

Press Release

Amadeus maintains growth trend in first nine months of 2015

Revenues and profit increases driven by Asia-Pacific and North America growth

Both core business lines continue financial and operational growth

Year-to-date highlights (nine months ended September 30, 2015)

- Revenue increased 14.7%, to €2,964.8 million.
- EBITDA excluding acquisition costs¹ grew 10.6%, to €1,149.6 million.
- In the Distribution business, total air travel agency bookings increased 9.4%, to 389.7 million.
- In the IT Solutions business, Passengers Boarded² increased 8.2%, to 562.3 million.

November, 6: 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 nine months of 2015 (nine months ended September 30, 2015). Adjusted profit excluding acquisition costs¹ for the period grew 9.6% to €611.9 million. This was driven by an increase in revenue of 14.7%, to €2,964.8 million, and EBITDA excluding acquisition costs¹ growth of 10.6%, to €1,149.6 million.

Luis Maroto, President & CEO of Amadeus, comments:

“Our focus on delivering revenue-generating technology to our partners has improved our competitive position³ in the market, supporting growth in both revenues and profit.

“Asia-Pacific and North America growth resulted in a significant 1.9 p.p. enhancement of our competitive position in air travel agency bookings, driving strong revenue growth of 12.1% in Distribution; whilst IT Solutions delivered a 21.3% revenue increase, supported by the full year effect of migrations – many of which were in Asia-Pacific, where other airlines are still to migrate.

¹ EBITDA and Adjusted profit excluding the extraordinary costs associated with the acquisition of Navitaire in 2015 and with the acquisition of i:FAO in 2014.

² Passengers Boarded (PB): actual passengers boarded onto flights operated by airlines using at least the Amadeus Altéa Reservation and Inventory modules. A PB is the key metric for charging in the Amadeus IT transactional revenue business line.

³ Competitive position is measured as our air TA bookings in relation to the air TA booking industry, defined as the total volume of travel agency air bookings processed by the global or regional CRS. Excludes air bookings made directly through in-house airline systems or single country operators, the latter primarily in China, Japan and Russia. Also excludes bookings of other types of travel products, such as hotel rooms, car rentals and train tickets. Since the end of the third quarter of 2014, it includes the bookings processed by the travel agencies connected to the Amadeus platform, which were previously connected to the local CRS Topas in South Korea.

“Our strong financial performance has allowed us to continue investing in key areas and during the quarter we announced our intention to acquire Navitaire, which is currently subject to regulatory approval. Additionally we acquired two companies in the Hotel IT sector, the Netherlands-based Itesso BV and U.S.-based Hotel SystemsPro, which support our strategy. These additions form part of our long-term Hotel IT vision of combining multiple systems into a cloud-based platform focused on improving the guest experience.

“I am proud to say that our commitment to shaping the future of travel was recently recognised by the Dow Jones Sustainability Indices (DJSI) through our inclusion for a noteworthy fourth consecutive year.

“We look forward with confidence to the completion of the full year.”

Financial highlights for the first nine months

Consolidated net financial debt stood at €1,693.6 million at September 30, 2015, representing 1.20x the ratio of covenant net debt to the last twelve months’ covenant EBITDA.

An appreciation of the US dollar versus the Euro compared to 2014 contributed a positive foreign exchange impact on the revenue and EBITDA of Amadeus during the first nine months of 2015; conversely, the same impact reduced the EBITDA margin.

Amadeus Air TA Bookings <i>Figures in million</i>	Jan-Sep 2015	% of Total	Jan-Sep 2014	% of Total	% Change
Western Europe	151.5	38.9%	147.9	41.5%	2.4%
North America	66.4	17.0%	49.2	13.8%	35.1%
Asia and Pacific	63.7	16.3%	51.2	14.4%	24.3%
Middle East and Africa	47.3	12.2%	47.8	13.4%	(1.0%)
Central, Eastern and Southern Europe	35.4	9.1%	35.1	9.9%	0.6%
Latin America	25.4	6.5%	24.9	7.0%	2.1%
Total Air TA Bookings	389.7	100.0%	356.2	100.0%	9.4%

