accounting or financial advisors, and other than pursuant to a written non-disclosure agreement that adequately protects the proprietary interests of the Company and the applicable Company Subsidiaries in and to such Trade Secrets;

(ix) the consummation of the transactions contemplated hereby will not result in the loss or impairment of the Company's and the Company Subsidiaries' rights to own, use, or to bring any action for the infringement of, any of the Intellectual Property, nor will such consummation require the consent of any third party in respect of any Intellectual Property, except as set forth in Section 3.17(d)(ix) of the Company Disclosure Schedule; and

(x) all Proprietary Software set forth in Section 3.17(b) of the Company Disclosure Schedule, was either developed (A) by employees of the Company or any of the Company Subsidiaries within the scope of their employment, (B) by independent contractors who have assigned all of their rights to the Company or any of the Company Subsidiaries pursuant to a written agreement or (C) by independent contractors who performed services relating to the creation of copyrights on a work-for-hire basis pursuant to a written agreement. Except as set forth in Section 3.17(d)(x) of the Company Disclosure Schedule, no third party has had access to any of the source code for any of the Proprietary Software, and no act has been done or omitted to be done by the Company or any of the Company Subsidiaries to impair or dedicate to the public or entitle any governmental entity to hold abandoned any of such Proprietary Software.

Section 3.18 Labor Matters. (a) The Company and each Company Subsidiary has good labor relations and there are no controversies pending, or to the knowledge of the Company, threatened between the Company or any Company Subsidiary, on the one hand, and any of their respective employees, on the other hand, which would have be reasonably likely to have , individually or in the aggregate, a Company Material Adverse Effect. Since December 31, 1999, there has been no labor union organizing any employees of the Company or any Company Subsidiary into one or more collective bargaining units.

(b) The Company and all Company Subsidiaries are in compliance with all applicable laws respecting employment and employment practices, terms and conditions of employment, and wages and hours, and are not engaged in any unfair labor practice.

(c) (i) To the knowledge of the Company, neither the Company nor any of its subsidiaries nor any of their respective employees, agents or representatives has since December 31, 1999 committed an unfair labor practice as defined in the National Labor Relations Act and (ii) there is no unfair labor practice complaint against the Company or any Company Subsidiary pending before the National Labor Relations Board.

(d) Since January 1, 1999, there has been no and there is no actual or threatened labor dispute, strike, slowdown or work stoppage or, to the knowledge of the Company, threatened against or affecting the Company or any Company Subsidiary.

(e) Neither Company nor any of its Subsidiaries has received as of the date hereof notice of any actual or threatened investigation, charge or complaint against Company or any of its Subsidiaries with respect to employees pending before the Equal Employment Opportunity Commission or any other Governmental Entity regarding an unlawful employment practice.

(f) Company and each of its Subsidiaries is and has since January 1, 1999 been in compliance with all notice and other requirements under the Workers' Adjustment and Retraining Notification Act.

Section 3.19 Compliance with Laws. Except as set forth in Section 3.19 of the Company Disclosure Schedule, the Company and the Company Subsidiaries have complied in a timely manner and in all material respects with all laws, rules and regulations, ordinances, judgments, decrees, orders, writs and injunctions of all federal, state, local, foreign governments and agencies thereof, including, without limitation, the U.S. Department of Transportation, which affect the business, properties or assets of the Company and the Company Subsidiaries, except for instances of possible noncompliance that individually or in the aggregate would not be reasonably likely to have a Company Material Adverse Effect, and no notice, charge, claim, action or assertion has been received by the Company or any Company Subsidiary or has been filed, commenced or, to the Company's knowledge, threatened against the Company or any Company Subsidiary alleging any violation of any of the foregoing, except for instances of possible noncompliance that individually or in the aggregate would not have Company Material Adverse Effect. All licenses, permits and approvals required under such laws, rules and regulations are in full force and effect except where the failure to be in full force and effect would not be reasonably likely to have a Company Material Adverse Effect.

Section 3.20 Environmental Matters. Except as set forth in Section 3.20 of the Company Disclosure Schedule, (a) the Company and the Company Subsidiaries are in compliance in all material respects with all applicable federal, state, interstate, local and foreign laws and regulations relating to pollution or protection or preservation of human health or safety or the environment, including, without limitation, laws and regulations relating to emissions, discharges, releases or threatened releases of chemicals, pollutants, contaminants, wastes, radioactive materials, toxic or hazardous substances or hazardous waste, petroleum and petroleum products, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon, or lead or lead-based paints or materials ("Materials of Environmental Concern"), or otherwise relating to the manufacture, processing, distribution, use, treatment, generation, storage, containment (whether above ground

or underground), disposal, transport or handling of Materials of Environmental Concern, or the preservation of the environment or mitigation of adverse effects thereon (collectively, "Environmental Laws"), and including, but not limited to, possession of all, and compliance with any, permits or other governmental authorizations required under applicable Environmental Laws or the terms and conditions thereof, except where noncompliance with Environmental Laws or failure to possess or comply with permits or other governmental authorizations is not reasonably likely to have a Company Material Adverse Effect; (b) neither the Company nor any Company Subsidiary has received any communication or notice, whether from a governmental authority or any other person, alleging any violation of or noncompliance with any Environmental Laws by the Company or any Company Subsidiary or for which any of them is responsible, and there is no pending or, to the Company's knowledge or to the knowledge of any Company Subsidiary, no threatened claim, action, investigation or notice against or involving the Company or any Company Subsidiary or for which any of them is responsible by any person or entity alleging potential liability for investigatory, cleanup or governmental response costs, or natural resources or property damages, or personal injuries, attorneys' fees or penalties relating to (i) the presence, or release into the environment, of any Materials of Environmental Concern at any location, or (ii) any violation, or alleged violation, or circumstances forming the basis of any such violation of any Environmental Law (collectively, "Environmental Claims"), against the Company or any Company Subsidiary except where such notices, communications or Environmental Claims would not have a Company Material Adverse Effect; (c) to the Company's knowledge, there are no past or present facts or circumstances that are reasonably likely to form the basis of any Environmental Claim against the Company or any Company Subsidiary or against any person or entity whose liability for any Environmental Claim the Company or such Company Subsidiary have retained or assumed either contractually or by operation of law, except where such Environmental Claim, if made, would not have a Company Material Adverse Effect; (d) all underground storage tanks, and the capacity and contents of such tanks, located on property owned, operated or leased by the Company or any Company Subsidiary are identified in Section 3.20 of the Company Disclosure Schedule; and (e) all properties formerly owned or operated by the Company or any Company Subsidiary, affiliate or predecessor thereof are identified in Section 3.20 of the Company Disclosure Schedule.

Section 3.21 Information in the Proxy Statement. The Proxy Statement, if any (and any amendment thereof or supplement thereto), at the date mailed to the Company's stockholders and at the time of any meeting of Company stockholders to be held in connection with the Merger, will not contain any untrue

statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading, except that no representation is made by the Company with respect to statements made therein based on information supplied in writing by Parent or the Purchaser expressly for inclusion in the Proxy Statement. The Proxy Statement will comply in all material respects with the provisions of the Exchange Act and the rules and regulations thereunder.

Section 3.22 Information in the Offer Documents and the Schedule 14D-9. The information supplied by the Company expressly for inclusion in the Offer Documents and the Schedule 14D-9 will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. The Schedule 14D-9 will comply in all material respects with the provisions of applicable federal securities laws and, on the date filed with the SEC and on the date first published or sent or given to the Company's stockholders, will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, except that the Company makes no representation or warranty with respect to statements made in the Schedule 14D-9 based on information furnished by Parent or Purchaser for inclusion therein.

Section 3.23 Opinion of Financial Advisor. The Company Board of Directors has received the opinion of CIBC World Markets Corp. ("CIBC World Markets") dated the date of this Agreement, to the effect that, as of such date, the consideration to be received in the Offer and the Merger by the Company's holders of Shares (other than Parent and its affiliates) is fair, from a financial point of view, to such holders. A copy of such opinion will be delivered by the Company to Parent and the Purchaser, solely for informational purposes, promptly after receipt thereof by the Company. The Company has been authorized by CIBC World Markets to permit the inclusion of a reproduced copy of such opinion in its entirety in the Schedule 14D-9 and the Proxy Statement.

Section 3.24 Insurance. Each of the Company and each Company Subsidiary has policies of insurance and bonds of the type and in amounts customarily carried by Persons conducting businesses or owning assets similar to those of the Company and the Company Subsidiaries. There is no claim pending

under any of such policies or bonds as to which coverage has been questioned, denied or disputed by the underwriters of such policies or bonds. All premiums due and payable under all such policies and bonds have been paid and the Company and the Company Subsidiaries are otherwise in compliance in all material respects with the terms of such policies and bonds. The Company has as of the date hereof no knowledge of any threatened termination of, or material premium increase with respect to, any such policies. Section 3.24 of the Company Disclosure Schedule contains an accurate and complete description of all material policies of fire, liability, workers' compensation, and other forms of insurance owned or held by the Company and each Company Subsidiary.

Section 3.25 Brokers. No broker, investment banker, financial advisor or other person, other than CIBC World Markets, the fees and expenses of which will be paid by the Company, is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the Transactions based upon arrangements made by or on behalf of Company or the Purchaser. True and correct copies of all agreements between the Company and CIBC World Markets relating to the Transactions, including, without limitation, any fee arrangements, are attached to Section 3.25 of the Disclosure Schedule.

Section 3.26 Personnel. Section 3.26 of the Company Disclosure Schedule sets forth a true and complete list as of the date hereof of (a) the names and current salaries of all directors and elected and appointed officers of each of the Company and the Company Subsidiaries, and (b) to the knowledge of the Company, the number of shares of the Company Stock owned beneficially or of record, or both, by each such person and the family relationships, if any, among such persons.

Section 3.27 No Termination of Business Relationship. Except as set forth in Section 3.27 of the Company Disclosure Schedule, since March 31, 2001 through the date hereof, (a) none of the Persons with which the Company or any Company Subsidiary has a material business relationship has given notice in writing or, to the knowledge of the Company, other indication of any intention to cancel or otherwise terminate, prior to the end of the applicable contract term, a material business relationship with the Company or any Company Subsidiary and, (b) to the knowledge of the Company as of the date hereof, no event has occurred or failed to occur which (i) would, to the knowledge of the Company as of the date hereof, would reasonably be likely to precipitate the cancellation or termination of such a business relationship or (ii) would reasonably be likely to entitle any such entity or customer to terminate such a business relationship other than in accordance with the terms of a contract as in effect on the date hereof.

Section 3.28 Full Disclosure. The Company has not failed to disclose to Parent or Purchaser any facts material to the Company's business, results of operations, assets, liabilities or condition (financial or otherwise) as of the date hereof. No representation or warranty by the Company in this Agreement contains any untrue statements of a material fact or omits to state any material fact necessary, in order to make the statements made herein or therein, in light of the circumstances under which they were made, not misleading.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF PARENT AND THE PURCHASER

Parent and the Purchaser represent and warrant to the Company as follows:

Section 4.1 Organization. Each of Parent and the Purchaser is a corporation duly organized and validly existing under the laws of the jurisdiction of its respective incorporation or organization and has all requisite corporate power and authority and all necessary governmental approvals to own, lease and operate its properties and to carry on its business as is now being conducted, except where the failure to be so organized and existing or to have such power, authority, and governmental approvals would not, individually or in the aggregate, be reasonably likely to impair in any material respect the ability of each of Parent and the Purchaser, as the case may be, to perform its obligations under this Agreement, or prevent or materially delay the consummation of any of the Transactions.

Section 4.2 Authorization; Validity of Agreement; Necessary Action. Each of Parent and the Purchaser has full corporate power and authority to execute and deliver this Agreement and to consummate the Transactions. The execution, delivery and performance by Parent and the Purchaser of this Agreement and the consummation of the Transactions have been duly authorized by the boards of directors of each of Parent and the Purchaser, and by Parent as the sole stockholder of the Purchaser, and no other corporate authority or approval on the part of Parent or the Purchaser is necessary to authorize the execution and delivery by Parent and the Purchaser of this Agreement and the consummation of the Transactions. This Agreement has been duly executed and delivered by Parent and the Purchaser and, assuming due and valid authorization, execution and delivery hereof by the Company, is the valid and binding obligation of each of Parent and the Purchaser enforceable against each of them in accordance with its terms, except that (i) such

enforcement may be subject to applicable bankruptcy, insolvency or other similar laws, now or hereafter in effect, affecting creditors' rights generally, and (ii) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

Section 4.3 Consents and Approvals; No Violations. None of the execution, delivery or performance of this Agreement by Parent or the Purchaser, the consummation by Parent or the Purchaser of the Transactions, or compliance by Parent or the Purchaser with any of the provisions hereof will (a) conflict with or result in any breach of any provision of the organizational documents of Parent or the Certificate of Incorporation or Bylaws of the Purchaser, (b) require any filing by Parent or the Purchaser with, or permit, authorization, consent or approval of, any Governmental Entity (except for (i) compliance with any applicable requirements of the Exchange Act, (ii) any filing pursuant to the DGCL, (iii) filings, permits, authorizations, consents and approvals as may be required under, and the HSR Act and comparable merger and notifications, laws or regulations of foreign jurisdictions, (iv) the filing or deemed filing with the SEC and the Nasdaq Stock Market, Inc. of (A) the Schedule TO, (B) the Proxy Statement, if stockholder approval is required by law and (C) such reports under Section 13(a) of the Exchange Act as may be required in connection with this Agreement and the Transactions, or (iv) such filings and approvals as may be required by any applicable state securities, blue sky or takeover laws), or (c) violate any order, writ, injunction, decree, statute, rule or regulation applicable to Parent, any of its Subsidiaries, or any of their properties or assets, except in the case of clause (b) or (c) such violations, breaches or defaults which would not, individually or in the aggregate, impair in any material respect the ability of each Parent and the Purchaser to perform its obligations under this Agreement, as the case may be, or prevent the consummation of any the Transactions.

