Q1 2011 Review

May 9, 2011

aMaDEUS
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1 Summary

1.1 Introduction

First three months' highlights (three months ended March 31, 2011)

- **Total air travel agency bookings increased by 4.5%, or 4.7 million, vs. the first quarter of 2010, to 108.6 million**
- **In our IT Solutions business line, total Passengers Boarded increased by 38.8%, or 26.3 million vs. the first quarter of 2010, to 94.0 million**
- **Revenue from continuing operations increased by 2.8%, to €704.3 million, or 4.8% on a comparable basis (1)**
- **EBITDA from continuing operations increased by 6.8%(2), to €291.4 million**
- **Adjusted(3) profit for the period increased to €144.0 million, up 11.7%(2) from €128.9 million in same period of 2010**

Amadeus continued its growth in Q1 2011, showing an increase in operating and financial results, thanks to our global leading position in the distribution business, with further market share gains, and the continued expansion of our IT Solutions business. This was achieved despite a somewhat slower growth of the global travel industry, which experienced a slowdown in the Middle East due to the political instability in the region, and in Asia, as a result of the earthquake in Japan and subsequent nuclear threat across the country.

Our air travel agency bookings increased by 4.5% in the first quarter of 2011. Our IT Solutions business also continued its positive trend, driven by the impact from recent migrations. As a result, in 2011 Amadeus has achieved a 4.8% growth in revenue (1), 6.8% growth in EBITDA(2) and growth of 11.1% in Adjusted(3) profit for the period.

Our consolidated covenant net financial debt as of March 31, 2011 was €2,439.9 million (based on the covenants' definition in our senior credit agreement), representing 2.3x net debt / last twelve months' EBITDA, and down €131.4 million vs. December 2010, at €2,571.3 million.

1.1.1 Key operating highlights

The management team has continued its focus on strengthening our leadership position in all of our businesses at the same time as expanding our business reach, particularly in our IT Solutions business. In addition, we have continued to invest in our business to reinforce our technology leadership position and our competitive edge as a transaction provider for the travel industry, whilst maintaining our levels of profitability.

1. In 2010 we sold our equity stakes in Vacation.com and Hospitality Group. 2011 figures therefore do not include any revenue from these subsidiaries. Also, revenue comparability in Q1 2011 is affected by a change in the treatment of certain bookings within IT Solutions (direct distribution) as explained on page 29, based on which the related revenue is recognised net of certain costs. The 4.8% revenue growth excludes both impacts
2. Adjusted to exclude extraordinary items related to the IPO and the Opodo sale, as detailed on pages 10 and 11
3. Excluding after-tax impact of (i) amortisation of PPA, (ii) changes in fair value of derivative instruments and non-operating exchange gains (losses), (iii) impairment losses, and (iv) other extraordinary items, including gains (losses) from the sale of assets and equity investments, tax credits recognised in Opodo and extraordinary items related to the IPO and the Opodo sale

The following are some selected business highlights for the first quarter of 2011:

Distribution

Airlines

- During the first quarter of 2011 Amadeus signed a long-term content agreement with **Singapore Airlines**, a leading Asian carrier, as well as further content agreements with an additional nine airlines, including Belgian flag carrier **Brussels Airlines**. Content agreements guarantee access to a comprehensive range of fares, schedules and availability for all Amadeus travel agents around the world.
- Facilitating ancillary services strategies for airlines remained a focus for Amadeus, and we have made significant progress in contracting and implementing our Amadeus Airline Ancillary Services, an innovative and customisable solution which allows airlines to sell ancillary services (display, book, price and pay) across all channels with a fully integrated search, shopping and booking workflow, all in full compliance with industry standards. Currently, two airlines are already selling ancillary services using Amadeus technology, both via their direct channel and through travel agencies, a further two are in the pilot phase and eight airlines are contracted to implement it.
- European low-cost carrier **Germanwings** launched a new distribution solution using Amadeus technology to sell, via travel agencies, tickets and combined itineraries with **Lufthansa**, its full-service carrier parent. Amadeus is able to offer this solution thanks to its Common IT Platform (CITP) which is shared by travel agents and airlines for all their pricing, availability and Passenger Name Record (PNR) management. Amadeus provides a distribution layer that processes all Germanwings bookings made by travel agents and links to Lufthansa's ticketing server. This technology model is possible thanks to Germanwings' recent agreement with Lufthansa based on which Lufthansa will act as a sales agent and validating carrier (or issuing carrier) for the low-cost airline.
- Low-cost carrier bookings continued to grow steadily. Total bookings of low-cost carrier flights from travel agencies via the Amadeus system increased by 16% in the first quarter of 2011, compared with the same quarter in 2010, and now represent almost 5% of our total air bookings.
- In addition, the Thai low-cost carrier **Nok Air** became the first airline in Asia Pacific to purchase Amadeus Total Demand by airconomy, a new data solution that provides airlines, airports and travel agencies with a comprehensive and accurate view of market demand on any given route.

Other travel providers

- Amadeus' car rental offering continued to go from strength-to-strength. The addition of German car rental company **Terstappen** increased to a total of 29 the number of car providers available to Travel Agents using the Amadeus system. There was also a strong take-up in the number of users of Amadeus Cars Plus HTML, the user-friendly graphic car booking engine. **Air Caraibes** and its new exclusive car rental partner, **Hertz Rent-a-car**, selected the service for the airline's website. Amadeus Cars Plus HTML is a business-to-consumer solution that online travel agents and airlines can plug into an existing website to offer car rental to their customers.

Travel Agencies

- **TUI Travel** extended its global partnership with Amadeus for 6 years. The expanded agreement includes 22 markets and covers both GDS and leisure distribution.
- Amadeus and **American Express** have signed a new five year distribution agreement covering multiple markets across the globe. Furthermore, Amadeus has secured a year-long deal with **Carlson Wagonlit** Travel for the provision of the Amadeus Hotel Platform. On the corporation side, there has been a number of renewals, including **Swiss Re**, a leading global reinsurer, extended its Amadeus e-Travel Management partnership for a further three years.
- Along with its partners **Microsoft** and **American Express Global Business Travel**, Amadeus was awarded the "Travel Team of the Year" at the 2011 **Business Travel Awards**. This award is a recognition of the group's work to address the challenges Microsoft faced with its new online travel initiative in Europe and to create a new way to deliver travel services for the Microsoft traveller.
- Within the European market, in Scandinavia, Amadeus signed a long-term agreement with **Vejle Rejser**, the largest Danish owned travel management agency, as a full reference customer for its product portfolio. Vejle Rejser will implement the Amadeus Sales Management Solution and Management Information System to improve operational efficiency and management reporting. In Spain, a five year agreement was renewed with the travel agency division of **Globalia Group**, which includes the leading market brands **Halcón Viajes** and **Viajes Ecuador**.
- Rail distribution remained a priority growth area and in February an agreement was signed with **Rail Plus**, the international specialist rail agency based in Australia and New Zealand. The agreement will see the extensive rail content catalogue of Rail Plus integrated into Amadeus' award-winning front office solution, Amadeus Selling Platform. This will use Amadeus' smart tab technology, which enables the seamless integration of external content into the Amadeus Passenger Name Record, streamlining processes, reducing errors and improving consultant productivity.
- Amadeus also completed the development of a new version of Agent Track, a rail booking solution for travel agencies with an easy-to-use desktop graphical user interface that provides a 'single view' of fares and availability on a single screen, as well as back office integration for the travel agent.
- In the area of hotels various modules of the Amadeus Hotels Winning Package are now being used by two of Amadeus' largest travel management company (TMC) customers. The new solution helps large TMCs optimise the integration, management and sale of GDS and non-GDS hotel content.
- A global reseller agreement was signed with **conTgo**, a leading provider of integrated mobile services for the Travel and Meetings industries, for Amadeus to integrate conTgo products into its corporate product portfolio.

