

# Press Release

## Amadeus maintains track record of growth with strong performance in 2014

### Distribution and IT Solutions businesses improve operational and financial performance

### Results driven by market share gains and consolidation of acquisitions

### Full year highlights (twelve months ended December 31, 2014)

- Revenue increased 10.1%, to €3,417.7 million. Excluding the acquisitions of Newmarket International, UFIS Airport Solutions, and i:FAO Group, comparable growth stood at 7.5%.
- EBITDA grew 9.9%, to €1,306.0 million. Excluding acquisitions, comparable growth reached 7.7%.
- In the Distribution business, total air travel agency bookings increased 5.2%, to 466.5 million.
- In the IT Solutions business, Passengers Boarded<sup>i</sup> increased 12.9%, to 695.4 million.

*February, 27:* Amadeus IT Holding, S.A., a leading technology partner for the global travel industry, reports year-on-year financial and operating results for the full year of 2014 (twelve months ended December 31, 2014). Adjusted profit for the period, including M&A activities, grew 9.9% to €681.1 million. This was backed by an increase in revenue of 10.1%, to €3,417.7 million, and EBITDA growth of 9.9%, to €1,306.0 million.

### Luis Maroto, President & CEO of Amadeus, commented:

"Amadeus' results and focus clearly indicate that we remain a trusted partner at the heart of the travel industry. Our core businesses continued to showcase strength, with market share gains in Distribution especially in North America and Asia-Pacific. Our long-term commitment to low-cost and hybrid carriers gained further momentum, with a 16% booking increase year-on-year and a landmark partnership with Ryanair.

"Asia-Pacific continued to be the main driver of growth for IT Solutions, supported by the migration of Korean Air later in the year. This will expand further with the scheduled migration of a number of Asian carriers in the coming years, such as Japan Airlines and the international passengers business of All Nippon Airways. Our continued efforts and focus on North America led to the groundbreaking Southwest Airlines domestic contract. We now expect annual contracted PBs of close to one billion<sup>ii</sup> by 2017, an increase of 44% over 2014.

"Furthermore, our recent strategic acquisitions – Newmarket International in the hotel IT space, UFIS in the airport IT business and i:FAO in the corporate travel IT segment – are already contributing positively.

"I am confident that in 2015, our people, our technology and the strength and resilience of our business model will allow us to make further progress and we expect continued growth for our core businesses."

## Financial highlights

Consolidated net financial debt stood at €1,738.5 million at December 31, 2014, representing 1.32x the ratio of covenant net debt to the last twelve months' covenant EBITDA.

The Board of Directors of Amadeus at its meeting of 11 December 2014 agreed to undertake a share buy-back programme, in accordance with the authorisation granted by the Annual General Shareholders Meeting held on 20 June 2013, in order to reduce the share capital of the Company (subject to approval at the Annual General Shareholders Meeting in June 2015). The programme will remain in force until May 29, 2015 and the maximum investment will be €320 million, not exceeding 2.79% of the share capital of the Company (or 12,500,000 shares).

At the same meeting the Board of Directors also proposed a 50% pay-out target ratio for 2014. Accordingly, the Board of Directors will submit a final gross dividend of €0.70 per share from the 2014 reported profit to the General Shareholders Meeting for approval in June 2015, representing an increase of 12% vs. the 2013 dividend. An interim gross dividend of €0.32 per share was paid in January 2015.

## Business highlights during the full year

### Distribution

- Revenue increased 5.9%, to €2,455.1 million (including M&A activity)
- Air travel agency bookings rose 5.2%, to 466.5 million
- Market share expanded by 0.7 percentage points, reaching 40.7%

Amadeus continued to outperform the industry in 2014, where total air bookings through travel agencies grew by 3.2% during last year. Air travel agency bookings through the Amadeus system increased by 5.2%, which led to further gains in market share: as of December 31, 2014 our global market share was 40.7%, 0.7 p.p. higher than that of 2013. Both Asia and Pacific and North America were the regions with highest volume increase for Amadeus, both driven by industry growth and market share gains. In particular, the migration of travel agencies from Topas to our platform at the end of the third quarter of 2014 supported our booking increase in that region.