Section 4.4 Information in the Proxy Statement. None of the information supplied by Parent or the Purchaser in writing expressly for inclusion or incorporation by reference in the Proxy Statement (or any amendment thereof or supplement thereto) will, at the date mailed to stockholders and at the time of the meeting of stockholders to be held in connection with the Merger, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they are made, not misleading.

Section 4.5 Information in the Offer Documents. The Offer Documents will comply in all material respects with the provisions of applicable federal securities laws and, on the date filed with the SEC and on the date first published or sent or given to the Company's stockholders, will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, except that no representation is made by Parent or Purchaser with respect to information furnished by the Company expressly for inclusion in the Offer Documents.

Section 4.6 Brokers. No broker, investment banker, financial advisor or other Person, other than Goldman, Sachs & Co., the fees and expenses of which will be paid by Parent, is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the Transactions based upon arrangements made by or on behalf of Parent or Purchaser.

Section 4.7 Financing. Purchaser has, or will have available to it upon the consummation of the Offer, sufficient funds to consummate the Transactions, including payment in full for all Shares validly tendered into the Offer or outstanding at the Effective Time, subject to the terms and conditions of the Offer and this Agreement.

Section 4.8 Interim Operations of the Purchaser. Purchaser has been formed solely for the purpose of engaging in the Transactions, has engaged in no other business activities and has conducted its operations only as contemplated hereby.

ARTICLE V

CONDUCT OF BUSINESS PENDING THE MERGER

Section 5.1 Acquisition Proposals. The Company shall promptly notify Parent and the Purchaser if any proposals are received by, any information is requested from, or any negotiations or discussions are sought to be initiated or continued with the Company or, to the Company's knowledge, its officers, directors, employees, investment bankers, attorneys, accountants or other agents, in each case in connection with any Acquisition Proposal (as hereinafter defined) or, to the Company's knowledge, the possibility or consideration of making an Acquisition Proposal ("Acquisition Proposal Interest") indicating, in connection with such notice, the name of the Person indicating such Acquisition Proposal Interest and the material

terms and conditions of any proposals or offers. The Company agrees that it shall keep Parent and the Purchaser informed, on a current basis, of the status and terms of any Acquisition Proposal Interest. As used in this Agreement, "Acquisition Proposal" means any tender or exchange offer involving the Company, any proposal for a merger, consolidation or other business combination involving the Company, any proposal or offer to acquire in any manner a substantial equity interest in, or a substantial portion of the business or assets of, the Company (other than immaterial or insubstantial assets or inventory in the ordinary course of business or assets held for sale), any proposal or offer with respect to any recapitalization or restructuring with respect to the Company or any proposal or offer with respect to any other transaction similar to any of the foregoing with respect to the Company other than pursuant to the transactions to be effected pursuant to this Agreement.

Section 5.2 Interim Operations of the Company. The Company covenants and agrees that, except (i) as expressly contemplated by this Agreement, (ii) in the ordinary course of business consistent with past practice or (iii) as set forth in Section 5.2 of the Company Disclosure Schedule (indicating the appropriate subsection for each such disclosure) or (iv) consented to in writing by Designated Parent Individuals on behalf of Parent, after the date hereof, and prior to the earlier of (x) the termination of this Agreement in accordance with Article VIII and (y) the time the designees of Parent have been elected to, and shall constitute a majority of, the Company Board of Directors pursuant to Section 1.3 (the "Appointment Date"), which consent shall not be unreasonably withheld:

(a) the business of the Company and the Company Subsidiaries shall be conducted only in the ordinary course of business consistent with past practice, and each of the Company and the Company Subsidiaries shall use its reasonable efforts to preserve its present business organization intact and maintain satisfactory relations with customers, suppliers, employees, contractors, distributors and others having business dealings with it;

(b) the Company (and for all purposes of this Section 5.2, the term Company shall be deemed to include the Company and each Company Subsidiary) shall not, directly or indirectly, (i) except upon exercise of the Company Stock Options or other rights to purchase Shares pursuant to the Company Stock Option Plans outstanding on the date hereof or granted in compliance with this Section 5.2, issue, sell, transfer or pledge or agree to sell, transfer or pledge any treasury stock of the Company or, except to the Company, any capital stock of any Company Subsidiary beneficially owned by it, (ii) amend its Certificate of Incorporation or Bylaws or similar organizational documents; or (iii) split, combine

or reclassify the outstanding Shares or any outstanding capital stock of the Company;

(c) neither the Company nor any Company Subsidiary shall: (i) declare, set aside or pay any dividend or other distribution payable in cash, stock or property with respect to its capital stock (except for dividends or distributions from any Company Subsidiary to the Company); (ii) issue, sell, pledge, dispose of or encumber any additional shares of, or securities convertible into or exchangeable for, or options, warrants, calls, commitments or rights of any kind to acquire, any shares of capital stock of any class of the Company or any Company Subsidiaries, other than Shares reserved for issuance on the date hereof pursuant to the exercise of the Company Stock Options outstanding on the date hereof; (iii) transfer, lease, license, sell, mortgage, pledge, dispose of, or encumber any of assets (real, personal or mixed, tangible or intangible) (other than (x) personal property having an aggregate book value not in excess of $300,000 and sold in the ordinary course of business consistent with past practice, (y) product sold to customers in the ordinary course of business and (z) short-term investments which (A) are re-invested in accordance with Section 5.2(c)(iii)(z) of the Company Disclosure Schedule or (B) the proceeds of which are used for working capital purposes or capital expenditures permitted in accordance with Section 5.2(h)(iv)(x)), or dispose of or permit to lapse any rights to the use of any Intellectual Property material to the Company and the Company Subsidiaries on a consolidated basis, or disposed of or disclosed (except as necessary in the conduct of its business) to any person other than representatives of Parent, any Trade Secret or other Intellectual Property material to the Company and the Company Subsidiaries on a consolidated basis and not theretofore a matter of public knowledge; (iv) incur or modify any material indebtedness or other liability, other than in the ordinary course of business consistent with past practice; or (v) redeem (other than shares underlying Company Stock Options in connection with a cashless exercise of any Company Stock Option permitted by this Agreement), purchase or otherwise acquire any shares of any class or series of its capital stock, or any instrument or security which consists of or includes a right to acquire such shares except in connection with the exercise of repurchase rights or rights of first refusal in favor of the Company with respect to shares of Common Stock issued upon exercise of Company Stock Options granted under the Company Stock Option Plans;

(d) except as required pursuant to Benefit Plans in effect as of the date hereof and set forth in Section 3.12(a) of the Company Disclosure Schedule, neither the Company nor any Company Subsidiary shall (i) make any change in the compensation or benefits payable or to become payable (including any increase pursuant to any Benefit Plan) to any of its officers, directors, employees, agents or

consultants (other than increases in wages to employees who are not directors, officers or affiliates, in the ordinary course of business consistent with past practice) or to persons providing management services, (ii) subject to clause (iv) below, enter into any Benefit Plan or make any loans to, or (other than compensation and benefits permitted pursuant to Section 5.2(e)(i)) transfer any properties (real, personal or mixed, tangible or intangible), any of its officers, directors, employees, affiliates, agents or consultants or (iii) make any change in its existing borrowing or lending arrangements for or on behalf of any of such persons pursuant to an employee benefit plan or otherwise or (iv) hire or engage any (x) employees or consultants other than employees with a title of director or below or non-exempt employees hired in each case on an at-will basis or (y) consultants engaged pursuant to contracts terminable within thirty days without the payment of penalties;

(e) except as required pursuant to Benefit Plans in effect as of the date hereof and which are set forth in Section 3.12(a) of the Company Disclosure Schedule, neither the Company nor any Company Subsidiary shall (i) pay or make any accrual or arrangement for payment of any pension, retirement allowance or other employee benefit pursuant to any existing Benefit Plan to any officer, director, employee or affiliate or pay or agree to pay or make any accrual or arrangement for payment to any officer, director, employee or affiliate of the Company of any amount relating to unused vacation days, except payments and accruals made in the ordinary course of business consistent with past practice; (ii) adopt or pay, grant, issue, accelerate or accrue salary or other payments or benefits pursuant to any Benefit Plan with or for the benefit of any Company director, officer, employee, agent or consultant, whether past or present; or (iii) amend in any material respect any such existing Benefit Plan (other than amendments to consulting agreements terminable within thirty days without the payment of penalties) in a manner inconsistent with subsection (d) above or this subsection (e);

(f) the Company will not enter into (i) any Company Agreement that would be a Material Company Agreement described in one or more of subsections (a), (b), (d), (f), (g) of Section 3.14 hereof (other than, in the case of subsection (g), agreements regarding obligations aggregating not more than $100,000), were it in effect as of the date hereof, (ii) any Company Agreement with a term of greater than one month with any of the 25 biggest airlines (in terms of the Company's published fare gross bookings for the first 6 months of 2001) that would be a Material Company Agreement described in subsection (c)(i) of Section 3.14 hereof, were it in effect as of the date hereof, (iii) any Company Agreement that would be a Material Company Agreement described in subsection (c)(ii) of Section 3.14 hereof, were it in effect as of the date hereof, (iv) any Company Agreement that

would be a Material Company Agreement described in subsection (c)(iii) of Section 3.14 hereof, were it in effect as of the date hereof, or (v) any Company Agreement that would be a Material Company Agreement described in subsection (h) of Section 3.14 hereof (other than agreements regarding obligations aggregating not more than $200,000), were it in effect as of the date hereof, (vi) any material License Agreement or (vi) any real estate lease (the foregoing collectively referred to herein as "New Material Company Agreements"); and the Company will not, (A) in any material respect, modify, amend or terminate any Material Company Agreement or New Material Agreement or (B) in any respect modify, amend or terminate any New Material Agreement described in clause (ii) immediately above and any Material Company Agreement that would be such a New Material Agreement were it entered into after the date hereof which would either extend the term thereof or reduce the benefit to the Company of the commissions available thereunder; and neither the Company nor any Company Subsidiary shall waive, release or assign any material rights on claims under any Material Company Agreement or New Material Agreement;

(g) except pursuant to agreements in effect as of the date hereof and set forth in Section 5.2(g) of the Company Disclosure Schedule, neither the Company nor any Company Subsidiary will permit any insurance policy insuring material assets or material risks naming it as a beneficiary or a loss payee to be cancelled or terminated without notice to Parent;

(h) neither the Company nor any Company Subsidiary will (i) incur or assume any short-term indebtedness or long-term indebtedness; (ii) assume, guarantee, endorse or otherwise become liable or responsible (whether directly, contingently or otherwise) for the obligations of any other Person; (iii) make any loans, advances or capital contributions to, or investments in, any other Person; (iv) enter into any material commitment or transaction (including, but not limited to, any borrowing, capital expenditure or purchase, sale or lease of assets or real estate) except (x) to the extent set forth (and then only in time frame set forth) in the overall operating plan and capital and operating budgets for the Company authorized and approved by the Company Board of Directors, in each case as set forth in Section 5.2(h) of the Company Disclosure Schedule or (y) investments in short-term investments which are re-invested in accordance with Section 5.2(c)(iii)(z) of the Company Disclosure Schedule; or (v) dispose of or permit any Encumbrance upon (x) the current assets of the Company, including, without limitation, cash and cash equivalents as reflected on the most recent balance sheet of the Company or, (y) except for Permitted Liens, any other assets of the Company;

(i) neither the Company nor any Company Subsidiary will (i) change any of the accounting methods used by it materially affecting its assets, liabilities or business, except for such changes required by GAAP or (ii) make or change any election, change an annual accounting period, adopt or change any Tax accounting method, file any amended Tax Returns, enter into any closing agreement, settle or consent to any Tax Claim, surrender any right to claim a refund of Taxes, or consent to any extension or waiver of the limitation period applicable to any Tax Claim;

(j) except pursuant to agreements in effect as of the date hereof and set forth in Section 5.2(j) of the Company Disclosure Schedule, neither the Company nor any Company Subsidiary will pay, discharge or satisfy any claims, liabilities or obligations (whether absolute, accrued, contingent or otherwise), other than the payment, discharge or satisfaction of any such claims, liabilities or obligations, in the ordinary course of business consistent with past practice (including payments under Company Agreements in accordance with the terms of such agreements as in effect on the date hereof), or of claims, liabilities or obligations reflected or reserved against in, or contemplated by, the consolidated financial statements (or the notes thereto) of the Company;

(k) cancel any debts owing to the Company or any Company Subsidiary that are material to the Company and the Company Subsidiaries on a consolidated basis or waive any claims or rights of material value to the Company and the Company Subsidiaries on a consolidated basis;

(l) neither the Company nor any Company Subsidiary will adopt a plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization of the Company or any Company Subsidiary (other than the Merger);

(m) write down the value of any inventory (including write-downs by reason of shrinkage or mark-down) or write off as uncollectible any notes or accounts receivable, except for write-downs and write-offs in the ordinary course of business consistent with past practice or that are not material to the Company and the Company Subsidiaries on a consolidated basis;

(n) neither the Company nor any Company Subsidiary will take, or agree in writing or otherwise to take, any action that would or is reasonably likely to result in any of the conditions to the Merger set forth in Article VII or any of the conditions to the Offer set forth in Annex I not being satisfied, or would make many

representation or warranty of the Company contained herein inaccurate in any material respect at, or as of any time prior to, the Effective Time, or that would materially impair the ability of the Company to consummate the Merger in accordance with the terms hereof or materially delay such consummation; and

(o) neither the Company nor any Company Subsidiary will enter into any written agreement, contract, commitment or arrangement to do any of the foregoing, or authorize, recommend, propose, in writing or announce an intention to do any of the foregoing.