IT Solutions

Airline IT

- Airline IT maintained its track record in growing its customer base of airlines contracted to the Amadeus Altéa Suite, the fully integrated customer management solution for airlines, with the signing of an additional airline to the Amadeus Altéa Reservation, Inventory Systems and Amadeus Altéa Departure Control System (DCS), increasing to 110 the number of contracted airlines to Amadeus Altéa. The Amadeus Altéa Inventory System provides inventory control, schedule management, re-accommodation and seating management services; and the Amadeus Altéa Departure Control System provides check-in, boarding pass issuance, baggage management, and aircraft weight and balance services.
- Meanwhile three airlines successfully migrated onto the Amadeus Altéa Reservation and Inventory Systems. Additionally, an existing Amadeus Altéa Reservation and Amadeus Altéa Inventory modules user completed its migration onto Amadeus Altéa Departure Control System. **Air Canada**, the largest airline in Canada, signed a contract to continue its use of Amadeus technology to power its consumer and agency websites, along with the faring behind its global call-centre and airport operations.
- During the first quarter of 2011, the Airline IT business continued its success in the provision of other solutions, with new clients contracting several of our solutions within the Standalone IT portfolio. Two airlines contracted and two implemented Amadeus Revenue Integrity, a suite of solutions that permits the revenue management systems of airlines to forecast with greater accuracy and to eliminate the distribution costs of non-productive bookings. Additionally, another two airlines signed and three more implemented Amadeus Ticket Changer, Amadeus' solution that for any specific ticket change permits to immediately calculate the price difference in the currency required and instantly issue the new ticket through all direct distribution channels.

Hotel IT

- In the area of Hotel IT, the hotelier Dynamique Hôtels Management, the owner and operator of a network of more than 150 hotels including the Balladins brand in France, became the first customer to implement the full Amadeus Hotel Platform. The recently launched, centralised solution combines central reservation, property management and global distribution systems into one fully integrated platform. Similar to our Amadeus Altéa Suite, the Amadeus Hotel Platform is available as a Software as a Service model (SaaS).

Opodo

- In February Amadeus announced that it had reached an agreement with **AXA Private Equity** and **Permira Funds** for the sale of a 100% stake in Opodo – subject to the approval of regulatory authorities, which is still pending. This development followed previous communications that Amadeus was exploring and evaluating alternative options for Opodo.
- The agreed enterprise value was approximately €450 million which represents a multiple of 11.7x the 'EBITDA' of Opodo in the 2010 period.

1.1.2 Key Terms

- "ACH": refers to "Airlines Clearing House"
- "ACO": refers to "Amadeus Commercial Organisation"
- "Air TA bookings": air bookings processed by travel agencies using our distribution platform
- "APAC" refers to "Asia and Pacific"
- "CESE": refers to "Central, Eastern and Southern Europe"
- "EPS": refers to "Earnings Per Share"
- "FTE": refers to "full-time equivalent" employee
- "GDS": refers to a "global distribution system", i.e. a worldwide computerised reservation network used as a single point of access for reserving airline seats, hotel rooms and other travel-related items by travel agencies and large travel management corporations
- "GDS Industry": includes the total volume of air bookings processed by GDSs, excluding (i) air bookings processed by the single country operators (primarily in China, Japan, South Korea and Russia) and (ii) bookings of other types of travel products, such as hotel rooms, car rentals and train tickets
- "HTML": refers to "HyperText Markup Language"
- "IATA": the "International Air Transportation Association"
- "ICH": the "International Clearing House"
- "IFRIC": refers to "International Financial Reporting Interpretation Committee"
- "IPO": refers to "Initial Public Offering"
- "JV": refers to "Joint Venture"
- "KPI": refers to "key performance indicators"
- "LATAM": refers to "Latin America"
- "LTM" refers to "last twelve months"
- "MEA": refers to "Middle East and Africa"
- "MENA": refers to "Middle East and North Africa"
- "n.m.": refers to "not meaningful"
- "PB": refers to "passengers boarded", i.e. actual passengers boarded onto flights operated by airlines using at least our Amadeus Altéa Reservation and Inventory modules
- "p.p.": refers to "percentage point"
- "PPA": refers to "purchase price allocation" (please refer to page 22 for further details)
- "RTC": refers to "Research Tax Credit"
- "TA': refers to "travel agencies"
- "TPF": refers to "Transaction Processing Facility", a software license from IBM

1.1.3 Presentation of Financial Information

The consolidated financial information included in this document has been prepared in accordance with International Financial Reporting Standards (IFRS) and has not been audited.

At March 31, 2011 our subsidiary Opodo and its controlled entities meet the requirements to be presented as a group of assets held for sale and therefore they are presented as a discontinued operation in our Group income statement and their assets and liabilities as held for sale in our Statement of financial position.

Certain monetary amounts and other figures included in this report have been subject to rounding adjustments. Any discrepancies in any tables between the totals and the sums of the amounts listed are due to rounding.

1.2 Summary financial information

Figures in million euros	Q1 2011[1]	Q1 2010[1]	% Change
Financial results			
Distribution Revenue	553.5	538.2	2.8%
IT Solutions Revenue	150.9	146.8	2.8%
Revenue from continuing operations	**704.3**	**685.0**	**2.8%**
Opodo Revenue	32.6	26.7	22.2%
Intercompany Adjustments	(8.0)	(6.4)	24.9%
Revenue including Opodo	**728.9**	**705.3**	**3.3%**
EBITDA from continuing operations	**291.4**	**272.8**	**6.8%**
EBITDA margin (%)	41.4%	39.8%	1.6 p.p.
EBITDA including Opodo	**300.3**	**280.3**	**7.1%**
EBITDA margin (%)	41.2%	39.7%	1.5 p.p.
Adjusted profit for the period[2]	**144.0**	**128.9**	**11.7%**
Adjusted EPS (euros)[3]	**0.32**	**0.36**	**(8.7%)**
Adjusted EPS (euros)[4] (based on equal number of shares)	**0.32**	**0.29**	**12.1%**
Cash flow			
Capital expenditure	73.3	64.3	13.9%
Pre-tax operating cash flow[5]	220.2	298.6	(26.2%)
Cash conversion (%)[6]	73.3%	106.5%	(33.2 p.p.)
	Mar 31, 2011[1]	**Dec 31, 2010[1]**	**% Change**
Indebtedness[7]			
Covenant Net Financial Debt	**2,439.9**	**2,571.3**	**(5.1%)**
Covenant Net Financial Debt / LTM Covenant EBITDA	2.35x	2.52x	

(1) Figures adjusted to exclude extraordinary costs related to the IPO and the Opodo sale
(2) Excluding after-tax impact of: (i) amortisation of PPA and impairment losses, (ii) changes in fair value from derivative instruments and non-operating exchange gains / (losses) and (iii) extraordinary items resulting from the sale of assets and equity investments and from the recognition of tax credits in Opodo
(3) EPS corresponding to the Adjusted profit for the period attributable to the parent company. Calculated based on weighted average outstanding shares less weighted average treasury shares of the period. Q1 2011 and Q1 2010 adjusted EPS calculated based on 445.5 million and 362.8 million shares, respectively
(4) EPS corresponding to the Adjusted profit for the period attributable to the parent company. Both Q1 2011 adjusted EPS and Q1 2010 adjusted EPS calculated based on weighted average outstanding shares less weighted average treasury shares of the first quarter of 2011 (445.5 million shares)
(5) Calculated as EBITDA including Opodo (excluding extraordinary costs related to the IPO and the Opodo sale) less capital expenditure plus changes in our operating working capital
(6) Represents pre-tax operating cash flow for the period expressed as a percentage of EBITDA including Opodo for that same period
(7) Based on the definition included in the Senior Credit Agreement

2 Consolidated financial statements

2.1 Group income statement

Figures in million euros	Q1 2011(1)	Q1 2010(1)	% Change
Revenue	**704.3**	**685.0**	**2.8%**
Cost of revenue	(171.9)	(186.4)	(7.7%)
Personnel and related expenses	(162.8)	(151.0)	7.8%
Depreciation and amortisation	(60.4)	(79.0)	(23.5%)
Other operating expenses	(77.1)	(74.1)	4.2%
Operating income	**232.0**	**194.6**	**19.2%**
Interest income	1.7	0.9	95.2%
Interest expense	(60.6)	(59.4)	2.0%
Changes in fair value of financial instruments	6.2	7.4	(16.1%)
Exchange gains / (losses)	3.9	(7.7)	n.m.
Net financial expense	(48.8)	(58.9)	(17.0%)
Other income / (expense)	(2.4)	(1.1)	108.3%
Profit before income taxes	**180.8**	**134.6**	**34.3%**
Income taxes	(53.1)	(41.7)	27.1%
Profit after taxes	**127.7**	**92.9**	**37.5%**
Share in profit / (losses) from associates and JVs	2.9	1.8	61.8%
Profit for the period from continuing operations	**130.6**	**94.7**	**38.0%**
Profit for the period from discontinued operations	0.7	4.9	(86.0%)
Profit for the period	**131.3**	**99.6**	**31.8%**

(1) Figures adjusted to exclude extraordinary costs related to the IPO and the Opodo sale

Extraordinary costs related to the Initial Public Offering and the Opodo sale

On April 29, 2010 Amadeus began trading on the Spanish Stock Exchanges. The company incurred extraordinary costs in relation to the offering that impacted the figures for 2010 and will continue to impact during 2011.

