



THE MARKET

Tourism contributes approx \$31.8 billion (4.5 per cent) to the economy each year and provides over 549,000 jobs (6 per cent of total employment and more than any other sector, except manufacturing).

In the last few years the industry has suffered from the effects of terrorism, bushfires, droughts, the collapse of Ansett, the threat of SARS and more. Best Western Australia was well positioned to weather these times because domestic travel increased and people rediscovered the traditional driving holiday - a key market, with the majority of Best Western Australia properties located on popular driving routes.

Great Australian Drives was developed along with other special interest products to cater to the diverse interests of guests.

While traditionally the corporate market represented over half of Best Western Australia guests, the leisure market has recently grown strongly.



ACHIEVEMENTS

In 46 years, the organisation has grown from 11 to more than 260 properties and now Best Western is the most recalled accommodation brand in Australia.*

Almost 90 per cent of guests were "very satisfied" or "satisfied" with their guest room on their last visit to a Best Western Australia property, compared to the AEC Australian accommodation benchmark of 77 per cent.* Meanwhile, the brand equity of Best Western for 2002/03 increased 20.7 per cent compared to the previous year* and combined revenue generated by marketing programs for Best Western properties increased 50 per cent.

Compared to competitor establishments, both



business and leisure travellers indicated that Best Western Australia establishments were of a higher standard of quality and provided better service. In addition, Best Western Australia was rated to have a better appearance and to be less expensive.*

Since 2002, all Best Western properties around the globe offer BestRequests™ - frequently requested guest amenities and services in addition to the already stringent global Quality Assurance program which involves over 200 quality checks.

Best Western launched the hotel industry's most extensive and complete listing of properties on the Internet in 1995, making it the largest hotel brand represented on the global computer network. Today, more than 35 per cent of the company's total bookings are made via the Best Western website.

Best Western Australia pioneered swipe technology in the hotel sector in 1998, providing the benchmark for all competitors.

In 2002 Best Western was voted as the "Best Hotel Chain" by UK travel agents at the *Travel Weekly* awards in London and by Europe's *Recommend* magazine readers choice awards.

HISTORY

In 1957, eleven moteliors formed a standards organisation called the Motel Federation of Australia (MFA). Foundation President, Lou Pimblett stated that it was "only the forerunner of very big things in motels". This vision was more prophetic than they could ever have imagined.

In 1975, the name "MFA Homestead" was introduced and The Travel Club, Best Western's first loyalty program, was launched.

In the same year a proposal was received from Best Western in the USA as it took the first step toward global expansion. In 1981, Homestead Motor Inn formally affiliated with Best Western. The name change from Homestead to Best Western was gradual. First came "Homestead - Best Western", then "Best Western Homestead" and finally Best Western Australia was born on 15th March 1989. This put the 'International' into 'Best Western International' and began the process that would eventually make Best Western one of the pre-eminent names in global hospitality.

Best Western remains a unique association owned by its members. As a co-operative, revenue is spent on developing and enhancing the Best Western brand and promoting properties

as well as offering increased services to members, rather than generating profit for external shareholders.

THE PRODUCT

Best Western is the world's largest hotel company operating under a single brand with more than 4000 independently owned and operated hotels. It offers 309,562 quality guestrooms in over 80 countries.

Through Best Western, independent operators have access to benefits such as branding, sales

We make you feel like Australian royalty.

At Best Western you get excellent accommodation, without paying a king's ransom. Each and every Best Western is put through a rigorous 200 point quality evaluation test. We offer free entry into our Child Care Club International. Certain Frequent Flyer members can earn certain Frequent Flyer points and we're also the only accommodation chain that offers Fly Steps points. And Best Western makes booking a cinch, with a central reservation number and website directory. It's services like these that will make you feel like a king or queen. Even if you're just a Mole or a Shale.

Just call 131 779 or visit www.bestwestern.com.au

Frequent Flyer **Best Western**

We'll take care of you

and marketing, support services and government and industry lobbying.

In Australia, Best Western offers approximately 260 three- to four-and-a-half star hotels, motels, resorts and apartments. Every Best Western property is unique, which provides a range of packages to meet all tastes.

Best Western Australia participates in the Qantas Frequent Flyer program, is the only hotel chain to offer FlyBuys points and provides guests with its own program (Gold Crown Club International) offering rewards at any Best Western property worldwide.

All Best Western properties undergo a stringent quality assurance program and are required to offer BestRequests™. Through research, Best Western identified the most frequently requested amenities and services. The standard is designed to provide reassurance that guests will receive the same amenities without changing the character of individual properties.

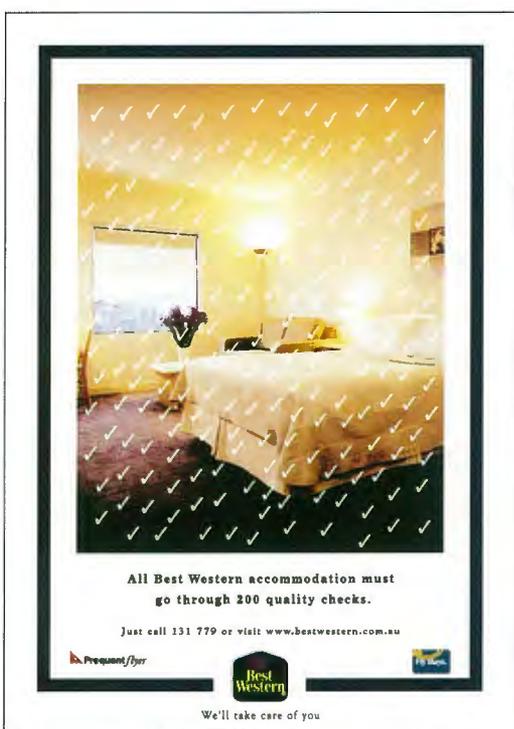


RECENT DEVELOPMENTS

Best Western Australia launched the 'Gold Crown Club International' loyalty program in 2003. This is a global frequent guest program designed to reward business and leisure guests for their loyalty. It comprises three tiers – Gold, Platinum and Diamond.

