

Press Release

Amadeus outperforms industry in the first half of 2014

Strong performance supported by organic growth and the contribution of acquisitions

Distribution business gains market share and IT Solutions continues to deliver

First half highlights (six months ended June 30, 2014)

- Revenue increased by 8.5%, to €1,730.9 million. Excluding the acquisitions of Newmarket International and UFIS, comparable growth stood at 6.3%.
- EBITDA grew 8.8%, to €702.6 million. Excluding acquisitions, comparable growth reached 6.9%.
- In the Distribution business, total air travel agency bookings expanded 3.8%, to 241.8 million.
- In the IT Solutions business, Passengers Boarded increased by 15.6%, to 328.5 million.

August, 1: Amadeus IT Holding, S.A., a leading technology partner for the global travel industry, reports year-on-year financial and operating results for the first half of 2014 (six months ended June 30, 2014). Adjusted profit for the period grew 8.9% to €380.6 million. This was backed by an increase in revenue of 8.5%, to €1,730.9 million, and an EBITDA growth of 8.8%, to €702.6 million.

Luis Maroto, President & CEO of Amadeus, commented:

“Amadeus’ core business continues to deliver strong results despite improved but still challenging market conditions. The Distribution business outperformed the industry enabling us to continue to gain market share. During the first half of the year, Amadeus reaffirmed its commitment to Corporate Travel IT - a key Distribution growth segment - with the acquisition of i:FAO, the strategic agreement with SAP and the launch of Amadeus Corporate Suite.

“The Airline IT business continued to show strong growth underpinned by the Asia Pacific region, where an agreement with Japan Airlines was recently announced, in addition to Swiss International Airlines signing for our Altéa suite. Also a landmark, Southwest Airlines’ first international flight powered by Amadeus Altéa suite marked the successful implementation of Amadeus’ state-of-the-art passenger service system by the carrier. The addition of Southwest’s domestic bookings to the agreement will turn Altéa Suite into the carrier’s only reservation system in the future and Southwest into Amadeus’ largest Airline IT partner worldwide by passengers boarded.

“We continue to implement our growth and diversification strategy into new IT areas. The recent acquisitions of Newmarket International (Hotel IT) and UFIS (Airport IT) are already contributing positively to the execution of our strategy. In the Rail IT segment, the agreement signed with BeNe Rail this quarter represents our first step towards the creation of a community IT platform for the rail industry, aiming to replicate the success of our Altéa suite in the coming years.”

Financial highlights

Consolidated net financial debt stood at €1,501.3 million, as of June 30, 2014 (based on covenants' definition in senior credit agreement), representing 1.18x the ratio of covenant net debt to the last twelve months' covenant EBITDA.

Business highlights

Distribution

- Revenue increased by 4.6%, to €1,271.5 million
- Air travel agency bookings rose 3.8%, to 241.8 million
- Market share expanded by 0.3 percentage points, reaching 40.3%

The air travel agency booking industry grew 2.6% during the first six months of 2014, compared to a 0.7% growth in the same period of 2013. In this context of recovery, Amadeus continued to outperform the industry: total air travel agency bookings through the Amadeus system increased by 3.8%, to 241.8 million. This in turn produced a 0.3 percentage point increase in Amadeus' market share, from 40.0% to 40.3%. North America, where bookings through Amadeus expanded by 15.5%, continued to be the region with the fastest growth.

Amadeus Air TA Bookings Figures in million	Jan-Jun 2014	% of Total	Jan-Jun 2013	% of Total	% Change
Western Europe	102.1	42.2%	101.1	43.4%	0.9%
North America	33.8	14.0%	29.3	12.6%	15.5%
Asia & Pacific	33.0	13.7%	32.0	13.7%	3.1%
Middle East and Africa	33.2	13.7%	30.3	13.0%	9.5%
Central, Eastern and South- ern Europe	23.6	9.8%	23.8	10.2%	(0.6%)
Latin America	16.1	6.7%	16.5	7.1%	(2.6%)
Total Air TA Bookings	241.8	100.0%	233.1	100.0%	3.8%

During the first half of 2014, Amadeus signed content agreements with 21 airlines including **United Airlines**. Under the new agreement, Amadeus subscribers around the world are guaranteed continued access to United's full range of content. The agreement also provides for access and booking of the carrier's ancillary offerings such as Economy Plus® extra-legroom premium seating.

An agreement was also signed with **Germanwings** that will enable the airline to distribute all of its published fares and the most demanded ancillary services in the travel agency channel. The Lufthansa subsidiary became the first in the world to make its full range of published fares bookable using both full e-ticketing and light ticketing functionalities¹. Low-cost carriers' travel agency bookings increased by 12% compared to the same period of 2013.