On February 8, 2011 Amadeus announced it had reached an agreement with AXA Private Equity and Permira Funds for the sale of a 100% stake in Opodo, subject to the approval of regulatory authorities. As a result of this sale process, the company incurred extraordinary costs.

For the purposes of comparability with previous periods, the figures for 2010 and 2011 shown in this report have been adjusted to exclude such costs.

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The following table details the extraordinary costs related to the IPO and the Opodo sale that have been excluded from the figures:

Figures in million euros	Q1 2011	Q1 2010
Personnel and related expenses[1]	(5.2)	(0.0)
Other operating expenses[2]	1.2	(3.5)
Total impact on Profit before taxes	**(4.0)**	**(3.5)**
Income taxes	1.2	1.1
Total impact on Profit for the period from continuing operations	**(2.8)**	**(2.4)**
Profit for the period from discontinued operations[3]	(4.2)	0.0
Total impact on Profit for the period	**(7.1)**	**(2.4)**

(1) Costs included in "Personnel expenses" relate to the cost accrued in relation to the non-recurring incentive scheme (Value Sharing Plan) that became effective upon the admission of our shares to trading on the Spanish Stock Exchanges and which will be accrued over the two years following its implementation.

(2) The positive adjustment under "Other operating expenses" corresponds to an excess of provisions for non-deductible taxes accrued in 2010, based on the final tax forms (closed in Q1 2011).

(3) Costs included in "profit for the period from discontinued operations" relate to the cost accrued in relation to the Opodo sale.

2.1.1 Revenue

Reported revenue from continuing operations increased by 2.8%, from €685.0 million in the first quarter of 2010 to €704.3 million in the first quarter of 2011.

In 2010 we sold our equity stakes in Vacation.com and Hospitality Group. Excluding the impact of these sales, our revenue from continuing operations grew by 4.1%. Also, revenue comparability in Q1 2011 is affected by a change in the treatment of certain bookings within IT Solutions (direct distribution) as explained later in this report, based on which the related revenue is recognised net of certain costs. Excluding both the impact of asset sales and the impact of this change in treatment of certain bookings, our revenue from continuing operations grew by 4.8%.

Table 1

Figures in million euros	Q1 2011	Q1 2010	% Change
Distribution Revenue	553.5	538.2	2.8%
IT Solutions Revenue	150.9	146.8	2.8%
Revenue from continuing operations	**704.3**	**685.0**	**2.8%**
Excluding the impact of the sale of Vacation.com and Hospitality:			
Distribution Revenue	553.5	535.0	3.4%
IT Solutions Revenue	150.9	141.3	6.8%
Revenue from continuing operations	**704.3**	**676.4**	**4.1%**

We have had a positive contribution from all of the businesses:

- Growth of €18.5 million, or 3.4%, in our Distribution business, mainly driven by our market share gains, as well as an increase in non booking revenue.
- An increase of €9.5 million, or 6.8%, in our IT Solutions business, driven by growth in our IT transactional revenue, as a result of both migrations (full year impact of migrations that took place during 2010) and organic growth. When excluding the impact of the change in treatment of certain bookings, revenue growth for the IT Solutions business would have been 10.0%.

2.1.2 Operating expenses

Cost of revenue

These costs are mainly related to: (i) incentive fees per booking paid to travel agencies, (ii) distribution fees per booking paid to those local commercial organisations which are not majority owned by Amadeus, (iii) distribution fees paid to Amadeus Altéa customers for certain types of air bookings made through their direct sales channels, and (iv) data communication expenses relating to the maintenance of our computer network, including connection charges.

Cost of revenue decreased by 7.7% from €186.4 million in the first quarter of 2010 to €171.9 million in the first quarter of 2011. As a percentage of revenue, cost of revenue in Q1 2011 represented 24.4%, lower than the percentage rate registered in Q1 2010 (27.2%). This was principally due to a number of extraordinary items which positively affect the comparison between Q1 2010 and the same period in 2011: (i) lower growth in volumes in the Middle East and North Africa region - where we typically pay distribution fees - following the political unrest during the period, which has positively affected our blended unit cost in the first quarter of 2011; (ii) a higher base of comparison in 2010, as the first quarter was negatively affected by one-off impacts in the MENA region driven by a change in the economics of the deal signed with some of the local ACOs, and (iii) a change in the treatment of certain bookings within IT Solutions (direct distribution) as explained later in this report, based on which the related cost (which was recognised as cost of revenue in

2010) is accounted for as lower revenue. This decrease was only partially offset by the impact on variable costs of the growth in volumes in the period.

Personnel and related expenses

Personnel and related expenses increased by 7.8% from €151.0 million in the first quarter of 2010 to €162.8 million in the first quarter of 2011, adjusted for extraordinary IPO expenses.

The growth of 7.8% in the first quarter is the result of:

- An increase of 5% in average FTEs (excluding contractors) vs. the same period in 2010, mostly due to (i) full year impact of certain commercial and development efforts initiated during the course of 2010, (ii) new R&D projects and (iii) the Traveltainment expansion
- The impact of the EUR depreciation in the period against various currencies (cost base in many ACOs negatively impacted by EUR depreciation)
- The inflation-based revision of salary base
- The accrual of our new recurring incentive scheme for management (Performance Share Plan, implemented post-IPO)

These negative effects were partially offset by a reduction in personnel expenses as a result of the sale in 2010 of Vacation.com and Hospitality Group.

Depreciation and Amortisation

D&A decreased by 23.5% from €79.0 million in the first quarter of 2010 to €60.4 million in the first quarter of 2011. This decrease is driven by the lower amortisation of the purchase price allocation, as shown in the table below, as certain intangible assets included in the PPA reached the end of their useful lives at the end of 2010.

Ordinary D&A increased by 11.4% in the first quarter of 2011, given the increase in amortisation of intangible assets, as certain capitalised expenses in our balance sheet (for example, those related to Altéa migration efforts) started to be amortised during 2010 and in the first quarter of 2011, once they began generating revenues.

Table 2

Figures in million euros	Q1 2011	Q1 2010	% Change
Ordinary depreciation and amortisation	(42.6)	(38.3)	11.4%
Amortisation derived from PPA	(17.8)	(40.7)	(56.4%)
Depreciation and amortisation	**(60.4)**	**(79.0)**	**(23.5%)**
Depreciation and amortisation capitalised(1)	0.9	0.8	17.3%
Depreciation and amortisation post-capitalisations	**(59.4)**	**(78.2)**	**(24.0%)**

(1) Included within the caption Other operating expenses in the Group Income Statement

Other Operating Expenses

Other operating expenses increased by 4.2% from €74.1 million in the first quarter of 2010 to €77.1 million in the first quarter of 2011. This increase was driven by the higher investment in R&D incurred in the period (see table 3 below) and the related increase in the number of contractors, as well as by the increase in consultancy services and certain extraordinary items such as bad debt provisions and local taxes.

