

Press Release

Amadeus first quarter results show strong organic growth reinforced by contribution of recent acquisitions

Distribution business outperformed industry and IT Solutions continues to build momentum

Q1 highlights (three months ended March 31, 2014)

- Revenue increased 9.1%, to €867.6 million. Excluding the acquisitions of Newmarket International and UFIS, comparable growth stood at 7.4%.
- EBITDA grew 8.7%, to €351.4 million. Excluding acquisitions, comparable growth reached 7.4%.
- In the Distribution business, total air travel agency bookings increased 5.3%, outperforming the industry and registering strong growth in North America (+17.6%).
- In the IT Solutions business, Passengers Boarded increased 15.8%, to 152.5 million, fueled by strong growth in Asia Pacific (+85.2%).

May, 8: Amadeus IT Holding, S.A., a leading technology partner for the global travel industry, reports year-on-year financial and operating results for the first quarter of 2014 (three months ended March 31, 2014). Adjusted profit for the period grew 8.6% to €191.3 million. Comparable growth, excluding the impact from recent acquisitions, was 7.7%. This was backed by an increase in revenue of 9.1%, to €867.6 million, and 8.7% growth in EBITDA, to €351.4 million.

Luis Maroto, President & CEO of Amadeus, commented:

“Amadeus has maintained its record of delivering strong organic growth in its core businesses, Distribution and Airline IT Solutions. The joint contract with Southwest Airlines to implement the Amadeus’ Altea reservations solution as the carrier’s only reservation system is a truly landmark IT partnership for Amadeus. Southwest will become our largest airline IT partner worldwide by passengers boarded.

“This organic growth is now also reinforced by the positive contribution of our recent acquisitions. Our commitment to our stated ambition in Hotel IT, to build a community model for the hotel industry, has been evidenced by the Newmarket International acquisition and the recently signed partnership with InterContinental Hotels Group (IHG) to develop technology solutions to enhance the guest experience.

“We have also made significant progress in the Airport IT segment. The addition of UFIS’ airport solutions portfolio enables Amadeus to accelerate its product development plan and to become a leader in this sector.

“These results clearly prove that Amadeus is fully equipped to continue to deliver on its strategy, backed by its financial strengths and technology expertise.”

Financial highlights

Consolidated net financial debt stood at €1,534.3 million, as of March 31, 2014 (based on covenants' definition in senior credit agreement), representing 1.22x the ratio of covenant net debt to the last twelve months' covenant EBITDA. During the period Amadeus paid an interim dividend of €133.4 million in respect of the 2013 profit.

Business highlights

Distribution

- Revenue increased 6.5%, to €651.7 million
- Air travel agency bookings rose 5.3%, to 125.5 million
- Market share expanded by 0.1 percentage points, reaching 39.9%

Even as industry growth picked up pace when compared to the first quarter of 2013¹, Amadeus continued to outperform its peers. The increase in air travel agency bookings was fueled by a 17.6% rise in North America, the positive impact of industry recovery in Western Europe, and the strong growth in the Middle East and Africa (+11.4%), which were negatively impacted by political instability in 2013.

Amadeus Air TA Bookings <i>Figures in million</i>	Jan-Mar 2014	% of Total	Jan-Mar 2013	% of Total	% Change
Western Europe	55.7	44.4%	54.1	45.4%	3.0%
North America	17.3	13.8%	14.8	12.4%	17.6%
Asia & Pacific	16.7	13.3%	16.3	13.7%	2.2%
Middle East and Africa	16.0	12.8%	14.4	12.1%	11.4%
Central, Eastern and Southern Europe	11.8	9.4%	11.7	9.8%	0.7%
Latin America	8.0	6.4%	8.0	6.7%	0.2%
Total Air TA Bookings	125.5	100.0%	119.3	100.0%	5.3%

During the first quarter, content agreements were signed and extended with 16 airlines including **United Airlines**, while distribution agreements were signed with four new low-cost airlines and hybrid carriers which continue to be an area of growth for Amadeus. Low-cost carriers' travel agency bookings increased 11% compared to the same period of 2013.

Amadeus' merchandising suite continued to gain momentum in the first quarter with the launch of Amadeus Fare Families' Display module with **Finnair** and **Brussels Airlines**. During the same period, 4 new airlines signed-up for Amadeus Fare Families and 15 new airlines for the Amadeus Ancillary Services solution. In total, 24 airlines are currently distributing their ancillary services through the Amadeus travel agency channel across more than 75 markets with a further 53 airlines signed-up for the solution.

¹ The air travel agency booking industry grew by 4.4% in the first quarter of 2014, compared to 1.3% decline in the first three months of 2013.

On the travel agency side, Amadeus signed a new multi-year agreement with the leading global online travel company **Orbitz Worldwide**. Under this agreement, Amadeus will deliver its technology and global distribution system services to support the Orbitz brands in North America from January 2015.

IT Solutions

- Revenue grew by 18%, to €215.9 million. Excluding Newmarket International and UFIS, revenue was of 202.3 million, a 10.6% increase.
- Passengers Boarded strengthened 15.8% to total 152.5 million
- The shift towards Asia Pacific in the Airline IT business will continue as further migrations are scheduled

Airline IT: Asia & Pacific remained the strongest growth region, with an 85.2% increase in passengers boarded, driven by the contribution of Asian airlines added to our Altéa platform over the past 12 months, including **Thai Airways**. This shift towards Asia will continue as further migrations are scheduled, including **Korean Air** in 2014 and **All Nippon Airways** –international passengers business – in 2015.