Amadeus Air TA Bookings Figures in million	Full year 2014	% of Total	Full year 2013	% of Total	% Change
Western Europe	192.5	41.3%	187.9	42.4%	2.4%
Asia and Pacific	70.4	15.1%	62.2	14.0%	13.2%
North America	63.4	13.6%	55.3	12.5%	14.6%
Middle East and Africa	62.0	13.3%	57.7	13.0%	7.4%
Central, Eastern and Southern Europe	45.8	9.8%	46.9	10.6%	(2.3%)
Latin America	32.5	7.0%	33.5	7.6%	(3.0%)
<b>Total Air TA Bookings</b>	<b>466.5</b>	<b>100.0%</b>	<b>443.4</b>	<b>100.0%</b>	<b>5.2%</b>

A key highlight of the year was reaching a breakthrough agreement with **Ryanair** which brought a wide range of its fares and full ancillary services to Amadeus' travel agency subscribers for the first time in over a decade. The agreement included Ryanair's new Business Plus fares, offering business and corporate travellers a tailored package.

Additionally, distribution agreements with 15 new hybrid and low-cost airlines were also signed during the year and to date 79 low-cost carriers have become Amadeus distribution partners. Bookings from travel agencies on low-cost carriers were up by 16% year-on-year during 2014.

Sales of merchandising solutions from Amadeus maintained momentum with 31 new airlines signing-up for the Amadeus Airline Ancillary Services solution during 2014. These included **Etihad Airways**, when it became the first airline in the United Arab Emirates to deploy the solution, and United Airlines, marking the industry's first NDC-XML solution in the travel agency channel in North America. 14 airlines also signed agreements for the Amadeus Fare Family Solution, taking the total to 15. Currently a total of 110 airlines have contracts for the Amadeus Airline Ancillary Services solution, which is integrated and supporting airlines to deploy ancillary services in over 100 markets worldwide.

On the travel agency front, new multi-year agreements were reached with the leading global online travel company **Orbitz Worldwide** – to support its brands in North America from January 2015 – and with **TUI Travel**, one of the world’s leading leisure travel groups, operating in over 180 countries with more than 30 million customers. As part of our commitment to merchandising, we have announced a partnership with leading US online travel agency **Expedia** to start offering branded fares to its customers through the Amadeus Fare Family solution by mid-2015.

A multi-year agreement was reached with **Ctrip**, China’s leading travel company in terms of market capitalisation, to include the provision of all air content for points of sale outside of mainland China.

In the autumn Amadeus unveiled its vision for a traveller-centric global travel ecosystem, where Airlines will be able to unlock the opportunity for more than \$130bn in additional revenue annually by 2020 through adopting an omni-channel strategy for ancillary sales. This vision will be underpinned by Amadeus with the development of a new traveller-centric Global Merchandising System with full integration across the Amadeus Altéa Suite.

Corporate travel IT remained a priority as Amadeus made great strides in its growth strategy for the segment. During the year Amadeus completed, through a tender offer process, the acquisition of **iFAO**, Europe's most widely used cloud service for planning, booking, managing, and reporting expenses for business travel.

## IT Solutions

- Revenue grew 22.5%, to €962.6 million (including M&A activity). Excluding acquisitions, revenue increased 12.9% to €887.3 million.
- Passengers Boarded progressed by 12.9% to total 695.4 million.
- Growth was driven by the implementation of airlines during the year, in addition to the full-year impact of those implemented during 2013 (such as **Asiana**, **Thai Airways**, and **Garuda Indonesia**), on top of 3.5% organic growth.

## Airline IT:

In July the first ever scheduled international flights flown by **Southwest Airlines** took off, marking the successful full implementation of Amadeus’ Altéa Suite for international operations. This followed an announcement in May that Southwest signed a contract for Amadeus’ Altéa Suite to support the carrier’s U.S. domestic operations. Southwest and Amadeus will work together to fully move the carrier to the Amadeus Altéa platform for both international and domestic flights in the coming years. Our market share in IT Solutions was further supported in the third quarter by the migration of **Korean Air**.

Further Altéa contracts were also signed with many other leading airlines throughout the year, amongst others including **Japan Airlines** and **Swiss International Air Lines**. At the close of the year 133 airlines around the world were contracted for both Altéa Reservation and Altéa Inventory, 117 of which were contracted to use the full Altéa Suite. At the same date, 124 airlines were implemented for both Altéa Reservation and Altéa Inventory, 91 of which to the full Altéa Suite. Based upon contracts signed, Amadeus estimates that by 2017 the number of annual contracted Passengers Boarded will be close to one billion, which would represent an increase of 44% vs. the 695 million passengers processed on the Altéa platform during 2014 – or a compound annual growth rate (CAGR) of circa 13%.