A Designated Parent Individual shall respond to any request from the Company for any consents sought pursuant to this Section 5.2 as promptly as practicable, with due regard and consideration to the relevant business needs of the Company in seeking and obtaining such consent.

Section 5.3 No Solicitation. (a) The Company has ceased and caused to be terminated all existing discussions, negotiations and communications with any Persons with respect to any Acquisition Proposal. Except as provided in Section 5.3(b), from the date of this Agreement until the earlier of termination of this Agreement or the Effective Time, the Company shall not and shall not authorize or permit its Representatives to, and shall use its best efforts to cause its Other Employees not to, directly or indirectly (i) initiate, solicit or knowingly encourage, or knowingly take any action to facilitate the making of, any offer or proposal which constitutes or is reasonably likely to lead to any Acquisition Proposal, (ii) enter into any agreement with respect to any Acquisition Proposal, or (iii) in the event of an unsolicited Acquisition Proposal for the Company, engage in negotiations or discussions with, or provide any information or data concerning the Company's business, properties or assets to, any Person (other than Parent or any of its affiliates or representatives) relating to any Acquisition Proposal. Any violation of the foregoing restrictions by any of the Company's Representatives, whether or not such Representative is so authorized and whether or not such Representative is purporting to act on behalf of the Company or otherwise, shall be deemed to be a breach of this Agreement by the Company. Notwithstanding the foregoing, nothing contained in this Section 5.3 or any other provision hereof shall prohibit the Company or the Company Board of Directors from (i) complying with Rule 14d-9 or Rule 14e-2 promulgated under the Exchange Act, including taking and disclosing to the Company's stockholders its position with respect to tender or exchange offer by a third party pursuant to Rules 14d-9 and 14e-2 promulgated under the Exchange Act,

(ii) making such disclosure to the Company's stockholders as in the good-faith judgment of the Company Board of Directors, only after receipt of advice from outside legal counsel to the Company that such disclosure is required under applicable law or (iii) referring a third party to this Section 5.3(a) or making a copy of this Section 5.3(a) available to any third party.

(b) Notwithstanding the foregoing, prior to the acceptance of Shares pursuant to the Offer, the Company may furnish information and data concerning its business, properties and assets to any Person pursuant to a confidentiality agreement with terms no less favorable to the Company than those contained in the Confidentiality Agreement, dated May 24, 2001 entered into between Parent and the Company (the "Confidentiality Agreement") and may negotiate and
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participate in discussions and negotiations with such Person concerning an Acquisition Proposal if, but only if, (x) such Acquisition Proposal is for (i) a merger or other business combination involving the Company, (ii) a proposal or offer to acquire in any manner, directly or indirectly, an equity interest in or any voting securities of the Company representing 25% or more of the Shares or of the total voting securities of the Company outstanding or (iii) an offer to acquire in any manner, directly or indirectly, a substantial portion of the assets of the Company, other than the transactions contemplated by this Agreement (a "Takeover Proposal"); (y) such entity or group has on an
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unsolicited basis, and in the absence of any violation of this Section 5.3 by the Company, submitted a bona fide written proposal to the Company relating to any such Takeover Proposal which the Board of Directors determines in good faith, after consultation with outside legal counsel and a nationally recognized investment banking firm, involves consideration to the holders of the Shares that is superior to the consideration offered pursuant to the Offer, considering, among other things, the nature of the currency being offered, or otherwise is reasonably likely to represent a superior transaction to the Offer and the Merger and which is not conditioned upon obtaining additional financing other than that which is committed (or which in the good faith judgment of the Board of Directors, after consultation with a nationally recognized investment banking firm, is reasonably capable of being obtained by such Person), and (z) in the good faith opinion of the Company Board of Directors, only after consultation with outside legal counsel to the Company, providing such information or access or engaging in such discussions or negotiations is in the best interests of the Company and its stockholders and the failure to provide such information or access or to engage in such discussions or negotiations would be reasonably likely to cause the Company Board of Directors to violate its fiduciary duties to the Company's stockholders under applicable law (an Acquisition Proposal which satisfies clauses (x), (y) and (z) being referred to herein as a "Superior Proposal"). The Company shall within twenty-four (24)
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hours

following receipt (to the Company's knowledge) of a Takeover Proposal notify Parent of receipt of the same, and provide Parent with a copy of such Takeover Proposal or otherwise set forth in such notice the material terms and conditions of such Takeover Proposal and identity of the Person making such Takeover Proposal. The Company shall promptly, and in any event within twenty-four (24) hours following a determination by the Company Board of Directors that a Takeover Proposal is a Superior Proposal and prior to providing any such party with any material non-public information, notify Parent of such determination. The Company shall promptly provide to Parent any material non-public information regarding the Company provided to any other party which was not previously provided to Parent, such additional information to be provided no later than the date of provision of such information to such other party.

(c) Except as set forth herein, neither the Company Board of Directors nor any committee thereof shall (i) withdraw or modify, or propose to withdraw or modify, in a manner adverse to the Transactions, to Parent or to the Purchaser, the approval or recommendation by the Company Board of Directors or any such committee of the Offer, this Agreement or the Merger, (ii) approve or recommend or propose to approve or recommend, any Acquisition Proposal or (iii) enter into any agreement (other than a confidentiality agreement in accordance with this Section 5.3) with respect to any Acquisition Proposal. Notwithstanding the foregoing, prior to the time of acceptance for payment of Shares in the Offer, the Company Board of Directors may (subject to the terms of this and the following sentence) (A) withdraw or modify its approval or recommendation of the Offer, this Agreement or the Merger, if after consultation with its independent legal counsel, it determines in good faith that failure to take such action would be reasonably likely to cause it to violate its fiduciary duties to Company stockholders under applicable law, or (B) approve or recommend a Superior Proposal, or enter into an agreement with respect to a Superior Proposal, in the case of each of clauses (A) and (B), if at any time after seventy-two (72) hours (or, if longer, two business days) have elapsed following the Company's delivery to Parent of written notice advising Parent that the Company Board of Directors has received a Superior Proposal specifying the material terms and conditions of such Superior Proposal and identifying the Person making such Superior Proposal; provided, however, that the Company shall
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not enter into an agreement with respect to a Superior Proposal unless the Company shall also have terminated this Agreement in compliance with Section 5.3(d). Any such withdrawal, modification or change of the recommendation or the Company Board of Directors, the approval or recommendation or proposed approval or recommendation of any Superior Proposal or the entry by the Company into any agreement with respect to any Superior Proposal shall not change the approval of the Company Board of

Directors for purposes of causing any state takeover statute or other state law to be inapplicable to the Transactions, including each of the Offer, the Merger and the Stockholder Agreement.

(d) Notwithstanding anything in this Agreement to the contrary, the Company may terminate this Agreement and enter into a letter of intent, agreement-in-principle, acquisition agreement or other similar agreement (each, an "Acquisition Agreement") with respect to a Superior Proposal, provided that, prior to any such termination, (i) the Company has provided Parent written notice that it intends to terminate this Agreement pursuant to this Section 5.3(d), identifying the Superior Proposal then determined to be more favorable and the parties thereto and delivering a copy of the Acquisition Agreement for such Superior Proposal in the form to be entered into, (ii) during the period following the delivery of the second notice referred to in clause (i) above and ending upon the delivery of the notice referred to in clause (iii) below, Parent shall have the right to propose adjustments in the terms and conditions of this Agreement and the Company shall have caused its financial and legal advisors to negotiate with Parent in good faith such proposed adjustments in the terms and conditions of this Agreement, and (iii) (A) at least seventy-two (72) hours (or, if longer, two business days) after the Company has provided the notice referred to in clause (i) above, the Company delivers to Parent a written notice of termination of this Agreement pursuant to this Section 5.3(d) (such notice may be given by the Company contingent upon termination of this Agreement becoming effective immediately prior to the Company entering into a definitive agreement with respect to the Superior Proposal), and (B) prior to the effective termination of the Agreement, the Company delivers to Parent (x) a cashier's check in the amount of the Termination Fee (as defined in Section 8.2(b)) plus the reasonable out-of-pocket expenses of Parent and Purchaser as set forth in Section 8.2(b), as the same may have been estimated by Parent in good faith prior to the date of such delivery (subject to an adjustment payment between the parties upon Parent's definitive determination of such expenses) and (y) a written acknowledgment from each other party to such Superior Proposal that waives any right it may have to contest the validity or enforceability of any of the terms and conditions of this Agreement.

ARTICLE VI

ADDITIONAL AGREEMENTS

Section 6.1 Proxy Statement. As promptly as practicable after the consummation of the Offer and if required by the Exchange Act, the Company shall prepare and file with the SEC, and shall use its reasonable efforts to respond promptly to any comments made by the SEC, and promptly thereafter shall mail to stockholders, the Proxy Statement. In such event, the Proxy Statement shall contain the recommendation of the Company Board of Directors in favor of the Merger.

Section 6.2 Additional Agreements. Subject to the terms and conditions as herein provided, the Company, Parent and Purchaser shall each comply in all material respects with all applicable laws and with all applicable rules and regulations of any Governmental Entity to achieve the satisfaction of the Offer Conditions and in Article VII, and to consummate and make effective the Merger and the other Transactions. Each of the parties hereto agrees to use all commercially reasonable efforts to obtain in a timely manner all necessary waivers, consents and approvals and to effect all necessary registrations and filings, and to use all commercially reasonable efforts to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable to consummate and make effective as promptly as practicable the Transactions; provided, that nothing contained in this Section 6.2 shall require any party to waive or exercise any right hereunder which is waivable or exercisable in the sole discretion of such party. In case at any time after the Effective Time any further action is necessary or desirable to carry out the purposes of this Agreement, the proper officers and directors of the Company, Parent and the Purchaser shall use all commercially reasonable efforts to take, or cause to be taken, all such necessary actions.

Section 6.3 Notification of Certain Matters. The Company shall give prompt notice to the Purchaser and the Purchaser shall give prompt notice to the Company, of (a) the occurrence or non-occurrence of any event whose occurrence or non-occurrence, as the case may be, would be likely to cause either (i) any

representation or warranty contained in this Agreement to be untrue or inaccurate in any material respect at any time from the date hereof to the Effective Time (except to the extent it refers to a specific date (but ignoring for the purpose of this sentence any references to a specific date contained in the representations and warranties contained in Sections 3.11, 3.13(a)(vi), 3.16, 3.18, 3.24 and 3.27 of this Agreement) or (ii) any condition set forth in Annex I to be unsatisfied in any material respect at any time from the date hereof to the date the Purchaser purchases Shares pursuant to the Offer (except to the extent it refers to a specific date), (b) any circumstances that, to the knowledge of the Company, may cause the Company to suffer any Company Material Adverse Change in the foreseeable future and (c) any material failure of the Company, the Purchaser or Parent, as the case may be, or any officer, director, employee or agent thereof, to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it hereunder; provided, however, -------- -------

that the delivery of any notice pursuant to this Section 6.3 shall not limit or otherwise affect the remedies available hereunder to the party receiving such notice or the representations or warranties of the parties or the conditions to the obligations of the parties hereto.

Section 6.4 Access; Confidentiality. (a) From the date of this ----------

Agreement until the Appointment Date, the Company shall, and shall cause the Company Subsidiaries to, (i) give Parent, its officers and a reasonable number of its employees and its authorized representatives, reasonable access at all reasonable times during normal business hours to the Company Agreements, books, records, analysis, projections, plans, systems, personnel, commitments, offices and other facilities and properties of the Company and the Company Subsidiaries and their accountants and accountants' work papers and (ii) furnish Parent on a timely basis with such financial and operating data and other information with respect to the business and properties of the Company and the Company Subsidiaries as Parent may from time to time reasonably request and use reasonable best efforts to make available at all reasonable times during normal business hours to the officers, employees, accountants, counsel, financing sources and other representatives of the Parent the appropriate individuals (including management personnel, attorneys, accountants and other professionals) for discussion of the Company's business, properties, prospects and personnel as Parent may reasonably request.

(b) As soon as practicable after the execution of this Agreement, the Company shall permit Parent to electronically link the Company's financial reporting system to Parent's financial reporting system ("Hyperion"). Access to Hyperion will be provided by Parent's financial reporting staff and the tasks necessary to complete the link to Hyperion will be led by Parent's accounting staff, with the necessary assistance from the Company's accounting staff and other technical staff, if necessary, at no cost to the Company and provided that neither such installment nor the operation or use by Parent of Hyperion shall interfere with or disrupt the normal operation of the Company's business or its financial reporting system or violate any applicable software licenses. Parent will provide the necessary Hyperion software to be installed on a computer in the Company's accounting department; provided, however, that the information retrieved from the Company's financial reporting system will not be made available to persons who are directly involved in pricing or any other competitive activity at Parent or any Subsidiary of Parent; provided, further, that Parent shall not use such information other than for purposes of assessing the financial condition of the Company for purposes of the transactions contemplated by this Agreement, and shall not share, provide or sell the information to any third party or use the information in any manner that could reasonably be considered a restraint on competition or result in a violation of any applicable Laws. Any information provided under this Section 6.4(c) shall be subject to the terms of the Confidentiality Agreement.

