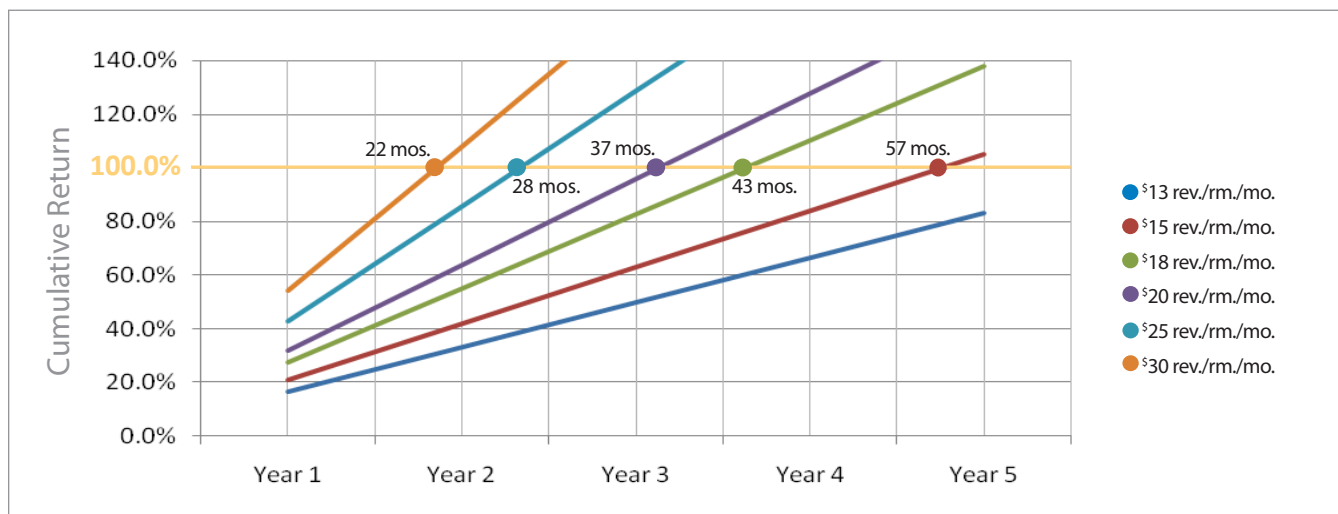


Hotel Investment Model – HD Advanced ROI & Break-Even Examples

The LodgeNet HD Advanced platform offers hoteliers the most reliable, cost-effective and widely adopted HD interactive solution available to the industry today. When purchasing a LodgeNet interactive system, hoteliers can anticipate a direct return on investment and increased asset value, as well as amenity/operational value of the HD Advanced solution. Various revenue scenarios under the Hotel Investment Model are illustrated.

Direct Return on Investment

The graph below represents typical ROI (in months) based on six potential revenue scenarios for your interactive system when viewed as a capital acquisition (financing options are also available).



Asset Value

- LodgeNet’s HD Advanced platform is a revenue-producing asset that generates positive cash flow and earnings, while adding to the value of your property.
- Given common valuation multiples, a 150-room hotel with \$20 revenue per room per month would show an increase in value of over \$100,000.

Amenity/Operational Value

- 25% of frequent travelers feel a PPV (i.e., video on demand) movie system is somewhat or very important in judging the quality of a hotel.¹
- 35% of travelers browse the LodgeNet interactive system nightly.²
- Interactive systems allow you to offer new cost savings and support green initiatives. For example, one major hotel brand saved \$2,000 per year per property by utilizing the interactive Guest Directory in place of printing and distributing costly collateral.
- Enhance on-property revenue centers (dining, spa, etc.), as well as cross-property marketing.

¹ Zoomerang survey of 1,065 frequent travelers, May 2008

² LodgeNet Usage Data, 2006-2008

Key Assumptions: 5-year term, 150-room property, new installation, integrated terminals, 1 TV per hotel room, Gold service plan, unrestricted programming, standard movie pricing, Hotel Information Channel (HIC), Video Checkout, and no upgrade packages

All figures are only estimates. Please see your sales rep for actual quote. Prices subject to change without notice.



To learn more
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