

aMADEUS

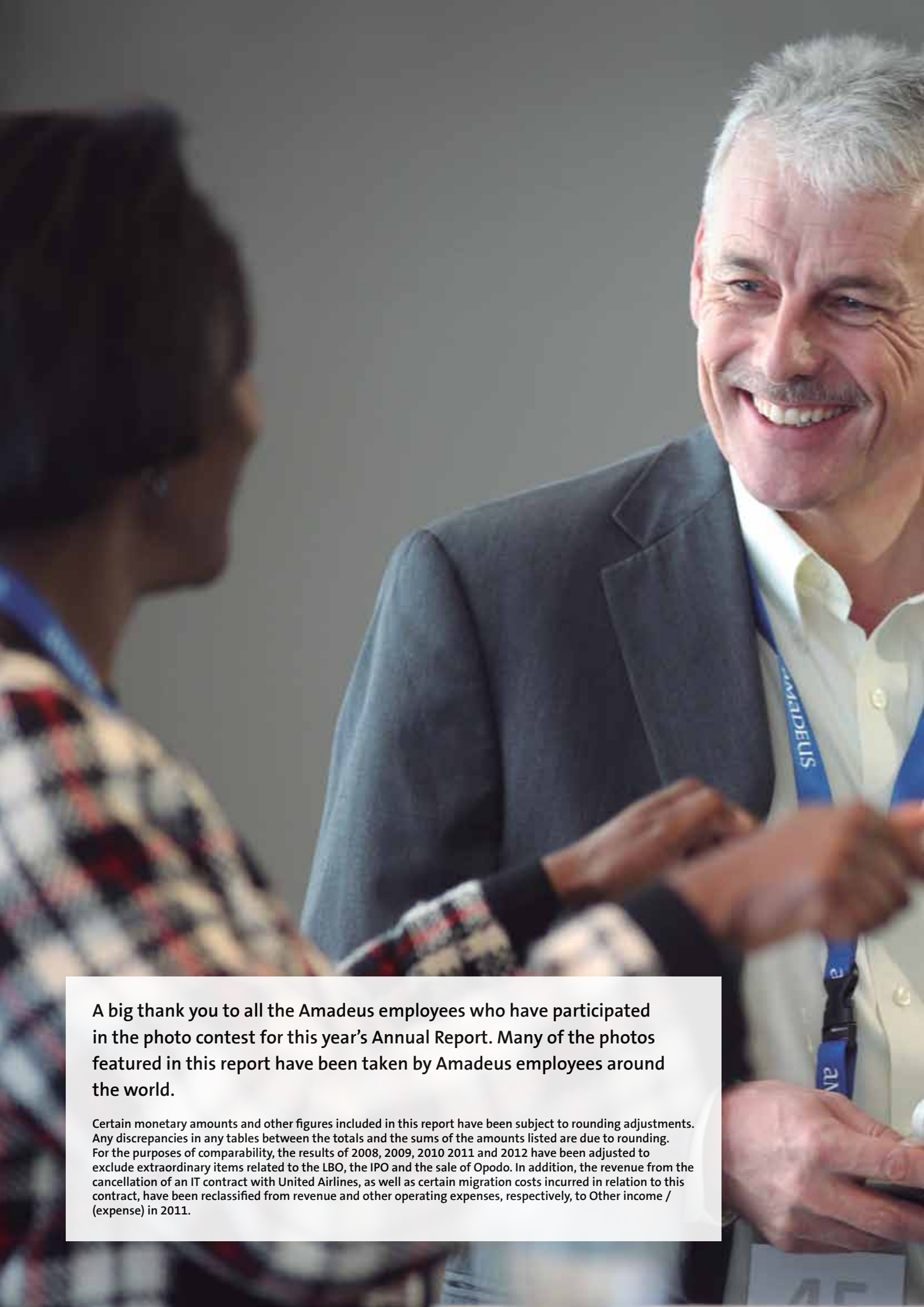
Your technology partner



# Annual Report 2012

*A business and financial overview*





**A big thank you to all the Amadeus employees who have participated in the photo contest for this year's Annual Report. Many of the photos featured in this report have been taken by Amadeus employees around the world.**

Certain monetary amounts and other figures included in this report have been subject to rounding adjustments. Any discrepancies in any tables between the totals and the sums of the amounts listed are due to rounding. For the purposes of comparability, the results of 2008, 2009, 2010 2011 and 2012 have been adjusted to exclude extraordinary items related to the LBO, the IPO and the sale of Opodo. In addition, the revenue from the cancellation of an IT contract with United Airlines, as well as certain migration costs incurred in relation to this contract, have been reclassified from revenue and other operating expenses, respectively, to Other income / (expense) in 2011.

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## Letter from the President & CEO



Luis Maroto, President & CEO

***“The diversity, creativity and expertise of our people are unique to Amadeus and central to our ability to deliver world class technology and service to our customers”***

***“Our continued financial success is supported by an improved performance in both business lines”***

Dear shareholders,

The financial performance of the travel industry is closely linked to that of the global economy, and although in the last months of 2012 we started to see some early positive signs emerge in our industry, the global macro-economic environment was challenging during most of the year 2012.

The Amadeus business model has once again proven to be resilient and robust enough to withstand the stress created by economic weakness. The combination of our transaction-based model, the strong synergies between our business lines (Distribution and IT Solutions) and a global presence that extends to more than 195 countries has resulted in high quality and resilient revenues.