(d) No investigation pursuant to this Section 6.5 shall affect any representation or warranty made by the parties hereunder.

Section 6.5 Consents and Approvals. (a) Each of Parent, the Purchaser and the Company shall take all reasonable actions necessary to comply promptly with all legal requirements which may be imposed on it with respect to this Agreement and the Transactions (which actions shall include, without limitation, furnishing all information required under the HSR Act and in connection with approvals of or filings with any other Governmental Entity) and shall promptly cooperate with and, subject to such confidentiality agreements as may be reasonably necessary or requested, furnish information to each other or their counsel in connection with any such requirements imposed upon any of them or any of their Subsidiaries in connection with this Agreement and the Transactions. Each of the Company, Parent and the Purchaser shall, and shall cause respective Subsidiaries to, take all reasonable actions necessary to obtain (and shall cooperate with each other in obtaining) any consent, authorization, order or approval of, or any exemption by, any

Governmental Entity or other public or private third party required to be obtained or made by Parent, the Purchaser, the Company or any of their respective Subsidiaries in connection with the Transactions or the taking of any action contemplated thereby or by this Agreement.

(b) Each of the Company, the Purchaser and Parent shall take all reasonable actions necessary to file as soon as practicable following the date hereof notifications under the HSR Act, or under comparable merger notification laws under foreign jurisdictions, and to respond as promptly as practicable to any inquiries received from the Federal Trade Commission or the Antitrust Division of the Department of Justice or any authorities of such other foreign jurisdictions for additional information or documentation and to respond as promptly as practicable to all inquiries and requests received from any State Attorney General or other Governmental Entity in connection with antitrust or competition matters. Notwithstanding the foregoing, or any other covenant herein contained, in connection with the receipt of any necessary approvals under the HSR Act or any comparable provisions under any applicable pre-merger notification laws or regulations of foreign jurisdictions, neither Parent nor the Company shall be required to (i) divest, (ii) hold separate or (iii) otherwise take or commit to take any action that limits (x) their respective freedoms of action with respect to or (y) their respective ability to retain: (A) themselves as an entity or any material portions thereof or (B) any of their respective businesses, product lines, properties or assets.

Section 6.6 Publicity. So long as this Agreement is in effect, neither the Company nor Parent, nor any of their respective affiliates, shall issue or cause the publication of any press release or other announcement with respect to the Offer, the Merger or this Agreement without the prior consultation of the other party, except as such party believes, after receiving the advice of outside counsel, may be required by law or by any listing agreement with or listing rules of a national securities exchange or trading market.

Section 6.7 Directors' and Officers' Insurance and Indemnification.

(a) For a period of six years after the Effective Time, the Surviving Corporation (or any successor to the Surviving Corporation) shall indemnify, defend and hold harmless the present and former officers and directors of the Company and the Company Subsidiaries, and persons who become any of the foregoing prior to the Effective Time, against all losses, claims, damages, liabilities, costs, fees

and expenses (including reasonable fees and disbursements of counsel and judgments, fines, losses, claims, liabilities and amounts paid in settlement (provided that any such settlement is effected with the written consent of the Parent or the Surviving Corporation, which consent shall not unreasonably be withheld)) arising out of actions or omissions occurring at or prior to the Effective Time to the full extent permissible under applicable provisions of the DGCL, the terms of the Company's Certificate of Incorporation or the Bylaws, and under any agreements as in effect at the date hereof (true and correct copies of which have been previously provided to Parent); provided, however, that in the event any claim or claims are asserted or made within such six-year period, all rights to indemnification in respect of any such claim or claims shall continue until disposition of any and all such claims.

(b) From and after the Appointment Date, Parent shall cause the Surviving Corporation to, and the Surviving Corporation shall, perform all of the obligations set forth in Article XI of the Company's Amended and Restated Certificate of Incorporation and Article X of the Bylaws of the Company, all as in effect on the date hereof. In addition, Parent shall cause the Surviving Corporation to, and the Surviving Corporation, shall pay all amounts that become due and payable under the Company's Amended and Restated Certificate of Incorporation and Bylaws and such indemnification agreements. Parent hereby guarantees the obligations of the Surviving Corporation set forth in Section 6.7(a) above and this Section 6.7(b).

(c) Parent or the Surviving Corporation shall maintain the Company's existing officers' and directors' liability insurance ("D&O Insurance") for a period of not less than six years after the Effective Time; provided, however, that Parent may substitute therefor policies of substantially equivalent coverage and amounts containing terms no less favorable to such former directors or officers; provided, further, that if the existing D&O Insurance expires or is terminated or cancelled during such period, then Parent or the Surviving Corporation shall use all commercially reasonable efforts to obtain substantially similar D&O Insurance; provided further, however, that in no event shall Parent be required to pay aggregate premiums for insurance under this Section 6.7(b) in excess of $500,000 ("Premium") (the aggregate premiums paid by the Company in 1999, 2000 and 2001 on an annualized basis for such purpose are set forth in Section 6.7(b) of the Company Disclosure Schedule); and provided, further, that if Parent or the Surviving Corporation is unable to obtain the amount of insurance required by this Section 6.7(b) for the Premium, Parent or the Surviving Corporation shall obtain as much insurance as can be obtained for an annual premium not in excess of the Premium.

Section 6.8 Purchaser Compliance. Parent shall cause the Purchaser to comply with all of its obligations under this Agreement.

Section 6.9 Reasonable Efforts. (a) Prior to the Closing, upon the terms and subject to the conditions of this Agreement, the Purchaser and the Company agree to use their respective reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things reasonably necessary and appropriate, under applicable laws to consummate and make effective the Transactions as promptly as practicable including, but not limited to (i) the preparation and filing of all forms, registrations and notices required to be filed to consummate the Transactions and the taking of such actions as are necessary to obtain any requisite approvals, consents, orders, exemptions or waivers by any third party or Governmental Entity, and (ii) the satisfaction of the Offer Conditions and other parties' conditions to Closing. In addition, no party hereto shall take any action after the date hereof that would reasonably be expected to materially delay the obtaining of, or result in not obtaining, any permission, approval or consent from any Governmental Entity necessary to be obtained prior to Closing.

(b) Prior to the Closing, each party shall promptly consult with the other parties hereto with respect to, provide any necessary information with respect to, and provide the other (or its counsel) copies of, all filings made by such party with any Governmental Entity or any other information supplied by such party to a Governmental Entity in connection with this Agreement and the Transactions. Each party hereto shall promptly inform the other of any communication from any Governmental Entity regarding any of the Transactions unless otherwise prohibited by law. If any party hereto or affiliate thereof receives a request for additional information or documentary material from any such Government Entity with respect to the Transactions, then such party shall endeavor in good faith to make, or cause to be made, as soon as reasonably practicable and after consultation with the other party, an appropriate response in compliance with such request. To the extent that transfers, amendments or modifications of permits (including environmental permits) are required as a result of the execution of this Agreement or consummation of the Transactions, the Company shall use its commercially reasonable efforts to effect such transfers.

(c) Notwithstanding the foregoing, nothing in this Agreement shall require the Purchaser to defend against any litigation brought by any Governmental Entity seeking to prevent the consummation of the Transactions.

Section 6.10 State Takeover Laws. If any state takeover statute becomes or is deemed to become applicable to the Company, the Offer, the acquisition of Shares pursuant to the Offer, or the Merger, then the Company Board of Directors shall take all action necessary to render such statute inapplicable to the foregoing.

Section 6.11 Interim Directors. Pursuant and subject to Section 1.3(b), the Company shall use its reasonable efforts to cause a sufficient number of its current directors to continue as Independent Directors of the Company until the Effective Time.

ARTICLE VII

CONDITIONS

Section 7.1 Conditions to Each Party's Obligations to Effect the Merger. The respective obligations of each party to effect the Merger shall be subject to the satisfaction on or prior to the Closing Date of each of the following conditions, any and all of which may be waived in whole or in part by Parent, the Purchaser and the Company, as the case may be, to the extent permitted by applicable law:

(a) Stockholder Approval. The Merger and this Agreement shall have been approved and adopted by the requisite vote of the holders of the Shares, to the extent required pursuant to the requirements of the Certificate of Incorporation and the DGCL.

(b) Statutes; Court Orders. No statute, rule or regulation shall have been enacted or promulgated by any Governmental Entity which prohibits the consummation of the Merger, and there shall be no order or injunction of a court of competent jurisdiction in effect preventing consummation of the Merger; and

(c) Purchase of Shares in Offer. The Purchaser shall have purchased, or caused to be purchased, Shares pursuant to the Offer; provided, however, that this condition shall be deemed to have been satisfied with respect to the

obligation of Parent and the Purchaser to effect the Merger if the Purchaser fails to accept for payment or pay for Shares validly tendered pursuant to the Offer in violation of the terms of the Offer or of this Agreement; and

(d) HSR Approval. The applicable waiting period under the HSR Act and any comparable provisions under any applicable pre-merger notification laws or regulations of foreign jurisdictions shall have expired or been terminated (the "HSR Condition").

Section 7.2 Conditions to Obligations of Parent and the Purchaser to Effect the Merger. The obligations of Parent and the Purchaser to effect the Merger shall be subject to the additional condition, which may be waived in whole or in part by Parent or the Purchaser to the extent permitted by applicable law, that all actions contemplated by Section 1.3 shall have been taken.

ARTICLE VIII

TERMINATION

Section 8.1 Termination. This Agreement may be terminated and the Transactions may be abandoned at any time before the Effective Time, whether before or after stockholder approval thereof:

(a) By mutual written consent of Parent and the Company; or

(b) By Parent if the Minimum Condition shall not have been satisfied by the Expiration Date; provided, however, that Parent shall not be entitled to terminate this Agreement pursuant to this Section 8.1(b) if it or the Purchaser is in material breach of its representations and warranties, covenants or other obligations under this Agreement and such breach has been the cause of, or resulted in, such failure to satisfy the Minimum Condition; or

(c) By either Parent or the Company (i) if a court of competent jurisdiction or other Governmental Entity shall have issued an order, decree or ruling

or taken any other action, in each case permanently restraining, enjoining or otherwise prohibiting any of the Transactions or the Stockholder Agreement, (ii) prior to the purchase of Shares pursuant to the Offer, if there has been a breach by the other party of any representation or warranty set forth in this Agreement, which breach shall result in any condition set forth in Annex I not being satisfied (and such breach is not reasonably capable of being cured and such condition is not reasonably capable of being satisfied within ten days after the receipt of written notice thereof), (iii) prior to the purchase of Shares pursuant to the Offer, if there has been a breach by the other party of any covenant or agreement set forth in this Agreement, which breach shall result in any condition set forth in Annex I not being satisfied (and such breach is not reasonably capable of being cured and such condition is not reasonably capable of being satisfied within ten days after the receipt of written notice thereof), or (iv) if the Offer has not been consummated by November 30, 2001 (the "Initial Drop Dead Date"); provided, however, that if the failure of the
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Offer to have been consummated (x) by the Initial Drop Dead Date is the result of the failure of the HSR Condition, then either Parent or the Company may elect on or one day prior to such date to extend the drop dead date to January 21, 2002 (the "Second Drop Dead Date"); provided, further, however, that the right
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to terminate this Agreement pursuant to this clause (iv) shall not be available to any party whose failure to fulfill any obligation under this Agreement has been the cause of, or resulted in, the failure of the Offer to be consummated by the Initial Drop Dead Date or the Second Drop Dead Date, as the case may be.

(d) By Parent, at any time prior to the purchase of the Shares pursuant to the Offer, if (i) the Company Board of Directors shall have withdrawn, modified, or changed its recommendation in respect of this Agreement or the Offer in a manner adverse to the Transactions, to the Parent or to the Purchaser, (ii) the Company Board of Directors shall have approved or recommended any proposal other than by Parent or the Purchaser in respect of an Acquisition Proposal or entered into an agreement with respect to any Acquisition Proposal (other than a confidentiality agreement entered into in accordance with Section 5.3(b)), (iii) the Company shall have exercised a right with respect to a Superior Proposal referenced in Section 5.3(b) and shall, directly or through its representatives, continue discussions with any third party concerning a Superior Proposal for more than 10 business days after the determination by the Board of Directors that a Takeover Proposal is a Superior Proposal, (iv) an Acquisition Proposal that is publicly disclosed shall have been commenced, publicly proposed or communicated in a public manner to the Company which contains a proposal as to price (without regard to whether such proposal specifies a specific price or a range of potential prices) and the Company shall not have rejected in a manner that becomes publicly disclosed

such proposal within ten business days after its existence first becomes publicly disclosed, (v) the Company shall have materially violated or breached any of its obligations under Section 5.3, or (vi) the Company Board of Directors shall have approved any transaction other than the Transactions under Section 203 of the DGCL;

(e) By the Company pursuant to Section 5.3(d); or

(f) By the Company in the event that the Offer has expired without Purchaser purchasing any Shares pursuant thereto.

Section 8.2 Effect of Termination. (a) In the event of the termination of this Agreement as provided in Section 8.1, written notice thereof shall forthwith be given to the other party or parties specifying the provision hereof pursuant to which such termination is made, and this Agreement shall forthwith become null and void and there shall be no liability on the part of Parent, the Purchaser or the Company, except (i) as set forth in Sections 6.5(a), 8.2 and 9.3 and (ii) nothing herein shall relieve any party from liability for any breach of this Agreement.

