

Press Release

Amadeus announces 2013 full year results

Strong performance and growth of Distribution and IT Solutions businesses

Full year highlights (twelve months ended December 31, 2013)

- Revenue increased by 6.6%, to €3,103.7 million; EBITDA¹ grew by 7.2%, to €1,188.7 million; and adjusted profit² for the year rose to €619.5 million, up 7.8%.
- In the Distribution business, total air travel agency bookings increased by 6.5%, to 443.4 million, on the back of strong growth in North America (+38.1%) and Latin America (+12.5%).
- In the IT Solutions business, Passengers Boarded increased by 9.2%, to 615.7 million, with a 57.6% rise in Asia Pacific.
- Amadeus accelerated its move into new business areas with the acquisition of Newmarket International, a leading US-based Hotel IT provider, for USD 500 million.

February, 28: Amadeus IT Holding, S.A., parent company of the Amadeus Group, a leading technology partner for the global travel industry, reports year-on-year financial and operating results for the full year of 2013 (twelve months ended December 31, 2013). Adjusted profit for the year grew 7.8% to €619.5 million. This was supported by an increase in revenue of 6.6%, to €3,103.7 million, and 7.2% growth in EBITDA, to €1,188.7 million.

Luis Maroto, President & CEO of Amadeus, commented:

“Amadeus has maintained its record of delivering success both in revenues and profitability. Our transaction-based business model has continued to be resilient in the face of industry challenges, while our investment in R&D, which drives product evolution and portfolio expansion, has contributed to our continued growth.

“Even in the context of slow growth in the wider market, Amadeus continued to outperform the travel distribution industry and reinforce its leading position in the air distribution segment, with a market share increase to 40.1% in total air travel agency bookings. This was most apparent in North America, one of our strategic targets for expansion, where despite contraction in the region we achieved a 38.1% increase.

“Our commitment to growth in new regions was also evident in the IT Solutions business, where the number of Passengers Boarded in the Asia Pacific markets increased by 57.6%. The region became the second biggest market for the IT Solutions business, and this shift will continue as migrations of Asian carriers take place during 2014 and 2015.

¹ EBITDA adjusted to exclude extraordinary items related to the IPO in 2012.

² Excluding after-tax impact of the following items: (i) amortisation of PPA and impairment losses, (ii) changes in the fair value and cancellation costs of financial instruments and non-operating exchange gains (losses) and (iii) extraordinary items related to the sale of assets and equity investments and, in 2012, the IPO.

“We continued to execute on our strategy of developing new business areas, and made particular progress in the airport and hotel segments. With the acquisition of Newmarket International, a leader in the Hotel IT industry, we have enhanced our presence in a key growth area for Amadeus. Meanwhile our airports unit made progress in the ground-handling area as well as signing key agreements with Copenhagen and Munich airports.

“Overall I am confident that Amadeus has the financial strength, the portfolio and the right strategy for continued success in the travel technology industry.”

Financial highlights

Consolidated net financial debt was reduced to €1,210.7 million, as of December 31, 2013 (based on covenants' definition in senior credit agreement). This was a decrease of €284.5 million vs. December 31, 2012, reaching 1.01x the ratio of covenant net debt to the last twelve months' covenant EBITDA³.

In December 2013, the Board of Directors extended the current dividend policy, consisting of a pay-out ratio of 40% to 50% of the consolidated profit (excluding extraordinary items). In particular, the Board of Directors proposed to increase the pay-out ratio to 50% for the year 2013, versus the 44.6% paid in 2012.

The full year results were supported by significant year-on-year performance during the fourth quarter. Revenue increased 9.5% to €741.7 million, EBITDA grew 9.9% to €239.7 million and adjusted profit rose 15.6%, to €108.3 million.