Amadeus and **Southwest Airlines** recently announced the signature of a joint contract to implement Amadeus Altéa reservations solution as the single reservation system for the carrier's operation. In January Amadeus successfully implemented the first phase of **Southwest's** transition to Altéa for its international operations. International flights are now available for sale through Altéa and from July onwards, **Southwest Airlines** agents will begin checking in passengers using the Amadeus Departure Control System. With the new contract, Amadeus Altéa will also support the carrier's domestic service. **Southwest Airlines** will become the largest airline IT partner worldwide for Amadeus, in terms of passengers boarded.

Amadeus Altéa PB Figures in million	Jan-Mar 2014	% of Total	Jan-Mar 2013	% of Total	% Change
Western Europe	66.6	43.7%	64.8	49.2%	2.8%
Asia & Pacific	38.2	25.1%	20.7	15.7%	85.2%
Middle East and Africa	23.9	15.7%	24.0	18.2%	(0.4%)
Latin America	16.5	10.8%	16.4	12.4%	1.1%
Central, Eastern and Southern Europe	7.2	4.7%	5.9	4.5%	22.2%
Total Altéa PB	152.5	100.0%	131.7	100.0%	15.8%

Hotel IT: During the first quarter, Amadeus completed the acquisition of US-based **Newmarket International** for USD 500 million. Newmarket International, which serves around 22,000 unique properties in 154 countries, operates in the group and event management segment of the hotel industry, which is estimated to account for 30-40% of a full-service hotel's revenues. The newly acquired company will be operated as a stand-alone business within Amadeus' Global Hotel Group and will integrate several Amadeus products and services over time.

By the end of the quarter we have also announced the strategic technology relationship signed with **InterContinental Hotels Group**. The combination of IHG's industry insight and expertise with Amadeus' technology 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.

Airport IT: Amadeus continued its expansion into the Airport IT space with the acquisition of **UFIS**, a leading information technology player which brings a complementary suite of airport technology solutions as well as a set of important customer relationships worldwide. Amadeus also launched Amadeus Airport Common Use Service (ACUS), a next-generation platform capable of carrying out all passenger processing functions.

During the quarter, Amadeus has signed 7 new ground handlers increasing the total figure to 62. Amadeus has today the leading portfolio of ground handlers signed to its Departure Control System across all continents.

Summary financial information <i>Figures in million euros</i>	Jan-Mar 2014	Jan-Mar 2014 (excl. M&A) ¹	Jan-Mar 2013	% Change ¹
KPI				
Air TA Market Share	39.9%	39.9%	39.8%	0.1 p.p.
Air TA bookings (m)	125.5	125.5	119.3	5.3%
Non air bookings (m)	15.4	15.4	15.5	(0.5%)
Total bookings (m)	141.0	141.0	134.8	4.6%
Passengers Boarded (m)	152.5	152.5	131.7	15.8%
Financial results				
Distribution Revenue	651.7	651.7	612.2	6.5%
IT Solutions Revenue	215.9	202.3	182.9	10.6%
Revenue	867.6	854.0	795.0	7.4%
EBITDA ⁽²⁾	351.4	347.2	323.4	7.4%
EBITDA margin (%) ⁽²⁾	40.5%	40.7%	40.7%	0.0 p.p.
Adjusted profit ⁽³⁾	191.3	189.8	176.3	7.7%
Adjusted EPS (euros) ⁽⁴⁾	0.43	0.43	0.40	7.7%
Cash flow				
Capital expenditure	102.5	101.7	101.9	(0.2%)
Pre-tax operating cash flow ⁽⁵⁾	229.2	n.a.	194.6	17.8%
	31/03/2014		31/12/2013	% Change
Indebtedness ⁽⁶⁾				
Covenant Net Financial Debt	1,534.3		1,210.7	26.7%
Covenant Net Financial Debt / LTM Covenant EBITDA	1.22x		1.01x	

- For comparability purposes, we have excluded the Newmarket and UFIS' consolidated results, which are consolidated for the first time in the first quarter of 2014. The "% Change" column above shows the comparable growth, excluding the impact of the recent acquisitions, as explained in this note.
- Our EBITDA and EBITDA margin were negatively impacted by extraordinary costs amounting to €1.5 million related to the proposal to acquire i:FAO in the first quarter of 2014. Excluding these costs, our reported EBITDA margin would be 40.7%, in line with the first quarter of 2013, and our EBITDA margin excluding Newmarket and UFIS' results would be 40.8%, 0.1 p.p. higher than the first quarter of 2013.
- 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) other non-recurring items. Our adjusted profit was negatively impacted by extraordinary (non-deductible) costs amounting to €1.5 million related to the proposal to acquire i:FAO in the first quarter of 2014.
- EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period. Our adjusted EPS was negatively impacted by extraordinary (non-deductible) costs amounting to €1.5 million related to the proposal to acquire i:FAO in the first quarter of 2014.
- Calculated as EBITDA less capital expenditure plus changes in our operating working capital.
- 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 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

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