



## Press release

### Amadeus announces results for first quarter of 2013

Distribution and IT Solutions businesses maintain good growth

#### Year-on-year first quarter 2013 highlights (three months ended March 31, 2013):

- Revenue grew 4.0% to €795.0 million (4.7% adjusted for FX)
- EBITDA rose 5.3%<sup>1</sup> to €323.4 million (6.2% adjusted for FX)
- Adjusted profit<sup>2</sup> increased 5.0% to €176.3 million
- Global share of travel agency air bookings<sup>3</sup> expanded 1.6 percentage points to 39.8%
- Passengers Boarded (PB)<sup>4</sup> grew by 13.6% to 131.7 million

**May 9, 2013** - Amadeus IT Holding, S.A. (Amadeus: "AMS.MC"), parent company of the Amadeus Group, a leading technology partner for the global travel industry, announces year-on-year financial and operating results for the first quarter of 2013 (three months ended March 31, 2013).

Adjusted profit for the first quarter increased 5.0% to reach €176.3 million. This was backed by growth in revenue of 4.0% (4.7% adjusted for FX) to €795.0 million and a 5.3% (6.2% adjusted for FX) rise in EBITDA to €323.4 million.

Consolidated net financial debt was further reduced to €1,440.8 million as of March 31, 2013 (based on covenants' definition in our senior credit agreement). This was down by €54.4 million vs. December 31, 2012 and represented 1.28x the last twelve months' EBITDA.

Both the Distribution and IT Solutions businesses maintained their records of consistent year-on-year growth. Distribution revenue increased by 2.4%, rising to €612.2 million, whilst the number of air travel agency bookings improved by 2.9% to 119.3 million – supported by Amadeus expanding its global market share of travel agency air bookings<sup>3</sup> by 1.6 percentage points to reach 39.8%. IT Solutions revenue grew by 9.8%, rising to €182.9 million, helped by further migrations resulting in 13.6% more Passengers Boarded<sup>4</sup> (PB), reaching 131.7 million. Based upon existing contracts,

<sup>1</sup> Adjusted to exclude extraordinary items related to the IPO.

<sup>2</sup> Excluding after-tax impact of (i) amortisation of PPA and impairment losses, (ii) changes in fair value of derivative instruments and non-operating exchange gains (losses) and (iii) extraordinary items related to the sale of assets and equity investments and the IPO.

<sup>3</sup> Market share figures are based on GDS-processed air bookings and therefore exclude air bookings processed by the single country operators (primarily in China, Japan, South Korea and Russia) and GDS-processed bookings of other types of travel products, such as hotel rooms, car rentals and train tickets.

<sup>4</sup> Passengers Boarded (PB): actual passengers boarded onto flights operated by airlines using at least the Amadeus Altéa Reservation and Inventory modules. A PB is the key metric for charging in the Amadeus IT transactional revenue business line.

Amadeus projects over 800 million PB<sup>5</sup> for 2015, which implies an uplift of 42% in the number of PB processed on the platform vs. 2012.

These financial results follow the announcement last week of the European Investment Bank (EIB) granting a second loan to Amadeus. The unsecured loan of €150 million has a nine year maturity and will be used by Amadeus to finance research and development (R&D) activities in its Distribution business line between 2013 and 2015. This loan is in addition to a previous €200 million loan received by Amadeus from the EIB in May last year.

Luis Maroto, President & CEO of Amadeus, commented:

*“The markets we operate in continue to be highly challenging, but our strong business model and unrivalled product portfolio continue to allow us to make good progress. Our transaction-based business model of recurring revenues has proven to be resilient while our global customer footprint remains a strength.*

*“Growth was driven by both our Distribution and IT Solutions businesses continuing their track record of consistent growth in revenues, which in turn was supported by equally consistent improved group operational performance – whether you measure by absolute figures, market growth or market share. As a result, in the first quarter our EBITDA was 5.3% higher, reaching €323.4 million, and our adjusted profit was up by 5.0%, totaling €176.3 million.*

*“We remain cautiously optimistic about the rest of 2013 and feel well positioned to benefit from the likely macro-economic recovery, which would allow revenue and contribution to grow further across both businesses.”*

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<sup>5</sup> 2015 estimated annual PB calculated by applying IATA's regional air traffic growth projections to the latest available annual PB figures, based on public sources or internal information (if already on our platform).

