

Press release

Good financial results to September 2017 and continued progress across all our businesses

November 3, 2017

Amadeus reports good financial growth in the first nine months of the year. The strong operating performance in Distribution, Airline IT and new businesses, as well as a Navitaire consolidation effect contributed to this positive evolution.

Third quarter of the year highlights (nine months ended September 30, 2017)

- Revenue increased 8.9%, to €3,686.6 million
- EBITDA grew 10.1%, to €1,466.3 million
- In the Distribution segment, total travel agency air bookings grew 6.0% to 434.4 million
- In IT Solutions, Passengers Boarded¹ increased 19.4% to 1,228.1 million

Amadeus IT Group, S.A., a leading technology partner for the global travel industry, achieved adjusted profit of €846.7 million during the nine first months of 2017. This represents an increase of 14.7% compared to the same period last year. Amadeus' revenue grew 8.9% from January to September, to €3,686.6 million, while EBITDA increased 10.1% to €1,466.3 million.

Luis Maroto, President & CEO of Amadeus, commented:

"Amadeus maintained its positive growth in the nine first months of the year. All of our businesses performed well, which contributed to a 10.1% increase in EBITDA.

"We had important developments in our Airline IT segment. We signed significant deals with leading airlines such as Air Canada, which further strengthens our presence in North America following the Southwest Airlines' domestic flights migration in May. In our Distribution segment, our bookings continued outperforming the industry thanks to enhancements in our competitive position².

"Our new businesses also performed well, showing the strength of our diversification strategy. We expanded our Hospitality portfolio with Premier Inn, which signed up for the two key

¹ Passengers boarded (PB): actual passengers boarded onto flights operated by airlines using at least Amadeus Altéa Reservation and Inventory modules or Navitaire's New Skies solution.

² Competitive position is measured as our TA air bookings in relation to the TA air booking industry, defined as the total volume of travel agency air bookings processed by the global Central Reservation System (CRS). Excludes air bookings made directly through in-house airline systems or single country operators, the latter primarily in China, Japan and Russia

capabilities (CRS and PMS) of our Hospitality Platform to be able to offer a personalised experience to its guests. The hotel chain also signed up for our payments platform to streamline payment processes. Our Airport IT customer base also increased significantly, with agreements with airports around the world such as Calgary in Canada, Pittsburgh in the U.S and Baku in Azerbaijan.

“Given the steady progression of our businesses throughout these past nine months, we look forward to the rest of the year with confidence.”

Financial highlights for the first nine months of the year

Amadeus underlying financial situation remained strong. Net financial debt as per our financial covenants’ terms amounted to €1,691.1 million at September 30, 2017 (0.92 times last-twelve-month covenant EBITDA).

Business highlights for the first nine months of the year

Distribution

- Revenue increased to €2,382.0 million, 7.3% compared to the same period of 2016
- Travel agency air bookings grew 6.0% to 434.4 million – outperforming GDS industry growth of 4.4%

The positive performance of our Distribution segment was supported by an increase in volumes and average unit revenue expansion. Non-booking revenue also increased thanks to the positive contribution from search solutions, tools for corporations, advertising solutions and our payment solutions for travel agencies.

Travel agency air bookings grew across all regions, with Asia and Pacific and Latin America registering the higher growth levels at 11.6% and 11.5% respectively. As a result of this positive progression, our travel agency air competitive position increased by 0.6 percentage points, to 43.6%.

	<i>Amadeus TA air bookings (figures in million)</i>				
	<i>Jan-Sep 2017</i>	<i>% of Total</i>	<i>Jan-Sep 2016</i>	<i>% of Total</i>	<i>% Change</i>
Western Europe	158.2	36.4%	154.9	37.8%	2.1%
Asia and Pacific	82.1	18.9%	73.6	18.0%	11.6%
North America	76.6	17.6%	71.1	17.4%	7.7%
Middle East and Africa	53.1	12.2%	50.6	12.3%	5.0%
Central, Eastern and Southern Europe	35.8	8.2%	34.0	8.3%	5.4%
Latin America	28.5	6.6%	25.6	6.2%	11.5%
Total TA air bookings	434.4	100.0%	409.8	100.0%	6.0%

During the third quarter of 2017, we signed eight new contracts or renewals of content agreements with airlines, reaching a total of 29 for the first nine months of the year. Air Canada

and Avianca Argentina were among the carriers that signed or renewed content agreements in the third quarter.