I am proud to report that in 2012, Amadeus has delivered strong growth across our businesses resulting in record financial performance, increasing our adjusted profit for the full year by 18.0% to €575.1 million. This was underpinned by revenues which grew 7.5% year-on-year to €2,910 million.

During 2012 Amadeus also further strengthened its financial structure. We generated strong cash-flow across all our businesses (€ 576 million free cash-flow in 2012) and the further diversification of our funding sources including the addition of a European Investment Bank loan to support our R&D activities.

Our consolidated financial debt on 31 December 2012 was €1,495.2 million or 1.34x the last twelve months EBITDA, down by €356.6 million and well within the target leverage ratio of 1.0x to 1.5x net debt to EBITDA previously established by the company. The Group enters 2013 with a sound financial position that provides us with the strength and flexibility to support future growth.

In 2012 the total dividend to our shareholders increased by 35%. Our pay-out ratio was 45% of the reported 2012 profit for the year from continued operations (excluding extraordinary items related to the IPO), representing a total dividend of €223.8 million (€0.50 per share). An interim dividend of €0.25 per share was paid on January 30, 2013 and the balance will be paid in July 2013. This follows the Board of Directors agreeing to a new dividend policy in October 2012, increasing the dividend pay-out ratio to between 40% and 50% (applicable for the year ended 31 December 2012 and onwards) vs. the previous 30% to 40%.

Our continued financial success is supported by an improved performance in both business lines: Distribution and IT Solutions.

During 2012, our Distribution unit processed more than 447 million bookings, growth of 2.9% year-on-year. Amadeus increased its global market share of travel agency air bookings by almost 1% to reach 38.6%. During 2012 we continued to sign contracts that will be key to securing future market share growth. In 2012, Amadeus reached landmark agreements with Expedia, Kayak and Hipmunk which we expect to drive our expansion in the key US market. In addition, we added important deals with Travix in Europe and ClearMyTrip in Asia-Pacific. We have also successfully extended all distribution agreements due for renewal in 2012, including contracts with Qantas, Delta Airlines, Korean Airlines and Air France / KLM among others. Our drive into the low cost carrier market also continued with the addition of eight new carriers to our platform.

With a value proposition based on first class customer support and best-of-breed technology, we also signed a number of deals in the hotel and rail segments during 2012.

The investment Amadeus makes in the continued development of innovative tools, has enhanced our position as the industry's leading distribution system offering the most comprehensive, fully integrated and relevant content.

In IT Solutions, growth continued through the addition of 10 new Altéa customers, among which was an important breakthrough in the US market where we signed our first carrier, Southwest (international traffic only). In terms of execution, we have continued successfully migrating airlines to our Passenger Service System platform. In 2012, Passengers Boarded (PB) increased by 28.4%, increasing from 439.1 million to 563.8 million backed by the number of migrated Altéa customers, increasing to 109 airlines.

As the leading provider of IT Solutions for the travel and tourism industry, Amadeus undertakes significant R&D activities. Our R&D efforts are particularly focused on extremely high performance transaction processing under stringent dependability requirements; super responsive travel search engines; and multi-channel customer-servicing applications (agent desktop, web, kiosk, mobile, tablets).

Examples of our successful approach to innovation in 2012 include our Revenue Accounting solution for airlines, with British Airways and Saudi Arabian Airlines as first customers. We also launched Amadeus Featured Results®, a search solution improving the leisure purchasing experience by making online travel search simpler and more relevant to the end user.

Innovation has been, and will continue to be, one of the key drivers behind Amadeus' future success. In 2012 we continued to reinforce our sustainable competitive edge by investing 14.2% of our revenue in R&D, or €414.1 million. These efforts have been recognised in

the 2012 EU Industrial R&D Investment Scorecard, which analyses the 1,000 largest European companies investing in R&D. Amadeus was once again named the largest investor in the area of travel and tourism.

Furthermore, the inclusion of Amadeus in the Dow Jones Sustainability Index as the leader in its sector reflects our commitment to develop a socially responsible and sustainable business that will ultimately bring long-term rewards to investors, customers, suppliers and employees.

The diversity, creativity and expertise of our people are unique to Amadeus, and central to our ability to provide world class technology and unsurpassed service to our customers. Together, all of us at Amadeus strive to deliver sustainable profitable growth to our stakeholders, while making a positive contribution to society.

I would like to take this opportunity to pay tribute to the dedication of each and every employee, whose hard work, professionalism, commitment and enthusiasm have delivered our success in 2012.

I would also like to thank our shareholders, customers and suppliers for the confidence and trust they have placed in Amadeus. As we endeavor to continue to earn that trust in 2013, I am confident we will deliver further success.

***“At Amadeus we strive to deliver sustainable profitable growth”***

***“Innovation is one of the key drivers behind Amadeus' success”***



**Luis Maroto**  
**President & CEO**



# 01

## Amadeus at a glance



## 1.1 Amadeus at a glance

### Company's origins and development

Most people associate the birth of electronic commerce distribution with the arrival of the internet. In fact, the Computerised Reservation Systems (CRSs) were the predecessors, and electronic commerce in travel pre-dates the e-Commerce explosion. Amadeus was founded in 1987 with the mission to connect travel providers' with travel agencies and consumers in real time and has been since at the forefront of innovation for the travel distribution industry.