Amadeus PB <i>Figures in million</i>	Jan-Sep 2015	% of Total	Jan-Sep 2014	% of Total	% Change
Western Europe	245.9	43.7%	242.8	46.7%	1.3%
Asia and Pacific	149.0	26.5%	119.0	22.9%	25.1%
Middle East and Africa	78.3	13.9%	76.4	14.7%	2.5%
Latin America	57.8	10.3%	53.5	10.3%	8.0%
Central, Eastern and Southern Europe	28.6	5.1%	27.7	5.3%	3.5%
North America	2.7	0.5%	0.2	0.0%	n.m.
Total PB	562.3	100.0%	519.7	100.0%	8.2%

Business highlights in the third quarter

Distribution

- Revenue increased 14.0%, to €672.5 million.
- Air travel agency bookings rose 8.2%, to 123.8 million.
- Our competitive position improved by 1.8 percentage points.

Over 80% of the airline bookings made through the Amadeus system worldwide are made with airlines that have a content agreement. During the third quarter new signings, or renewals of existing content agreements, were reached with 9 full-service carriers including **Air Canada**, which serves 38 million passengers a year, and **Aeromexico**, the largest airline in Mexico.

The trend for customers contracting merchandising solutions continued and currently 129 airlines have signed for Amadeus Airline Ancillary Services, which supports airlines to deploy ancillary services now in almost all markets worldwide. Additionally Amadeus Fare Families Solution, which allows airlines to distribute branded fares, now has 25 contracts in place and already 18 airline customers have implemented the solution.

Included within these is Air Canada, which will take advantage of both Amadeus Fare Families and Amadeus Ancillary Services, providing travel agency customers with access to the airline's complete range of merchandising content via XML. This will enable full access to the airline's products with seamless integration to the efficiency and transparency offered by the GDS. Additionally Amadeus will also work together with Air Canada to leverage existing features of the Amadeus point-of-sale retailing platform.

Further signings included Aeromexico for both Amadeus Airline Fare Families and Amadeus Airline Ancillary Services; and **Etihad Airways**, the national airline of the United Arab Emirates, will become the first Middle Eastern carrier to implement Amadeus Fare Families in the indirect channel.

Meanwhile both **Lufthansa** and **Austrian** have now implemented Amadeus Fare Families. They join other **LH Group** airlines **Swiss International Air Lines** and **Brussels Airlines** as the first airlines to go live with ATPCoⁱ Branded Fares – a technology which Amadeus is the first provider to support. Amadeus subscribers can book Lufthansa and Austrian's new branded fares, Light, Classic and Flex, across the direct and indirect channels through all Amadeus retailing interfaces, across worldwide points of sale, and for all customer segments to provide a consistent offer to both intermediaries and travellers.

Within the subscriber part of the Amadeus business, a multi-year agreement was reached with **Shijie99**, China's leading travel e-commerce aggregator, to support its growth in international markets. The multi-year agreement will include the provision of extensive air content via Amadeus' advanced Master Pricer search technology for points of sale outside of mainland China. Catering to inbound tourism and Chinese travellers in overseas markets, the agreement will enable expansion and diversification of the product portfolio by adopting the same technology used by leading global online travel agents. Additionally, prepaid and postpaid hotel and car rental, as well as rail content, will be available for customers in all markets, including China.

Travel Intelligence:

Our Travel Intelligence business launched the Amadeus Agency Insight suite during the summer, for which customers already include leading players such as **Costamar**, **Makemytrip**, **Despegar**, **Tije**, **Asiana Global Travel Service**, **Delfos**, **Travelfast** and **Nuevo Mundo**. The Travel Intelligence suite helps travel agents to leverage Big Data technologies by transforming market and traveller data into unique and actionable insights. This data enables strategic decision-making in areas such as assessing profitable routes and markets to pro-

mote, travellers' search behaviour, and performance against competitors. At the core of this offer is the Amadeus Travel Intelligence Engine, a cloud-based and scalable platform designed to deliver total flexibility and speed with no data limit.

IT Solutions

- Revenue grew 19.5%, to €315.6 million.
- Passengers Boarded rose 8.9% to total 208.1 million.
- Growth in PBs largely came from the impact of airlines migrated during 2014, particularly **Korean Air**, as well as **All Nippon Airways** (the international passengers business).
- Proportion of PBs from Asia-Pacific increased by 3.6pp vs. the first nine month of 2014, taking the total to 26.5%.