¹ Light ticketing' is an evolution of the ticketless access level offered to low-cost and hybrid carriers to help to standardise the travel agency work flow (availability/pricing/booking/end of transaction/reporting) via the introduction of a virtual ticket number.

On the travel agency side, Amadeus signed a new multi-year agreement with the leading global online travel company **Orbitz Worldwide** and with **TUI Travel**, one of the world's leading leisure travel groups, operating in over 180 countries with more than 30 million customers.

During the first half, Amadeus made great strides in its growth strategy in the Corporate Travel IT segment. During this period, Amadeus completed the acquisition of **i:FAO** through a tender offer process; announced an industry-first strategic technological agreement with **SAP** to deliver to the market a cloud-based corporate travel solution, including online booking, expense and mobile capabilities; and launched Amadeus Corporate Suite, aimed at optimising business meeting planning.

IT Solutions

- Revenue grew 21%, to €459.4 million. Excluding Newmarket International and UFIS, revenue increased by 11.6% to 423.5 million.
- Passengers Boarded strengthened by 15.6% to total 328.5 million.
- Growth driven by the contribution of Asian airlines' migration to the Amadeus Altéa platform resulted in a 76.7% increase in Passenger Boarded in the region.

Airline IT: The migration of Asian airlines such as **Garuda Indonesia**, **Thai Airways**, and **Sri Lankan Airlines** contributed to a 76.7% growth in the number of Passengers Boarded in the Asia Pacific region. The shift towards Asia will continue in the future, as further migrations are scheduled, in addition to the recently announced agreement with **Japan Airlines**. The airline, which operates more than 220 aircraft domestically and overseas, will use the full Altéa suite of IT solutions to replace its existing passenger service system, which was originally launched back in 1969.

On July 1, the first-ever scheduled international flights flown by **Southwest Airlines** took off heading to the Caribbean, also marking the successful full implementation of Amadeus' Altéa Suite. Southwest began selling seats on its inaugural international flights in January using the Altéa Reservation and Inventory modules. The first flight departed from Baltimore, Maryland, USA, for Aruba, with customer management powered by Altéa Departure Control. This marks the culmination of two years of behind-the-scenes IT collaboration and systems re-engineering by the Southwest and Amadeus teams.

The commencement of international flying by Southwest follows the announcement in May that Southwest and Amadeus have entered into a joint contract for Amadeus' Altéa Suite to support the carrier's U.S. domestic operations. Over the next few years, Southwest and Amadeus will work together to fully move the carrier to the Amadeus Altéa platform for both international and domestic flights. Amadeus currently provides Altéa technology and services to more than 120 airlines around the world.

During the first half of 2014, **Swiss International Air Lines** also signed for Amadeus Altéa, while, in addition, Amadeus signed an agreement with **Lufthansa** to power the airline's brand new shopping, booking and re-booking site with its next generation suite of e-Commerce solutions.

Amadeus PB Figures in million	Jan-Jun 2014	% of Total	Jan-Jun 2013	% of Total	% Change
Western Europe	151.4	46.1%	145.4	51.2%	4.1%
Asia & Pacific	77.2	23.5%	43.7	15.4%	76.7%
Middle East and Africa	49.5	15.1%	47.7	16.8%	3.8%
Latin America	34.1	10.4%	32.2	11.3%	6.0%
Central, Eastern and South- ern Europe	16.3	5.0%	15.2	5.3%	7.5%
Total PB	328.5	100.0%	284.1	100.0%	15.6%

Hotel IT: In April, Amadeus launched a new-generation hotel distribution marketplace for the travel industry aimed at bringing buyers and sellers of hotel reservations together more efficiently. The marketplace can be accessed via Amadeus' travel agency retail platform (Amadeus Selling Platform), our corporate online booking tool (Amadeus e-Travel Management) and by any third party through our web services. The 'multisource' marketplace now provides seamlessly integrated content from all hotel sources into one format within the platform enabling bookers to access all their favourite providers through a single interface.

This launch follows the acquisition of US-based **Newmarket International** for USD 500 million and the announcement of the strategic technology relationship signed with **InterContinental Hotels Group**.

Rail: In May, **BeNe Rail International (BeNe RI)**, an international distribution technology joint venture set up by **NS** and **SNCB/NMBS**², agreed to enter into a long-term strategic IT partnership with Amadeus to create a new rail community IT platform as part of Amadeus' Total Rail solution. This unique platform is based on the concept of a community model whereby a third party IT expert, Amadeus, develops and hosts applications for several rail companies to share and benefit from synergies.