Over the decades, we have constantly adapted to market dynamics. Nowadays, we play a major role in both leisure and corporate travel distribution by providing an essential and efficient business structure for the distribution of travel providers' content (mainly airlines) through travel agencies worldwide.

International expansion has been key to our strategy, and one of the key pillars to becoming the leading global CRS. Since our platform became fully operational in 1992, we have been expanding our Distribution business area, building up our global customer base, such that, by 2003, we had become a truly global player, and the number one CRS provider worldwide. We also focused on opening up country operations: today, we have 73 local organisations, supported by four regional offices and covering 195 countries.

Providing best-in-class IT solutions for the travel industry has been at the core of Amadeus' business since its origin. Our competitors had a 20-year head start when we started working on developing our global distribution system, so we focused heavily on

technology with the aim of delivering a best-in-class reservation system. Progressively and in line with industry evolution, we diversified our operations by focusing on information technologies to deliver services spanning beyond sales and reservation functionalities, centred on streamlining the operational and distribution requirements of our diverse customer base. Our Distribution activities include the provision of an advanced IT network as well as systems and solutions ensuring round-the-clock reliable and efficient transactions for the global travel industry.

In addition, the founders of Amadeus pioneered the development of a unique reservation platform that allowed for seamless reservation service across all sales channels. We have used this unique know-how to diversify into the airline IT market. This has become the cornerstone of our growth strategy and has been supported by our long-term continuous investment plan.

Indeed, after over 26 years of operations, we believe that constant adaptation and innovation remain essential, and we have turned innovation into our growth driver, placing ourselves at the forefront of technology development for the travel sector. Since 2004, the company has invested almost €2,400 million in R&D (€414 million in 2012).



We have a history of continuous profitability and innovation

1987 – 1999

2000 – 2004

2005 – 2012

Key themes

A GDS focused player; initial investments into airline IT

Airlines increasingly investing in direct channels, risk of disintermediation mitigated through further expansion into adjacent IT Solutions market

Global and growing leadership position in both Distribution and IT Solutions for airlines

History

- > Development of GDS platform
- > Opening of Nice development centre and of Erding data centre
- > Implementation of first Amadeus Altéa Reservation users; Air France, Lufthansa, Iberia and Scandinavian Airlines System with their hosted airlines
- > Acquisition of System One
- > Implementation of first web-based solutions
- > IPO listed in Madrid, Frankfurt and Paris

- > Secondary offering
- > Contract with British Airways and Qantas for full PSS solution
- > Implementation of first Amadeus e-Retail customer
- > Expansion of IT Solutions into travel agencies point of sale and hotels
- > Acquisition of Opodo

- > New majority shareholders (BC Partners and Cinven) following their leveraged buy-out in 2005, followed by our return to the stock markets with our successful IPO in 2010
- > Completion of major acquisition of local ACOs: France, Germany, Spain
- > Contract with Star Alliance to build common technology platform, including Singapore Airlines and Lufthansa
- > Acquisition of TravelTainment
- > Exclusive distribution agreement with 13 the Arab Air Carriers Organisation (AACO)
- > Breakthrough of our IT Solutions franchise in the Asian market
- > Successful turn-around and sale of Opodo
- > Major breakthrough in the North American markets, both in the distribution and IT Solutions areas

### Amadeus today

Amadeus is a leading transaction processor for the global travel and tourism industry, providing advanced technology solutions to our travel provider and travel agency customers worldwide.

The company is divided into two main business areas: Distribution and IT Solutions.

Through our Distribution business area, we offer worldwide electronic distribution of travel products to travel sellers: we act as a global network that connects travel providers with online and offline travel agencies, facilitating the distribution of travel products and services through a digital marketplace.

We also offer technology solutions, such as real-time search, pricing, booking, ticketing and other processing solutions (mid- and back-office systems) to certain travel agency customers and travel providers. Through our IT Solutions business area we offer travel providers (today, principally airlines) an extensive portfolio of technology solutions which automate certain mission-critical business processes, such as reservations, ticketing, inventory management and departure control. We also provide extensive e-Commerce technologies for the airline industry.