(b) If

(i) Parent shall have terminated this Agreement pursuant to Section 8.1(d),

(ii) the Company shall have terminated this Agreement pursuant to Section 8.1(e),

(iii) Parent shall have terminated this Agreement pursuant to Section 8.1(c)(iii) following the date hereof but prior to such termination there shall have been a Takeover Proposal (other than a Takeover Proposal prior to the date hereof or that is withdrawn prior to the termination of this Agreement),

(iv) (x) Parent shall have terminated this Agreement pursuant to Section 8.1(b) or Section 8.1(c)(ii); (y) following the date hereof but prior to such termination there shall have been a Takeover Proposal (other than a Takeover Proposal prior to the date hereof or that is withdrawn prior to the termination of this Agreement); and (z) concurrently with such termination, or within 12 months thereafter, (A) the Company enters into a merger agreement, acquisition

agreement or similar agreement (including a letter of intent) with respect to a Takeover Proposal, or a Takeover Proposal is consummated or (B) the Company enters into a merger agreement, acquisition agreement or similar agreement (including a letter of intent) with respect to a Superior Proposal, or a Superior Proposal is consummated, or

(v) (x)this Agreement shall have been terminated pursuant to Section 8.1(b) or 8.1(c)(iv), (y) any stockholder party to the Stockholder Agreement shall have breached or failed to perform any of obligations of such stockholder party under the Stockholder Agreement and (z) within 12 months thereafter, (A) the Company enters into a merger agreement, acquisition agreement or similar agreement (including a letter of intent) with respect to a Takeover Proposal, or a Takeover Proposal is consummated, or (B) the Company enters into a merger agreement, acquisition agreement or similar agreement (including a letter of intent) with respect to a Superior Proposal, or a Superior Proposal is consummated,

then the Company shall pay the Termination Fee (as defined below) to Parent promptly, (x) in no event later than two business days after the date of such termination if pursuant to Section 8.1(d) or Section 8.2(c)(iii), and, (y) in the case of a termination (A) pursuant to Section 8.1(b) or Section 8.1(c)(iii) or (B) in the case of clause (v) of this Section 8.2(d), upon the earlier of the execution of such agreement or consummation of such Takeover Proposal or Superior Proposal. The "Termination Fee" shall mean a termination fee of $16,000,000 plus an amount not to exceed $500,000 of the out-of-pocket expenses incurred by Parent and the Purchaser in connection with the Offer, the Merger, this Agreement and the consummation of the Transactions. The Termination Fee shall be payable by wire transfer to such account as Parent may designate in writing to the Company. The Company shall not withhold any amounts on any payment under this Section 8.2.

ARTICLE IX

MISCELLANEOUS

Section 9.1 Amendment and Modification. Subject to applicable law and as otherwise provided in the Agreement, this Agreement may be amended, modified and supplemented in any and all respects, whether before or after any vote of the stockholders of the Company contemplated hereby, by written agreement of the parties hereto, by action taken by their respective Boards of Directors or equivalent governing bodies, but, after the purchase of Shares pursuant to the Offer, no amendment shall be made which decreases the Merger Consideration and, after the approval of this Agreement by the stockholders, no amendment shall be made which by law requires further approval by such stockholders without obtaining such further approval. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

Section 9.2 Non-survival of Representations and Warranties. None of the representations and warranties in this Agreement or in any schedule, instrument or other document delivered pursuant to this Agreement shall survive the acceptance for payment, and payment for, the Shares by the Purchaser pursuant to the Offer.

Section 9.3 Expenses. Except as expressly set forth in Section 8.2(b), all fees, costs and expenses incurred in connection with this Agreement and the Transactions shall be paid by the party incurring such fees, costs and expenses.

Section 9.4 Notices. All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally, telecopied (which is confirmed) or sent by a nationally recognized overnight courier service, such as Federal Express (providing proof of delivery), to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

(a) if to Parent or the Purchaser, to:

Cendant Corporation

9 West 57th Street

New York, New York 10019

Attention: General Counsel

Telephone No.: 212-413-1836

Facsimile No.: 212-413-1922

with a copy to:

Diamondhead Acquisition Corporation

9 West 57th Street

New York, New York 10019

Telephone No.: (212) 413-1836

Facsimile No.: (212) 413-1922

and

Skadden, Arps, Slate, Meagher & Flom LLP
525 University Avenue
Palo Alto, California 94301
Attention: Kenton J. King, Esq.
Telephone: (650) 470-4500
Facsimile: (650) 470-4570

and

(b) if to the Company, to:

Cheap Tickets, Inc.
1440 Kapiolani Blvd.
Honolulu, Hawaii 96814
Attention: President & CEO
Telephone: (808) 945-7439
Facsimile: (808) 946-0610

with a copy to:

Morrison & Foerster, LLP

555 West Fifth Street

Los Angeles, California 90013-1024

Attention: Henry Fields, Esq.

Telephone: (213) 892-5275

Facsimile: (213) 892-5454

Section 9.5 Interpretation. When a reference is made in this Agreement to Sections, such reference shall be to a Section of this Agreement unless otherwise indicated. Whenever the words "include", "includes" or "including" are used in this Agreement they shall be deemed to be followed by the words "without limitation." As used in this Agreement, the term "affiliates" shall have the meaning set forth in Rule 12b-2 of the Exchange Act, and the term "knowledge of the Company" or "Company's knowledge" shall mean the knowledge of the directors, executive officers or key employees of the Company. The term "Representatives" shall mean the Company's directors, officers and other employees with a title of director or above, investment bankers, attorneys, accountants or other agents. The term "Other Employees" shall mean all employees with a title below the grade of director.

Section 9.6 Counterparts. This Agreement may be executed manually or by facsimile by the parties hereto, or xerographically or electronically by their respective attorneys, in any number of counterparts, each of which shall be considered one and the same agreement and shall become effective when a counterpart hereof shall have been signed by each of the parties and delivered to the other parties.

Section 9.7 Entire Agreement; No Third-Party Beneficiaries. (a) This Agreement and the Confidentiality Agreement constitute the entire agreement among the parties with respect to the subject matter hereof and thereof and supersedes all other prior agreements and understandings, both written and oral, among the parties or any of them with respect to the subject matter hereof and thereof (provided that the provisions of this Agreement shall supersede any conflicting provisions of the Confidentiality Agreement).

(b) Notwithstanding anything contained in this Agreement to the contrary, except for the provisions of Section 6.7, nothing in this Agreement, expressed or implied, is intended to confer on any person other than the parties hereto, or their respective heirs, successors, executors, administrators and assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as provided in Section 6.7 in respect of the present and former officers and directors of the Company and the Company Subsidiaries.

Section 9.8 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the Transactions is not affected in any manner adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the Transactions are fulfilled to the extent possible.

Section 9.9 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without giving effect to the principles of conflicts of law thereof.

Section 9.10 Assignment. This Agreement shall not be assigned by any of the parties hereto (whether by operation of law or otherwise) without the prior written consent of the other parties, except that the Purchaser may assign, in its sole discretion and without the consent of any other party, any or all of its rights, interests and obligations hereunder to (i) Parent, (ii) to Parent and one or more direct or indirect wholly-owned Subsidiaries of Parent, or (iii) to one or more direct or indirect wholly-owned Subsidiaries of Parent (each, an "Assignee"). Any such Assignee may thereafter assign, in its sole discretion and without the consent of any other party, any or all of its rights, interests and obligations hereunder to one or more additional Assignees. Any such Assignee may thereafter assign, it its sole discretion and without the consent of any other party, any or all of its rights, interests and obligations hereunder to one or more additional Assignees. Subject to the preceding sentence, but without relieving any party hereto of any obligation hereunder, this Agreement will be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

IN WITNESS WHEREOF, Parent, the Purchaser and the Company have caused this Agreement to be signed by their respective officers thereunto duly authorized as of the date first written above.

CENDANT CORPORATION

By: /s/ Samuel L. Katz

Name: Samuel L. Katz
Title: Senior Executive Vice President,
Strategic and Business Development

DIAMONDHEAD ACQUISITION CORPORATION

By: /s/ Eric Bock

Name: Eric Bock
Title: Vice President and Secretary

CHEAP TICKETS, INC.

By: /s/ Sam E. Galeotos

Name: Sam E. Galeotos

Title: President and Chief Executive Officer

Notwithstanding any other provisions of the Offer, and in addition to (and not in limitation of) the Purchaser's rights to extend and amend the Offer at any time in its sole discretion (subject to the provisions of the Merger Agreement), the Purchaser shall not be required to accept for payment or, subject to any applicable rules and regulations of the SEC, including Rule 14e-l(c) under the Exchange Act (relating to the Purchaser's obligation to pay for or return tendered Shares promptly after termination or withdrawal of the Offer), pay for, and may delay the acceptance for payment of or, subject to the restriction referred to above, the payment for, any validly tendered Shares unless the Minimum Condition shall have been satisfied. Furthermore, notwithstanding any other provisions of the Offer, the Purchaser shall not be required to accept for payment or pay for any validly tendered Shares if, at the Expiration Date (i) any applicable waiting periods under the HSR Act and any comparable provisions under any applicable pre-merger notification laws or regulations of foreign jurisdictions have not expired or terminated prior to termination of the Offer, or (ii) any of the following events shall occur and be continuing (other than as a result of any action or inaction of Parent and Purchaser that constitutes a breach of this Agreement):

(a) there shall be threatened in writing or pending any suit, action or proceeding by any Governmental Entity against the Purchaser, Parent, the Company or any Company Subsidiary (i) seeking to prohibit or impose any material limitations on Parent's or the Purchaser's ownership or operation (or that of any of their respective Subsidiaries or affiliates) of all or a material portion of their or the Company's and the Company Subsidiaries' businesses or assets, taken as a whole, or to compel Parent or the Purchaser or their respective Subsidiaries and affiliates to dispose of or hold separate any material portion of the business or assets of the Company or Parent and their respective Subsidiaries, in each case taken as a whole, (ii) challenging the acquisition by Parent or the Purchaser of any Shares under the Offer, seeking to restrain or prohibit the making or consummation of the Transactions, or seeking to obtain from the Company, Parent or the Purchaser, by reason of any of the Transactions, any damages that would reasonably be likely to have a Company Material Adverse Effect, (iii) seeking to impose material limitations on the ability of the Purchaser, or render the Purchaser unable, to accept for payment, pay for or purchase some or all of the Shares pursuant to the Offer and the Merger

(but not including for these purposes any limitations that relate solely to Parent's ability to access the funds it requires to consummate the Offer), (iv) seeking to impose material limitations on the ability of Purchaser or Parent effectively to exercise full rights of ownership of the Shares, including, without limitation, the right to vote the Shares purchased by it on all matters properly presented to the Company's stockholders; or (v) which otherwise is reasonably likely to have a Company Material Adverse Effect;

(b) there shall be any statute, rule, regulation, judgment, order or injunction enacted, entered, enforced, promulgated or deemed applicable, pursuant to an authoritative interpretation by or on behalf of a Government Entity, to the Offer or the Merger, or any other action shall be taken by any Governmental Entity, other than the application to the Offer or the Merger of applicable waiting periods under the HSR Act or any comparable provisions of any applicable pre-merger notification laws or regulations of foreign jurisdictions, that is reasonably likely to result, directly or indirectly, in any of the consequences referred to in clauses (i) through (v) of paragraph (a) above;

(c) there shall have occurred and be continuing (i) any general suspension of trading in, or limitation on prices for, securities on the NASDAQ Stock Market for a period in excess of three hours (excluding any organized halt triggered solely as a result of a specified decrease in a market index or suspensions or limitations resulting solely from physical damage, technological or software breakdowns or malfunctions or interference with such exchanges not related to market conditions), (ii) a declaration by a Governmental Entity of a banking moratorium or any suspension of payments in respect of banks in the United States, (iii) a commencement of a war, armed hostilities or other international or national calamity directly or indirectly involving the United States, which in any case is reasonably expected to have a Company Material Adverse Effect or to materially adversely affect Parent's or Purchaser's ability to consummate the Transactions, or (iv) any extraordinary limitation (whether or not mandatory) by any Governmental Entity on the extension of credit generally by banks or other financial institutions or (v) a change in general financial, bank or capital market conditions which materially and adversely affects the ability of financial institutions in the United States to extend credit or syndicate loans;

(d) (i) any of the representations and warranties of Company contained in this Agreement (other than the representations and warranties contained in Sections 3.1, 3.2, 3.3, 3.4, 3.5, 3.6 and 3.23 and in the last sentence of Section 3.8), shall not be true and correct as of the date hereof and as of the Expiration Date,

except for representations and warranties that relate to a specific date or time (which need only be true and correct as of such date or time), unless the inaccuracies under such representations and warranties (without giving effect to any materiality or material adverse effect qualifier or standard contained in any such representation or warranty), taken together in their entirety, would not, individually or in the aggregate, reasonably be expected to result in a Company Material Adverse Effect; (ii) any of the representations and warranties contained in (A) Section 3.3 of this Agreement shall not be true and correct as of the date hereof and as of the Expiration Date; (B) in Section 3.23 or in the last sentence of Section 3.8 shall not be true and correct in all material respects as of the date hereof and as of the Expiration Date; or (iii) inaccuracies in or breaches of any of the representations and warranties contained in any of Sections 3.1, 3.2, 3.4, 3.5 or 3.6 shall be reasonably likely to have a material adverse effect on the ability of either the Company or Parent to consummate any of the Transactions.