These negative effects were partially offset by a reduction in other operating expenses as a result of the sale in 2010 of Vacation.com and Hospitality Group.

R&D expenditure

Total R&D expenditure (including both capitalised and non-capitalised expenses) grew by €16.4 million or 23.9% (excluding extraordinary IPO costs) in the first quarter of 2011 compared to same quarter of 2010. As a percentage of revenue excluding Opodo, R&D costs amounted to 12.1% in the first quarter of 2011, well below the 16.7% of the last quarter of 2010 and slightly below the average of 12.6% in the full year of 2010.

This increase in R&D expenditure reflects higher investment efforts carried out in this period, both as a result of certain new projects and driven by initiatives undertaken during 2010. The main R&D efforts relate to:

- Expansion of the airline IT portfolio (new Altéa modules and new products / functionalities – e.g. Revenue Management, Revenue Accounting, Dynamic Website Manager, e-Commerce and payment solutions for airlines)
- Migration efforts in relation to Altéa (customers migrating to our Departure Control System in 2011 or to our Inventory System in 2012) as well as other implementation efforts (Amadeus Hotel Platform for our launch client, e-Commerce web design)
- Investments carried out in the Distribution business focused on IT applications for (i) travel agencies (e.g. shopping and booking solutions, merchandising, profiles or front office products), (ii) airlines (availability, schedules, ancillary services), (iii) rail (improved distribution systems) or (iv) corporations (Amadeus e-Travel management, selling interfaces for corporate travellers)
- Regionalisation efforts, with the aim to better adapt part of our product portfolio for specific regions (e.g. front office solution focused on the needs of large Travel Management Companies in the US)
- Development efforts within Hotel IT (Amadeus Hotel Platform)
- Ongoing TPF decommissioning

Table 3

Figures in million euros	Q1 2011(1)	Q1 2010	% Change
R&D expenditure(2)	**85.1**	**68.7**	**23.9%**
R&D as a % of Revenue from continuing operations	12.1%	10.0%	2.1 p.p.

(1) 2011 figures adjusted to exclude extraordinary IPO costs amounting to €0.6 million
(2) Net of Research Tax Credit

2.1.3 Operating income

Total Operating Income for the first quarter of 2011 increased by €37.4 million or 19.2%, excluding the impact of extraordinary IPO costs. The increase for the first quarter of 2011 was driven by revenue growth in our various business lines, lower variable costs and the reduction of our depreciation and amortisation expense, as explained above.

EBITDA

EBITDA from continuing operations (excluding extraordinary IPO costs) amounted to €291.4 million, representing a 6.8% increase vs. the first quarter of 2010.

As a percentage of revenue, EBITDA margin (from continuing operations) improved to 41.4% in the first quarter of 2011 from 39.8% in the same period of 2010, benefiting from (i) the margin expansion experienced in this quarter in the Distribution business – as a result of a number of extraordinary items – and in the IT Solutions business, and (ii) the positive impact from the sale of our subsidiaries Vacation.com and Hospitality Group in 2010.

The table below shows the reconciliation between Operating income and EBITDA.

Figures in million euros	Q1 2011[(1)]	Q1 2010[(1)]	% Change
Operating income	**232.0**	**194.6**	**19.2%**
Depreciation and amortisation	60.4	79.0	(23.5%)
Depreciation and amortisation capitalised	(0.9)	(0.8)	17.3%
EBITDA from continuing operations	**291.4**	**272.8**	**6.8%**
EBITDA margin (%)	41.4%	39.8%	1.6 p.p.

(1) Figures adjusted to exclude extraordinary costs related to the IPO and the Opodo sale

2.1.4 Net financial expense

Net financial expense for the period decreased by 17.0% from €58.9 million in the first quarter of 2010 to €48.8 million in the first quarter of 2011. This decrease is mainly explained by a positive contribution in 2011 from exchange gains in relation to our USD denominated debt, compared to the same period in 2010, where exchange losses where registered. The lower amount of debt outstanding as of March 31, 2011, after debt repayments in 2010 and 2011 was partially offset by a higher average cost (higher spread) paid on the Senior Credit Agreement as a result of the refinancing exercise that took place prior to the IPO.

2.1.5 Income taxes

Income Taxes for the first quarter of 2011 amounted to €53.1 million (excluding the impact of extraordinary IPO costs). Excluding the impact of extraordinary IPO costs and the PPA, the income tax rate for the period was 29.5%.

2.1.6 Share in profit / (losses) from associates and JVs

Share in profit from associates and JVs amounted to €2.9 million for the first quarter of 2011. The main contributors to this positive result have been certain non-fully owned ACOs which we consolidated under the equity method.

2.1.7 Profit for the period from continuing operations

As a result of the above, profit from continuing operations for the first quarter of 2011, adjusted for extraordinary IPO costs, amounted to €130.6 million, an increase of 38.0% vs. a profit of €94.7 million in the first quarter of 2010.

2.1.8 Profit for the period from discontinued operations

As of March 31, 2011 our subsidiary Opodo and its controlled entities meet the requirements to be presented as a group of assets held for sale. As such, Opodo's assets and liabilities have been classified as "held for sale" in the Statement of financial position and its results as "profit from discontinued operations" in the Group income statement.

The key financial metrics of Opodo in the first quarters of 2010 and 2011 are shown in the table below:

Figures in million euros	Q1 2011[(1)]	Q1 2010[(1)]	% Change
KPI			
Gross sales	**487.2**	**435.1**	**12.0%**
Profit & Loss			
Revenue	**32.6**	**26.7**	**22.2%**
Operating costs	(23.8)	(19.2)	23.7%
EBITDA	**8.9**	**7.5**	**18.3%**
EBITDA Margin	27.2%	28.1%	(0.9 p.p.)

(1) Figures adjusted to exclude extraordinary costs related to the IPO and the Opodo sale

Opodo's gross sales increased by 12.0% in the first quarter of 2011, mainly driven by overall solid online travel market growth. Revenue increased by 22.2%, from €26.7 million in the first quarter of 2010 to €32.6 million in the first quarter of 2011. This revenue growth is driven both by the increase in gross sales and by an improvement in revenue yield over gross sales.

Total operating costs increased by 23.7% in the period, slightly above the increase in revenue. EBITDA increased by 18.3% to €8.9 million in the first quarter of 2011. EBITDA margin slightly decreased from 28.1% in the first quarter of 2010 to 27.2% in the same period of 2011.

The table below shows Opodo's profit for the period (included as profit from discontinued operations in the Group income statement):

Figures in million euros	Q1 2011[1]	Q1 2010[1]	% Change
EBITDA	**8.9**	**7.5**	**18.3%**
Depreciation and amortisation	0.0	(0.2)	(113.9%)
Operating income	**8.9**	**7.3**	**21.6%**
Net financial expense	(0.4)	(0.1)	530.8%
Other expense	(2.4)	(0.1)	2189.9%
Profit before income taxes	**6.1**	**7.2**	**(15.3%)**
Income taxes	(5.4)	(2.2)	143.2%
Profit for the period from discontinued operations	**0.7**	**4.9**	**(86.0%)**

(1) Figures adjusted to exclude extraordinary costs related to the IPO and the Opodo sale

Other expense of €2.4 million corresponds to the cost of an option to acquire a business which the Opodo management team decided not to exercise.

The increase in income taxes in the period is mainly driven by an adjustment in the deferred tax assets due to a change in the tax rate applicable, lower than initially estimated. These tax assets were recognised in 2010 based on the assessment of future profitability of the business.

2.1.9 Profit for the period

Profit for the period for the first quarter of 2011, adjusted for extraordinary costs related to the IPO and the Opodo sale, amounted to €131.3 million, an increase of 31.8% vs. a profit of €99.6 million in the first quarter of 2010.