Subscribers to Amadeus' inventory can now access over 100 low cost carriers (LCC) and hybrid carriers' content worldwide. Among them is Eurowings, which contracted Amadeus Light Ticketing in September. Thanks to this XML connectivity, travel agents connected to the Amadeus system can now book all published Eurowings fares, as well as add seats, bags and other ancillaries to the booking. Amadeus is the only distribution platform to offer this wide range of Eurowings content to its travel agency users.

At the close of September, 136 airlines had signed up to Amadeus Airline Ancillary Services for the indirect channel, with 104 of them already implemented. Also, 62 airlines had contracted Amadeus Fare Families, which allows airlines to distribute branded fares. 48 of those airlines had implemented the solution. As of September 30, close to 70% of the global air bookings processed through the Amadeus system were eligible to carry an attached ancillary service.

We also enhanced our distribution capabilities as part of our continuous effort to improve our offering. In October, we achieved New Distribution Capability (NDC) Level 1 certification as an aggregator from IATA. This certification follows on from Amadeus becoming one of the first technology companies to receive NDC Level 3 certification as an IT provider in June 2016, the highest level of certification available. Navitaire is also NDC Level 3 certified. We are working towards further certifications and expect to become Level 3 certified as aggregator in 2018.

We also announced we will pilot IATA's new One Order standard with British Airways. This industry-led standard replaces the multiple booking, ticketing, delivery, and accounting methods with one single order management process. The standard will result in the gradual disappearance of multiple legacy records that will be replaced by just one travel document.

IT Solutions

- Revenue grew 11.8% to €1,304.7 million
- Amadeus passengers boarded increased 19.4%, to a total of 1,228.1 million

Revenue growth in this segment was driven by the positive performance of Airline IT, supported by 19.4% higher volumes, and the growing trend of our new businesses.

Airline IT

Growth in this segment was positively impacted by the consolidation of Navitaire New Skies passengers boarded (consolidated since January 26, 2016). Excluding this impact, our volumes grew at a double-digit rate fuelled by 7.8% organic growth and new carrier implementations.

	<i>Total passengers boarded (figures in million)</i>				
	<i>Jan-Sep 2017</i>	<i>% of Total</i>	<i>Jan-Sep 2016</i>	<i>% of Total</i>	<i>% Change</i>
Western Europe	469.6	38.2%	425.0	41.3%	10.5%
Asia and Pacific	365.1	29.7%	313.6	30.5%	16.4%
North America	117.9	9.6%	47.1	4.6%	150.3%
Latin America	110.8	9.0%	98.3	9.6%	12.6%
Middle East and Africa	97.1	7.9%	90.9	8.8%	6.9%
Central, Eastern and Southern Europe	67.5	5.5%	53.5	5.2%	26.1%
Total passengers boarded¹	1,228.1	100.0%	1,028.5	100.0%	19.4%

1. Navitaire New Skies passengers boarded for the first half of 2016 were restated retroactively in our September YTD 2016 results, adding 6.3 million passengers boarded in H1 2016 (no impact on revenue)

At the close of September, 201 customers had contracted either of the Amadeus Passenger Service Systems (Altéa or New Skies) and 192 had implemented these systems. As part of its strategy to enhance customer experience and improve profitability, Air Canada contracted the full Amadeus Altéa Suite in September, including the reservation, inventory, and departure control solutions. In addition to these, the airline also signed up for a range of other Amadeus IT solutions such as Anytime Merchandising, Customer Experience Management, Payments and Passenger Recovery.

MIAT Mongolian Airlines also signed up for the full Amadeus Altéa Suite, together with Amadeus Altéa Revenue Management and Amadeus Loyalty Management. Avianca Argentina contracted the full Altéa Suite, and with e-commerce solutions.

flyadeal, Saudia Airlines' new low cost subsidiary, implemented New Skies as well as Navitaire's Revenue Accounting solution. Swoop, WestJet's new ultra-low cost carrier, announced during the quarter that it had selected Navitaire as its reservation system.

Growth in this segment was also supported by upselling. Middle East Airlines, already a customer of our Revenue Integrity solution, contracted Amadeus Revenue Management, Amadeus Payments platform and Amadeus Reservation Desktop in September. Thanks to these solutions, the airline will be better positioned to deliver a seamless passenger experience in a more cost-effective manner.