(e) since the date of this Agreement, there shall have occurred any events or changes which have had, individually or in the aggregate, a Company Material Adverse Change;

(f) the Company Board of Directors or any committee thereof shall have (i) withdrawn, or modified or changed in a manner adverse to the Transactions, to the Parent or to the Purchaser (including by amendment of the Schedule 14D-9), its recommendation of the Offer, the Merger Agreement, or the Merger, (ii) approved or recommended any Acquisition Proposal or entered into any agreement (other than a confidentiality agreement entered into in accordance with Section 5.3(b)) with respect to a Superior Proposal pursuant to Section 5.3(c), (iii) resolved to do any of the foregoing or (iv) taken a neutral position or made no recommendation, in each case in a manner that is publicly disclosed, with respect to a publicly disclosed Acquisition Proposal (other than by Parent or the Purchaser) after a reasonable amount of time (and in no event more than 10 business days following public communication thereof) has elapsed for the Company Board of Directors or any committee thereof to review and make a recommendation with respect thereto;

(g) the Company shall have breached or failed, in any material respect, to perform or to comply with any material agreement or material covenant to be performed or complied with by it under this Agreement;

(h) the Purchaser shall have failed to receive a certificate executed by the President or a Vice President of the Company, dated as of the scheduled

expiration of the Offer, to the effect that the conditions set forth in paragraphs (d), (e) and (g) of this Annex I have not occurred;

(i) all consents, permits and approvals of Governmental Authorities listed in Section 3.7 of the Company Disclosure Schedule shall not have been obtained; or

(j) the Merger Agreement shall have been terminated in accordance with its terms.

The foregoing conditions are for the sole benefit of Parent and the Purchaser, may be asserted by Parent or the Purchaser regardless of the circumstances giving rise to such condition, and may be waived by Parent or the Purchaser in whole or in part at any time and from time to time and in the sole discretion of Parent or the Purchaser, subject in each case to the terms of this Agreement. The failure by Parent or the Purchaser at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right and, each such right shall be deemed an ongoing right which may be asserted at any time and from time to time.

The capitalized terms used in this Annex I shall have the meanings set forth in the Agreement to which it is annexed, except that the term "Merger Agreement" shall be deemed to refer to the Agreement to which this Annex I is annexed.

EXHIBIT 99(D)(2)

STOCKHOLDER AGREEMENT

STOCKHOLDER AGREEMENT (this "Agreement"), dated August 13, 2001, by and among Cendant Corporation, a Delaware corporation ("Parent"), Diamondhead Acquisition Corporation, a Delaware corporation and an indirect wholly-owned subsidiary of Parent (the "Purchaser"), Cheap Tickets, Inc., a Delaware corporation (the "Company") and certain stockholders of the Company set forth on Schedule I hereto (each a "Stockholder" and, collectively the "Stockholders").

WHEREAS, each Stockholder is, as of the date hereof, the record and beneficial owner of the number of shares of common stock, par value $0.001 (the "Common Stock"), of the Company set forth opposite the name of such Stockholder on Schedule 1 hereto; and

WHEREAS, Parent, the Purchaser and the Company have entered into an Agreement and Plan of Merger, dated as of the date hereof (the "Merger Agreement"), which provides, among other things, for the Purchaser to commence a tender offer for all of the issued and outstanding shares of the Common Stock (the "Offer") and the merger of the Purchaser with and into the Company with the Company continuing as the surviving corporation (the "Merger") upon the terms and subject to the conditions set forth in the Merger Agreement (capitalized terms used herein without definition having the respective meanings specified in the Merger Agreement); and

WHEREAS, as a condition to the willingness of Parent and the Purchaser to enter into the Merger Agreement and as an inducement and in consideration therefor, and in exchange for the consideration described herein , the Stockholders have agreed, severally and not jointly, to enter into this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements set forth herein and in the Merger Agreement, and intending to be legally bound hereby, the parties hereto agree as follows:

SECTION 1. Representations and Warranties of the Stockholders. Each Stockholder hereby represents and warrants to Parent and the Purchaser, severally and not jointly, as follows:

(a) Such Stockholder (i) is the record and beneficial owner of the shares of Common Stock (such shares, as they may be adjusted from time to time pursuant to Section 8, collectively with any shares of Common Stock which such Stockholder may acquire at any time in the future during the term of this Agreement, being referred to herein as the "Shares") set forth opposite such Stockholder's name on Schedule 1 to this Agreement and (ii) neither holds nor has any beneficial interest in any option (including any Company Stock Option), warrant or other right or security convertible into or exercisable for shares of Common Stock.

(b) Such Stockholder has the legal capacity to execute and deliver this Agreement and to consummate the transactions contemplated hereby.

(c) This Agreement has been validly executed and delivered by such Stockholder and constitutes the legal, valid and binding obligation of such Stockholder, enforceable against such Stockholder in accordance with its terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, and (ii) that the availability of the remedy of specific performance or injunctive or other forms of equitable relief may be subject to equitable defenses and would be subject to the discretion of the court before which any proceeding therefor may be brought.

(d) Neither the execution and delivery of this Agreement nor the consummation by such Stockholder of the transactions contemplated hereby will result in a violation of, or a default under, or conflict with, any contract, trust, commitment, agreement, understanding, arrangement or restriction of any kind to which such Stockholder is a party or by which such Stockholder or such Stockholder's assets are bound. The consummation by such Stockholder of the transactions contemplated hereby will not violate, or require any consent, approval, or notice under, any provision of any judgment, order, decree, statute, law, rule or regulation applicable to such Stockholder (but the foregoing representation does not include any such provision of any judgment, order, decree, statute, law, rule or regulation to the extent applicable to the Purchaser or the Parent).

(e) In the case of any Stockholder that is a corporation, limited partnership or limited liability company, such stockholder is an entity duly organized and validly existing under the laws of the state in which it is incorporated or constituted, and such Stockholder has all requisite power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby, and has taken all necessary action to authorize the execution, delivery and performance of this Agreement.

(f) The Shares and the certificates representing the Shares owned by such Stockholder are now, and at all times during the term hereof will be, held by such Stockholder, or by a nominee or custodian for the benefit of such Stockholder, free and clear of all liens, claims, security interests, proxies, voting trusts or agreements, options, rights, understandings or arrangements or any other encumbrances whatsoever on title, transfer, or exercise of any rights of a stockholder in respect of such Shares (collectively, "Encumbrances"), except for any such Encumbrances arising hereunder.

SECTION 2. Representations and Warranties of Parent and the Purchaser.

Each of Parent and the Purchaser hereby, jointly and severally, represents and warrants to the Stockholders as follows:

(a) Each of Parent and the Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, and each of Parent and the Purchaser has all requisite corporate power and authority to execute and deliver this

Agreement and to consummate the transactions contemplated hereby, and has taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement.

(b) This Agreement has been duly authorized, executed and delivered by each of Parent and the Purchaser, and constitutes the legal, valid and binding obligation of each of Parent and the Purchaser, enforceable against each of them in accordance with its terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally and (ii) that the availability of the remedy of specific performance or injunctive or other forms of equitable relief may be subject to equitable defenses and would be subject to the discretion of the court before which any proceeding therefor may be brought.

(c) The Parent and the Purchaser confirm to each Stockholder each and every representation and warranty made by the Parent to the Company in Article IV of the Merger Agreement, in each instance as though such representation and/or warranty were set forth in this Agreement as set forth in the Merger Agreement and were directed to such Stockholder rather than to the Company.

[SECTION 3. Intentionally Omitted]

SECTION 4. Tender of the Shares. Each Stockholder hereby agrees, severally and not jointly, that (a) he, she or it shall tender his, her or its Shares into the Offer as promptly as practicable, and in any event no later than the fifth business day, following the commencement of the Offer pursuant to Section 1.1 of the Merger Agreement, and (b) he, she or it shall not withdraw any Shares so tendered unless (i) the Offer is terminated or has expired without Purchaser purchasing all shares of Common Stock validly tendered in the Offer or (ii) this Agreement has terminated as provided in Section 11.

SECTION 5. Transfer of the Shares. Prior to the termination of this Agreement, except as otherwise provided or permitted herein, each Stockholder, severally and not jointly, agrees not to: (a) transfer, assign, sell, gift-over, pledge or otherwise dispose of, or consent to any of the foregoing ("Transfer"), any or all of the Shares or any right or interest therein; (b) enter into any contract, option or other agreement, arrangement or understanding with respect to any Transfer; (c) grant any proxy, power-of-attorney or other authorization or consent with respect to any of the Shares; (d) deposit any of the Shares into a voting trust, or enter into a voting agreement or arrangement with respect to any of the Shares or (e) take any other action that would in any way restrict, limit or interfere with the performance of such Stockholder's obligations hereunder or the transactions contemplated hereby.

SECTION 6. Grant of Proxy; Appointment of Proxy.

(a) Each Stockholder hereby grants to, and appoints, Parent and any designee thereof, such Stockholder's proxy and attorney-in-fact (with full power of substitution), for and in the name, place and stead of such Stockholder, to vote the Shares, or to grant a consent or approval in respect of the Shares, in connection with any meeting of the stockholders of the Company or any action by written consent in lieu of a meeting of stockholders of the Company (i) in favor of the Merger or any other transaction pursuant to which Parent proposes to acquire the Company, whether by tender offer, merger, or otherwise, in which stockholders of the Company would receive consideration per share of Common Stock equal to or greater than the consideration to be received by such stockholders in the Offer and the Merger, and/or (ii) against any action or agreement which would impede, interfere with or prevent the Merger, including, but not limited to, any other extraordinary corporate transaction, including, a merger, acquisition, sale, consolidation, reorganization or liquidation involving the Company and a third party, or any other proposal of a third party to acquire the Company.

(b) Such Stockholder represents that any proxies heretofore given in respect of the Shares, if any, are revocable, and hereby revokes such proxies.

(c) Such Stockholder hereby affirms that the proxy set forth in this Section 6 is given in connection with the execution of the Merger Agreement, and that such proxy is given to secure the performance of the duties of such Stockholder under this Agreement. Such Stockholder hereby further affirms that the proxy is coupled with an interest and, except as set forth in this Section or in Section 11, is intended to be irrevocable in accordance with the provisions of Section 212 of the Delaware General Corporations Law ("DGCL") for the period in which this Agreement is in effect, it being understood that if this Agreement is terminated as provided in Section 11, then (and only then) the proxy hereby granted shall be likewise ineffective and revoked thereafter. If for any reason the proxy granted herein is not irrevocable, then such Stockholder agrees during the term of this Agreement to vote his or its Shares in accordance with Section 6(a) above as instructed by Parent in writing. The parties agree that the foregoing is a voting agreement created under Section 218 of the DGCL.

SECTION 7. Option.

(a) Grant of Option. Subject to the terms and conditions set forth herein, each Stockholder hereby grants to Parent an irrevocable and continuing option (as to each such Stockholder, the "Option") to purchase for cash all , but not less than all, of the Common Stock (including, without limitation, the Shares) beneficially owned or controlled by such Stockholder as of the date hereof, or beneficially owned or controlled by such Stockholder (with power to dispose of the same) at any time hereafter (including, without limitation, shares acquired by way of exercise of options, warrants or other rights to purchase Common Stock or by way of dividend, distribution, exchange, merger, consolidation, recapitalization, reorganization, stock split or otherwise) by such Stockholder (as adjusted as set forth herein) (as to each such Stockholder, such Stockholder's "Option Shares") at a purchase price of

$16.50 per Option Share, or any higher price that may be paid in the Offer or the Merger (the "Purchase Price").

(b) Parent's Exercise of Option.

(i) Parent may exercise the Options of all Stockholders, by notice given to any Stockholder at any time following (x) the failure of such Stockholder to tender his, her or its Shares into the Offer no later than the fifth business day, following the commencement of the Offer or (y) any withdrawal of such Shares prior to the termination of this Agreement in accordance with Section 11 hereof, but may not under any circumstances exercise this option unless the events described in the preceding clause (x) or (y) shall have occurred and be continuing. Additionally, if Parent exercises the Option of any Stockholder it shall exercise the Options of all Stockholders.

(ii) In the event Parent wishes to exercise the Options Parent shall send to the Stockholders a written notice (a "Notice," the date of which is hereinafter referred to as the "Notice Date") specifying the a place and date at least three business days but not more than thirty days following the Notice Date for the closing (the "Closing") of such purchase (the "Closing Date"); provided, however, that Parent may at any time before the Closing withdraw the Notice and decline to exercise the Option without prejudice to its right to exercise the Option at any time thereafter during the term of the Agreement; and provided further, that in the event that the any filings, permits, authorizations, consents or approvals may be required under the HSR Act and any comparable provisions under any antitrust or competition laws or regulations of any foreign jurisdictions, Parent may extend the Closing Date for such additional time as may be reasonably necessary to prepare and file such filings, permits, authorizations, consents or approvals as may be required by such laws and regulations, and for such additional time as may be required for the expiration of any waiting periods (as such period may be from time to time extended by any Governmental Entity) or to obtain any such authorizations, consents or approvals. Parent shall not be under any obligation to exercise the Option as to any Stockholder, and may allow the Options to terminate without purchasing any Common Stock hereunder from any Stockholder.

(c) Payment and Delivery of Certificates.

(i) On each Closing Date, Parent shall pay to any Stockholder to whom a Notice has been delivered and not withdrawn pursuant to clause (ii) of subsection (b)(ii) of this Section 7, in immediately available funds by wire transfer to a bank account designated by such Stockholder, an amount equal to the Purchase Price multiplied by the number of Option Shares to be purchased from such Stockholder on such Closing Date.