Business highlights

Distribution

- Revenue increased by 5.3%, to €2,317.8 million
- Air travel agency bookings rose 6.5%, to 443.4 million
- Market share expanded by 1.5 percentage points, reaching 40.1%

Amadeus continued to outperform the industry in a context of limited growth⁴. During the year, distribution contracts with airlines due for renewal were successfully extended, most notably with **IAG (British Airways, Iberia, Iberia Express)** and **Air France-KLM**. Content agreements were also signed with **American Airlines, China Airlines, LATAM Airlines Group** (including both **LAN** and **TAM**) and **Thai Airways**.

Content available for travel agency subscribers continued to expand, as 10 new low cost carriers were added to the platform. **EasyJet**, the UK's largest airline per passengers carried, was the first carrier to become a *light ticketing*⁵ airline in the Amadeus system, a solution that improves the way in which travel agents access, book

³ These figures do not include the USD 500 million of additional debt arranged to finance the acquisition of Newmarket International, announced on December 18, 2013, but finalised during February 2014. Proforma of this acquisition, the ratio of debt to the last twelve months' EBITDA would be of 1.3x

⁴ The air travel agency booking industry registered a 2% growth in 2013.

⁵ 'Light ticketing' is an evolution of the ticketless access level offered to low-cost & hybrid carriers to help standardise the travel agency work flow (availability/pricing/booking/end of transaction/reporting) via the introduction of a virtual ticket number.

and provide service when selling the flights of low cost carriers flights. This development is expected to increase bookings with the new pricing, ticketing and booking functionality offering the same look and feel as for traditional or flag carriers. Low cost carriers continued to be an area of growth for Amadeus in 2013, with an increase in travel agency bookings of 21% during the year.

During the fourth quarter, Amadeus implemented its Amadeus Ancillary Services solution for **Lufthansa** and **Austrian Airlines**. With these additions, a total of 23 airlines distribute their ancillary services through the Amadeus travel agency channel using the solution across 62 countries.

The increase in market share, of 1.5 percentage points to 40.1%, was fueled by a rise of 38.1% in air travel agency bookings in North America, despite the negative growth of the industry in the region. This contributed to offset the contraction of the air travel agency booking industry in key markets for Amadeus in Western Europe (Germany, Spain and France).

Amadeus Air TA Bookings <i>Figures in million</i>	Full year 2013	% of Total	Full year 2012	% of Total	% Change
Western Europe	187.9	42.4%	188.7	45.3%	(0.4%)
Asia & Pacific	62.2	14.0%	58.1	14.0%	7.0%
Middle East and Africa	57.7	13.0%	56.4	13.5%	2.4%
North America	55.3	12.5%	40.0	9.6%	38.1%
CESE	46.9	10.6%	43.5	10.4%	7.7%
Latin America	33.5	7.6%	29.8	7.1%	12.5%
Total Air TA Bookings	443.4	100.0%	416.5	100.0%	6.5%

IT Solutions

- Revenue increased by 10.8%, to €785.9 million
- Passengers Boarded strengthened 9.2% to total 615.7 million
- Amadeus continued to make strides in the growth of its new business units with the acquisitions of Newmarket International and UFIS

Airline IT: With 50.1% of total Passengers Boarded, Western Europe remained the biggest market for Amadeus Airline IT services. The biggest region of growth was Asia Pacific, with an increase of 57.6%, driven by the contribution of a number of Asian airlines migrated to the Amadeus Altéa Suite, **Thai Airways** among them. During 2013, **Air France-KLM** signed a long term e-Commerce agreement; **Qatar Airways** implemented the Amadeus Ticket Changer solutions, and **SAS** migrated to the Amadeus Revenue Management Solution.

At the end of the year, a total of 125 airlines were contracted for both Altéa Reservations and Altéa Inventory, 104 of which were contracted to use the full Altéa Suite. Based upon these contracts, Amadeus estimates that by 2015 the number of Passengers Boarded will be around 800 million, which would represent an increase of almost 30% vs. the 616 million passengers processed on the Altéa platform during 2013 – or a compound annual growth rate (CAGR) of around 14%.