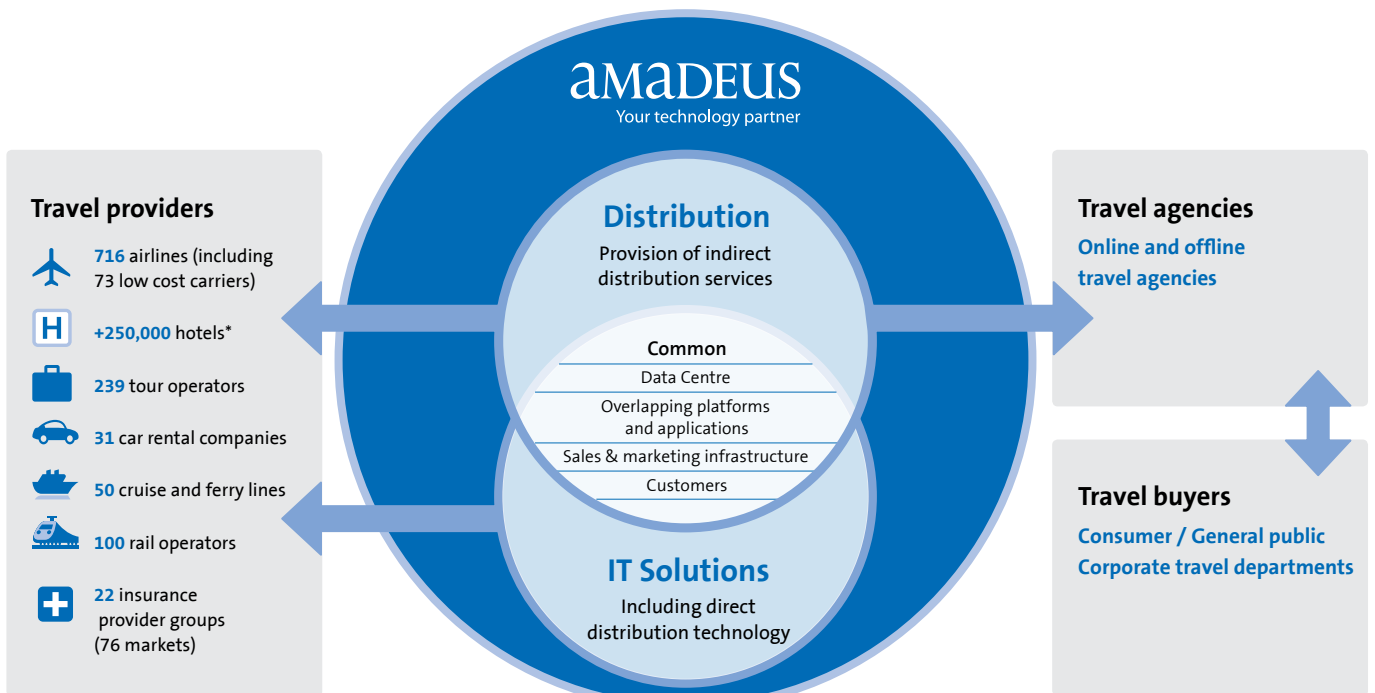
In both cases we operate a transaction-based pricing model, which links our revenue to global travel volumes rather

than travel spending, thus reducing the volatility of our financial results.

We have two key categories of customers: (i) travel providers, including airlines, hotels, rail operators, cruise and ferry operators, car rental companies, tour operators and insurance companies, and (ii) travel agencies, including online and offline travel agencies (including travel management companies, known as TMCs). To a much more limited extent, we also provide certain products and services to travel buyers, including corporate travel departments and end consumers.

The diagram in this page illustrates our central position in the global travel and tourism industry as a provider of real-time distribution and IT solutions:

### Our business structure



\* Accumulated hotel inventories of some 300 provider partners

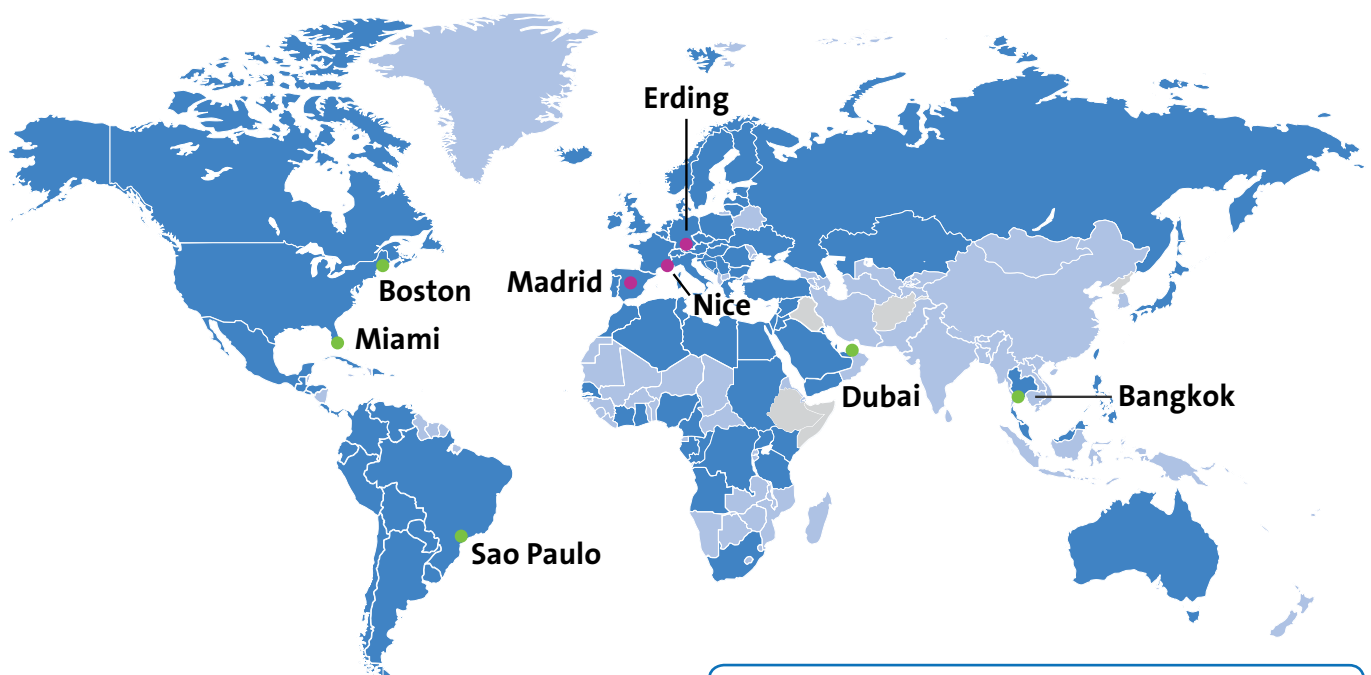
The Amadeus group had 11,037 employees worldwide, with 123 nationalities represented as of December 31, 2012, on a global basis.