(ii) At each Closing, simultaneously with the delivery of the Purchase Price for the Option Shares to be purchased at such Closing, such Stockholder shall deliver to Parent a certificate or certificates representing the Option Shares to be purchased at such Closing, which Option Shares shall be free and clear of all Encumbrances, other than Encumbrances pursuant to this Agreement. If at any time during the term of this Agreement the Company has issued rights pursuant to a rights agreement, then each Option Share shall also be deemed to include and represent such rights as are provided under such rights agreement then in effect.

(d) Subsequent Obligations.

In the event that the Parent exercises Options and purchases shares from Stockholders, as provided above, Parent agrees to take any and all commercially reasonable actions to offer to purchase, and to purchase, or otherwise to acquire (by merger, tender offer or otherwise), as promptly as shall be reasonably practicable under the circumstances all of the outstanding equity securities of the Company at a price per share no less than that paid to the Stockholders pursuant to the foregoing (subject to adjustment to reflect intervening splits, distributions, dividends, stock dividends, recapitalizations or other corporate actions or events); provided, however, that Parent shall not be required to (x) acquire, or expend any money with respect to, any Company Stock Options or any outstanding warrants on terms that are less favorable to Parent than those set forth in the Merger Agreement and the other transactions contemplated in connection with the Offer and the Merger and (y) make any offer on terms and conditions (including the conditions set forth in Annex I of the Merger Agreement) that are less favorable to Parent than the terms and conditions set forth in the Merger Agreement and in the other transactions contemplated in connection with the Offer and the Merger; and provided, further, however, that the obligation of Parent so to acquire equity securities of the Company shall be subject to (i) compliance with applicable law, including filings, waiting periods, consents, etc., to the extent required by law, (ii) the rights, if any, of stockholders of the Company not to have their securities so acquired, and (iii) compliance with any applicable court or governmental orders or decrees, it being understood that the obligation of the Parent (A) includes the obligation to take any and all commercially reasonable actions to satisfy any such conditions and to complete the acquisition provided for above but (B) does not include the obligation to maintain in existence any public offer for such other outstanding equity securities for a period of longer than 20 business days; and provided, further, however, that, except in the event that the Merger Agreement has been terminated prior to the purchase by Parent of Shares pursuant to this Section 7, compliance by Parent with all of its material obligations under the Merger Agreement shall be deemed to satisfy the obligations set forth in this Section 7(d). Notwithstanding the foregoing, Parent shall have no obligation to initiate or defend against (or otherwise be obligated to participate in) any suit, claim or other action arising out of relating to the Company, its shareholders, the Merger Agreement or any attempt of Parent to acquire the Company or any shares of its Common Stock, potential acquirers of the Company or shares of its Common Stock, or otherwise.

SECTION 8. Certain Events. In the event of any change in the Common Stock or Option by reason of a stock dividend, stock split, split-up, recapitalization, reorganization, business combination, consolidation, exchange of shares, or any similar transaction or other change in the capital structure of the Company affecting the Common Stock or the acquisition of additional shares of Common Stock or other securities or rights of the Company by any Stockholder (whether through the exercise of any options, warrants or other rights to purchase shares of Common Stock or otherwise): (a) the number of Shares owned by such Stockholder shall be adjusted appropriately, (b) the type and number of shares or securities subject to the Option, and the Purchase Price therefor, shall be adjusted appropriately, and (c) this Agreement and the obligations hereunder shall attach to any and all shares of Common Stock or other securities or rights of the Company held by a Stockholder in lieu of, or through or by reason of exchange for or conversion of, or issued in respect of, the securities held by that Stockholder as described in Schedule I hereto.

SECTION 9. Acquisition Proposals; Non-Solicitation; Subsequent Agreements Relating to the Shares.

(a) Acquisition Proposals. Each Stockholder will notify Parent, the Purchaser and the Company immediately (or will determine that Parent, the Purchaser and the Company have been notified) if any proposals are received by, any information is requested from, or any negotiations or discussions are sought to be initiated or continued with such Stockholder in connection with any Acquisition Proposal or Acquisition Proposal Interest indicating, in connection with such notice, the name of the person indicating such Acquisition Proposal Interest and the material terms and conditions of any proposals or offers. Each Stockholder agrees, severally and not jointly, that he, she or it will immediately cease and cause to be terminated any existing activities, discussions or negotiations with any parties conducted heretofore with respect to any Acquisition Proposal Interest. Such Stockholder will keep Parent, the Purchaser and the Company fully informed, on a current basis, of the status and terms of any Acquisition Proposal Interest.

(b) Non-Solicitation. Each Stockholder agrees, severally and not jointly, that he, she or it shall immediately cease and cause to be terminated all existing discussions, negotiations and communications with any Persons with respect to any Acquisition Proposal. Such Stockholder shall not and shall not authorize or permit its representatives to directly or indirectly to (i) initiate, solicit or knowingly encourage, or knowingly take any action to facilitate the making of, any offer or proposal which constitutes or is reasonably likely to lead to any Acquisition Proposal, (ii) enter into any agreement with respect to any Acquisition Proposal, or (iii) in the event of an unsolicited Acquisition Proposal for the Company, engage in negotiations or discussions with, or provide any information or data to, any Person (other than Parent or any of its affiliates or representatives) relating to any Acquisition Proposal. It is understood that this Section 9 limits the rights of each Stockholder only to the extent that such Stockholder is acting in such Stockholder's capacity as a Stockholder. Nothing herein shall be construed as preventing a Stockholder who is an officer or director of the Company from fulfilling the obligations of such office (including, subject to the limitations contained in Sections 5.3(a) and (b) of the Merger Agreement, the performance of obligations required by

the fiduciary obligations of such Stockholder acting solely in his or her capacity as an officer or director).

(c) Each Stockholder agrees with respect to his, her or its Shares that for a period of twelve months following the date hereof, in the event that this Agreement is terminated in accordance with Section 11 hereof, he, she or it shall not agree to (i) tender such Shares into any tender offer, (ii) vote such Shares in favor of any Takeover Proposal, or (iii) grant any option in connection with any Takeover Proposal, in any such case pursuant to any agreement ("Subsequent Agreement") that does not provide as a term thereof that
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such Subsequent Agreement shall terminate in the event of the termination of any agreement between the Company and any other party relating to a Takeover Proposal.

SECTION 10. Further Assurances. Each Stockholder shall, upon request of
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Parent or the Purchaser, execute and deliver any additional documents and take such further actions as may reasonably be deemed by Parent or the Purchaser to be necessary or desirable to carry out the provisions hereof and to vest in Parent the power to vote the Shares as contemplated by Section 6.

SECTION 11. Termination. This Agreement, and all rights and obligations
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of the parties hereunder, shall terminate immediately upon the earlier of (a) the termination of the Merger Agreement in accordance with its terms (including, but not limited to, Section 8.1(d) thereof) unless any Stockholder is in breach of any material term hereof or (b) the Effective Time; provided, however, that
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in the event that, prior to the termination of this Agreement pursuant to the terms hereof, Parent has delivered a Notice to any Stockholder pursuant to Section 7(b)(ii), this Agreement shall not terminate until ten business days following the Closing Date specified in such Notice, as such Closing Date may be extended pursuant to Section 7(b)(ii); provided, further, however, that Sections
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9(c) and 12 and, to the extent that Parent shall have purchased Shares pursuant to Section 7 hereof, Section 7(d) shall survive any termination of this Agreement. Upon termination all provisions hereof other than in Sections 9(c) and 12 and, to the extent that Parent shall have purchased Shares pursuant to Section 7 hereof, 7(d) shall be null and void in their entirety and of no effect whatsoever thereafter.

SECTION 12. Expenses. All fees, costs and expenses incurred in connection
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with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such fees, costs and expenses.

SECTION 13. Public Announcements. Each of the Stockholders agrees,
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severally and not jointly, that he, she or it will not issue any press release or otherwise make any public statement with respect to this Agreement or the transactions contemplated hereby without the prior consent of the Purchaser;

provided, however, that such disclosure may be made without obtaining such prior
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consent if (i) the disclosure is required by law or is required by any regulatory authority, including but not limited to any national securities exchange, trading market or inter-dealer quotation system on which the Shares trade and (ii) the party making

such disclosure has first used its best efforts to consult with the other parties about the form and substance of such disclosure.

SECTION 14. Miscellaneous.

(a) Notices. All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally, telecopied (which is confirmed) or sent by a nationally recognized overnight courier service, such as Federal Express (providing proof of delivery), (such delivery to be effective at the time at which such notice is first sent and without regard to when it is received) to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

If to any of the Stockholders, at the address set forth opposite the name of such Stockholder on Schedule 1 hereto:

with a copy to:

Cheap Tickets, Inc.
1440 Kapiolani Blvd.
Honolulu, Hawaii 96814
Telephone: (808)945-7439
Facsimile: (808)946-0610
Attention: President and CEO

and a copy to:

Morrison & Foerster, LLP
555 West Fifth Street
Los Angeles, California 90013-1024
Telephone: (213) 892-5200
Facsimile: (213) 892-5454
Attention: Henry Fields, Esq.

and to

Munger, Tolles & Olson, LLP
355 South Grand Avenue
Los Angeles, California 90071-1560
Telephone: (213) 683-9100
Facsimile: (213) 687-3702
Attention: Simon M. Lorne, Esq.

and

If to Parent or the Purchaser, to:

Cendant Corporation
9 West 57th Street
New York, New York 10019
Telephone: 212-413-1836
Facsimile: 212-413-1922
Attention: General Counsel

with a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP
525 University Avenue
Palo Alto, California
Telephone: (650) 470-4500
Facsimile: (650) 470-4570
Attention: Kenton J. King, Esq.

(b) Headings. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

(c) Counterparts. This Agreement may be executed manually or by facsimile by the parties hereto, or xerographically or electronically by their respective attorneys, in any number of counterparts, each of which shall be considered one and the same agreement and shall become effective when a counterpart hereof shall have been signed by each of the parties and delivered to the other parties.

(d) Entire Agreement. This Agreement (together with the Merger Agreement and any other documents and instruments referred to herein and therein) constitutes the entire agreement among the parties with respect to the subject matter hereof and thereof and supersedes all other prior agreements and understandings, both written and oral, among the parties or any of them with respect to the subject matter hereof and thereof.

(e) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to the principles of conflicts of law thereof.

(f) Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto (whether by operation of law or otherwise) without the prior written consent of the other parties except that Parent and the Purchaser may assign, in their sole discretion and without the consent of any other party, any or all of their rights, interests and obligations hereunder to each other or to one or more direct or indirect wholly-owned subsidiaries of Parent (each, an "Assignee"). Any such Assignee may thereafter assign, in its sole discretion and without the consent of any other party, any or all of its rights, interests and obligations hereunder to one or more additional

Assignees. No such assignment or assignments shall relieve the Purchaser or the Parent of its obligations hereunder (including obligations under and responsibility for representations and warranties) which shall continue in full force and effect as obligations of the Purchaser and the Parent, respectively, notwithstanding such assignment or assignments. Subject to the preceding sentences, this Agreement will be binding upon, inure to the benefit of and be enforceable by, the parties and their respective successors and assigns, and the provisions of this Agreement are not intended to confer upon any person other than the parties hereto any rights or remedies hereunder.

(g) Severability of Provisions. If any term or provision of this Agreement is invalid, illegal or incapable of being enforced by rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic substance of the transactions contemplated by this Agreement is not affected in any manner adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions are fulfilled to the extent possible.

(h) Specific Performance. The parties hereto acknowledge that money damages would be an inadequate remedy for any breach of this Agreement by any party hereto, and that the obligations of the parties hereto shall be enforceable by any party hereto through injunctive or other equitable relief.

(i) Amendment. No amendment, modification or waiver in respect of this Agreement shall be effective against any party unless it shall be in writing and signed by such party.

(j) Binding Nature. This Agreement is binding upon and is solely for the benefit of the parties hereto and their respective successors, legal representatives and assigns.

(k) Counterparts. This Agreement may be executed manually or by facsimile by the parties hereto, or xerographically or electronically by their respective attorneys, in any number of counterparts, each of which shall be considered one and the same agreement and shall become effective when a counterpart hereof shall have been signed by each of the parties hereto and delivered to the other parties hereto.

(l) Board Approval. Effectiveness of this Agreement is contingent upon the prior approval of the Company Board of Directors under Section 203 of the Delaware General Corporation Law.

IN WITNESS WHEREOF, Parent, the Purchaser and the Stockholders have caused this Agreement to be duly executed and delivered as of the date first written above.

CENDANT CORPORATION

By: /s/ Samuel L. Katz

Name: Samuel L. Katz

Title: Senior Executive Vice President

Strategic and Business Development

DIAMONDHEAD ACQUISITION CORPORATION

By: /s/ Eric Bock

Name: Eric Bock

Title: Vice President and Secretary

CHEAP TICKETS, INC.