## Summary financial information:

| Summary financial information<br>Figures in million euros | Jan-Mar<br>2013   | Jan-Mar<br>2012 <sup>1</sup> | % Change        |
|---|-------------------|------------------------------|-----------------|
| <b>KPI</b>  |                   |                              |                 |
| <b>Air TA Market Share</b>                                | <b>39.8%</b>      | <b>38.2%</b>                 | <b>1.6 p.p.</b> |
| Air TA bookings (m)                                       | 119.3             | 115.9                        | 2.9%            |
| Non air bookings (m)                                      | 15.5              | 16.4                         | (5.5%)          |
| <b>Total bookings (m)</b>                                 | <b>134.8</b>      | <b>132.3</b>                 | <b>1.9%</b>     |
| <b>Passengers Boarded (PB) (m)</b>                        |                   |                              |                 |
| <b>Airlines migrated (as of March 31)</b>                 | <b>107</b>        | <b>107</b>                   |                 |
| <b>Financial results</b>                                  |                   |                              |                 |
| Distribution Revenue                                      | 612.2             | 597.6                        | 2.4%            |
| IT Solutions Revenue                                      | 182.9             | 166.6                        | 9.8%            |
| <b>Revenue</b>  | <b>795.0</b>      | <b>764.1</b>                 | <b>4.0%</b>     |
| <b>EBITDA</b>   | <b>323.4</b>      | <b>307.2</b>                 | <b>5.3%</b>     |
| EBITDA margin (%)   | 40.7%             | 40.2%                        | 0.5 p.p.        |
| <b>Adjusted profit for the period<sup>(2)</sup></b>       | <b>176.3</b>      | <b>167.9</b>                 | <b>5.0%</b>     |
| <b>Adjusted EPS for the period (euros)<sup>(3)</sup></b>  | <b>0.40</b>       | <b>0.38</b>                  | <b>5.4%</b>     |
| <b>Cash flow</b>  |                   |                              |                 |
| - Capital expenditure                                     | 101.9             | 73.0                         | 39.5%           |
| Pre-tax operating cash flow <sup>(4)</sup>                | 194.6             | 195.2                        | (0.3%)          |
|   | <b>31/03/2013</b> | <b>31/12/2012</b>            | <b>% Change</b> |
| <b>Indebtedness<sup>(5)</sup></b>                         |                   |                              |                 |
| <b>Covenant Net Financial Debt</b>                        | <b>1,440.8</b>    | <b>1,495.2</b>               | <b>(3.6%)</b>   |
| Covenant Net Financial Debt / LTM Covenant EBITDA         | 1.28x             | 1.34x                        |                 |

<sup>1</sup> Figures adjusted to exclude extraordinary costs related to the IPO

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

<sup>3</sup> EPS corresponding to the Adjusted profit for the period attributable to the parent company. Both Q1 2013 adjusted EPS and Q1 2012 adjusted EPS calculated based on weighted average outstanding shares of the period (444.0 and 445.5 million shares respectively).

<sup>4</sup> Calculated as EBITDA less capital expenditure plus changes in our operating working capital.

<sup>5</sup> Based on the definition included in the credit agreement.

## Business Highlights Q1, 2013

### DISTRIBUTION

#### Airlines

Content agreements were signed with a number of airlines including **Alitalia, British Airways, China Airlines, Estonian Air, Iberia, Iberia Express, Insel Air and Insel Air Aruba, LOT Polish Airlines, and Mandarin Airlines**. Such agreements guarantee access to a comprehensive range of fares, schedules and availability for Amadeus' travel agents globally. Currently 80% of Amadeus bookings worldwide are made on airlines with whom Amadeus has a content agreement.

In addition, new global distribution agreements were signed with **Al Masria, Pegasus Asia, Seaborne and Silver Airways**. These airlines have become accessible to travel agencies globally via the Amadeus system.

Significant growth continued in the area of low-cost carrier bookings. Total bookings of low-cost carrier flights from travel agencies via the Amadeus system increased by 22% during the period compared with the same quarter last year.

During the period, we further consolidated our leadership position in the expanding area of merchandising. At the close of the quarter, a total of 67 airlines had contracts for Amadeus Ancillary Services, an end-to-end solution based on industry standards which helps airlines to sell additional services using both travel agencies and either the airline's own call centre or website. Of those contracted, 24 had opted to implement the service in the Amadeus GDS - 14 of which are already selling ancillary services using Amadeus technology. The latest airline to implement the solution was **Aegean**, selling its optional services such as seat choice, excess baggage and sports equipment. The carrier uses Electronic Miscellaneous Document (EMD), the industry standard fulfilment solution to sell these services. EMD enhances ticket services and enables airlines to distribute a wide range of ancillary services. Currently travel agencies use our solution to sell ancillary services in 40 countries.

## Rail and others

**Thalys**, the international high-speed rail operator connecting Paris and Brussels with Germany and the Netherlands, selected Amadeus to expand distribution through the travel agency channel. Starting in Germany, its content will be available alongside airlines on selected routes in the Amadeus neutral booking display for travel agents and corporate bookers. Users of Amadeus Selling Platform, Amadeus' point of sale for travel agents, and Amadeus e-Travel Management, the company self-booking tool for corporate users, will have access to the full range of Thalys' fares, including corporate negotiated fares, schedules and availability to effectively compare Thalys high speed rail services with flights on specific routes.

**Cabforce**, the online booking engine behind the world's leading network of flat-rate prebooked cabs, partnered with Amadeus to make pre-booked airport transfer and taxi bookings available to travel agencies, TMCs and corporations using the Amadeus e-Travel Management and Amadeus Selling Platform Connect. Offering the potential to bring taxis to millions of travel itineraries, the joint solution will be available in the UK and Finnish markets shortly.