Amadeus has central sites in Madrid (corporate headquarters and marketing), Nice (product and development) and Erding (operations and data processing centre) and regional offices in Bangkok, Boston, Dubai, Miami and Sao Paulo. In addition, Amadeus has 73 local offices, the Amadeus Commercial Organisations (ACOs), covering 195 countries. Our ACOs support both the Distribution

and IT Solutions business areas on the ground, benefitting from economies of scale through a shared customer support infrastructure. Thanks to our ACOs our local account managers provide local knowledge and improved access to customers: we can be both geographically and culturally closer to our customers.

The map below indicates the countries in which we have a local presence as well as the location of Amadeus central and regional centres.

**Amadeus worldwide presence**



**Present in 195 countries**

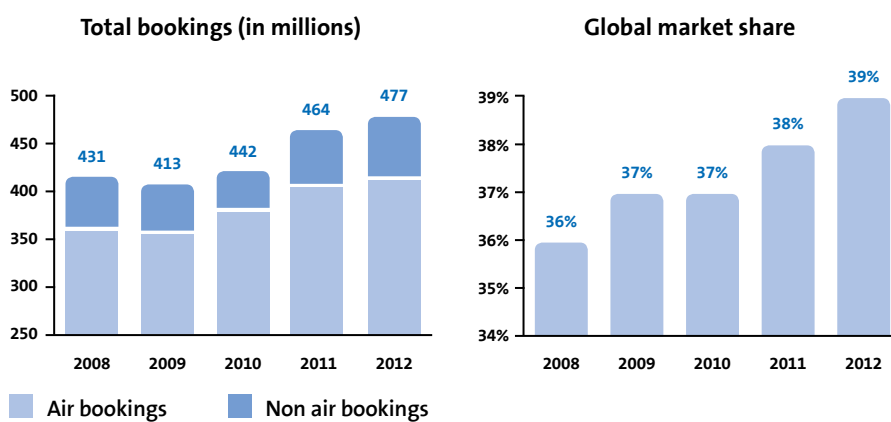
- > 73 Amadeus Commercial Organisations (ACOs)
- > +11,000 employees
- > +80 nationalities represented at the central offices

- Markets in which Amadeus has a commercial presence
- Amadeus central sites
- Amadeus regional centres
- Amadeus Commercial Organisations (ACOs)

## Key facts and figures

### Key operating highlights

#### Distribution



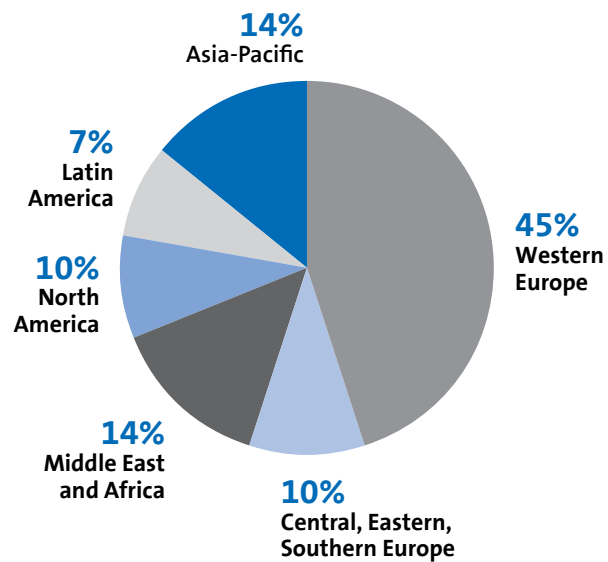
Figures in millions	2008	2009	2010	2011	2012
<b>Air and non air bookings evolution</b>					
<b>Total travel agency bookings</b>	<b>431</b>	<b>413</b>	<b>442</b>	<b>464</b>	<b>477</b>
Year on year change (%)	0.7%	(4.2%)	6.9%	5.0%	2.9%
Air bookings	364	352	382	402	417
Year on year change (%)	0.6%	(3.3%)	8.6%	5.2%	3.5%
Non air bookings	67	61	59	61	61
Year on year change (%)	1.5%	(9.0%)	(3.0%)	3.7%	(1.1%)