Airline IT:

As of the close of the third quarter, 135 airlines globally were contracted for both Altéa Reservation and Altéa Inventory, 121 of which were contracted to use the full Altéa Suite. Of the 135 airlines contracted, 125 were already migrated to both Altéa Reservation and Altéa Inventory, with 102 of those using the full Altéa Suite. The Altéa Suite facilitates closer integration between partner airlines that need to share availability, fares, customer and booking information, thus enabling a seamless customer experience across alliance members.

Caribbean Airlines, which operates more than 600 weekly flights, selected Amadeus to upgrade its existing passenger service system to the full Altéa Suite plus e-Commerce as part of the overall customer-centric strategy of the airline – with the first phase to be finished by the end of November 2015 and the full migration completed by March 2016.

Additional contracts included **Linhas Aéreas de Moçambique** for the full Altéa Suite and **BMI Regional** for both the Altéa Reservation and Altéa Inventory modules – with both airlines migrating to the Altéa Inventory module during the quarter.

In early October **Virgin Australia** adopted the Amadeus Altéa Departure Control Flight Management module to automate aircraft load control and optimise flight departures. The solution will integrate with its current passenger service system and marks the first time Departure Control is used as a standalone component, without adopting the full Amadeus Altéa Suite.

Copa Airlines, one of Latin America's leading carriers, launched its new customer loyalty programme – ConnectMiles – enabled by a variety of IT solutions from the Amadeus Loyalty Suite to help improve communications, launch targeted promotions to create strong relationships and enhance personalisation capabilities. In addition it will also take advantage of the Amadeus Partner Management Service, which facilitates the data exchange between the loyalty programme itself and Copa Airlines' partners, including those within the Star Alliance.

On July 1 Amadeus announced an agreement to acquire Navitaire, a provider of technology and business solutions to the airline industry, from Accenture for US\$830 million. The addition of Navitaire's portfolio of products and solutions for the low-cost segment will complement Amadeus' Altéa suite of offerings for its largely full-service carrier customer base, giving the company the ability to serve a wider group of airlines. Amadeus intends to market and sell the two product portfolios separately and will continue to invest in both platforms, enhancing the services and functionality availability to all types of carriers.

New Businesses

Hotel IT:

Amadeus expanded its technology offering to the hotel industry with the acquisition of Netherlands-based **Itesso BV**, a provider of cloud-native property management systems (PMS). With its new cloud-native Itesso Enterprise Lodging System (Itesso ELS), the company is leading the industry towards a new generation of property management solutions and also currently provides PMS technology to 1,800 properties worldwide. Characterised by an award-winning customer service and an “easy-to-do-business-with” mentality, Itesso is a strong addition to the Hotel IT portfolio.

Amadeus also expanded its sales and catering offering to the hotel industry with the acquisition of **Hotel SystemsPro** by Newmarket, an Amadeus company. Hotel SystemsPro is a U.S.-based provider of sales, catering and maintenance software to the hotel and hospitality industry, and delivers high-performance, Application Server Provider (ASP)-based enterprise and property solutions to more than 4,500 hotels in North America and beyond.

Together, these two deals brought Amadeus closer to its vision of uniting systems known today as Central Reservation Systems (CRS), Property Management Systems (PMS), Revenue Management Systems (RMS), Sales & Catering and others, into a cloud-based platform which is fully centered around the guest experience.

Airport IT:

Perth Airport, the fourth busiest airport in Australia by passenger traffic with over 14 million passengers annually, is forecast to cut passenger processing costs by 26 per cent and help reduce carbon dioxide emissions through the implementation of the Amadeus Airport Common Use Service (ACUS) platform. ACUS is a next-generation common use solution which enables passenger processing systems to be accessed and deployed anywhere on demand. Perth Airport becomes the first Airport IT customer in Australia and marks the continued expansion of Amadeus in Asia-Pacific.

Other news from the third quarter:

For the fourth consecutive year Amadeus has been included in the **Dow Jones Sustainability Indices (DJSI)**, listed within the IT & Internet Software and Services sector. The DJSI are composed of global sustainability leaders identified based on economic, environmental, and social criteria. Considered amongst the most renowned standards available to investors for evaluating sustainability and environmental performance, only those companies among the top 10% of scorers enter the DJSI.