Amadeus PB Figures in million	Full year 2014	% of Total	Full year 2013	% of Total	% Change
Western Europe	318.7	45.8%	308.6	50.1%	3.3%
Asia and Pacific	166.6	24.0%	109.2	17.7%	52.6%
Middle East and Africa	100.5	14.5%	96.3	15.6%	4.4%
Latin America	73.2	10.5%	66.6	10.8%	10.0%
Central, Eastern and Southern Europe	35.6	5.1%	35.1	5.7%	1.4%
North America	0.8	0.1%	-	-	n.m.
<b>Total PB</b>	<b>695.4</b>	<b>100.0%</b>	<b>615.7</b>	<b>100.0%</b>	<b>12.9%</b>

## Airport IT:

Amadeus continued its expansion into the Airport IT space with the acquisition of **UFIS**, a leading information technology player that brings a complementary suite of airport technology solutions as well as a set of important customer relationships worldwide.

Reinforcing its commitment to developing the airport of the future, Amadeus launched Amadeus Airport Common Use Service (ACUS), a next-generation airport platform capable of carrying out all passenger processing functions while allowing airlines and ground handlers to share the physical space and IT resources of the airport.

**Innsbruck** became the first airport to contract the Amadeus Airport Passenger Verification solution, which facilitates smoother security control processes, as well as the first airport to deploy Amadeus Airport Common Use Service (ACUS). In addition the airport is also implementing Baggage Reconciliation Solution (BRS).

The Altéa Ground Handler Departure Control was contracted by 19 new ground handlers during the year, bringing the total figure to 84.

Meanwhile **London Gatwick Airport (LGW)** became the first airport to implement the Amadeus cloud-based Airport-Collaborative Decision Making Portal (A-CDM). Assisted by Amadeus, London Gatwick Airport will handle 55 flights per hour from the world's busiest runway and estimates up to 2 million additional passengers.

## Hotel IT:

Following the announcement in late 2013, during the first quarter of 2014 Amadeus completed the acquisition of US-based **Newmarket International** for USD 500 million. Newmarket International operates in the group and event management segment, serving around 22,000 unique properties in 154 countries. The newly acquired company will operate as a stand-alone business within Amadeus' Global Hotel Group, integrating several Amadeus products and services.

A strategic technology relationship was signed with **InterContinental Hotels Group** to support our mission of building a community model for the hotel industry. The combination of IHG's industry insight and expertise with Amadeus' technological capabilities and broad travel experience will ensure that IHG continues to offer the most innovative and efficient technology solutions at all stages of the guest journey.

## Rail IT:

**BeNe Rail International (BeNe RI)**, an international distribution technology joint venture set up by **NS** and **SNCB/NMBS2**, agreed to enter into a long-term strategic IT partnership with Amadeus to create a new rail community IT platform as part of Amadeus' Total Rail solution. This unique platform is based on the concept of a community model whereby a third party IT expert, Amadeus, develops and hosts applications for several rail companies to share and benefit from synergies. The platform proposes a solution to cover all end-to-end processes for rail travel in Europe, hosted and run from Amadeus' Data Centre in Erding (Germany).

## Payments:

Debit and credit cards from **UnionPay**, the largest card scheme worldwide with over 4.3 billion cards in circulation, were integrated into the Amadeus Payment Platform (APP) following an agreement reached with **UnionPay International**, a subsidiary of **China UnionPay**.

Further expanding the capacity of Amadeus travel customers to accept more payment types from travellers in more countries and in more currencies, a global agreement was reached to integrate into the Amadeus Payment Platform (APP) the extensive payment services of **Worldpay**, the global leader in payment processing, risk management and alternative payments.

## Additional information:

Further recognition of our long-standing commitment to innovation was gained: Amadeus was recently announced as 2013's leading European investor in R&D for the travel and tourism sector by the **EU Industrial R&D Investment Scoreboard**, which ranks European companies by total investment in R&D. Between 2004 and 2013 Amadeus invested close to €3 billion in R&D.

Shortly before Christmas Iberia.com's **UNICEF** initiative celebrated its first year by announcing that its Amadeus-powered micro-donation engine had raised more than €200,000 – demonstrating the still unfulfilled but transformative potential of using travel technology to help social causes. This news followed **Finnair** also joining the initiative during the fourth quarter and installing the Amadeus-powered micro-donation engine on its website to help further support UNICEF.