## Key operating highlights

### Distribution

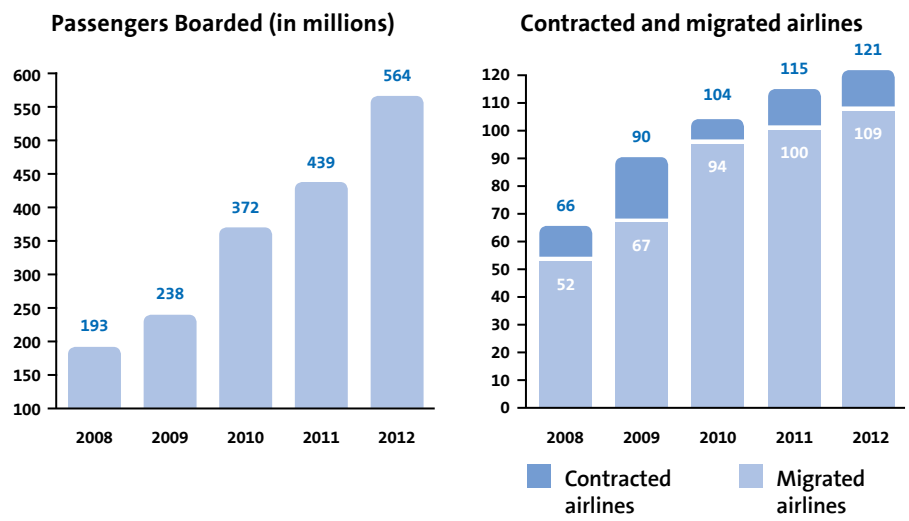
As of December 31, 2012	2012
<b>Available providers</b>	
Airlines storing flight schedules in Amadeus	716
Airlines bookable	430
Car rental locations	36.154
Car rental companies	31
Hotel properties	250,000
Hotel chains	300
Rail providers	100
Cruise lines	20
Ferry	30
Tour operators	239
Travel insurance providers	22

2012 Amadeus Air travel agency bookings split by region



## Key operating highlights

### IT Solutions



Figures in millions	2008	2009	2010	2011	2012
<b>Passengers Boarded</b>					
Passengers Boarded	193	238	372	440	564
Year on year change (%)	55.6%	23.3%	56.3%	18.0%	28.4%

## Key operating highlights

### Group

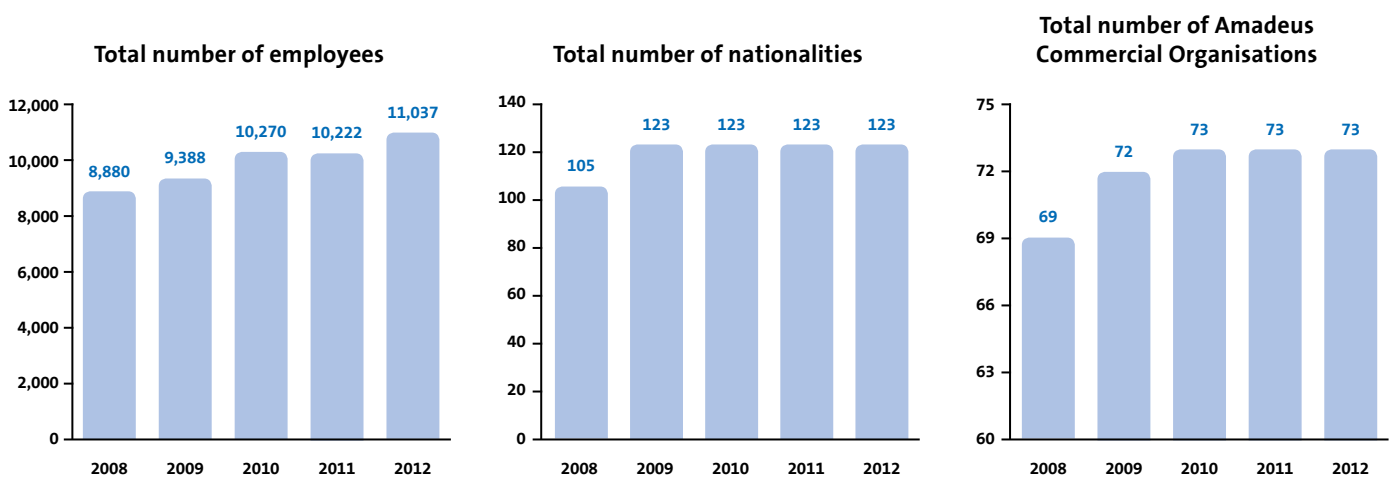
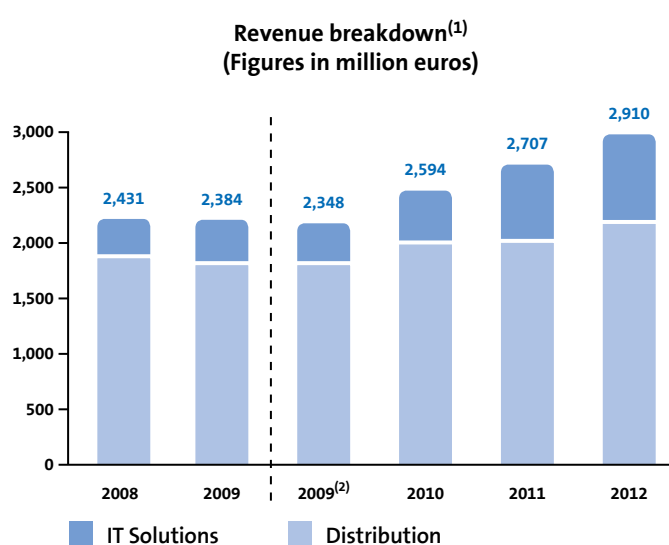