2.2 Statement of financial position (condensed)

Figures in million euros	Mar 31, 2011	Dec 31, 2010
Tangible assets	*275.6*	*282.8*
Intangible assets	*1,657.4*	*1,641.5*
Goodwill	*2,070.6*	*2,070.7*
Other non-current assets	*132.3*	*132.7*
Non-current assets	4,136.0	4,127.7
Assets held for sale	277.3	273.6
Current assets	435.7	394.9
Cash and equivalents	584.1	535.1
Total assets	**5,433.1**	**5,331.4**
Equity	914.4	767.3
Non-current debt	*2,813.7*	*2,893.9*
Other non-current liabilities	*664.4*	*632.5*
Non-current liabilities	3,478.1	3,526.4
Liabilities associated with assets held for sale	138.9	95.1
Current debt	*164.5*	*193.5*
Other current liabilities	*737.2*	*749.1*
Current liabilities	901.7	942.6
Total liabilities and equity	**5,433.1**	**5,331.4**
Net financial debt[1]	**2,372.0**	**2,536.4**

(1) Includes €22.0 million and €15.8 million cash reported within the "Assets held for sale" line at March 31, 2011 and at December 31, 2010, respectively

2.2.1 Tangible assets

This caption principally includes land and buildings, data processing hardware and software, and other tangible assets such as building installations, furniture and fittings and miscellaneous.

The total amount of investment in tangible assets in the first quarter of 2011 amounted to €10.3 million, 7.1% lower than in the same period in 2010, as described in table 4 below. The lower investment in tangible assets in 2011 mainly corresponds to the different timing of payments made in relation to the acquisition of certain tangible assets, partially offset by a higher investment in properties (increased office space needs), mainly related to certain key regional ACO and central sites.

2.2.2 Intangible assets

This caption principally includes (i) the net cost of acquisition or development and (ii) the excess purchase price allocated to the following assets:

- Patents, trademarks and licenses: net cost of acquiring brands and trademarks (either by means of business combinations or in separate acquisitions) as well as the net cost of acquiring software licenses developed outside the Group for Distribution and IT Solutions.

- Technology and content: net cost of acquiring technology software and travel content either by means of acquisitions through business combinations / separate acquisitions or internally generated (software applications developed by the Group, including the development technology of the IT solutions business). Travel content is obtained by Amadeus through its relationships with travel providers.
- Contractual relationships: net cost of contractual relationships with travel agencies and with users, as acquired through business combinations, as well as capitalisable costs, related to travel agency incentives, that can be recognised as an asset.

Following the acquisition of Amadeus IT Group, S.A. (the former listed company) by Amadeus IT Holding, S.A. (the current listed company, formerly known as WAM Acquisition, S.A.) in 2005, the excess purchase price derived from the business combination between them was partially allocated (purchase price allocation ("PPA") exercise) to intangible assets. The intangible assets identified for the purposes of our PPA exercise in 2005 are amortised on a straight-line basis over the useful life of each asset and the amortisation charge is recorded in our P&L. During the first quarter of 2011 the amortisation charge attributable to PPA amounted to €17.8 million.

Capital expenditure in intangible assets in the first quarter of 2011 amounted to €63.0 million, 18.2% higher than in the same period in 2010, as described in table 4 below.

CAPEX

Total Capex amounted to €73.3 million, or 10.4% of revenue excluding Opodo, in the first quarter of 2011. This represented an increase of 13.9% vs. the same period of 2011. The increase is driven by an increase in capex in intangible assets of 18.2%, in turn driven by the increased capitalisations during the period (both direct and indirect capitalisations as described elsewhere in this document), as a result of the increased R&D.

Table 4

Figures in million euros	Q1 2011	Q1 2010	% Change
Capital expenditure in tangible assets	10.3	11.1	(7.1%)
Capital expenditure in intangible assets	63.0	53.3	18.2%
Capital expenditure	**73.3**	**64.3**	**13.9%**
As % of Revenue from continuing operations	10.4%	9.4%	1.0 p.p.

2.2.3 Goodwill

Goodwill mainly relates to the unallocated amount of €2,070.6 million of the excess purchase price derived from the business combination between Amadeus IT Holding, S.A. (the current listed company, formerly known as WAM Acquisition, S.A.) and Amadeus IT Group, S.A. (the former listed company), following the acquisition of Amadeus IT Group by Amadeus IT Holding, S.A. in 2005.

2.2.4 Equity. Share capital

As of March 31, 2011 the share capital of our company was represented by 447,581,950 shares with a nominal value of €0.001 per share. This share capital was increased as a result of the listing on April 29, 2010 on the Spanish Stock Exchanges.

2.2.5 Financial indebtedness

As described in table 5 below, the net financial debt as per the existing financial covenants' terms ("Covenant Net Financial Debt") amounted to €2,439.9 million on March 31, 2011, a reduction of €131.4 million vs. the Covenant Net Financial Debt on December 31, 2010. This reduction is mainly driven by the combination of:

- The free cash flow generated during the period
- The impact of the evolution of the EUR/USD FX rate on our USD denominated debt

Hedging arrangements

As of March 31, 2011, 97% of our total covenant financial debt was subject to floating interest rates indexed to the EURIBOR or the USD LIBOR. We use hedging arrangements to limit our exposure to movements in the underlying interest rates under which 85% of our covenant gross financial debt has its base interest rate fixed until July 2011 at an average rate of 4.34% in respect to our euro-denominated debt, and 4.98% in respect to our US dollar-denominated debt. As of March 31, 2011 we had signed forward starting interest rate hedges under which we have fixed the interest rate for approximately 27% of our EUR denominated debt, for the period from July 2011 to July 2014, at a rate of 2.0%, and approximately 97% of our USD denominated debt, for the same period, at an average rate of 1.2%.

Table 5

Figures in million euros	Mar 31, 2011	Dec 31, 2010
Covenants definition[1]		
Senior Credit Agreement (EUR)	2,503.1	2,546.4
Senior Credit Agreement (USD)[2]	402.9	441.0
Other debt with financial institutions	5.2	5.9
Obligations under finance leases	74.0	75.2
Guarantees	60.7	53.8
Adjusted total debt	**3,046.0**	**3,122.2**
Cash and cash equivalents[3]	(606.1)	(551.0)
Covenant Net Financial Debt	**2,439.9**	**2,571.3**
Covenant Net Financial Debt / LTM Covenant EBITDA[4]	**2.35x**	**2.52x**
Reconciliation with financial statements		
Net financial debt (as per financial statements)[3]	**2,372.0**	**2,536.4**
Interest payable	(32.3)	(62.4)
Guarantees	60.7	53.8
Deferred financing fees	39.4	43.5
Covenant Net Financial Debt	**2,439.9**	**2,571.3**

(1) Based on the definition included in the Senior Credit Agreement
(2) The oustanding balances denominated in USD have been converted into EUR using the USD / EUR exchange rate of 1.4207 and 1.3362 (official rate published by the ECB on Mar 31, 2011 and Dec 31, 2010, respectively)
(3) Includes €22.0 million and €15.8 million cash reported within the "Assets held for sale" line in Mar 31, 2011 and Dec 31, 2010, respectively
(4) LTM Covenant EBITDA as defined in the Senior Credit Agreement

Reconciliation with financial statements

Under the covenant terms, Covenant Financial Debt does not include the accrued interest payable (€32.3 million at March 31, 2011) which is treated as debt in our financial statements. On the other hand, Covenant Financial Debt includes guarantees offered to third parties (€60.7 million at March 31, 2011) which are treated as off-balance sheet commitments under IFRS (and are therefore not included as debt in our financial statements). Finally, the Covenant Financial Debt is calculated based on its nominal value, while, for the purposes of IFRS, our financial debt is measured at amortised cost, i.e., after deducting the deferred financing fees (mainly fees paid upfront in connection with the Senior Credit Agreement).