Amadeus joined forces with the **World Tourism Organization (UNWTO)** to advance the use of innovative technology in tourism in areas such as education and multi-modality. Amadeus has been a UNWTO Affiliate Member since 2007 and additionally has now signed a Memorandum of Understanding to consolidate the partnership in several areas. This includes the development of a UNWTO Prototype on multi-modality – the door-to-door planning and ticketing of trips involving all possible transport options – to further integrate different means of transport between destinations around the world.

Streamlining Airline Financial Processes, an Amadeus commissioned report written by **Frost & Sullivan**, highlighted lessons learned from industries such as retail and banking for airlines to boost profitability by integrating financial processes, increasing automation and exploiting predictive analytics. This included exploring the revolutionary potential impact of Blockchain technology on accounting and how improved interline settlements could save the industry \$500m annually.

Amadeus announced the appointment of Albert Pozo as the new President of Amadeus Asia Pacific to direct the corporate strategy for Asia-Pacific – where Amadeus has more than 2,200 people across 35 markets, including two regional offices in Bangkok and Singapore, and R&D centers in Bangalore and Sydney.

Summary of operating and financial information

Summary of KPI <i>Figures in million euros</i>	Jan-Sep 2015	Jan-Sep 2014	% Change
Operating KPI			
Air TA competitive position¹			1.9 p.p.
Air TA bookings (m)	389.7	356.2	9.4%
Non air bookings (m)	46.3	44.5	4.2%
Total bookings (m)	436.0	400.7	8.8%
Passengers Boarded (m)	562.3	519.7	8.2%
Financial results			
Distribution Revenue	2,087.5	1,861.5	12.1%
IT Solutions Revenue	877.3	723.5	21.3%
Revenue	2,964.8	2,585.0	14.7%
EBITDA²	1,144.5	1,037.5	10.3%
EBITDA margin (%)	38.6%	40.1%	(1.5 p.p.)
EBITDA excl. acquisition costs³	1,149.6	1,039.1	10.6%
EBITDA excl. acquisition costs margin (%)	38.8%	40.2%	(1.4 p.p.)
Adjusted profit⁴	608.4	557.2	9.2%
Adjusted EPS (euros)⁵	1.39	1.25	11.0%
Adjusted profit⁶ excl. acquisition costs	611.9	558.3	9.6%
Adjusted EPS⁶ excl. acquisition costs	1.40	1.25	11.4%
Cash flow			
Capital expenditure	393.2	314.0	25.2%
Free cash-flow ⁷	582.8	476.8	22.2%
	30/09/2015	31/12/2014	% Change
Indebtedness⁸			
Covenant Net Financial Debt	1,693.6	1,738.5	(2.6%)
Covenant Net Financial Debt / LTM Covenant EBITDA	1.20x	1.32x	

- Competitive position is measured as our air TA bookings in relation to the air TA booking industry, defined as the total volume of travel agency air bookings processed by the global or regional CRS. Excludes air bookings made directly through in-house airline systems or single country operators, the latter primarily in China, Japan and Russia. Also excludes bookings of other types of travel products, such as hotel rooms, car rentals and train tickets. Since the end of the third quarter of 2014, it includes the bookings processed by the travel agencies connected to the Amadeus platform, which were previously connected to the local CRS Topas in South Korea.
- EBITDA is negatively impacted by extraordinary costs associated with the acquisition of Navitaire in 2015 (€5.1 million) and with the acquisition of i:FAO in 2014 (€1.6 million).

3. EBITDA excluding the extraordinary costs associated with the acquisition of Navitaire in 2015 (€5.1 million) and with the acquisition of i:FAO in 2014 (€1.6 million).
4. Excluding after-tax impact of the following items: (i) accounting effects derived from PPA exercises and impairment losses, (ii) changes in fair value of interest rate hedging agreements and non-operating exchange gains (losses) and (iii) other non-recurring items.
5. EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.
6. Adjusted profit and Adjusted EPS excluding the extraordinary costs associated with the acquisition of Navitaire in 2015 and i:FAO in 2014.
7. Calculated as EBITDA less capital expenditure plus changes in our operating working capital less taxes paid less interests and financial fees paid.
8. Based on the definition included in the senior credit agreement covenants. Covenant net financial debt includes debt relating to the share buy-back programme announced on December 11, 2014 amounting to €288.8 million at December 31, 2014.

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 13,000 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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ⁱ Airline Tariff Publishing Company