Moreover, Finnair contracted Amadeus Digital API to make its booking process easier and more flexible. Thanks to Amadeus' innovative Digital API, Finnair's booking process will adapt to its customer requirements, rather than follow the common airline booking sequence. Travellers will be able to start the booking with car rental, for example, or by date, instead of following the common routine. Also, the Digital API will allow for shopping carts and sessions to remain open for several months, meaning that travellers can start the booking at m.finnair.com, close their session anytime, and pick up where they left off to finish their booking.

New businesses

Hospitality

Our Hospitality business continued expanding. In October, Premier Inn signed up for two key capabilities of our Hospitality Platform: the Central Reservation System (CRS) and the Property Management System (PMS). Together, these two capabilities will offer Premier Inn a 360° view of its 765 properties and will allow the hotel chain to personalise its offering. The CRS and PMS will also work as the foundation for Premier Inn's digital marketing transformation programme. Premier Inn will also be the first hotel chain to adopt the Amadeus Payments platform to streamline payment processes.

Airport IT

We also completed important milestones in our Airport IT business during the third quarter. Heydar Aliyev International Airport signed up for Amadeus' full suite of airport solutions, including Amadeus Common Use Service (ACUS), Airport Common Use Service (Baggage and Reconciliation System (BRS)). The Baku-based airport will have the region's first fully automated cloud-based airport management system.

Both Calgary International Airport and Pittsburgh International Airport contracted our Airport Operational Database (AODB) and Resource Management System (RMS) solutions. These solutions allow airports to manage and optimise all flight activity as well as plan and allocate immobile resources including gates, counters, baggage carousels, and security checkpoints.

In September, we announced a partnership with Off Airport Check-In Solutions (OACIS) to launch the world's first 'pop up' check-in service. Using Amadeus' ACUS cloud technology, OACIS can provide travellers with an off-airport, fully mobile check-in service that can be set up at any location. OACIS checks-in the traveller and their luggage, securely transports their bags and places them directly into the airport baggage system. Virgin Australia is the first airline to adopt the system and has already piloted it at the Sydney overseas passenger terminal for cruise ships and ocean liners.

Summary of operating and financial information

	<i>Summary of KPI (figures in million euros)</i>		
	<i>Jan-Sep 2017</i>	<i>Jan-Sep 2016</i>	<i>% Change</i>
<u>Operating KPI</u>			
TA air competitive position¹	43.6%	43.1%	0.6p.p.
TA air bookings (m)	434.4	409.8	6.0%
Non air bookings (m)	47.6	45.2	5.3%
Total bookings (m)	481.9	454.9	5.9%
Passengers boarded (m)²	1,228.1	1,028.5	19.4%
<u>Financial results</u>			
Distribution Revenue	2,382.0	2,219.9	7.3%
IT Solutions Revenue	1,304.7	1,166.7	11.8%
Revenue	3,686.6	3,386.5	8.9%
EBITDA	1,466.3	1,332.1	10.1%
EBITDA margin (%)	39.8%	39.3%	0.4 p.p.
Adjusted profit³	846.7	738.1	14.7%
Adjusted EPS (euros)⁴	1.93	1.69	14.5%
<u>Cash Flow</u>			
Capital expenditure	438.4	429.4	2.1%
Free Cash Flow ⁵	788.6	688.6	14.5%
	30/09/2017	31/12/2016	% Change
<u>Indebtedness⁶</u>			
Covenant Net Financial Debt	1,691.1	1,957.5	(13.6%)
Covenant Net Financial Debt / LTM Covenant EBITDA	0.92x	1.14x	

1. Competitive position as defined in page 1.
2. Navitaire New Skies passengers boarded for the first half of 2016 were restated retroactively in our September YTD 2016 results, adding 6.3 million passengers boarded in H1 2016 (no impact on revenue).
3. Excluding after-tax impact of the following items: (i) accounting effects derived from PPA exercises and impairment losses, (ii) non-operating exchange gains (losses) and (iii) other non-recurring items.
4. EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.
5. Calculated as EBITDA minus capital expenditure plus changes in our operating working capital minus taxes paid minus interests and financial fees paid.
6. Based on the definition included in the senior credit agreement covenants.

Notes to the editors:

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

The Amadeus group employs around 15,000 people worldwide, across central sites in Madrid (corporate headquarters), Nice (development) and Erding (operations), as well as over 70 local Amadeus Commercial Organisations globally and has a presence in more than 190 countries.

This year marks 30 years since Amadeus was founded. Throughout 2017, the company will be celebrating 30 years of collaboration with customers, 30 years of technological innovation and 30 years of helping power better journeys for travellers all over the world. The group operates a transaction-based business model.

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

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

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