2.3 Group cash flow – including Opodo

Figures in million euros	Q1 2011(1)	Q1 2010(1)	% Change
EBITDA for continuing operations	291.4	272.8	6.8%
EBITDA Opodo	8.9	7.5	18.3%
Change in working capital	(6.8)	82.6	n.m.
Capital expenditure	(73.3)	(64.3)	13.9%
Pre-tax operating cash flow	**220.2**	**298.6**	**(26.2%)**
Taxes	(14.1)	(20.6)	(31.5%)
Equity investments	(1.5)	(2.6)	(42.5%)
Non operating cash flows	(2.0)	0.9	n.m.
Cash flow from extraordinary items	(2.3)	(20.0)	(88.3%)
Cash flow	**200.3**	**256.2**	**(21.8%)**
Interest and financial fees received / (paid)	(85.3)	(92.2)	(7.4%)
Debt drawdown / (payment)	(59.7)	(82.7)	(27.8%)
Cash to/from shareholders	(0.1)	0.0	n.m.
Change in cash	**55.2**	**81.4**	**(32.2%)**
Cash and cash equivalents, net(2)			
Opening balance	550.7	810.7	(32.1%)
Closing balance	605.9	892.1	(32.1%)

(1) Figures adjusted to exclude extraordinary costs related to the IPO and the Opodo sale
(2) Cash and cash equivalents are presented net of overdraft bank accounts and include cash from discontinued operations reported within the "Assets held for disposal" line in the Statement of financial position

2.3.1 Change in working capital

Amadeus normally has negative working capital (i.e. cash inflows), driven by the fact that Amadeus collects payments from most airlines (more than 80% of our group collections) through IATA, ICH and ACH, with an average collection period of just over one month, whilst payments to providers and suppliers are made on average over a significantly longer period.

Cash outflow from the change in working capital in the first quarter of 2011 was €6.8 million. The cash outflow in the first quarter of 2011 was mainly driven by payments to travel agencies accrued in 2010, as well as (i) lower use of factoring, (ii) higher amount of receivables as a result of the increase in activity in the period, and (iii) high base of comparison, impacted by a number of one-off impacts in Q1 2010.

2.3.2 Capital expenditure

Capital expenditure increased by €8.9 million in the first quarter of 2011, driven by higher investment in intangible assets during the period.

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2.3.3 Pre-tax operating cash flow

Pre-tax operating cash flow in the first quarter of 2011 amounted to €220.2 million (excluding extraordinary IPO costs), or €78.3 million lower than that of the same period of 2010, due to the negative cash flow contribution of working capital and, to a lesser extent, the higher investment in intangible assets, as explained above. These negative effects were partially offset by the increase in EBITDA including Opodo of €20.0 million.

2.3.4 Taxes

Taxes paid in the first quarter of 2011 amounted to €14.1 million, compared to €20.6 million in the same period in 2010. The decrease is mainly driven by the positive impact of certain extraordinary IPO costs accrued in 2010, which are tax deductible in 2011 and will reduce taxes payable during the year.

2.3.5 Equity investments

Equity investments in the first quarter of 2011 were lower than in the same period of 2010, as in the first quarter of 2010 we completed the acquisition of Pixell.

2.3.6 Cash flow from extraordinary items

Extraordinary items in Q1 2011 mainly referred to remaining payments in connection with the IPO. In Q1 2010, extraordinary payments mainly refer to the payment of €17.3 million of costs in connection with the amendments made to our senior credit facilities for the purpose of the IPO.

2.3.7 Interest and financial fees received / (paid)

Interest payments under our debt arrangements decreased by 7.4% in the first quarter of 2011, given the lower amount of debt outstanding after debt repayments in 2010 and 2011. This decrease was partially offset by an increase in the average cost (higher spread) paid on the Senior Credit Agreement as a result of the refinancing exercise that took place prior to the IPO.

3 Segment reporting

3.1 Distribution

Figures in million euros	Q1 2011(1)	Q1 2010(1)	% Change
KPI			
GDS Industry change	**1.6%**	**9.6%**	
Air TA market share	**37.4%**	**36.5%**	**0.8 p.p.**
Air TA bookings (m)	108.6	103.9	4.5%
Non air bookings (m)	16.1	15.7	2.7%
Total bookings (m)	**124.7**	**119.5**	**4.3%**
Profit & Loss			
Revenue	**553.5**	**538.2**	**2.8%**
Operating costs	(291.9)	(291.9)	0.0%
Direct capitalizations	11.5	7.0	63.5%
Net operating costs	**(280.4)**	**(284.9)**	**(1.6%)**
Contribution	**273.0**	**253.4**	**7.8%**
As % of Revenue	49.3%	47.1%	2.3 p.p.

(1) Figures adjusted to exclude extraordinary IPO costs

The core offering of our Distribution business is our GDS platform. It provides a global network that connects travel providers, such as full service and low-cost airlines, hotels, rail operators, cruise and ferry operators, car rental companies, tour operators and insurance companies, with online and offline travel agencies, facilitating the distribution of travel products and services (sometimes referred to as the “indirect channel”). We also offer technology solutions, such as desktop and e-commerce platforms and mid- and back-office systems to some of our travel agency customers.

Our Distribution business continued to grow during the first quarter of 2011, mainly driven by our market share gains and despite the moderate growth seen in the Middle East and the Asia and Pacific regions. Our contribution margin in Q1 2011 rose to 49.3%, driven by the increase in our revenues and the reduction of our cost base (net of capitalisations).

3.1.1 Evolution of KPI

During the first quarter of 2011, the volume of air bookings processed through travel agencies connected to Amadeus increased by 4.5%, as a result of the combined effect of a 1.6% growth in the GDS industry and an increase of 0.8 p.p. in Amadeus’ market share.

GDS Industry

Total GDS bookings increased by 1.6% in the first quarter of 2011. This industry growth is significantly reduced from previous quarters, given (i) the higher base of comparison: the GDS industry experienced a strong recovery (9.6% growth) in the first quarter of 2010, (ii) a significant underperformance experienced in the US and (iii) the slowdown of the industry in Middle East, due to the political instability in the region, and the decline in volumes in certain Asian countries, as a result of the earthquake in Japan and subsequent nuclear threat across the country.

These negative factors were partially offset by the over-performance of Latin America and Central, Eastern and Southern Europe.

Amadeus

Our air TA bookings in the first quarter of 2011 increased by 4.5%. As per table 6 below, bookings from Western Europe continue to have the strongest weight (50.2%) over our total air bookings, with emerging markets making up for a large part of the remainder.

Table 6

Figures in million	Q1 2011	% of Total Air TA Bookings	Q1 2010	% of Total Air TA Bookings	% Change
Western Europe	54.5	50.2%	52.5	50.5%	3.9%
Central, Eastern and Southern Europe	10.1	9.3%	9.6	9.3%	5.0%
Middle East and Africa	12.0	11.0%	11.6	11.2%	3.1%
North America	10.6	9.8%	10.0	9.6%	6.5%
Latin America	6.8	6.2%	6.2	5.9%	9.8%
Asia & Pacific	14.6	13.4%	14.0	13.5%	4.0%
Total Air TA Bookings	**108.6**	**100.0%**	**103.9**	**100.0%**	**4.5%**

During the first quarter of 2011, our global air TA market share increased by 0.8 p.p. vs. our market share at March 31, 2010, raising our global market share to 37.4%. The negative trends observed in the GDS industry had a lesser impact on our volumes, given our lower exposure to the US, where we had a positive performance, as well as the overperformance of some of our key markets in Asia such as India or Australia.

With regards to non-air distribution, our bookings for the first quarter of 2011 increased to 16.1 million vs. 15.7 million in the same period in 2010, mainly driven by the increase in hotel and tour bookings, as well as car rentals. Rail bookings in the period showed a slight decrease vs. 2010.

3.1.2 Revenue

Our Distribution revenue increased by 2.8% in the first quarter of 2011 to €553.5 million. Excluding the impact of the sale of Vacation.com in 2010, our Distribution revenue grew by 3.4%, or €18.5 million.

This increase was primarily driven by the growth in air and non-air bookings, as detailed above, as well as an increase in non booking revenue, partially offset as expected by the lower unit booking revenue in the quarter when compared to the first quarter of 2010. Unit pricing for the quarter was lower than in 2010 given the impact of timing of airline deals coming into effect during the year, markedly affecting comparability between quarters: as a result of this effect, Q1 2010 was particularly strong in terms of average implied pricing - well above the average unit pricing for the year - therefore representing a challenging base for comparison.

3.1.3 Contribution

The contribution of our Distribution business is calculated after deducting from our revenue those operating costs which can be directly allocated to the business (variable costs, mainly related to distribution fees and incentives, and those product development, marketing and commercial costs which are directly attributable to each business).