The platform proposes a solution to cover all end-to-end processes for rail travel in Europe. Hosted and run from Amadeus' Data Centre in Erding (Germany), the solution enables BeNe RI to remain in control of its individual distribution strategies and channels. Amadeus will bring BeNe RI numerous advantages including increased flexibility and performance, with the aim of enhancing customer satisfaction. The platform will be rolled out across BeNe RI over several phases during the next few years.

² NS: Nederlandse Spoorwegen (Dutch Railways), SNCB/NMBS: Société Nationale des Chemins de fer Belges/Nationale Maatschappij der Belgische Spoorwegen (Belgian Railways), CFL: Société Nationale des Chemins de fer Luxembourgeois (Luxembourg Railways)

Summary of KPI <i>Figures in million euros</i>	Jan-Jun 2014	Jan-Jun 2014 (excl. M&A) ¹	Jan-Jun 2013	% Change ¹
Operating KPI				
Air TA Market Share	40.3%	40.3%	40.0%	0.3 p.p.
Air TA bookings (m)	241.8	241.8	233.1	3.8%
Non air bookings (m)	30.3	30.3	31.0	(2.4%)
Total bookings (m)	272.1	272.1	264.1	3.0%
Passengers Boarded (m)	328.5	328.5	284.1	15.6%
Financial results				
Distribution Revenue	1,271.5	1,271.5	1,215.6	4.6%
IT Solutions Revenue	459.4	423.5	379.5	11.6%
Revenue	1,730.9	1,695.0	1,595.1	6.3%
Distribution Contribution	583.6	583.6	565.3	3.2%
IT Solutions Contribution	315.7	303.2	266.2	13.9%
Contribution	899.3	886.8	831.5	6.7%
EBITDA²	702.6	690.2	645.9	6.9%
EBITDA margin (%) ²	40.6%	40.7%	40.5%	0.2 p.p.
Adjusted profit³	380.6	375.5	349.6	7.4%
Adjusted EPS (euros)⁴	0.86	0.84	0.79	7.3%
Cash flow				
Capital expenditure	198.4	195.6	207.1	(5.5%)
Pre-tax operating cash flow ⁵	446.6	n.a.	402.2	n.a.
	30/06/2014		31/12/2013	% Change
Indebtedness⁶				
Covenant Net Financial Debt	1,501.3		1,210.7	24.0%
Covenant Net Financial Debt / LTM Covenant EBITDA	1.18x		1.01x	

1. For comparability purposes, we have excluded the Newmarket and UFIS consolidated results, which are consolidated for the first time in the first half of 2014. The "% Change" column above shows the comparable growth, excluding the impact of the recent acquisitions, as explained in this note.
2. Our EBITDA and EBITDA margin were negatively impacted by extraordinary costs amounting to €1.5 million related to the acquisition of i:FAO and incurred in the first quarter of 2014. Excluding these costs, our reported EBITDA margin would be 40.7%, 0.2 p.p. higher than in the first half of 2013, and our EBITDA margin excluding Newmarket and UFIS' results would be 40.8%, 0.3 p.p. higher than the first half of 2013.
3. Excluding after-tax impact of the following items: (i) amortisation of PPA and impairment losses, (ii) changes in fair value of financial instruments and non-operating exchange gains (losses) and (iii) other non-recurring items. Our adjusted profit was negatively impacted by extraordinary (non-deductible) costs amounting to €1.5 million related to the acquisition of i:FAO and incurred in the first quarter of 2014.
4. EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period. Our adjusted EPS was negatively impacted by extraordinary (non-deductible) costs amounting to €1.5 million related to the acquisition of i:FAO incurred in the first quarter of 2014.
5. Calculated as EBITDA less capital expenditure plus changes in our operating working capital.
6. Based on the definition included in the senior credit agreement covenants.

Notes to the editors:

Amadeus is a leading provider of advanced technology solutions for the global travel industry. Customer groups include travel providers (e.g. airlines, hotels, rail and ferry operators, etc.), travel sellers (travel agencies and websites), and travel buyers (corporations and travel management companies).

The Amadeus group employs around 10,000 people worldwide, across central sites in Madrid (corporate headquarters), Nice (development) and Erding (operations), as well as 71 local Amadeus Commercial Organisations globally.

The group operates a transaction-based business model.

Amadeus is listed on the Spanish Stock Exchange under the symbol "AMS.MC" and is a component of the IBEX 35 index.

To find out more about Amadeus please visit www.amadeus.com, and www.amadeus.com/blog for more on the travel industry.

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