By: /s/ Sam E. Galeotos

Name: Sam E. Galeotos

Title: President and Chief Executive Officer

MICHAEL J. HARTLEY REVOCABLE TRUST
DATED DECEMBER 21, 1988, AS AMENDED

By: /s/ Michael J. Hartley

Michael J. Hartley, Trustee

SANDRA TATSUE HARTLEY REVOCABLE TRUST
DATED DECEMBER 21, 1988, AS AMENDED

By: /s/ Sandra T. Hartley

Sandra T. Hartley, Trustee

HARTLEY INVESTMENTS LIMITED PARTNERSHIP

By: /s/ Michael J. Hartley

Michael J. Hartley, General Partner

/s/ Michael J. Hartley

Michael J. Hartley

/s/ Sandra Hartley

Sandra Hartley

SCHEDULE I

Name and Address	Shares
Michael J. Hartley Revocable Trust dated December 21, 1998, as amended	686,314
Sandra Tatsue Hartley Revocable Trust dated December 21, 1998, as amended	686,311
Hartley Investments Limited Partnership	9,588,012
TOTAL	10,960,637

EXHIBIT 99(D)(3)

Cheap Tickets, Inc.
1440 Kapiolani Boulevard
Honolulu, Hawaii 96814

July 3, 2001

Cendant Internet Group, Inc.
9 West 57th Street
37th Floor
New York, New York 10019

Re: Amendment to Confidentiality Agreement

The purpose of this letter (the "Amendment"), is to amend that certain letter agreement (the "Agreement"), dated May 24, 2001, by and between Cendant Internet Group, Inc. (the "Company") and Cheap Tickets, Inc. ("Cheap Tickets"). Capitalized terms used herein and not defined herein shall have the meaning ascribed to them in the Agreement, as amended hereby.

1. The parties desire to amend the Agreement to add the following new paragraph:

For a period of one (1) year from the date of this letter, the Company will not, directly or indirectly, either for itself or any other person, and will not permit any of its Affiliates to, solicit any officer, key employee or manager of Cheap Tickets, whom the Company first becomes aware or first has contact as a result of the Transaction, to leave the employ of Cheap Tickets, unless and until any such employee is terminated by Cheap Tickets or otherwise leaves Cheap Tickets' employ in a manner not in violation of this letter, provided, that this limitation shall not apply to any employee who responds to a general employment solicitation by the Company which is not directed at Cheap Tickets' employees or with respect to any employee who first approached the Company.

2. Construction. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to the principles of conflict of laws thereof.

3. Amendments. This Amendment cannot be modified or amended, nor may any provision hereof be waived, except in writing signed by the parties hereto.

Very truly yours,

CHEAP TICKETS, INC.

By: _____
Name:
Title:

CENDANT INTERNET GROUP, INC.

By: _____
Name:
Title:

Cheap Tickets, Inc.
1440 Kapiolani Boulevard
Honolulu, Hawaii 96814

August 11, 2001

Cendant Internet Group, Inc.
9 West 57th Street
37th Floor
New York, New York 10019

Re: Amendment No. 2 to Confidentiality Agreement

The purpose of this letter (the "Second Amendment"), is to amend that certain letter agreement (the "Agreement"), dated May 24, 2001, by and between Cendent Internet Group, Inc. ("Company") and Cheap Tickets, Inc. ("Cheap Tickets") and that certain letter amendment, dated July 3, 2001, by and between Company and Cheap Tickets. Capitalized terms used herein and not defined herein shall have the meaning ascribed to them in the Agreement, as amended hereby.

1. The parties desire to amend the Agreement to add the following new paragraphs:

As used herein "Hyperion Information" means any information provided to the Company pursuant to Company's electronic linking to Cheap Tickets' financial reporting system pursuant to Section 6.4(b) of the proposed Agreement and Plan of Merger, by and among Company, Diamondhead Acquisition Corporation, and Cheap Tickets, draft dated August 10, 2001 (the "Merger Agreement").

The Company agrees that it will only use Hyperion Information for the purposes of (a) assessing the financial condition of Cheap Tickets to determine whether Cheap Tickets has complied with the representations and warranties of Cheap Tickets in Article III of the Merger Agreement and the covenants and agreements of Cheap Tickets in Section 5.2 of the Merger Agreement (collectively, the "Cheap Tickets Obligations") and (b) planning of post-Closing (as defined in the Merger Agreement) integration of the financial reporting systems of the two companies.

Company agrees that, without the prior written consent of Cheap Tickets, Company shall provide Hyperion Information only to such financial, executive and legal Representatives of Company who have a need to know such information for the purpose of assessing Cheap Tickets' compliance with the Cheap Tickets Obligations. The Company shall not disclose,

share, provide or sell any Hyperion Information to any third party, use any Hyperion Information in any manner that could reasonably be considered a violation of any applicable laws or regulations, or use any Hyperion Information in a manner that could reasonably considered to assist the violation of any applicable laws or regulations. Without limiting the generality of the foregoing, Company shall not provide any Hyperion Information to any director, officer, employee, agent, representative, advisor or consultant of Galileo International, Inc. (until such time as it is a subsidiary of the Company).

For purposes of paragraph 5 of the Agreement, Evaluation Material pertaining to Hyperion Information shall include information in electronic form, and in the event that the Merger Agreement is terminated and the Merger is not consummated, the Company shall, in addition to the obligations contained in such paragraph 5, make commercially reasonable efforts to purge all Hyperion Information from all Company computers or other information retrieval systems.

2. Construction. This Second Amendment shall be governed by, and
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construed in accordance with, the laws of the State of New York, without regard to the principles of conflict of laws thereof.

3. Amendments. This Second Amendment cannot be modified or amended, nor may any provision hereof be waived, except in writing signed by the parties hereto.

Very truly yours,

CHEAP TICKETS, INC.

By: _____
Name:
Title:

CENDANT INTERNET GROUP, INC.

By: _____
Name:
Title:

Cendant Internet Group, Inc.
9 West 57th Street
37th Floor
New York, New York 10019

May 24, 2001

Cheap Tickets, Inc.
1440 Kaplolani Blvd.
Suite 800
Honolulu, HI 96814

Re: Confidentiality Agreement

Dear Mr. Galeotos:

Cheap Tickets, Inc. has expressed an interest in exploring a possible transaction with Cendant Internet Group, Inc. ("Company") with respect to Cendant's Travel Portal. Each party (as a "receiving party") has requested that the other party (as a "disclosing party") furnish certain information in connection therewith (the "Transaction").

As used herein, "Evaluation Material" means all non-public information, data, reports, interpretations, forecasts and records, whether in oral or written form, electronically stored or otherwise (including any such information furnished prior to the execution of this agreement), concerning the disclosing party furnished to the receiving party or its directors, officers, partners, affiliates, employees, agents, representatives, advisors, consultants, investment bankers, accountants and attorneys (collectively, "Representatives") by the disclosing party or its Representatives and all notes, reports, analyses, compilations, studies and other materials prepared by the receiving party or its Representatives (in whatever form maintained, whether documentary, electronically stored or otherwise) containing, reflecting or based upon, in whole or in part, any such information or reflecting the receiving party's review or view of, or interest in, a possible Transaction or the Evaluation Material. The term "Evaluation Material" does not include information which (i) is or becomes generally available to the public other than as a result of a disclosure by the receiving party, its Representatives or anyone to whom the receiving party or any of its Representatives transmit any Evaluation Material in violation of this agreement, (ii) is or becomes known or available to the receiving party on a non-confidential basis from a source (other than the disclosing party or one of its Representatives) who, insofar as is known to the receiving party after due inquiry, is not prohibited from transmitting the information to the receiving party or its Representatives by a contractual, legal, fiduciary or other obligation, or (iii) is independently developed by the receiving party.

In consideration of its being furnished with the Evaluation Material, the receiving party agrees that:

1. Subject to paragraph 3 below, the Evaluation Material will be kept confidential and will not, without the prior written consent of the disclosing party, be disclosed by the receiving party or its Representatives, in whole or in part, and will not be used by the receiving party or its Representatives, directly or indirectly, for any purpose other than in connection with evaluating a possible Transaction. Moreover, the receiving party agrees to disclose Evaluation Material and the fact that the receiving party is evaluating a possible Transaction to its Representatives only if and to the extent that such Representatives need to know the Evaluation Material for the purpose of evaluating such Transaction and are informed by the receiving party of the confidential nature of the Evaluation Material and agree to be bound by the terms of this agreement. In any event, the receiving party will be fully responsible for any actions by its Representatives that are not in accordance with the provisions hereof. The receiving party agrees to make all reasonable, necessary and appropriate efforts to safeguard Evaluation Material from disclosure to anyone other than as permitted hereby.

2. Subject to paragraph 3 below, without the prior written consent of the disclosing party, neither the receiving party nor its Representatives will disclose to any person any information regarding a possible Transaction or any information relating in anyway to the Evaluation Material, including, without limitation (i) the fact that discussions or negotiations are taking place concerning a possible Transaction, including the status thereof or the termination of discussions or negotiations with respect thereto, (ii) any of the terms, conditions or other facts with respect to any such possible Transaction or of its consideration of a possible Transaction or (iii) that this agreement exists, that Evaluation Material has been made available or any opinion or view with respect to the disclosing party's business, the disclosing party or the Evaluation Material.

3. In the event that the receiving party, its Representatives or anyone to whom the receiving party or its Representatives supply the Evaluation Material or any of the facts or information referred to in paragraph 2 above are requested or required (by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand, any informal or formal investigation by any government or governmental agency or authority or otherwise) to disclose any Evaluation Material or any of the facts or information referred to in the prior paragraph or any information relating to a possible Transaction or such person's opinion, judgment, view or recommendation concerning the disclosing party or its business as developed from the Evaluation Material, the receiving party agrees (i) to promptly notify the disclosing party of the existence, terms and circumstances surrounding such a request; (ii) to consult with the disclosing party on advisability of taking legally available steps to resist or narrow such request and (iii) if disclosure of such information is required, to furnish only that portion of the Evaluation Material which, in the opinion of its counsel, the receiving party is legally compelled to disclose and to cooperate with any action by the disclosing party to obtain an appropriate protective order or other reliable assurance that confidential treatment will be accorded the Evaluation Material, at the disclosing party's cost and expense. The receiving party agrees to give the disclosing party prior notice of the

Evaluation Material or other information its counsel believes the receiving party is required to disclose.

4. Although the disclosing party has endeavored to include in the Evaluation Material information known to it which it believes to be relevant for the purpose of its investigation, the receiving party understands that neither the disclosing party nor any of its Representatives has made or makes hereunder any representation or warranty as to the accuracy or completeness of the Evaluation Material. The receiving party agrees that neither the disclosing party nor its Representatives shall have any liability to the receiving party or any of its Representatives resulting form the Evaluation Material or its Representatives' consideration of, or participation in a process relating to, a possible Transaction. Only those representations and warranties which are made in a final definitive agreement regarding the Transaction, when, as and if executed and subject to such limitations and restrictions as may be specified therein, will have any legal effect.

5. At any time upon request from the disclosing party, the receiving party shall redeliver to the disclosing party or destroy all tangible Evaluation Material and any other tangible material containing, prepared on the basis of, or reflecting any information in the Evaluation Material (whether prepared by the disclosing party, its Representatives or otherwise), including all reports, analyses, compilations, studies and other materials containing or based on the Evaluation Material or reflecting its review of, or interest in, the disclosing party's business, and will not retain any copies, extracts or other reproductions in whole or in part of such tangible material. If requested by the disclosing party, an appropriate officer of the receiving party will certify to the disclosing party that all such material has been so redelivered or destroyed. Notwithstanding the delivery or destruction of the materials required by this paragraph, all duties and obligations existing under this agreement (including with respect to any oral Evaluation Material) will remain in full force and effect.

6. As used in this agreement: the terms "person" shall be broadly interpreted to include, without limitation, any corporation, company, group, entity, trust, partnership or individual; the term "Affiliate" shall have the meaning set forth in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"); the term "Company" shall include, without limitation, the disclosing party, its subsidiaries and affiliates, including the Travel Portal or any successor thereof.

7. The receiving party acknowledges and agrees that in the event of any breach of this agreement, the disclosing party may be irreparably and immediately harmed and may not be able to made whole by monetary damages alone. It is accordingly agreed that the disclosing party, in addition to my other remedy to which it may be entitled in law or equity, shall be entitled to seek an injunction or injunctions to prevent breaches of this agreement, to compel specific performance of this agreement and/or seek other equitable relief.

8. The receiving party agrees that unless and until a definite written agreement between the disclosing party and the receiving party with respect to a Transaction has been executed and delivered, neither the disclosing party nor the receiving party will be

under any legal obligation of any kind whatsoever with respect thereto. The receiving party further acknowledges and agrees that the disclosing party reserves the right in its sole and absolute discretion to reject any and all proposals and to terminate discussions or negotiations with, or directly or indirectly involving, the receiving party at any time.

9. If any term or provision of this letter, or any application thereof to any circumstances, shall, to any extent and for any reason; be held to be invalid or unenforceable, the remainder of this letter, or the application of such term or provision to circumstances other than those to which it is held invalid or enforceable, shall not be affected thereby and shall be construed as if such invalid or unenforceable provision had never been contained herein and each term and provision of this letter shall be valid and enforceable to the fullest extent permitted by law. It is understood and agreed that no failure or delay by the disclosing party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder.

10. This letter shall constitute the entire agreement between the parties with regard to the subject matter hereof. This agreement shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to the principles of conflict of laws thereof. This agreement may be modified or waived only by a separate writing executed by the disclosing party and the receiving party which expressly modifies or waives any portion of this agreement. This agreement shall inure to the benefit of any successor in interest to the disclosing party, as well as to any person that may acquire, after the date hereof, any subsidiary or division of the disclosing party with respect to Evaluation Material concerning the business or affairs of such subsidiary or division. This agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement.

Very truly yours,

CENDANT INTERNET GROUP, INC.

By: /s/Ronen Stauber
_____
Name:
Title:

Confirmed and Agreed to as of
The date first written above.

CHEAP TICKETS, INC.

By: /s/ Sam Galeotos
_____
Name:
Title: