Jan - Sep 2010 Review

11 November, 2010

Your technology partner

Index

I- Summary

I.1 Introduction

First nine months' highlights (nine months ended 30 September 2010)

- **Total air travel agency bookings increased by 9.5% vs. same period in 2009, to 293.7 million**
- **In our IT Solutions business line, total Passengers Boarded increased by 58.0% vs. same period in 2009, to 270.6 million**
- **Revenue increased by 12.1%(1), to €2,053.6 million**
- **EBITDA(2) increased by 16.9%(1), to €816.6 million**
- **Adjusted(3) net profit for the period increased to €354.6 million, up 30.1%(1) from €272.5 million in same period of 2009**

Amadeus has again delivered strong operating and financial results in Q3 2010. This was supported by the growth of the global travel industry (despite an uncertain outlook for the global economy), the strength of our transaction-based business model (which positions us uniquely for benefiting from the global recovery), and the continued rapid growth of our IT Solutions business.

Total air traffic and distribution industry bookings have remained strong in the third quarter of 2010. In addition, our IT Solutions business has continued to show remarkable growth, driven by the impact from migrations that took place both during 2009 and throughout 2010 up to September, including Saudi Arabian Airlines and Air France-KLM.

As a result, Amadeus has achieved a 12.1%(1) growth in Revenue, double-digit growth in EBITDA(2) (16.9%(1), adjusted for extraordinary IPO expenses) and a growth of 30.1%(1) in adjusted net profit for the period(3).

Our consolidated covenant net financial debt as of September 30, 2010 was €2,700.3 million (based on the covenants' definition in our senior credit agreement), representing 2.7x net debt / last twelve months' EBITDA, and down €588.2 million vs. December 2009, at €3,288.5 million.

Key operating highlights

The management team continues to focus on strengthening our leadership position in all of our business areas at the same time as expanding our business reach, particularly in our IT Solutions business. We have continued to sign significant new contracts across our business (including content agreements with airlines, distribution agreements with travel agencies and Airline IT contracts) and we have delivered best-in-class migrations to our Amadeus Altéa platform. In addition, we continue 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. Compared to first nine months of 2009 figures estimated as if IFRIC 18 would have been applied during the period
2. Adjusted to exclude extraordinary items related to the IPO, 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 exchange gains (losses) and (iii) extraordinary items

The following are some selected business highlights for the period:

Distribution

Airlines

- During the third quarter of 2010, Cathay Pacific and its regional subsidiary Dragonair, along with Czech Airways and Aeroflot, signed long-term content agreements to guarantee access to a comprehensive range of fares, schedules and availability.
- Low-cost carrier bookings from agencies using Amadeus in the third quarter of 2010 increased by 36.5% compared with the same quarter in 2009. This growth rate continues to support the trend recently observed, with the September 2010 year-to-date figure increasing by 35.0% compared with the same period in 2009.
- Also in this quarter, Amadeus and Airconomy, an innovative strategy consultancy for aviation networks, partnered to launch a new data solution, Amadeus Total Demand. Finnair later became the first customer. Amadeus Total Demand provides airlines, airports and travel agencies with a complete view of market demand for all routes, including direct sales by airlines. It is particularly useful to help calculate market share and assess potential new routes or schedules - especially on routes where there are a large number of direct sales (typically leisure routes or low-cost carrier routes).
- Following the launch of Amadeus Ancillary Services earlier in the year, Corsairfly extended its pilot programme to include its website and is currently progressively rolling out the service to all agencies in France. In September Amadeus delivered a major evolution by allowing customers of online travel agencies to view airlines' ancillary services in the results of their low-fare search.

Other travel providers

- Hotel distribution grew its hotel inventory with the addition of Premier Inn, the UK and Ireland's biggest hotel chain, which will add 580 locations and over 42,000 rooms within the UK and Ireland. Amadeus also partnered with DerbySoft, a Shanghai-headquartered hotel distribution technology company, to increase the number of mid-range and independent Chinese hotels available in the Amadeus system.
- In the area of rail, the French national railway, SNCF (Société Nationale des Chemins de fer Français), partnered with Amadeus to enhance the distribution of SNCF rail content to travel agencies across Europe via web-based applications. Deutsche Bahn, the German national railway company, opened its first agency in China, using Amadeus booking technology to sell tickets. Also, Amadeus and Rail Europe 4A, the leading distributor of European rail which represents more than 35 European railways and is a joint venture between SNCF and the Swiss Federal Railways (SBB), extended their partnership to include the Indian and Japanese markets. Finally, Ukrainian Rail (Ukrzaliznitsa), which transports over 500 million passengers a year, became available to travel agents worldwide via the Amadeus system.
- Within the car rental market, Vacation.com, North America's largest travel agency franchise with over 5,000 locations, reached an agreement with Amadeus to integrate Amadeus Cars

Plus into Vacation.com's EZGuider Platform, its all-in-one booking tool for leisure travel agents. Amadeus Cars Plus is a recently launched car booking tool for travel agents.

- Travel Guard, a worldwide leader in insurance and travel assistance, and Amadeus were selected to provide real-time content and booking functionality for travel insurance products for the direct booking channels of Etihad Airways, Hong Kong Airlines, Kenya Airways and Singapore Airlines. This is enabled through the Amadeus e-Retail engine, an online travel-booking solution that provides a wide range of content, and allows the airlines' customers to book insurance at the same time as booking their flights.

Travel agencies

- Within the travel agency distribution business, Thomas Cook, one of the world's leading travel groups, extended its global distribution agreement with Amadeus for another five years. The updated agreement added India, Denmark, Finland, Norway and Sweden to the list of countries covered, increasing the total number to 14. Thomas Cook-Scandinavia also signed a contract to use Amadeus e-Cruise, the Amadeus online cruise-booking platform.
- Within the Asia-Pacific area, Akbar Travels, one of India's largest and fastest growing travel agencies, signed an agreement for eight markets across the Indian sub-continent and the Middle East to use the Amadeus Selling Platform, Amadeus' point of sale solution for travel agents.

IT Solutions

Airline IT

- Airline IT continued its success in signing new Altéa contracts. Amadeus Altéa Reservation customers XL Airways France, Montenegro Airlines and Air Mauritius signed new contracts to additionally use the Amadeus Altéa Inventory system. Combined together, these three airlines represent approximately 2.7m passengers boarded each year. The Amadeus Altéa Inventory system provides inventory control, schedule management, re-accommodation and seating management services. It is anticipated that the three airlines will migrate to Amadeus Altéa Inventory during the fourth quarter of this year.
- Air Baltic also extended its current Altéa contract to include Amadeus Altéa Departure Control System, thus completing the full Altéa Suite (Reservation, Inventory, and Departure Control). Amadeus Altéa Departure Control System provides check-in, boarding pass issuance, baggage management, and aircraft weight and balance. The migration to Amadeus Altéa Departure Control System took place during September.
- Air Caraïbes , who already used the Reservation and Inventory modules of Altéa, completed its migration to the Departure Control System module. Airlinair, already a user of the Amadeus Altéa Reservation module, migrated onto both the Amadeus Altéa Inventory module and the e-Commerce module, which specialises in providing customers with customisable e-commerce solutions to help boost sales potential. Trans Air Congo, which also already used the Amadeus Altéa Reservation module, also migrated onto the Amadeus Altéa Inventory system.

Key Terms

- "ACOs": refers to "Amadeus Commercial Organisations"
- "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"
- "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
- "GUI": refers to "Graphic User Interface"
- "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"
- "LTM" refers to "last twelve months"
- "MEA": refers to "Middle East and 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 18 for further details)
- "RTC": refers to "Research Tax Credit"
- "TPF": refers to "Transaction Processing Facility", a software license from IBM
- "YTD": refers to "Year to date"

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.

I.2 Summary financial information

Figures in million euros	Q3 2010[1]	Q3 2009[2]	% Change[3]	Jan-Sep 2010[1]	Jan-Sep 2009[2]	% Change[3]
Financial results						
Distribution Revenue	491.9	442.7	11.1%	1,528.9	1,387.6	10.2%
IT Solutions Revenue	157.3	135.2	16.4%	457.1	383.2	19.3%
Opodo Revenue	30.4	25.9	17.7%	84.2	76.6	9.8%
Intercompany Adjustments	(5.3)	(5.1)	2.7%	(16.6)	(16.2)	2.8%
Revenue	**674.3**	**598.6**	**12.6%**	**2,053.6**	**1,831.2**	**12.1%**
EBITDA	**259.9**	**234.6**	**10.8%**	**816.6**	**698.9**	**16.9%**
EBITDA margin (%)	38.5%	39.2%	(0.7 p.p.)	39.8%	38.2%	1.6 p.p.
Profit for the Period	**92.1**	**74.6**	**23.5%**	**281.2**	**230.1**	**22.2%**
Adjusted Profit for the Period[4]	**107.7**	**93.7**	**14.9%**	**354.6**	**272.5**	**30.1%**
Adjusted EPS (euros) [5]	**0.24**	**0.26**	**(5.9%)**	**0.86**	**0.75**	**15.4%**
Cash flow						
Capital expenditure	65.9	47.5	38.8%	191.3	137.3	39.3%
Pre-tax operating cash flow[6]	200.8	208.0	(3.5%)	660.5	631.9	4.5%
Cash conversion (%)[7]	77.3%	88.7%	(11.4 p.p.)	80.9%	90.4%	(9.5 p.p.)

	Sep 30th, 2010	Dec 31st, 2009[2]	% Change
Indebtedness[8]			
Covenant Net Financial Debt	**2,700.3**	**3,288.5**	**(17.9%)**
Covenant Net Financial Debt / LTM Covenant EBITDA	2.68x	3.67x	

(1) 2010 figures adjusted to exclude extraordinary IPO costs
(2) 2009 figures estimated assuming the application of IFRIC 18 during the period
(3) Calculated based on 2010 figures adjusted to exclude extraordinary IPO costs and 2009 figures estimated assuming the application of IFRIC 18 during the period
(4) Excluding after-tax impact of: (i) amortisation of PPA and impairments, (ii) changes in fair value from derivative instruments and exchange gains / (losses) and (iii) extraordinary items
(5) Based on weighted average outstanding shares less weighted average treasury shares of the period. Q3 2010 and Q3 2009 adjusted EPS calculated based on 445.5 million and 364.3 million shares respectively. Adjusted EPS for the 2010 and 2009 nine month period calculated based on 410.7 million and 272.5 million shares respectively.
(6) Calculated as EBITDA less capital expenditure plus changes in our operating working capital
(7) Represents pre-tax operating cash flow for the period expressed as a percentage of EBITDA for that same period
(8) Based on the definition included in the Senior Credit Agreement

II- Consolidated financial statements

II. Consolidated financial statements

A. Group income statement

Figures in million euros	Q3 2010(1)	Q3 2009(2)	% Change(3)	Jan-Sep 2010(1)	Jan-Sep 2009(2)	% Change(3)
Revenue	**674.3**	**598.6**	**12.6%**	**2,053.6**	**1,831.2**	**12.1%**
Cost of revenue	(156.3)	(136.1)	14.9%	(486.4)	(444.1)	9.5%
Personnel and related expenses	(166.0)	(147.6)	12.5%	(484.3)	(447.8)	8.1%
Depreciation and amortization	(86.7)	(79.5)	9.1%	(250.0)	(239.3)	4.5%
Other operating expenses	(91.3)	(79.8)	14.5%	(263.8)	(239.0)	10.4%
Operating income	**174.1**	**155.7**	**11.8%**	**569.1**	**461.0**	**23.4%**
Interest income	0.8	1.0	(23.6%)	2.6	5.1	(49.9%)
Interest expense	(63.8)	(61.2)	4.3%	(198.9)	(188.9)	5.3%
Changes in fair value of financial instruments	9.9	8.1	23.1%	36.1	50.8	(28.9%)
Exchange gains / (losses)	5.9	4.3	36.8%	(5.6)	9.1	(161.3%)
Net financial expense	(47.2)	(47.8)	(1.3%)	(165.9)	(123.8)	33.9%
Other income / (expense)	4.1	0.3	n.m.	(0.7)	(0.3)	151.2%
Profit before income taxes	**131.0**	**108.2**	**21.0%**	**402.5**	**336.9**	**19.5%**
Income taxes	(40.6)	(34.6)	17.2%	(124.8)	(107.8)	15.7%
Profit after taxes	**90.4**	**73.6**	**22.8%**	**277.7**	**229.1**	**21.2%**
Share in profit / (losses) from associates and JVs	1.8	1.0	70.0%	3.5	1.0	257.9%
Profit for the Period	**92.1**	**74.6**	**23.5%**	**281.2**	**230.1**	**22.2%**

(1) 2010 figures adjusted to exclude extraordinary IPO costs
(2) 2009 figures estimated assuming the application of IFRIC 18 during the period
(3) Calculated based on 2010 figures adjusted to exclude extraordinary IPO costs and 2009 figures estimated assuming the application of IFRIC 18 during the period

Extraordinary costs related to the Initial Public Offering

On April 29th Amadeus began trading on the Spanish Stock Exchanges. The company incurred extraordinary costs in relation to the offering that impacted the figures for 2010. For the purposes of comparability with previous periods, the figures for 2010 shown in this report have been adjusted to exclude such costs.

The following table details the extraordinary IPO costs that have been excluded from the 2010 figures:

Figures in million euros	**Q3 2010**	**Jan-Sep 2010**
Personnel and related expenses[1]	5.2	307.2
Other operating expenses[2]	1.6	12.8
Total impact on Operating Income	**6.9**	**320.0**
Interest expense[3]	0.0	29.2
Total impact on Profit before taxes	**6.9**	**349.3**
Income taxes	(2.1)	(108.3)
Total impact on Profit for the Period	**4.7**	**241.0**

The IPO costs incurred in Q3 2010 mainly refer to the non-recurring employee incentive scheme (Value Sharing Plan) which is accrued on a monthly basis, in addition to some minor costs related to certain advisory fees which were invoiced in Q3 2010.

(1) IPO costs included in "Personnel expenses" relate to (i) payouts to employees under certain historic employee performance reward schemes, and (ii) 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) IPO costs included in Other operating expenses mainly relate to fees paid to external advisers.

(3) IPO costs included in "Interest expense" relate to (i) deferred financing fees that were generated and capitalised in 2005 and 2007, in relation to the debt incurred in 2005 and its subsequent refinancing in 2007, part of which were expensed in Q2 2010 following the cancellation of debt that took place after the listing of the company, and (ii) bank commissions and other costs related to the amendment of certain clauses of the Senior Credit Agreement as agreed with the syndicate in advance of the IPO.

IFRIC 18 "Transfers of assets from customers"

On November 27, 2009 the European Union endorsed the interpretation issued by the International Financial Reporting Interpretations Committee, or IFRIC, on January 29, 2009. We will apply this new interpretation, IFRIC 18 "Transfers of Assets from Customers", to our financial statements commencing as of January 1, 2010.

IFRIC 18 clarifies the accounting treatment for agreements in which an entity receives from a customer either (i) an item of property, plant, and equipment ("PPE") or (ii) cash that must be used to acquire or construct the item of PPE, that the entity must then use to connect the customer to a network or to provide the customer with ongoing access to a supply of goods and/or services. Based on IFRIC 18, if the item of PPE transferred meets the definition of an asset under IASB, the recipient must recognise the asset in its financial statements. The entity determines the services that are to be provided to the customer in exchange for the asset received, and revenue is then recognised over the period in which those services are performed.

Our group, through our IT Solutions business area, receives cash from customers (airlines) to develop certain software that will be used by those customers, and, up to 31 December 2009 the right we obtained to receive cash from customers was recorded as non-transactional revenue in the period in which it was received, and development costs were expensed as incurred. Applying IFRIC 18, we defer the revenue and it will be recognised when the services are rendered, over the duration of our agreement with the customer or the useful life of the asset developed, if the agreement does not stipulate a fixed term.

The application of IFRIC 18 has therefore reduced our revenue recognised in 2010. On the other hand, our operating costs (excluding amortisation) have been reduced, as part of these costs have been capitalised and will be amortised over the duration of the agreement, resulting in an increase in intangible fixed assets in the same amount. These changes have resulted in a decrease in the contribution of our IT Solutions business area when compared to reported 2009 figures. The impact of IFRIC 18 is however neutral from an operating cash flow perspective as the reduction in our operating profit and the increase in capital expenditure is offset by an improvement in our operating working capital position.

In order to eliminate the distortion caused by the application of IFRIC 18 when comparing the 2009 and 2010 periods, we are showing in this document 2009 figures adjusted assuming application of IFRIC 18 during that period. Where relevant, variations shown and explanations provided herein refer to IFRIC 18 adjusted 2009 figures.

The following table details the estimated impact that the application of IFRIC 18 would have had in 2009 that have been adjusted in the 2009 figures shown in this report:

Figures in million euros	Q3 2009	Jan-Sep 2009
Revenue	(7.3)	(19.2)
Other operating expenses	5.6	13.1
Total impact on Profit before taxes	**(1.7)**	**(6.1)**
Income taxes	0.6	2.0
Total impact on Profit for the Period	**(1.2)**	**(4.2)**

A.1. REVENUE

Revenue increased 12.6% from €598.6 million in the third quarter of 2009 to €674.3 million in the third quarter of 2010, with a positive contribution from all of the business areas:

- Growth of €49.2 million, or 11.1%, in our Distribution business area, mainly driven by a continued strong performance in the GDS industry and growth in our air travel bookings.
- An increase of €22.1 million, or 16.4%, in our IT Solutions business area, driven both by the impact of recent migrations, which continue to be implemented as scheduled, and organic growth.
- A rise of €4.6 million, or 17.7% for Opodo, as a result of the increase in travel volumes through Opodo's website and improved revenue margins.

Revenue for the nine months ending on September 30 2010 increased 12.1% from €1,831.2 million in 2009 to €2,053.6 million in 2010.

Table 1

Figures in million euros	Q3 2010	Q3 2009*	% Change*	Jan-Sep 2010	Jan-Sep 2009*	% Change*
Distribution Revenue	491.9	442.7	11.1%	1,528.9	1,387.6	10.2%
IT Solutions Revenue	157.3	135.2	16.4%	457.1	383.2	19.3%
Opodo Revenue	30.4	25.9	17.7%	84.2	76.6	9.8%
Intercompany Adjustments	(5.3)	(5.1)	2.7%	(16.6)	(16.2)	2.8%
Revenue	674.3	598.6	12.6%	2,053.6	1,831.2	12.1%

(*) 2009 figures estimated assuming the application of IFRIC 18 during the period

A.2. OPERATING EXPENSES

- ***Cost of revenue.*** Cost of revenue increased by 14.9% from €136.1 million in the third quarter of 2009 to €156.3 million in the third quarter of 2010. This was principally due to the increase in our variable costs, as a result of the growth in volumes in the period, the negative FX impact and certain one-off items which had a positive impact in Q3 2009 as a result of reversals in provisions that had been accrued in excess based on expected volumes by travel agencies (which were higher than those achieved). For the nine months ending September 30 2010, cost of revenue increased by 9.5% in 2010 when compared to the same period of the previous year. As a percentage of revenue, cost of revenue in Q3 2010 represented 23.2%, slightly below the percentage rate of 23.9% registered in H1 2010, and slightly above the percentage rate of 22.7% registered in Q3 2009.

  These variable 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 ("ACOs") 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.

- ***Personnel and related expenses.*** Personnel and related expenses increased by 12.5% from €147.6 million in the third quarter of 2009 to €166.0 million in the third quarter of 2010, adjusted for extraordinary IPO expenses.

  The growth of 12.5% in the third quarter is the result of:
  - An increase of 4.6% in average full time employees ("FTEs") vs. the same period in 2009, mostly due to (i) commercial efforts in faster growing regions (e.g. new service centre in Warsaw, new hub in Dubai, geographic expansion of our IT Solutions commercial base), (ii) the Traveltainment expansion, (iii) the impact of acquisitions (e.g. Colombia ACO) and (iv) the increased investment in R&D incurred in the period (see table 3 below)
  - The inflation-based revision of salary base
  - A significant impact of the EUR depreciation in the period against various currencies (cost base in many ACOs negatively impacted by EUR depreciation)
  - The accrual of our new recurring incentive scheme for top management (Profit Sharing Plan, implemented post-IPO) and
  - An increase in accrual in Q3 under our existing variable remuneration scheme corresponding to the 2010 year, given the expected outperformance vs. initial targets

- ***Depreciation and Amortisation.*** D&A increased by 9.1% from €79.5 million in the third quarter of 2009 to €86.7 million in the third quarter of 2010 due to a increase in Ordinary D&A, as shown in the table below. This increase was driven by an increase in amortisation of intangible assets, as certain capitalised expenses in our balance sheet (for example, those related to Altéa migration efforts) started to become amortised in 2010, once they began generating revenues. The increase in D&A in the first nine months of the year was 4.5%.

Table 2

Figures in million euros	Q3 2010	Q3 2009*	% Change*	Jan-Sep 2010	Jan-Sep 2009*	% Change*
Ordinary D&A(1)	(44.1)	(38.8)	13.8%	(126.1)	(117.3)	7.5%
Amortisation derived from PPA(1)	(40.0)	(40.7)	(1.6%)	(121.4)	(122.1)	(0.5%)
Impairments	(2.5)	0.0	n.m.	(2.5)	0.0	n.m.
D&A	**(86.7)**	**(79.5)**	**9.1%**	**(250.0)**	**(239.3)**	**4.5%**
D&A capitalised(2)	0.8	0.6	49.2%	2.5	1.5	64.8%
D&A post-capitalisations	**(85.8)**	**(78.9)**	**8.8%**	**(247.5)**	**(237.8)**	**4.1%**

(*) 2009 figures estimated assuming the application of IFRIC 18 during the period
(1) Quarterly figures for "Ordinary D&A" and "Amortisation derived from PPA" for 2009 include a reclassification of certain related adjustments vs.annual figures reported for 2009. While total D&A amount for 2009 (€346.5 million) would not vary based on this adjustment, Ordinary D&A would have been €154.4 million (or €20.6 million lower) and the amortisation expense attributable to the PPA would have been €162.8 million (or €20.6 million higher) in 2009. The amount of €29.3 million registered under impairments in 2009 would remain unchanged
(2) Included within the caption Other operating expenses in the Group Income Statement

- ***Other Operating Expenses.*** Other operating expenses increased by 14.5% from €79.8 million in the third quarter of 2009 to €91.3 million in the third quarter of 2010. This increase was mainly due to the increased effort in R&D incurred in the period (see table 3 below) and the related increase in the number of contractors, part of which was not capitalised, as well as an increased expenditure in training and recruitment.

R&D expenditure

Total R&D expenditure (including both capitalised and non-capitalised expenses) grew by €15.4 million or 24.1% (excluding extraordinary IPO costs) in the third quarter of 2010 compared to same quarter of 2009. As a percentage of revenue, R&D costs amounted to 10.9% in the first nine months of 2010. This increase in R&D expenditure responds to higher investment efforts carried out in the period, mostly related to:

- Amadeus Altéa migration efforts (significant efforts during the first half of the year to migrate large clients such as Saudi Arabian Airlines or the Air France-KLM group, as well as efforts initiated during 2010 to prepare for large upcoming migrations) and e-commerce implementations and platform developments
- Expansion of the airline IT portfolio (new Altéa modules and/or new products / functionalities – e.g. payment solutions for airlines)
- Investments carried out in the Distribution business focused on IT applications for (i) travel agencies (e.g. shopping solutions, merchandising, profiles or front office products), (ii) airlines (availability, schedules), (iii) rail (improved distribution systems) or (iv) corporates (Amadeus e-Travel management)
- Ongoing TPF decommissioning

Table 3

Figures in million euros	Q3 2010	Q3 2009	% Change	Jan-Sep 2010(1)	Jan-Sep 2009	% Change
R&D expenditure(2)	79.4	64.0	24.1%	224.4	174.7	28.4%
R&D as a % of Revenue	11.8%	10.6%	1.2 p.p.	10.9%	9.4%	1.5 p.p.

(1) 2010 figures adjusted to exclude extraordinary IPO costs amounting to €67.6 million
(2) Net of Research Tax Credit

A.3. OPERATING INCOME

Total Operating Income for the third quarter increased by €18.4 million or 11.8%, excluding the extraordinary impact of IPO related costs. The increase for the nine months ended September 30, 2010 was 23.4%, driven by a strong recovery in revenue, compared to a weak year in 2009, as well as benefiting from operating leverage in the business.

EBITDA

EBITDA (excluding extraordinary IPO related costs) amounted to €259.9 million, representing a 10.8% increase vs. €234.6 million in the third quarter of 2009. EBITDA for the nine months of 2010 amounted to €816.6 million, 16.9% higher than EBITDA for the same period in 2009. As a percentage of revenue, the EBITDA margin improved from 38.2% in the first nine months of 2009 to 39.8% in the first nine months of 2010, benefiting from the higher weighting of our IT Solutions business, which has a higher contribution margin (as a percentage of revenue).

In addition, our EBITDA and Operating Income for the nine months ended September 30, 2010 follow the seasonality pattern historically observed in the business, under which the first three quarters are stronger than the fourth quarter of the year.

Figures in million euros	**Q3 2010(1)**	**Q3 2009(2)**	**% Change(3)**	**Jan-Sep 2010(1)**	**Jan-Sep 2009(2)**	**% Change(3)**
Operating income	174.1	155.7	11.8%	569.1	461.0	23.4%
D&A	86.7	79.5	9.1%	250.0	239.3	4.5%
D&A capitalised	(0.8)	(0.6)	49.2%	(2.5)	(1.5)	64.8%
EBITDA	**259.9**	**234.6**	**10.8%**	**816.6**	**698.9**	**16.9%**
EBITDA margin	38.5%	39.2%	(0.7 p.p.)	39.8%	38.2%	1.6 p.p.

(1) 2010 figures adjusted to exclude extraordinary IPO costs

(2) 2009 figures estimated assuming the application of IFRIC 18 during the period

(3) Calculated based on 2010 figures adjusted to exclude extraordinary IPO costs and 2009 figures estimated assuming the application of IFRIC 18 during the period

A.4. NET FINANCIAL EXPENSE

Net Financial Expense for the period decreased by 1.3% from €47.8 million in the third quarter of 2009 to €47.2 million in the third quarter of 2010. This decrease is explained by the combined effect of (i) an increase in exchange gains (related to the part of our USD denominated debt which is not designated as a hedging instrument for accounting purposes) and (ii) an increase in the average cost (higher margins) paid on the Senior Credit Agreement as a result of the refinancing exercise that took place prior to the IPO. This increase is partially offset by the lower amount of debt outstanding after debt repayments.

A.5. INCOME TAXES

Income Taxes for the nine month period ended September 30, 2010 amounted to €124.8 million (excluding the impact of IPO related costs). Including the impact of IPO related costs, which are tax deductible, the effective tax rate for the period was 31% (same as the effective tax rate expected for the full year 2010), down from 32% in the same period in 2009, given certain permanent differences applicable in 2010.

A.6. SHARE IN PROFIT / (LOSSES) FROM ASSOCIATES AND JVs

Share in profit from associates and JVs amounted to €3.5 million for the nine months ended September 30, 2010 vs. €1.0 million in the same period in 2009. This is explained by the increased contribution from some of our investments (mainly certain non-fully owned ACOs in the MEA region) which we consolidate under the equity method.

A.7. PROFIT FOR THE PERIOD

As a result of the above, Profit for the third quarter of 2010, adjusted for extraordinary IPO related costs, amounted to €92.1 million, an increase of 23.5% vs. a profit of €74.6 million in the third quarter of 2009. For the nine month period ended September 30, profit for the period grew 22.2% in 2010 vs. 2009.

B. Statement of financial position (condensed)

Figures in million euros	Sep 30th, 2010	Dec 31st, 2009
Tangible assets	*288.4*	*313.8*
Intangible assets	*1,653.1*	*1,681.3*
Goodwill	*2,233.0*	*2,238.7*
Other non-current assets	*142.9*	*103.8*
Non-current assets	4,317.4	4,337.5
Non-current assets held for sale	18.4	16.6
Current assets	428.4	397.3
Cash and equivalents	412.2	811.0
Total assets	**5,176.4**	**5,562.5**
Equity	640.1	(277.6)
Non-current debt	*2,881.5*	*4,077.3*
Other non-current liabilities	*633.9*	*739.4*
Non-current liabilities	3,515.4	4,816.7
Liabilities associated with non-current assets held for sale	*3.0*	*3.0*
Debt payable within one year	*164.7*	*251.3*
Other current liabilities	*853.1*	*769.2*
Current liabilities	1,017.9	1,020.5
Total liabilities and equity	**5,176.4**	**5,562.5**
Net financial debt[1]	**2,632.6**	**3,517.6**

(1) Includes €1.4 million cash reported within the "Non-current assets held for sale" line in 2010

B.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 third quarter of 2010 amounted to €15.1 million, taking the total amount invested in the year to €37.1 million, or 9.9% higher than in the same period in 2009, as described in Table 4 below. The increased investment in tangible assets in Q3 2010 mainly corresponds to properties, in particular to Traveltainment along with certain key regional ACOs and central sites due to increased office space needs.

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B.2. INTANGIBLE ASSETS

This caption principally includes (i) the net cost of acquisition or development of or (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 area). 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 third quarter of 2010 the amortisation charge attributable to PPA amounted to €40.0 million.

Capital expenditure in intangible assets in the third quarter of 2010 amounted to €50.8 million, 30.8% higher than in the same period in 2009, as described in Table 4 below. This increase is in line with 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. For the first nine months of 2010, total Capex amounts to €191.3 million, or 9.3% of revenue.

Table 4

Figures in million euros	**Q3 2010**	**Q3 2009***	**% Change***	**Jan-Sep 2010**	**Jan-Sep 2009***	**% Change***
Capex in tangible assets	15.1	8.6	74.7%	37.1	33.7	9.9%
Capex in intangible assets	50.8	38.9	30.8%	154.3	103.6	48.9%
Capex	**65.9**	**47.5**	**38.8%**	**191.3**	**137.3**	**39.3%**
As % of Revenue	9.8%	7.9%	1.8 p.p.	9.3%	7.5%	1.8 p.p.

(*) 2009 figures estimated assuming the application of IFRIC 18 during the period

B.3. GOODWILL

Goodwill relates to the unallocated amount of €2,233.0 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.

B.4 EQUITY

Share capital

As of September 30, 2010 the share capital of our company was represented by 447,581,950 shares with a nominal value of €0.001 per share.

Listing on the Spanish Stock Exchanges

As from April 29, 2010 our shares are listed on the Spanish Stock Exchanges (Madrid, Barcelona, Bilbao and Valencia) and are quoted through the AQS, or Mercado Continuo.

B.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 €2,700.3 million on September 30, 2010, a reduction of €588.2 million vs. the Covenant Net Financial Debt position on December 31, 2009. This reduction is mainly driven by the combination of:

- The free cash flow generated during the period
- The €910 million cash inflow derived from the capital increase (the IPO proceeds) which were used to repay existing financial debt in the amount of €894.8 million (final repayment when translated into euros, after taking into consideration different exchange rates for the repayment of the USD denominated debt)
- The use of our existing cash for the following payments:
  - Cash payment under our historic employee performance reward schemes following completion of the offering
  - Payment of underwriting commissions, advisory, legal fees and other expenses related to the offering, including taxes related to our share capital increase
  - Payment in connection with the amendments made to our senior credit facilities for the purpose of the offering
  - The repurchase and cancellation of the Class B shares in the amount of €255.9 million
- The evolution of the EUR/USD FX rate

Hedging arrangements

As of September 30, 2010 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 86.3% of our covenant financial debt has its base rate interest 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 September 30, 2010 we had signed forward arrangements under which we have fixed the interest rate for approximately 20% of our EUR denominated debt, for the period from July 2011 to July 2014, at a rate of 1.89%.

Table 5

Figures in million euros	Sep 30th, 2010	Dec 31st, 2009
Covenants definition[1]		
Senior Credit Agreement (EURs)	2,546.4	2,442.0
Senior Credit Agreement (USDs) [2]	431.7	613.0
Profit participating loan	0.0	911.1
Other debt with financial institutions	7.0	5.1
Obligations under finance leases	76.0	81.7
Guarantees	52.8	46.6
Adjusted total debt	**3,114.0**	**4,099.5**
Cash and cash equivalents[4]	(413.7)	(811.0)
Covenant Net Financial Debt	**2,700.3**	**3,288.5**
Covenant Net Financial Debt / LTM Covenant EBITDA[3]	**2.68x**	**3.64x**
Reconciliation with financial statements		
Net financial debt (as per financial statements)	**2,632.6**	**3,517.6**
Class B shares	0.0	(255.9)
Interest payable	(32.8)	(70.0)
Guarantees	52.8	46.6
Deferred financing fees	47.7	50.1
Covenant Net Financial Debt	**2,700.3**	**3,288.5**

(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 1.4406 and 1.3648 (official rate published by the ECB on Dec 31, 2009 and September 30, 2010 respectively)
(3) LTM Covenant EBITDA as defined in the Senior Credit Agreement
(4) Includes €1.4 million cash reported within the "Non-current assets held for sale" line in 2010

Reconciliation with financial statements

Under the covenant terms, Covenant Financial Debt does not include the accrued interest payable (€32.8 million at September 30, 2010) which is treated as debt in our financial statements. On the other hand, Covenant Financial Debt includes guarantees offered to third parties (in the amount of €52.8 million at September 30, 2010) 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 audited 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).

C. Group cash flow

Figures in million euros	Q3 2010	Q3 2009[1]	% Change[1]	Jan-Sep 2010	Jan-Sep 2009[1]	% Change[1]
EBITDA[2]	259.9	234.6	10.8%	816.6	698.9	16.9%
Change in working capital[3]	6.8	20.9	(67.5%)	35.2	70.3	(50.0%)
Capital expenditure	(65.9)	(47.5)	38.8%	(191.3)	(137.3)	39.3%
Pre-tax operating cash flow	**200.8**	**208.0**	**(3.5%)**	**660.5**	**631.9**	**4.5%**
Taxes	(11.3)	(21.5)	(47.6%)	(67.2)	(68.7)	(2.2%)
Equity investments	19.4	0.7	n.m.	12.5	(23.9)	n.m.
Non operating cash flows	(0.1)	0.4	n.m.	6.5	3.7	75.3%
Cash flow from extraordinary items	(7.7)	0.2	n.m.	(371.0)	0.6	n.m.
Cash flow	**201.1**	**187.8**	**7.1%**	**241.3**	**543.6**	**(55.6%)**
Interest and financial fees received / (paid)	(94.1)	(95.2)	(1.1%)	(223.5)	(226.7)	(1.4%)
Debt drawdown / (payment)	(59.5)	(82.8)	(28.0%)	(1,041.6)	(194.0)	436.8%
Cash to/from shareholders	0.0	0.0	n.m.	652.8	0.0	n.m.
Other financial flows	(30.5)	0.0	n.m.	(30.5)	0.0	n.m.
Change in cash	**16.9**	**9.9**	**71.7%**	**(401.5)**	**122.9**	**n.m.**
Cash and cash equivalents, net[4]						
Opening balance	392.2	728.5	(46.2%)	810.7	615.5	31.7%
Closing balance	409.1	738.4	(44.6%)	409.1	738.4	(44.6%)

(1) 2009 figures estimated assuming the application of IFRIC 18 during the period
(2) 2010 figures adjusted to exclude extraordinary IPO costs
(3) Working capital related to EBITDA adjusted to exclude extraordinary IPO costs. 2010 change calculated based on Dec 31, 2009 Statement of Financial Position, unadjusted for IFRIC 18
(4) Cash and cash equivalents are presented net of overdraft bank accounts

C.1 CHANGE IN WORKING CAPITAL

Cash inflow from the change in working capital during the first nine months of 2010 was €35.2 million, or €6.8 million capital in the third quarter of the year. This cash inflow for the quarter is driven by the fact that Amadeus tends to have negative working capital (i.e. cash inflows), as the collections from most of the airlines (more than 80% of our group collections) are done through IATA and ICH, with an average collection period of one month, whilst payments to providers and suppliers are done on average over a significantly longer period. In addition, 2010 working capital inflows are affected positively by the impact of IFRIC 18.

The cash inflow in 2010 was lower than in 2009, mainly driven by (i) lower VAT reimbursements in 2010 (recovery in 2009 of VAT from the acquisition of the TPF license), (ii) a special payment of variable compensation to employees accrued in 2009 and (iii) delayed payments from IATA related to FX differences, to be collected in Q4 2010.

C.2. CAPITAL EXPENDITURE

Capital expenditure in fixed assets increased by €54.0 million in the first nine months of 2010 to €191.3 million, mostly driven by higher investment in intangible assets during the period.

C.3. PRE-TAX OPERATING CASH FLOW

Pre-tax operating cash flow in the first nine months of 2010 amounted to €660.5 million (excluding extraordinary IPO costs), or €28.6 million higher than that of the first nine months of 2009, due to the significant increase in EBITDA by €117.8 million.

C.4. EQUITY INVESTMENTS

Cash inflow from equity investments in the first nine months of 2010 was higher than in the same period of 2009, mostly as a result of the sale of certain stakes / subsidiaries during the period, partially compensated by small acquisitions, such as the acquisition of the remaining stake (up to 100%) in our subsidiary Opodo Ltd. from minority shareholders or the acquisition of Perez Informatique in France.

C.5. CASH FLOW FROM EXTRAORDINARY ITEMS

Extraordinary items in Q3 2010 mainly refer to payments in connection with the Initial Public Offering.

C.6. INTEREST AND FINANCIAL FEES RECEIVED / (PAID)

Interest payments under our debt arrangements decreased by 1.4% in the first nine months of 2010 given the lower amount of debt outstanding after debt repayments, partially offset by the increase in average cost (higher margins) paid on the Senior Credit Agreement as a result of the refinancing exercise that took place prior to the IPO. In addition, during Q2 2010 we incurred an extraordinary expense of €12.2 million arising from the advanced cancellation of interest rate derivatives previously used to hedge a part of the debt that was cancelled with the proceeds from the IPO.

C.7. OTHER FINANCIAL FLOWS

The cash outflow included in this caption in Q3 2010 relates to a bank deposit made to guarantee certain financial instruments which we have entered into in order to cover our exposure to the share price under the extraordinary incentive plan payment (Value Sharing Plan).

III- Segment reporting

III. Segment reporting

A. Distribution

Figures in million euros	Q3 2010[(1)]	Q3 2009[(2)]	% Change[(3)]	Jan-Sep 2010[(1)]	Jan-Sep 2009[(2)]	% Change[(3)]
KPI						
GDS Industry change	**7.6%**	**(2.8%)**		**8.9%**	**(9.8%)**	
Air TA market share	**36.1%**	**36.0%**	**0.1 p.p.**	**36.3%**	**36.2%**	**0.1 p.p.**
Air TA bookings (m)	92.7	85.2	8.8%	293.7	268.2	9.5%
Non air bookings (m)	13.8	14.2	(2.7%)	44.9	46.0	(2.4%)
Total bookings (m)	**106.5**	**99.4**	**7.1%**	**338.6**	**314.2**	**7.7%**
Profit & Loss						
Revenue	**491.9**	**442.7**	**11.1%**	**1,528.9**	**1,387.6**	**10.2%**
Operating costs	(270.9)	(231.2)	17.2%	(822.4)	(726.3)	13.2%
Direct capitalizations	10.5	7.4	43.4%	27.4	20.4	34.6%
Net operating costs	**(260.3)**	**(223.8)**	**16.3%**	**(795.0)**	**(705.9)**	**12.6%**
Contribution	**231.5**	**218.9**	**5.8%**	**733.9**	**681.7**	**7.7%**
As % of Revenue	47.1%	49.4%	(2.4 p.p.)	48.0%	49.1%	(1.1 p.p.)

(1) 2010 figures adjusted to exclude extraordinary IPO costs
(2) 2009 figures estimated assuming the application of IFRIC 18 during the period
(3) Calculated based on 2010 figures adjusted to exclude extraordinary IPO costs and 2009 figures estimated assuming the application of IFRIC 18 during the period

The core offering of our Distribution business area 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 through a digital marketplace (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.

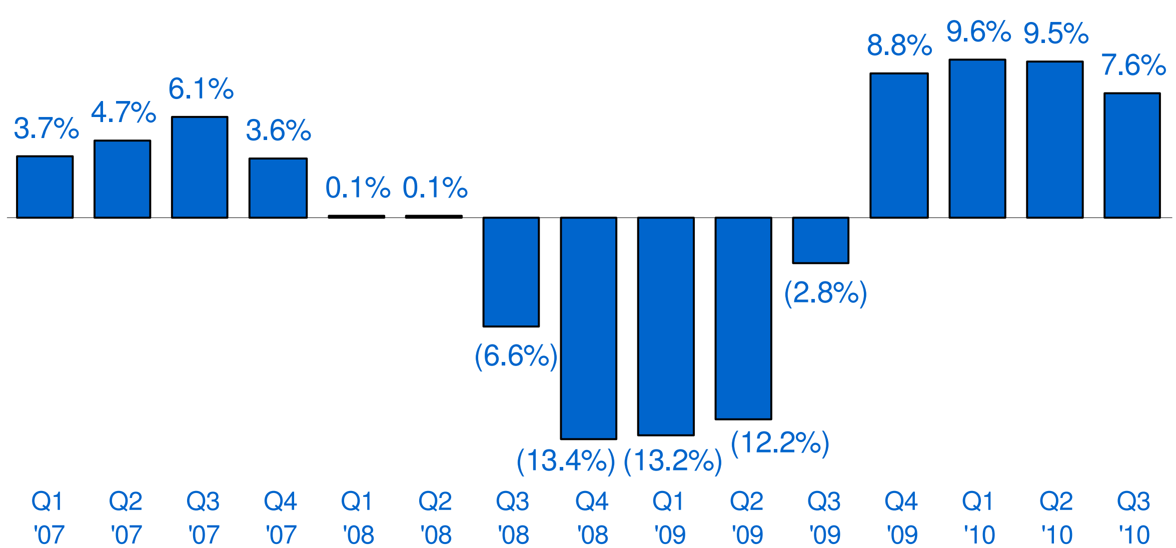
Our Distribution business area continued to perform strongly during the third quarter of 2010. Revenue increased by 11.1%, taking our revenue growth for the first nine months of the year to 10.2%. Our contribution margin (as a percentage of revenue) in Q3 2010 follows the seasonality pattern (with margins in the second half of the year lower than in the first half) and brings our contribution margin for the nine months ended September 30, 2010 to 48.0%.

During the third quarter of 2010 the travel industry has continued its recovery trend, which started in June 2009, showing very strong growth in travel volumes. We benefited from our leadership position to take advantage of this growth, whilst continuing to invest in the business and devoting significant resources to our R&D investments.

A.1. EVOLUTION OF KPI

Within our Distribution business area, the volume of air travel agency bookings increased by 8.8% in the third quarter of 2010 when compared to the same period in 2009, as a result of the 7.6% growth in the GDS industry. Although to a lesser extent than in the first half of 2010, year-on-year current growth in volume is benefiting from the 2009 figures representing a relatively weak base of comparison – the GDS industry's booking figures had fallen by 2.8% in Q3 2009 when compared to same period in 2008.

GDS Industry Quarterly Evolution (Year-on-Year change)



Source: Amadeus internal estimates, not adjusted for working days

The GDS industry's market growth in the third quarter of 2010 was achieved primarily by the over-performance of CESE and Asia & Pacific (the MEA region experienced a lower growth in Q3 2010 given the seasonal impact of Ramadan). Western Europe continued its gradual recovery, whilst North America continues to grow at a steady rate, below that of Western Europe. During the third quarter of 2010, our global air TA market share has slightly increased by 0.1 p.p.

As a result of the above, the total number of air TA bookings in the first nine months of 2010 amounted to 293.7 million, representing an increase of 9.5% vs. the same period in 2009.

Table 6

Figures in millions	Jan-Sep 2010	% of Total Air TA Bookings	Jan-Sep 2009	% of Total Air TA Bookings
Western Europe	140.8	48.0%	132.4	49.4%
Central, Eastern and Southern Europe	29.3	10.0%	25.8	9.6%
Middle East and Africa	36.6	12.5%	31.5	11.7%
North America	27.1	9.2%	24.9	9.3%
Latin America	19.0	6.5%	17.9	6.7%
Asia & Pacific	40.8	13.9%	35.7	13.3%
Total Air TA Bookings	**293.7**	**100.0%**	**268.2**	**100.0%**

Our non-air bookings for the first nine months of 2010 decreased to 44.9 million vs. 46.0 million in the same period in 2009, given the continued decrease in rail bookings, as a result of disintermediation. This is despite the continued increase in other non-air bookings such as hotel, car or insurance.

A.2. REVENUE

Our Distribution revenue increased by 11.1% or €49.2 million to €491.9 million in the third quarter of 2010 from €442.7 million in the third quarter of 2009. This increase was primarily driven by the strong growth in Air TA bookings, as detailed above, as well as the positive effect of our FX hedging instruments. Unit booking revenue for the quarter was slightly higher than in the same quarter of 2009, as during the nine month period ended September 2010. Total Distribution revenue was 10.2% higher than in the same period in 2009, driven by a 9.5% increase in Air TA bookings and 7.7% in total bookings during that period.

A.3. CONTRIBUTION

The contribution of our Distribution business area 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 area increased to €231.5 million, representing 47.1% as a percentage of revenue, from 49.4% in the third quarter of 2009. For the nine months ended September 30, the total contribution amounted to €733.9 million, up 7.7% vs. the total contribution for the same period in 2009.

This 7.7% increase in the contribution of our Distribution business area during the first nine months of the year was mainly attributable to the 10.2% increase in Distribution revenue in the same period, partially offset by an increase of 12.6% in net operating costs. This increase is driven by higher operating costs, up 13.2% vs. the first nine months of 2009, principally reflecting:

- Our increase in commercial efforts, focused on reinforcing our local infrastructure in certain growth areas (new hub for the MEA region, service centre for the CESE region, additional investments in South Africa, acquisition of certain ACOs which were not fully owned) and in continuing the Traveltainment expansion in Europe
- Development efforts (new products and applications for airlines, travel agencies or corporates, amongst others) that have continued into the third quarter of 2010 and which were only partially subject to capitalisation

In addition, the following also had an impact in our operating costs during the period:

- Increase in our variable costs (mainly incentive fees and distribution fees) as a consequence of the growth in our booking volumes; distribution fees growing at a higher rate than overall volumes as they are related to non-fully owned ACOs, typically based in higher than average growth areas
- Impact of the EUR depreciation against various currencies during the period (cost base in many ACOs negatively impacted by a EUR depreciation)
- The accrual in Q3 of our new recurring incentive scheme for top management (Profit Sharing Plan, implemented post-IPO)
- An increase in accrual in Q3 under our existing variable remuneration scheme corresponding to the 2010 year, given the unexpected outperformance vs. initial targets
- Certain bad debt provisions

B. IT Solutions

Figures in million euros	Q3 2010[1]	Q3 2009[2]	% Change[3]	Jan-Sep 2010[1]	Jan-Sep 2009[2]	% Change[3]
KPI						
Passengers Boarded (PBs) (m)	**116.7**	**66.7**	**74.9%**	**270.6**	**171.3**	**58.0%**
Airlines migrated (as of September)				**82**	**60**	
Profit & Loss						
Revenue	**157.3**	**135.2**	**16.4%**	**457.1**	**383.2**	**19.3%**
Operating costs	(68.4)	(58.3)	17.4%	(204.0)	(175.5)	16.2%
Direct capitalizations	19.1	17.3	10.5%	60.6	43.1	40.7%
Net operating costs	**(49.3)**	**(41.0)**	**20.3%**	**(143.3)**	**(132.5)**	**8.2%**
Contribution	**108.0**	**94.1**	**14.7%**	**313.8**	**250.8**	**25.2%**
As % of Revenue	68.6%	69.7%	(1.0 p.p.)	68.6%	65.4%	3.2 p.p.