Amadeus PB <i>Figures in million</i>	Full year 2013	% of Total	Full year 2012	% of Total	% Change
Western Europe	308.6	50.1%	295.9	52.5%	4.3%
Asia & Pacific	109.2	17.7%	69.3	12.3%	57.6%
Middle East and Africa	96.3	15.6%	100.8	17.9%	(4.4%)
Latin America	66.6	10.8%	66.7	11.8%	(0.2%)
CESE	35.1	5.7%	31.2	5.5%	12.4%
Total PB	615.7	100.0%	563.8	100.0%	9.2%

Hotel IT: In December 2013, Amadeus announced the acquisition of US based **Newmarket International** for USD 500 million. The addition of Newmarket will bring a strong management team and talented workforce to Amadeus that will significantly strengthen the Group's expertise and experience in the hotel IT industry, a key target sector for future growth. It also adds established relationships with key customers in the hotel segment. Newmarket, which serves 22,000 unique properties in 154 countries, operates in the group and event management segment of the hotel industry, which is estimated to account for 30-40% of a full service hotel's revenue.

Airport IT: In the first quarter of 2014 Amadeus announced the acquisition of **UFIS**, a leading airport information technology player, significantly enhancing the company's position in the Airport IT industry. UFIS brings to Amadeus a complementary suite of airport technology solutions as well as a set of important customer relationships worldwide with specific emphasis on Asia, Middle East and Europe.

In June, the launch of a new suite of solutions for airport operations was announced, leading to the signature of two agreements with **Munich Airport** and **Copenhagen Airport**. Through these agreements, Amadeus will jointly work with the airports to develop and implement two new IT solutions: Amadeus Airport Sequence Manager and Amadeus Airport Fixed Resource Optimiser.

Summary financial information <i>Figures in million euros</i>	Full year 2013	Full year 2012 ¹	% Change
KPI			
Air TA Market Share	40.1%	38.6%	1.5 p.p.
Air TA bookings (m)	443.4	416.5	6.5%
Non air bookings (m)	59.2	60.7	(2.5%)
Total bookings (m)	502.6	477.2	5.3%
Passengers Boarded (m)	615.7	563.8	9.2%
Airlines migrated (as of December 31)	114	109	
Financial results			
Distribution Revenue	2,317.8	2,201.0	5.3%
IT Solutions Revenue	785.9	709.4	10.8%
Revenue	3,103.7	2,910.3	6.6%
Distribution Contribution	1,035.9	982.3	5.5%
IT Solutions Contribution ⁽²⁾	550.7	497.1	10.8%
Contribution	1,586.6	1,479.4	7.2%
EBITDA	1,188.7	1,109.0	7.2%
EBITDA margin (%)	38.3%	38.1%	0.2 p.p.
Adjusted profit ⁽³⁾	619.5	574.8	7.8%
Adjusted EPS (euros) ⁽⁴⁾	1.39	1.30	7.6%
Cash flow			
Capital expenditure	411.2	348.9	17.9%
Pre-tax operating cash flow ⁽⁵⁾	843.1	860.1	(2.0%)
	31/12/2013	31/12/2012	% Change
Indebtedness ⁽⁶⁾			
Covenant Net Financial Debt	1,210.7	1,495.2	(19.0%)
Covenant Net Financial Debt / LTM Covenant EBITDA	1.01x	1.34x	

1. Figures adjusted to exclude extraordinary costs related to the IPO, in 2012.

2. For purposes of comparability, the IT Solutions contribution in 2013 has been adjusted to exclude extraordinary costs of €4.9 million associated with the acquisition of Newmarket in Q4 2013. Group EBITDA and EBITDA margin in 2013 include such costs, and are therefore not impacted by the reclassification of these costs as explained above.

3. Excluding after-tax impact of the following items: (i) amortisation of PPA and impairment losses, (ii) changes in fair value and cancellation costs of financial instruments and non-operating exchange gains (losses) and (iii) extraordinary items related to the sale of assets and equity investments and, in 2012, the IPO.

4. EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.

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

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