The contribution of our Distribution business increased by 7.8% to €273.0 million in the first quarter of 2011 vs. the same period in 2010, representing 49.3% as a percentage of revenue, from 47.1% in the first quarter of 2010. It should be noted that our margins in 2011 are favourably impacted by the sale of Vacation.com, which had a much smaller contribution margin than our core business.

The 7.8% increase in contribution margin was attributable to the 2.8% increase in revenue in the period and a reduction of 1.6% of our Distribution costs (net of capitalisations). This decrease in net operating costs was mainly driven by:

- A reduction in our variable costs (mainly incentive fees and distribution fees) despite the increase in our booking volumes, principally due to a number of extraordinary items which positively affect the comparison between Q1 2010 and the same period in 2011: (i) distribution fees growing at a lower rate than overall volumes as they are mainly related to non-fully owned ACOs in the MENA region, currently affected by significant turmoil and (ii) a higher base of comparison in 2010, as the first quarter was negatively affected by one-off impacts in the MENA region driven by a change in the economics of the deal signed with some of the local ACOs
- Certain cost control efforts put in place in light of a slowdown in the industry, as a result of the various geo-political events
- The impact of the sale of Vacation.com in 2010

These positive effects were partially offset by:

- Full year impact of certain commercial initiatives undertaken during the course of 2010, as well as the continued expansion of Traveltainment
- Development efforts (new products and applications for airlines, travel agencies or corporations, amongst others) that have been carried out during 2010 and continued into the first quarter of 2011
- Significant impact of the EUR depreciation against various currencies during the period (cost base in many ACOs negatively impacted by EUR depreciation, impacting both our variable and fixed costs)
- The accrual of our new recurring incentive scheme for management (Performance Share Plan, implemented post-IPO and accrued since July 2010)

3.2 IT Solutions

Figures in million euros	Q1 2011[1]	Q1 2010[1]	% Change
KPI			
Passengers Boarded (PB) (m)	**94.0**	**67.7**	**38.8%**
Airlines migrated (as of March 31)	**97**	**70**	
Profit & Loss			
Revenue	**150.9**	**146.8**	**2.8%**
Operating costs	(65.8)	(66.3)	(0.7%)
Direct capitalizations	22.6	22.3	1.3%
Net operating costs	**(43.3)**	**(44.0)**	**(1.7%)**
Contribution	**107.6**	**102.8**	**4.7%**
As % of Revenue	71.3%	70.0%	1.3 p.p.

(1) Figures adjusted to exclude extraordinary IPO costs

Through our IT Solutions business we provide a comprehensive portfolio of technology solutions that automate certain mission-critical business processes, such as reservations, inventory management and other operational processes for travel providers (mainly airlines), as well as providing direct distribution technologies.

During the first quarter of 2011, our IT Solutions business continued its growth trend. Our IT Solutions revenue grew by 6.8% (adjusting for the impact of the sale of Hospitality Group in 2010), with contribution margin increasing to 71.3%.

This growth in revenue and contribution is driven by the increase in IT transactional revenue, given the positive impact of migrations that took place during 2010 and in the first quarter of 2011, including airlines such as Saudi Arabian Airlines in April 2010 and Air France-KLM in June 2010 and continued organic growth, whilst benefiting from operating leverage in the business. We have at the same time continued to invest significantly, in preparation for the migrations of 2011 and future years and in order to continue to enhance our product portfolio and the non-air IT business.

3.2.1 Evolution of KPI

Total number of passengers boarded in the first quarter of 2011 increased to 94.0 million, or 38.8% higher than in the first quarter of 2010, driven by migrations, and, to a lesser extent, the organic growth of existing clients. Adjusting for comparable airlines in both periods, like-for-like growth in PB would have been 6.0% as a result of the organic growth in the traffic of existing airlines.

3.2.2 Revenue

Total IT Solutions revenue increased by 6.8% in the first quarter of 2011 excluding the impact of the sale of Hospitality Group in 2010 (2.8% on a reported basis) as a result of the growth experienced in the transactional revenue line. When excluding the impact of the accounting change in the direct distribution revenue line, as described below, revenue growth for the IT Solutions business would have been 10.0%.

Transactional revenue

IT transactional revenue increased by almost 25% in the first quarter of 2011 as a result of the growth in all main revenue lines:

- Altéa: very strong growth driven by the increase in PB volume (as described above)
- e-Commerce: increase in Passenger Name Record volumes, mainly as a result of organic growth, partially offset by some pressure on unit fees
- Stand-alone IT solutions, mainly automatic ticket changer solutions, airline revenue integrity, messaging services and fare quoting, given the organic growth in existing customers, additional fees derived from the implementation of new applications and new client cutovers

With respect to revenue from direct distribution, we saw a continued decrease in revenue from bookings of our existing users of our reservations module as expected, given the migration of some of these former users to at least the Inventory module of our Altéa Suite (such as Air France-KLM and LOT Polish Airlines). Once migrated on to the Altéa Inventory module, these clients are charged a fee per PB, and revenue is accounted for under IT transactional revenue, rather than direct distribution.

In addition, the direct distribution revenue line decreased due to the change in the treatment of certain bookings made within airline groups.

When an airline, acting as a distributor and using the Altéa technology, sells a booking of another airline, Amadeus charges a fee per booking ("Other Airline Booking") to the airline that owns the booking and pays a distribution fee per booking to the distributor carrier. The revenue that Amadeus generates from the booking fees charged for these bookings is recognised within the direct distribution revenue line, and the distribution fees paid for these bookings are recognised as a cost within the operating costs of the business.

Separately, the direct distribution bookings ("Own Bookings") are bookings done by an airline which uses the Altéa reservations module standalone (a System User) through their own direct channel. The revenue generated from these bookings, charged per booking, is also recognised within the direct distribution revenue line, but it is recognised net of the distribution fee generated by the airline. For airlines belonging to certain groups, bookings are considered as Own Bookings, and therefore recognised net of distribution costs.

In 2011, we registered as Own Bookings certain bookings that were considered as Other Airline Bookings in 2010, and therefore have a lower net revenue, which is not comparable to the same period in 2010.

Non transactional revenue

Non transactional revenue decreased due to the reduction in revenue from our Property Management System product given the disposal of our equity stake in Hospitality Group in September 2010 and, to a lesser extent, the lower revenue from migration efforts and other services.

3.2.3 Contribution

The contribution of our IT Solutions business is calculated after deducting from our revenue those operating costs which can be directly allocated to this business (variable costs, including certain distribution fees, and those product development, marketing and commercial costs which are directly attributable to each business).

The contribution of our IT Solutions business increased by €4.8 million, or 4.7%, to €107.6 million in the first quarter of 2011. As a percentage of revenue, the contribution margin of our IT Solutions business increased from 70.0% in the first quarter of 2010 to 71.3% in the first quarter of 2011.

The 4.7% increase in the contribution of our IT Solutions business during the first quarter of 2011 was driven by the increase of 2.8% in revenue of this business during this period, as detailed above, and by the decrease of net operating costs by 1.7%, driven by a reduction of 0.7% in total operating costs. This decrease in operating costs was mainly attributable to:

- The reduction in our variable costs from the change in the treatment of certain bookings from “Other Airline Bookings” to “Own Bookings”, as explained above
- Certain cost control efforts put in place in light of a slowdown in the industry, as a result of the various geo-political events
- The impact of the sale of Hospitality Group in 2010

These positive effects were partially offset by:

- An increase in our R&D expenditure associated to new projects for portfolio expansion (such as Revenue Management, Revenue Accounting or Dynamic Webstore Manager) and to Altéa migrations activity for the new implementations and for the upcoming migrations to the Altéa Inventory and Departure Control System modules of our contracted airlines
- An increase in commercial efforts related to portfolio and product management, and in local support for areas of diversification within Airline IT (mainly APAC, MEA and US)
- The negative impact of the EUR depreciation against various currencies during the period (cost base in many ACOs negatively impacted by a EUR depreciation)
- The accrual from July 2010 of our new recurring incentive scheme for management (Performance Share Plan implemented post-IPO)

3.3 Reconciliation with EBITDA

Figures in million euros	Q1 2011[(1)]	Q1 2010[(1)]	% Change
Contribution	**380.6**	**356.1**	**6.9%**
Distribution	273.0	253.4	7.8%
IT Solutions	107.6	102.8	4.7%
Indirect costs	(106.6)	(96.4)	10.6%
Indirect capitalizations & RTCs[(2)]	17.4	13.0	33.2%
Net indirect costs	**(89.2)**	**(83.3)**	**7.0%**
As % of Revenue	12.7%	12.2%	0.5 p.p.
EBITDA from continuing operations	**291.4**	**272.8**	**6.8%**
EBITDA Margin	41.4%	39.8%	1.6 p.p.