(1) 2010 figures adjusted to exclude extraordinary IPO costs
(2) 2009 figures estimated assuming the application of IFRIC 18 during the period
(3) Calculated based on 2010 figures adjusted to exclude extraordinary IPO costs and 2009 figures estimated assuming the application of IFRIC 18 during the period

Through our IT Solutions business area 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. The revenue of our IT Solutions business area is predominantly transaction-based with transactional revenue accounting for around 90% of the revenue of our IT Solutions business area (post-IFRIC 18) during the first nine months of 2010.

During the third quarter of 2010, we continued to deliver very significant growth in our IT Solutions business area, with revenue increasing 16.4% vs. the same period in 2009. Our contribution also increased significantly during the period, up 14.7% to €108.0 million. This growth vs. the third quarter of 2009 is driven by the impact of migrations (including those that took place at the end of 2009 and during the first nine months of 2010, including airlines such as Saudi Arabian Airlines in April 2010 or Air France-KLM in June 2010), new clients in the e-commerce business area 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 large migrations of 2010 and future years and in order to continue to enhance our product portfolio and the non-air IT business.

B.1. EVOLUTION OF KPI

Total number of passengers boarded ("PB") in the third quarter of 2010 increased to 116.7 million (or by 74.9%) from 66.7 million in the third quarter of 2009, 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 10.2% as a result of the organic growth in existing airlines' traffic. Year to date, total number of PB increased by 58%, and like-for-like growth in the period was 5.7%.

B.2. REVENUE

Total IT Solutions revenue increased by 16.4% in the third quarter of 2010 as a result of the growth experienced in the Transactional revenue line. Revenue growth for the nine month period that ended on September 30 was 19.3%.

Transactional Revenue

IT Transactional revenue increased significantly as a result of the increase in PB (as described above) and strong revenue growth in other areas such as e-commerce (significant increase in Passenger Name Record volumes, both as a result of underlying growth and new implementations) and stand-alone IT Solutions (mainly airline revenue integrity, ticketing and automatic ticket changer solutions, as well as messaging services).

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 the full Amadeus Altéa Suite, which therefore become accounted for as revenue from PB - notably Air France-KLM).

Non Transactional Revenue

Non-transactional revenue decreased vs. the third quarter of 2009, mainly driven by a decrease in revenue from certain bespoke IT services and hosting services in the period.

B.3. CONTRIBUTION

The contribution of our IT Solutions business area 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 area increased by €13.8 million, or 14.7%, to €108.0 million in the third quarter of 2010. For the nine months ended September 30, total contribution amounted to €313.8 million in 2010, up 25.2% vs. total contribution for the same period in 2009. As a percentage of revenue, the contribution margin of our IT Solutions business was 65.4% in the first nine months of 2009 and grew to 68.6% in the same period of 2010.

The 25.2% increase in the contribution of our IT Solutions business area during the first nine months of the year was driven by the increase of 19.3% in revenue of this business area during this period, only partially offset by the increase of net operating costs by 8.2%. In turn, this increase in net operating costs is driven by the increase of 16.2% in operating costs:

- An increase in our R&D expenditure driven by the increased level of activity (migrations and implementations) and the development costs associated to new projects for portfolio expansion (such as Revenue Management, Revenue Accounting or Dynamic Webstore Manager).
- An increase in commercial efforts related to portfolio and product management, and in local support for areas of diversification within Airline IT (mainly APAC)

During the period, R&D expenses subject to capitalisation increased by €17.6 million, offsetting a significant part of the increase in development costs.

C. Opodo

Figures in million euros	Q3 2010(1)	Q3 2009(2)	% Change(3)	Jan-Sep 2010(1)	Jan-Sep 2009(2)	% Change(3)
KPI						
Gross sales	**391.6**	**339.8**	**15.2%**	**1,189.4**	**1,050.1**	**13.3%**
Profit & Loss						
Revenue	**30.4**	**25.9**	**17.7%**	**84.2**	**76.6**	**9.8%**
Operating costs	(19.0)	(19.1)	(0.1%)	(55.6)	(57.0)	(2.5%)
EBITDA	**11.4**	**6.8**	**67.7%**	**28.6**	**19.6**	**45.6%**
EBITDA Margin	37.4%	26.3%	11.2 p.p.	34.0%	25.6%	8.4 p.p.

(1) 2010 figures adjusted to exclude extraordinary IPO costs
(2) 2009 figures estimated assuming the application of IFRIC 18 during the period
(3) Calculated based on 2010 figures adjusted to exclude extraordinary IPO costs and 2009 figures estimated assuming the application of IFRIC 18 during the period

Opodo is a leading pan-European online travel agency with a significant presence in France, Germany, the Nordic countries and the United Kingdom, along with a growing presence in Italy. Opodo generates its revenue principally through commissions charged to travel providers, incentive fees received intra-group for the use of our GDS platform and service fees charged to end users. It competes primarily against other pan-European online travel agencies, such as Expedia, lastminute.com (owned by Travelocity) and ebookers (owned by Orbitz).

Opodo's gross sales increased by 15.2% in the third quarter of 2010, mainly driven by overall solid on-line travel market growth. Net revenue increased by 17.7%, from €25.9 million in the third quarter of 2009 to €30.4 million in the third quarter of 2010, and 9.8% for the first nine months of 2010. This revenue growth is driven by an improvement in revenue yield.

The costs of this business area remained almost flat in the third quarter of 2010 vs. the same quarter of 2009, thanks to benefits of scale.

As a result of the above, the EBITDA of our Opodo business area increased by 67.7% from €6.8 million in the third quarter of 2009 to €11.4 million in the third quarter of 2010, or 45.6% in the nine month period that ended on September 30 2010. The EBITDA margin increased from 25.6% in first nine months of 2009 to 34.0% in the same period of 2010.

D. Reconciliation with group income statement

Figures in million euros	Q3 2010(1)	Q3 2009(2)	% Change(3)	Jan-Sep 2010(1)	Jan-Sep 2009(2)	% Change(3)
Contribution	**339.5**	**313.0**	**8.5%**	**1,047.8**	**932.4**	**12.4%**
Distribution	231.5	218.9	5.8%	733.9	681.7	7.7%
IT Solutions	108.0	94.1	14.7%	313.8	250.8	25.2%
Indirect fixed costs	(104.8)	(94.8)	10.6%	(302.4)	(281.7)	7.3%
Indirect capitalizations & RTCs(4)	13.8	9.6	44.2%	42.6	28.5	49.5%
Net indirect fixed costs	**(91.0)**	**(85.2)**	**6.8%**	**(259.7)**	**(253.2)**	**2.6%**
As % of Revenue	14.0%	14.7%	(0.7 p.p.)	13.1%	14.3%	(1.2 p.p.)
EBITDA (Distribution & IT Solutions)	**248.5**	**227.8**	**9.1%**	**788.0**	**679.2**	**16.0%**
EBITDA Margin	38.3%	39.4%	(1.1 p.p.)	39.7%	38.4%	1.3 p.p.
EBITDA Opodo	**11.4**	**6.8**	**67.7%**	**28.6**	**19.6**	**45.6%**
EBITDA Margin Opodo	37.4%	26.3%	11.2 p.p.	34.0%	25.6%	8.4 p.p.
EBITDA	**259.9**	**234.6**	**10.8%**	**816.6**	**698.9**	**16.9%**
EBITDA Margin	38.5%	39.2%	(0.6 p.p.)	39.8%	38.2%	1.6 p.p.
D&A (including capitalizations)	(85.8)	(78.9)	8.8%	(247.5)	(237.8)	4.1%
Operating Income	**174.1**	**155.7**	**11.8%**	**569.1**	**461.0**	**23.4%**
Operating Income Margin	25.8%	26.0%	(0.2 p.p.)	27.7%	25.2%	2.5 p.p.