## Summary of operating and financial information

Summary of KPI <i>Figures in million euros</i>	Full year 2014	Full year 2013	% Change	Full year 2014 (excl. M&A) <sup>1</sup>	% Change (excl. M&A) <sup>1</sup>
<b>Operating KPI</b>					
<b>Air TA Market Share</b>	<b>40.7%</b>	<b>40.1%</b>	<b>0.7 p.p.</b>	<b>40.7%</b>	<b>0.7 p.p.</b>
Air TA bookings (m)	466.5	443.4	5.2%	466.5	5.2%
Non air bookings (m)	59.4	59.2	0.3%	59.4	0.3%
<b>Total bookings (m)</b>	<b>525.8</b>	<b>502.6</b>	<b>4.6%</b>	<b>525.8</b>	<b>4.6%</b>
<b>Passengers Boarded (m)</b>	<b>695.4</b>	<b>615.7</b>	<b>12.9%</b>	<b>695.4</b>	<b>12.9%</b>
<b>Financial results</b>					
Distribution Revenue	2,455.1	2,317.8	5.9%	2,447.7	5.6%
IT Solutions Revenue <sup>2</sup>	962.6 <sup>2</sup>	785.9	22.5%	887.3	12.9%
<b>Revenue<sup>2</sup></b>	<b>3,417.7<sup>2</sup></b>	<b>3,103.7</b>	<b>10.1%</b>	<b>3,335.0</b>	<b>7.5%</b>
Distribution Contribution	1,082.1	1,035.9	4.5%	1,080.3	4.3%
IT Solutions Contribution <sup>2</sup>	651.0 <sup>2</sup>	550.7	18.2%	627.0	13.8%
<b>Contribution<sup>2</sup></b>	<b>1,733.1<sup>2</sup></b>	<b>1,586.6</b>	<b>9.2%</b>	<b>1,707.2</b>	<b>7.6%</b>
<b>EBITDA<sup>2</sup></b>	<b>1,306.0<sup>2</sup></b>	<b>1,188.7</b>	<b>9.9%</b>	<b>1,280.1</b>	<b>7.7%</b>
EBITDA margin (%)	38.2%	38.3%	(0.1 p.p.)	38.4%	0.1 p.p.
<b>Adjusted profit<sup>3</sup></b>	<b>681.1</b>	<b>619.5</b>	<b>9.9%</b>	<b>667.7</b>	<b>7.8%</b>
<b>Adjusted EPS (euros)<sup>4</sup></b>	<b>1.53</b>	<b>1.39</b>	<b>9.9%</b>	<b>1.50</b>	<b>7.8%</b>
<b>Cash flow</b>					
Capital expenditure	427.5	411.2	4.0%	419.4	2.0%
Free cash flow <sup>5</sup>	596.3	541.7	10.1%	n.a.	n.a.
	<b>31/12/2014</b>	<b>31/12/2013</b>	<b>% Change</b>		
<b>Indebtedness<sup>6</sup></b>					
<b>Covenant Net Financial Debt</b>	<b>1,738.5</b>	<b>1,210.7</b>	<b>43.6%</b>		
Covenant Net Financial Debt / LTM Covenant EBITDA	1.32x	1.01x			

1. For comparability purposes, we have excluded the Newmarket, UFIS and i:FAO results. The "% Change (excl. M&A)" column above shows the comparable growth, excluding the impact from these acquisitions.
2. The revenue and contribution of the IT Solutions business (including M&A) are impacted by the accounting effects derived from the PPA exercises undertaken in Q4 2014 related to the consolidation of Newmarket and UFIS in Amadeus. Such effects, amounting to €10.1 million, negatively impact the group revenue, group contribution and EBITDA (including M&A). Figures excluding M&A are not impacted by these effects.
3. Excluding after-tax impact of the following items: (i) accounting effects derived from PPA exercises and impairment losses, (ii) changes in fair value of financial instruments and 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 less capital expenditure plus changes in operating working capital less taxes paid less interests and financial fees paid.
6. Based on the definition included in the senior credit agreement covenants. Covenant net financial debt at December 31, 2014 includes debt amounting to €288.8 million relating to the share buy-back programme announced on December 11, 2014.

## Notes to the editors:

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

The Amadeus group employs around 10,000 people worldwide, across central sites in Madrid (corporate headquarters), Nice (development) and Erding (operations), as well as 71 local Amadeus Commercial Organisations globally.

The group operates a transaction-based business model.

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

To find out more about Amadeus please visit [www.amadeus.com](http://www.amadeus.com), and [www.amadeus.com/blog](http://www.amadeus.com/blog) for more on the travel industry.

Follow us on: 

## Contact details:

### Amadeus IT Group

Malek Nejjai

Tel.: +34 91 582 0160

[mnejjai@amadeus.com](mailto:mnejjai@amadeus.com)

---

<sup>i</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.

<sup>ii</sup> 2017 estimated annual Passengers Boarded calculated by applying IATA's regional air traffic growth projections to the latest available annual Passengers Boarded figures, based on public sources or internal information (if already on our platform).