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SAS acquires software firm IDEaS

Market-leading revenue-management software for hospitality sector expands SAS' portfolio of industry-specific solutions.

CARY, NC (Aug. 4, 2008) – SAS, the leader in business intelligence and analytics, has acquired IDEaS Revenue Optimization, the premier provider of advanced revenue-management software for the hospitality industry.

With its existing broad and powerful portfolio of market-leading advanced analytics, business intelligence and industry-specific solutions, SAS now has the leading revenue-management offering designed specifically for the travel and hospitality industries. IDEaS customers will benefit from the global resources of SAS, a \$2 billion company.

This acquisition further establishes SAS as a leader in this area by complementing SAS' retail revenue optimization suite, which is currently deployed by a number of global retailers such as Hudson's Bay Company of Canada and Kohl's Department Stores.

SAS gains a robust application portfolio and technology foundation for extending IDEaS price and revenue optimization to other industries. SAS® solutions will leverage these revenue- and price-optimization capabilities to help organizations gain deeper insights into their customers and operations to maximize profitability.

"Effective revenue management is an essential tool, process and discipline for nearly all asset managers who serve customer demand that varies by market segment, season and economic cycle," said Bill Carroll, Senior Lecturer at Cornell University School of Hotel Administration. "Getting it right can make the difference between profitability and non-profitability. An RM system based on advanced analytics is critical to any firm's overall revenue-management strategy."

Carroll, formerly Division Vice President for Global Marketing Planning at Hertz Corp., said businesses can significantly increase their success with revenue management.

Since deploying the IDEaS solution, the Wilshire Grand Los Angeles has enjoyed an approximately four percent revenue increase.

"We're definitely ahead of the competition," said Greg Moon, Area Director of Revenue Management at the Wilshire Grand. "Once we started using IDEaS V5i, we realized we could achieve higher rates when we didn't think we could before and soon started noticing a significant return."

Moon said that the IDeaS solution also saves payroll costs because highly accurate forecasts allow The Wilshire Grand to anticipate number of rooms to be sold and plan for the amount of staff needed in a given week.

“IDeaS is extremely successful in the hospitality industry, and its highly regarded application base is capable of much more,” said Jim Goodnight, CEO of SAS. “SAS will build on that for other industries while remaining attentive to the extremely loyal IDeaS customer base. SAS has the will, the resources and the domain expertise to nurture the potential of IDeaS.”

IDeaS, with 200 employees, is now a wholly owned subsidiary of SAS but will continue operating under its current management. Its global customers include: Hilton, Hyatt International, Mandarin Oriental, Intercontinental Hotels Group, The Venetian Hotel and Casino, Stations Casinos, Lindner Hotels, Fairmont Hotels, Manchester Airport Group and BAA.

Price- and revenue-optimization solutions such as IDeaS grew from airline industry deregulation, when carriers sought to maximize profitability in a newly competitive industry. The revenue management discipline (sometimes called yield management) now permeates hospitality and travel sectors, taking limited, perishable resources, predicting consumer behavior and adjusting pricing to maximize profit. A prime example: business hotels offering deep discounts for weekenders to encourage bookings for soft demand days.

IDeaS delivers solutions via “software as a service.” Customers access applications over the Internet, eliminating costs for new hardware and software installation. Software upgrades are painless, as IDeaS makes the changes on its Internet host.

“SAS is a perfect fit for IDeaS. Customers of neither company are locked into long-term licenses, so we both have to earn our customers’ business on a daily basis,” said Ed Booth, CEO and Chairman of IDeaS. “We have sought for some time to expand our scope beyond hospitality applications and SAS, with a corporate culture remarkably similar to ours, will provide IDeaS with the resources to stretch its wings.”

Both SAS and IDeaS are privately held. Financial terms of the acquisition are not available.

Profit optimization

Identifying opportunities to enhance and maximize profitability is critical to the success of SAS customers. To support these efforts, SAS has announced a

new Profit Optimization Global Practice. The unit will create new solutions using the SAS Enterprise Intelligence Platform for optimizing profits.

IDeaS will continue to prioritize the hospitality industry. Its solutions, combined with leading-edge SAS capabilities like forecasting, optimization and statistics, will also extend to other industries outside of travel, hospitality and retail.

About IDeaS

IDeaS Revenue Optimization is the premier provider of enterprise revenue optimization solutions and consulting. IDeaS can help make an immediate impact on company revenue and profitability with its forecasting, optimization and pricing solutions. Headquartered in Minneapolis, IDeaS has technology, support, sales and distribution offices in North and South America, the United Kingdom, Europe, Africa, the Middle East, Australia and Asia. For more information, visit www.ideas.com.

About SAS

SAS is the leader in business intelligence and analytical software and services. Customers at 44,000 sites use SAS software to improve performance through insight from data, resulting in faster, more accurate business decisions; more profitable relationships with customers and suppliers; compliance with governmental regulations; research breakthroughs; and better products and processes. Only SAS offers leading data integration, storage, analytics and business intelligence applications within a comprehensive enterprise intelligence platform. Since 1976, SAS has been giving customers around the world THE POWER TO KNOW[®]. www.sas.com

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