Photo by Srichitra Leelataviwat

## Key financial highlights

### Group



Figures in million euros	2008	2009	2009 <sup>(2)</sup>	2010	2011	2012
<b>Revenue breakdown<sup>(1)</sup></b>						
<b>Revenue<sup>(1)</sup></b>	<b>2,431</b>	<b>2,384</b>	<b>2,348</b>	<b>2,594</b>	<b>2,707</b>	<b>2,910</b>
Year on year change (%)	1.6%	(1.9%)	n.a.	10.5%	4.4%	7.5%
Distribution	1,931	1,836	1,836	1,992	2,079	2,201
Year on year change (%)	(0.3%)	(4.9%)	n.a.	8.5%	4.4%	5.8%
IT Solutions	500	548	511	601	628	709
Year on year change (%)	9.6%	9.6%	n.a.	17.7%	4.4%	13.0%

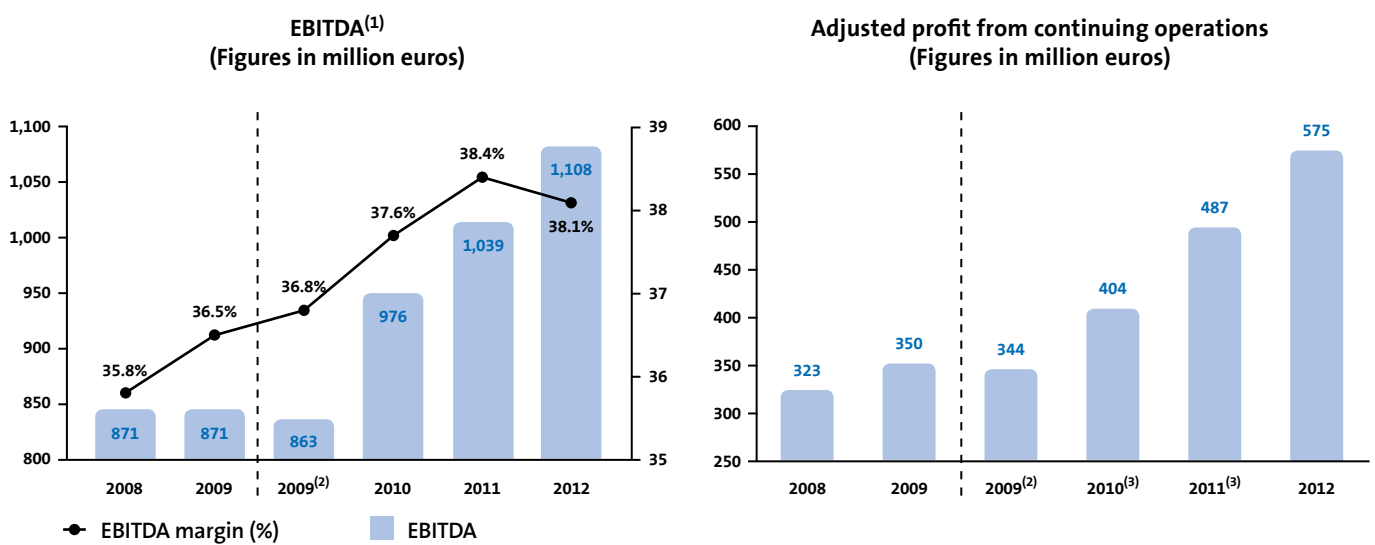
(1) Excluding Opodo.

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



## Key financial highlights

### Group



Figures in million euros	2008	2009	2009 <sup>(2)</sup>	2010	2011	2012
<b>EBITDA<sup>(1)</sup></b>						
EBITDA <sup>(1)</sup>	871	871	863	976	1,039	1,108
Year on year change (%)	0.7%	0.0%	n.a.	13.2%	6.4%	6.6%
EBITDA margin (%)	35.8%	36.5%	36.8%	37.6%	38.4%	38.1%

(1) Excluding Opodo.

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

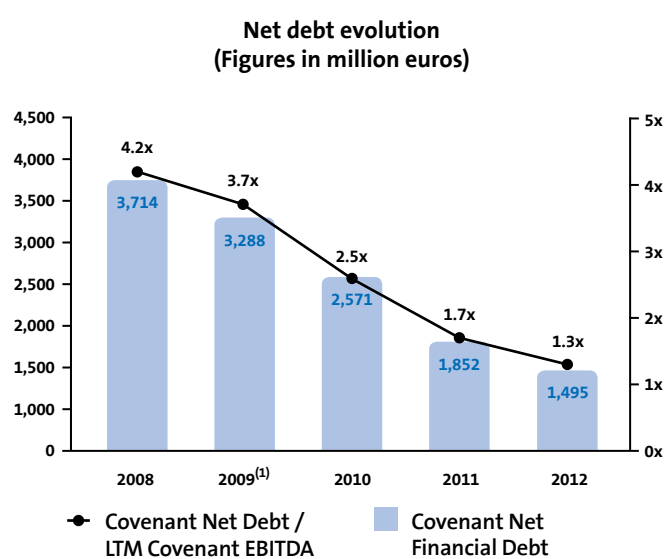
Figures in million euros	2008	2009	2009 <sup>(1)</sup>	2010 <sup>(2)</sup>	2011 <sup>(2)</sup>	2012
<b>Adjusted Profit from continuing operations</b>						
Adjusted Profit from continuing operations	323	350	344	404	487	575
Year on year change (%)	14.8%	8.3%	n.a.	17.4%	20.7%	18.0%

(1) 2009 figures estimated assuming the application of IFRIC 18 during the year.

