

# INVESTOR'S BUSINESS DAILY

FRIDAY, JUNE 6, 2008

## INTERNET & TECHNOLOGY

### Rearden Gets \$100 Mil, Big-Name Backing

#### Amex, Chase Pitch In

Little-known Web firm gets wider exposure for all-in-one travel helper

**BY J. BONASIA**  
FOR INVESTOR'S BUSINESS DAILY

**Rearden Commerce** isn't a household name, but its online travel planner could get around, thanks to a \$100 million financing deal that involves giants **American Express** and **JPMorgan Chase**.

The privately held Foster City, Calif., company has received little attention since it was founded in 2000.

But founder and CEO Patrick Grady, known as a brash leader with a flair for salesmanship, says the high-profile investors will help raise awareness. "It's not the large amount of money that matters so much as the quality nature of these investors," he said. "I see no reason why Rearden won't emerge as one of the top five Web companies in the world over the next five to seven years."

American Express<sup>AXP</sup> and Chase<sup>JPM</sup> led the funding round, with participation from investment firms Foundation Capital and Oak Investment Partners.

The new partnerships with American Express and Chase also represent a strategic coup for Rearden Commerce.

American Express is the market leader in business travel services. Chase issues credit cards to mil-

lions of consumers. The two financial giants are expected to expose more people to Rearden's online travel system.

Like many travel Web sites, the Rearden Personal Assistant lets users book plane flights, hotel rooms and rental cars.

Rearden takes the concept further, tying in related services such as restaurant reservations, event ticketing, limousines, parking, conferencing, printing and shipping.

By packaging all these into a single booking system, Rearden says it saves users the hassle of clicking around and keeping track of info on a gaggle of other sites such as **Orbitz<sup>OWW</sup>**, **Ticketmaster**, **StubHub.com**, **Zagat.com**, **Yelp.com**, and **FedEx<sup>FDX</sup>**.

With Rearden, travel details are packaged together in a single place and auto-

matically logged into a user's personal calendar.

The system stores users' credit card info and personal preferences, such as for window seats on nonstop airline flights. It also lets corporate travel managers track spending based on company policies.

Such a tight combination of so many services should mark a turning point for business travel and, over time, personal travel, says Bruce Richardson, a tech analyst with AMR Research.

"In this way, companies will have much more control over their travel policies," Richardson said. "It will also help users by sending them alerts about hotel cancellations or flight changes straight into their smart phones or e-mail boxes."

The alliance with American Express and Chase

**"It's not the large amount of money that matters so much as the quality nature of these investors."**

**Patrick Grady, CEO, Rearden Commerce**

marks an important strategic milestone for Rearden Commerce. American Express has re-branded the service for its customers as AXIOM, for the American Express Intelligent Online Marketplace.

American Express and Chase should help Rearden reach large companies. But they will also open doors to countless small businesses that need help with travel bookings, says Rearden board member Terry Jones, a marketing consultant.

Jones is the former CEO of Travelocity, the ex-CIO of online travel services provider Sabre Holdings and the chairman of Kayak.com, a popular travel search site.

In the early days of Travelocity, it had difficulty marketing to smaller companies with tiny staffs and limited budgets, Jones recalls.

"This relationship with Amex and Chase should allow Rearden to reach the market that needs a digital personal assistant more than anybody else," he said.

Rearden Commerce has no direct competitors to its model yet, Jones says.

*(Continued)*

He says all the other travel sites compete with only part of Rearden's broad offering.

Rearden, by contrast, is a kind of travel mega-portal with one consistent Web user interface, he says.

"Some of these products are sold by other Internet companies already," Jones said. "But none of them have

rolled all of it together like this."

While his dual role as a board member of both Rearden and Kayak might seem rife with conflict, the services target different audiences, Jones says.

Rearden's personal assistant targets business travelers while Kayak is more of a consumer-oriented travel search site.

Ultimately, Rearden Commerce could become a lucrative advertising destination, Jones says.

The system combines a deep understanding of users' personal preferences with their physical location -- the kind of information that lets advertisers deliver finely targeted pitches to high-income travelers.

"Advertisers we've

talked to are salivating over this idea," Jones said.

That's why analyst Richardson sees a major technology company such as **Microsoft**<sup>MSFT</sup> or **Google**<sup>GOOG</sup> trying to buy Rearden. Either one could stitch Rearden into its Web platform to create an online ad monster, Richardson says.

"This is a natural to provide advertising," he said.