(1) 2010 figures adjusted to exclude extraordinary IPO costs
(2) 2009 figures estimated assuming the application of IFRIC 18 during the period
(3) Calculated based on 2010 figures adjusted to exclude extraordinary IPO costs and 2009 figures estimated assuming the application of IFRIC 18 during the period
(4) Includes the Research Tax Credit (RTC)

IV- Other Financial Information

IV. Other financial information

A. Adjusted net profit for the period

Figures in million euros	Q3 2010(1)	Q3 2009(2)	% Change(3)	Jan-Sep 2010(1)	Jan-Sep 2009(2)	% Change(3)
Profit for the Period	**92.1**	**74.6**	**23.5%**	**281.2**	**230.1**	**22.2%**
Adjustments						
Impact of PPA(4)	27.6	27.7	(0.1%)	83.8	83.0	0.9%
Adjustments for mark-to-market(5)	(10.9)	(8.4)	29.8%	(12.6)	(40.7)	(69.0%)
Extraordinary items(6)	(2.8)	(0.2)	n.m.	0.5	0.2	n.m.
Impairments	1.7	0.0	n.m.	1.7	0.0	n.m.
Adjusted Profit for the Period	**107.7**	**93.7**	**14.9%**	**354.6**	**272.5**	**30.1%**
Adjusted EPS (euros)(7)	**0.24**	**0.26**	**(5.9%)**	**0.86**	**0.75**	**15.4%**

(1) 2010 figures adjusted to exclude extraordinary IPO costs

(2) 2009 figures estimated assuming the application of IFRIC 18 during the period

(3) Calculated based on 2010 figures adjusted to exclude extraordinary IPO costs and 2009 figures estimated assuming the application of IFRIC 18 during the period

(4) After tax impact (calculated applying a 31% effective tax rate) of amortisation of intangible assets identified in the purchase price allocation exercise undertaken following the leveraged buy-out

(5) After tax impact (calculated applying a 31% effective tax rate) of changes in fair value from derivative instruments and exchange gains / (losses)

(6) After tax impact (calculated applying a 31% effective tax rate) of extraordinary items resulting from the sale of assets and equity investments

(7) Based on weighted average outstanding shares less weighted average treasury shares of the period. Q3 2010 and Q3 2009 adjusted EPS calculated based on 445.5 million and 364.3 million shares respectively. Adjusted EPS for the 2010 and 2009 nine month period calculated based on 410.7 million and 272.5 million shares respectively.

B. Earnings per share (EPS)

Figures in million	Q3 2010[(1)]	Q3 2009[(2)]	% Change[(3)]	Jan-Sep 2010[(1)]	Jan-Sep 2009[(2)]	% Change[(3)]
Weighted average shares issued (m)	447.6	364.9		412.1	364.9	
Weighted average treasury shares (m)	(2.1)	(0.6)		(1.5)	(0.5)	
Shares outstanding (m)	**445.5**	**364.3**		**410.7**	**364.4**	
EPS (euros)	**0.21**	**0.21**	**0.9%**	**0.68**	**0.63**	**8.4%**
Adjusted EPS (euros)	**0.24**	**0.26**	**(5.9%)**	**0.86**	**0.75**	**15.4%**

(1) 2010 figures adjusted to exclude extraordinary IPO costs
(2) 2009 figures estimated assuming the application of IFRIC 18 during the period
(3) Calculated based on 2010 figures adjusted to exclude extraordinary IPO costs and 2009 figures estimated assuming the application of IFRIC 18 during the period

V- Investor information

V. Investor Information

CAPITAL STOCK. SHARE OWNERSHIP STRUCTURE

As of September 30, 2010 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 September 30, 2010 is as described in table 7 below:

Table 7

Shareholders	Shares	% Ownership
Amadecin, S.à r.l (Cinven)	77,690,565	17.36%
Idomeneo, S.à r.l (BC Partners)	77,690,566	17.36%
Société Air France	68,146,869	15.23%
Iberia Líneas Aéreas de España, S.A.	40,276,060	9.00%
Lufthansa Commercial Holding, GmbH	34,073,439	7.61%
Minority shareholders / Free float (1)	147,610,691	32.98%
Treasury shares (2)	2,093,760	0.47%
Total	**447,581,950**	**100.00%**

(1) Includes 4,682,062 shares owned by management and Board members
(2) Voting rights suspended for so long as they are held by our company.

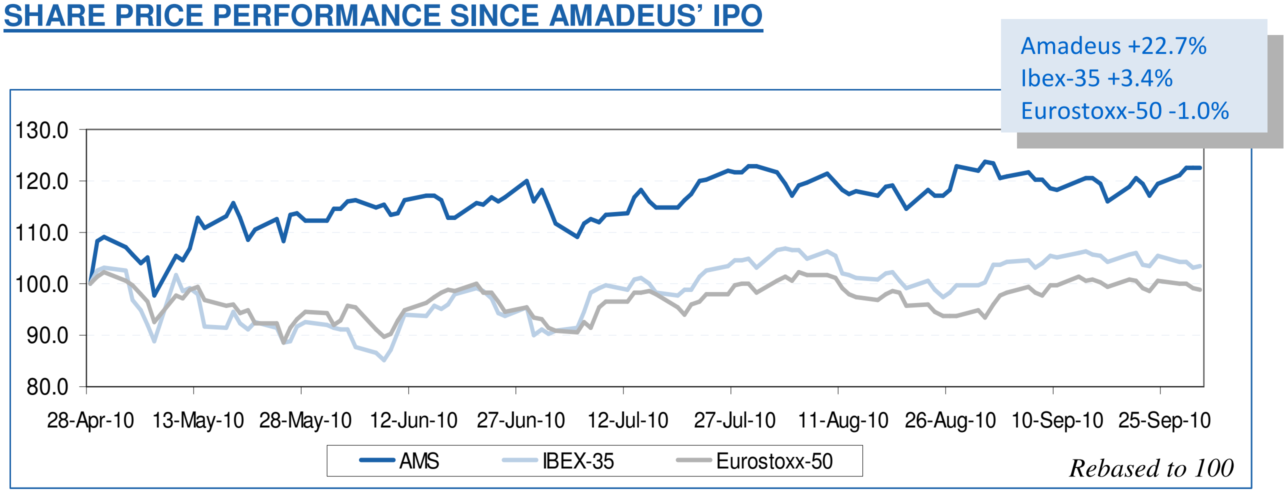
On October 8, 2010 Amadecin, S.a.r.l., Idomeneo, S.a.r.l. and Iberia Líneas Aéreas de España, S.A. jointly sold a 10.21% stake in the company through a follow-on offering. As a result, the shareholding structure after this offering is as described in table 8:

Table 8

Shareholders	Shares	% Ownership
Amadecin, S.à r.l (Cinven)	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 4,607,062 shares owned by management and Board members
(2) Voting rights suspended for so long as they are held by our company.

SHARE PRICE PERFORMANCE SINCE AMADEUS' IPO



Amadeus	
Number of publicly traded shares	447,581,950
Share price at 30 September 2010 (in €)	13.5
Market capitalization (in € million)	6,040
Weighted average share price since IPO (in €)*	12.8
Average Daily Volume since IPO (# shares)	1,957,494
Average Daily Volume since IPO excluding first 10 days of trading (# shares)	433,997

*Excluding cross trades

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