Best Western Australia unveiled a new look website in late 2003. Features include a clean fresh new look, easier navigation, a newsroom and a career opportunities section, plus the presentation of new properties to the Best Western chain in Australia on the homepage.

In April 2003, Best Western Australia announced sponsorship of See Australia. The core objective is "to stimulate growth in domestic tourism and in particular regional tourism". Only 60 per cent of Australians took a holiday in 1991. The campaign helped to increase this to 70 per cent in 2002. An impressive 80 per cent of Australians recall its brand and message – "Go on. Get out there. See Australia."



Best Western Australia launched Wine Discovery, which offered cellar door specials at over 100 wineries, followed by the Kids Discovery Club to make those family road trips less stressful. The most recent addition is Golf Discovery.

In 2002, Best Western rolled out MemberWeb globally – an internet based reservation system so property owners and managers could adjust rates and inventory at anytime from anywhere. Another component of this was BestCheque, a global guaranteed travel agent commission payment system which strengthens ties with the travel industry and grows business from this sector.

PROMOTION

Anyone driving across Australia, watching a movie, doing the weekly shopping, going to the beach, reading a paper or just staying at home in front of the television is bound to come across a Best Western

Australia promotion. As a co-operative organisation, Best Western Australia is committed to promoting the brand and properties to all market segments including consumers, travel agents, wholesalers and operators.

Regional radio campaigns, cinema ads and newspaper advertising promote products and services to consumers. Best Western Australia is the preferred accommodation partner of Australia's most watched television travel program 'Getaway'.

Partnerships with organisations such as the Great Australian Gazetteer and Avis Car Rentals ensure Best Western promotions reach a range of markets. Valuable brand exposure and revenue is achieved through strategic sponsorships such as NSW Country Rugby Union and Victorian Country Football League.

Best Western Australia also conducts promotions through loyalty programs, and individual properties promote specials through targeted direct mailings to Best Western Gold Crown Club International cardholders.

Best Western Australia often participates in joint promotions with other brands such as American Express and Bushells. The chain is the preferred accommodation partner of Travelmate and utilises this successful website to showcase its products and services. The Best Western Australia website includes mini websites for each property so they can promote their own special 'Hot Deals'.

Participating in the 'World's Largest Thank You', a global Best Western initiative in which staff visit and thank local business who support them, Best Western works closely with travel agents, wholesalers and operators. Advertising in trade publications, a presence at trade shows and brochure support ensure exposure.

An ongoing PR campaign targeted at newspapers and travel media ensures Best Western is mentioned in a range of publications.

Best Western for a Better World is an annual global event. Best Western staff and properties give something back to the communities in which they do business by doing things like helping to build a playground for local children in Alice Springs or donating Kids Discovery packs to children's hospitals across the country at Christmas. Best Western Australia also supports charities like the



CanTeen LifeCycle, Flight for Sight, Leukaemia Foundation and Cure our Kids.

Advertising and PR Toolkits are provided to all Best Western properties to assist them with their own individual promotional activities, saving time and money while allowing them to leverage national efforts and deliver the brand in a consistent and cohesive fashion.

BRAND VALUES

Globally Best Western is known as the World's Largest Hotel Chain, but in Australia the brand represents the essence of Australian hospitality. Nurtured locally on the goodwill, local knowledge, humour and tenacity of the group's hardworking independent owner/operators, Best Western Australia is an ongoing success story.

Its history and the member culture drive Best Western Australia brand values. Best Western Australia strives to create engaging relationships (with guests, members, staff, business partners). This is reflected by a global quality assurance program, loyalty programs and above all genuine, warm hospitality. It is these values that differentiate Best Western Australia from competitors and these values are used for marketing and strategic planning.

The 2002 Best Western Australia tagline "We'll take care of you" encompasses Best Western Australia's core values.

* AEC Market Research 2002 & 2003. Thanks to Life Members Trevor Anderson and Jim White (Australian Hospitality Digest) for contributing much of the historical information.

THINGS YOU DIDN'T KNOW ABOUT BEST WESTERN

- An average of 4,166 page impressions are viewed on the Best Western Australia website (www.bestwestern.com.au) every hour.
- To visit every Best Western property in the world for one night would take over 11 years, and to stay at least one night in every Best Western room in Australia would take 24.66 years.
- There are 120 recognised wine regions in Australia; Best Western has properties in 102 of them.
- There are over 16,000 companies in Australia using the Best Western Gold Crown Club International program.
- Best Western guests use 78,840 kilograms (78.84 tonnes) of soap each year at Best Western properties in Australia.
- Each night 1.23 million pillows, 1.29 million towels and 315,000 televisions are at the disposal of Best Western guests.