## Travel Agencies and online travel distribution platforms

Asia-Pacific remained a key growth area for Amadeus. **Travel Expert Limited**, Hong Kong's leading and most extensive retail travel network, successfully implemented the Amadeus suite of solutions across more than 60 retail sites in Hong Kong – making it the largest ever implementation for a global distribution system in Hong Kong. Additionally, a full content partnership with **Travel Boutique Online India**, Asia's leading B2B travel aggregator, was announced which will give travel agencies unparalleled search, shopping and booking capabilities on a range of hotel content.

## IT SOLUTIONS

Further growth continued during the quarter as **SriLankan Airlines**, the national carrier of Sri Lanka, contracted to the full Amadeus Altéa Suite, the fully integrated passenger service system (PSS) for airlines that includes Altéa Reservation, Altéa Inventory and Altéa Departure Control System. The deal is the first of its kind for Amadeus in the Indian subcontinent and will see both SriLankan Airlines and its sister airline, Mihin Lanka, migrate to Amadeus' full Altéa suite by the end of 2014.

Based upon existing contracts, Amadeus estimates that by 2015 the number of Passengers Boarded (PB) will be more than 800 million, which would represent an increase of almost 42% vs. the 564 million PB processed on the Altéa platform during 2012 – or a compound annual growth rate (CAGR) of around 12.5%.

Successful upselling meant Stand Alone IT solutions continued to attract new customers. Additional airlines signed up for the electronic messaging standard Electronic Miscellaneous Document (EMD), including **Adria Airways** and **SATA Group**. EMD enhances ticket services and enables airlines to distribute a wide range of products that help customise their journeys, through ancillary services such as excess baggage. **Kenya Airways**, **Libyan Airlines** and **Qatar Airway** also signed up for various additional modules of Amadeus Ticket Changer (ATC), which simplifies the ticket re-issuing process by combining the state-of-the-art Amadeus Fares and Pricing engine with a multi-channel ticketing functionality. Other customers were signed for additional Amadeus Stand Alone IT solutions, such as Revenue Integrity and Mobile Solutions.

In our expanding Airport IT business, Amadeus signed two new agreements for the deployment of the Amadeus Altéa Departure Control System for Ground Handlers. The first was with **BAGS Ground Service**, becoming the second ground handler in Asia that will benefit from the industry leading capabilities of Altéa DCS, and the second with **Aerogate Munich**, a European ground handler providing services to airlines such as AirBerlin and Iberia at Munich airport. In addition, an agreement was signed with Map Handling of the AMC Group to pilot Amadeus Airport Contract and Billing, a new end-to-end solution to manage and control all the administrative processes related to ground handling contracts. This solution ensures ground handlers achieve improved tracking, reporting and billing of all services delivered to airlines.

In the area of Hotel IT, a medium-sized European hotel chain began launching a fully integrated e-commerce environment for web and mobile, following Amadeus development for the global hotel marketplace during recent months. Available in multiple languages for branded e-commerce sites in numerous markets, the solution offers hotels and hotel chains a scalable booking engine, usability optimisation to drive online conversion rates, cloud-based hosting, dynamic web management and business intelligence.

## Additional news from the quarter

Publishing stimulating market research and advanced thought leadership papers forms part of Amadeus' position as a leader in travel technology. During the period several reports were produced which stimulated and shaped debate across the global travel industry. The following are highlights of two such examples:

- *The Rail Journey to 2020*, estimated that long-distance rail traffic in Europe will grow by an estimated 21% to over 1.36 billion passengers by 2020. The study also identified six key factors which will influence the growth of long-distance rail passenger traffic over the period and outlined business potential. Over 100 sources from rail companies, public and regulatory bodies were consulted and a dedicated research team at Amadeus built predictive models based on authoritative data.
- *Shaping the future of travel in Asia Pacific: the big four travel effects*, outlined four key themes that will drive significant change in the Asia-Pacific travel ecosystem over the period to 2030. The report pointed to the geopolitical, social and technological changes that will have a fundamental effect on Asia Pacific, and detailed the implications for travellers, travel service providers and the industry at large. Commissioned by Amadeus and developed by business research and consulting firm **Frost & Sullivan**, the study surveyed 1,531 business and leisure travellers across the seven key markets and also conducted 13 in-depth executive interviews.

– Ends –

### Disclaimer

*There may be statements in this financial report which are not purely historical facts, including statements about anticipated or expected future revenue and earnings growth. All forward looking statements in this presentation are based upon information available to Amadeus on the date of this presentation. Any forward looking statements involve risks and uncertainties that could cause actual events or results to differ materially from the events or results described in the forward looking statements. Amadeus undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on forward looking statements.*

## Notes to editors

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

The Amadeus group employs around 10,000 people worldwide, across central sites in Madrid (corporate headquarters), Nice (development) and Erding (operations), as well as 73 local Amadeus Commercial Organisations globally.

The group operates a **transaction-based business model**. For the year ended December 31, 2012 the company reported revenues of €2,910.3million and EBITDA of €1,107.7 million.

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](http://www.amadeus.com)

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