(1) Figures adjusted to exclude extraordinary IPO costs
(2) Includes the Research Tax Credit (RTC)

4 Other Financial Information

4.1 Adjusted profit for the period

Figures in million euros	Q1 2011(1)	Q1 2010(1)	% Change
Profit for the period from continuing operations	**130.6**	**94.7**	**38.0%**
Adjustments			
Impact of PPA(2)	12.2	28.1	(56.4%)
Adjustments for mark-to-market(3)	(7.1)	0.2	n.m.
Extraordinary items(4)	1.7	0.8	108.3%
Adjusted profit for the period from continuing operations	**137.4**	**123.7**	**11.1%**
Adjusted profit from discontinued operations (Opodo)(5)	6.6	5.1	27.9%
Adjusted profit for the period	**144.0**	**128.9**	**11.7%**
Adjusted EPS (euros)(6)	**0.32**	**0.36**	**(8.7%)**
Adjusted EPS (euros)(7) (based on equal number of shares)	**0.32**	**0.29**	**12.1%**

(1) Figures adjusted to exclude extraordinary costs related to the IPO and the Opodo sale
(2) After tax impact of amortisation of intangible assets identified in the purchase price allocation exercise undertaken following the leveraged buy-out
(3) After tax impact of changes in fair value from derivative instruments and non-operating exchange gains / (losses) from continuing operations
(4) After tax impact of extraordinary items resulting from the sale of assets and equity investments from continuing operations
(5) Profit from discontinued operations adjusted to exclude after tax impact of (i) non-operating exchange gains (losses), (ii) extraordinary items resulting from the sale of assets and equity investments, and (iii) extraordinary impacts from the recognision of tax credits
(6) EPS corresponding to the Adjusted profit for the period attributable to the parent company. Calculated based on weighted average outstanding shares less weighted average treasury shares of the period. Q1 2011 and Q1 2010 adjusted EPS calculated based on 445.5 million shares and 362.8 million shares, respectively
(7) EPS corresponding to the Adjusted profit for the period attributable to the parent company. Both Q1 2011 adjusted EPS and Q1 2010 adjusted EPS calculated based on weighted average outstanding shares less weighted average treasury shares of the first quarter of 2011 (445.5 million shares)

4.2 Earnings per share (EPS)

Figures in million	Q1 2011[1]	Q1 2010[1]	% Change
Weighted average shares issued (m)	447.6	364.9	
Weighted average treasury shares (m)	(2.1)	(2.1)	
Shares outstanding (m)	**445.5**	**362.8**	
EPS (euros)[2]	**0.30**	**0.27**	**7.7%**
Adjusted EPS (euros)[3]	**0.32**	**0.36**	**(8.7%)**
Adjusted EPS (euros)[4] (based on equal number of shares)	**0.32**	**0.29**	**12.1%**

(1) Figures adjusted to exclude extraordinary costs related to the IPO and the Opodo sale
(2) EPS corresponding to the Profit for the period attributable to the parent company (excluding extraordinary costs related to the IPO and the Opodo sale)
(3) EPS corresponding to the Adjusted profit for the period attributable to the parent company. Calculated based on weighted average outstanding shares less weighted average treasury shares of the period. Q1 2011 and Q1 2010 adjusted EPS calculated based on 445.5 million shares and 362.8 million shares, respectively
(4) EPS corresponding to the Adjusted profit for the period attributable to the parent company. Both Q1 2011 adjusted EPS and Q1 2010 adjusted EPS calculated based on weighted average outstanding shares less weighted average treasury shares of the first quarter of 2011 (445.5 million shares)

5 Investor information

5.1 Capital stock. Share ownership structure

As of March 31, 2011 the capital stock of our company was €447,581.95, represented by 447,581,950 shares with a nominal value of €0.001 per share.

The shareholding structure as of March 31, 2011 is as described in table 7 below:

Table 7

Shareholders	Shares	% Ownership
Amadecin, S.à r.l (Cinven)	58,190,565	13.00%
Idomeneo, S.à r.l (BC Partners)	58,190,566	13.00%
Société Air France	68,146,869	15.22%
Iberia Líneas Aéreas de España, S.A.	33,562,331	7.50%
Lufthansa Commercial Holding, GmbH	34,073,439	7.61%
Minority shareholders / Free float (1)	193,324,420	43.20%
Treasury shares (2)	2,093,760	0.47%
Total	**447,581,950**	**100.00%**

(1) Includes 4,027,072 shares owned by management and Board members
(2) Voting rights suspended for so long as they are held by our company.

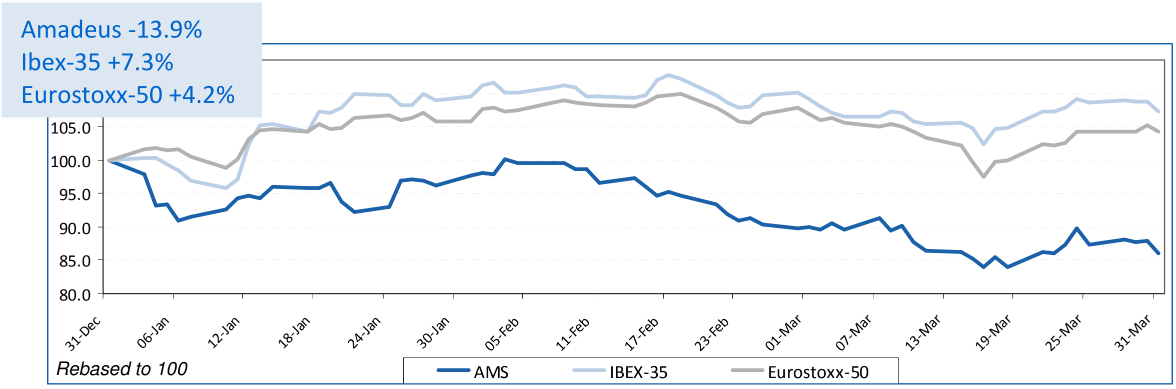
On April 8, 2011 Amadecin, S.a.r.l. and Idomeneo, S.a.r.l. each sold a 5.0% stake in the company to institutional investors, through a follow-on offering. As a result, the shareholding structure after this offering is as described in table 8:

Table 8

Shareholders	Shares	% Ownership
Amadecin, S.à r.l (Cinven)	35,811,468	8.00%
Idomeneo, S.à r.l (BC Partners)	35,811,469	8.00%
Société Air France	68,146,869	15.22%
Iberia Líneas Aéreas de España, S.A.	33,562,331	7.50%
Lufthansa Commercial Holding, GmbH	34,073,439	7.61%
Minority shareholders / Free float (1)	238,082,614	53.20%
Treasury shares (2)	2,093,760	0.47%
Total	**447,581,950**	**100.00%**

(1) Includes 4,027,072 shares owned by management and Board members
(2) Voting rights suspended for so long as they are held by our company.

5.2 Share price performance in 2011



Amadeus	
Number of publicly traded shares	447,581,950
Share price at March 31, 2011 (in €)	13.5
Maximum share price in 2011 (in €)	15.7
Minimum share price in 2011 (in €)	13.2
Market capitalization (in € million)	6,042
Weighted average share price in 2011 (in €)*	14.5
Average Daily Volume in 2011 (# shares)	2,540,513

*Excluding cross trades

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