(2) 2010 and 2011 adjusted profit from continuing operations does not include Opodo, which is presented as a discontinued operation.

## Key financial highlights

### Group



Figures in million euros	2011 <sup>(1)</sup>	2012	% change
<b>Financial highlights</b>			
Revenue from continuing operations	2,707	2,910	7.5%
EBITDA from continuing operations	1,039	1,108	6.6%
EBITDA Margin (%)	38.4%	38.1%	
Adjusted <sup>(1)</sup> Profit from continuing operations	487	575	18.0%
Total Assets	5,044	5,155	
Covenant Net Debt	1,852	1,495	(28.0%)
Covenant Net Debt / LTM Covenant EBITDA	1.7x	1.3x	
Capex	312.7	348.9	11.6%
Pre-tax free cash flow <sup>(2)</sup>	810.5	860.1	6.1%

(1) In 2011 Opodo is presented as a discontinued operation.

(2) Includes cash flow contribution from Opodo until the sale to funds managed by AXA Private Equity and the Permira Funds, which was closed on June 30, 2011.

## Stock market highlights

Amadeus key trading data at year end	2011	2012
Number of shares issued	447,581,950	447,581,950
Market capitalisation (in € million)	5,610	8,526
Share price (in €)	12.5	19.1
Earnings per share (Adjusted Profit per share) (in €)	1.09	1.30
Dividend per share (in €)	0.37	0.50
Price to earnings ratio (x) <sup>(1)</sup>	11.5x	14.6x

(1) Based on year end share price.



Photo by Catherine Dubois



Leadership  
*Shape the future*



# 02

## Corporate Sustainability

Conference 2013  
*of travel*



*“Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs”.*

UN WCED, 1987<sup>(1)</sup>

## 2.1 Amadeus commitment to sustainability

Amadeus' commitment to sustainability is based upon **three necessary components** and principally executed through our **commitment to innovation**, which is at the heart of Amadeus' culture.

**Firstly**, reaching sustainability objectives would be impossible without an honest and strict respect for **business ethics** and our rights and obligations towards all stakeholders with whom we work: customers, employees, shareholders, providers, partners, industry players, etc.

The Amadeus Code of Professional Behaviour (CPB) is our principal reference to safeguard appropriate development in this field. All employees need to follow a mandatory training in CPB and we monitor our performance through various initiatives across the company: from customer satisfaction surveys to analysis of our performance as an employer, as well as through the scrutiny carried out by external evaluators. Amadeus' inclusion in the Dow Jones Sustainability Index during 2012 marks an important milestone in this respect. However, work is never finished in this domain and we aim to remain permanently alert and continuously improving.

**Secondly**, we embrace our responsibility towards overall **environmental sustainability**, minimising the use of natural resources, providing solutions to our customers that help them to optimise their impact and working together with industry stakeholders towards common environmental objectives.

Although it is inevitable that our business activities imply some degree of ecological footprint, it is fundamental to understand our major consumptions, and then to measure them, to identify best practices, to implement improvement plans, and to follow up on our performance for constant progress.

Since 2009 our Environmental Management System (EMS) has systematically recorded our principal areas of concern:

- › Electricity consumption
- › Greenhouse gas emissions from electricity, fossil fuels, business travel (scopes 1, 2 and 3 of the Greenhouse Gas Protocol)
- › Paper
- › Water
- › Waste

The current scope of Amadeus' EMS covers our top ten sites worldwide by number of employees, which represent approximately 80% of the total footprint.

In addition, our ambition is to systematically identify any environmental impact associated with the use of our products by our customers. Examples of this include the paper saved by the implementation of e-ticketing or electronic miscellaneous documents, and the fuel savings achieved by the implementation of our Departure Control Systems for airlines. We believe that advanced technology should deliver both operational and environmental benefits.

Cooperation with industry players is also critical: no single entity can achieve much in isolation. We work together towards common objectives with trade associations like the World Travel and Tourism Council (WTTC), the Global Sustainable Tourism Council (GSTC), and associated members.

**Thirdly**, we need to make sure our business activities **increase shareholder value through a positive contribution to society**. The travel industry comprises diverse and interdependent sectors which together represent 9% of global GDP and

<sup>1</sup> UN WCED (United Nations World Commission on Environment and Development) (1987). *Our Common Future*. Oxford University Press.

employment worldwide<sup>(2)</sup>. We work in an industry that has an enormous impact on the well-being of the communities involved. Our ambition is to, gradually but visibly, improve our contribution to society. We aim to achieve this with a closer focus on engaging the resources that make Amadeus unique: our people and their talents, our technological capabilities, and our expertise in the global travel industry.

In 2012 we have evaluated the results achieved so far and reshaped our **Corporate Citizenship** strategy. In the reshaped approach, project work on the social side is grouped into three programme areas:

- > Training and educational projects
- > Technology for good: selected components of Amadeus technology deployed in social projects
- > Local community projects and volunteering

We believe that with this approach we will maximise our opportunities and take advantage of our global presence to reach all areas where our contribution provides more benefit. As a consequence of the positive outcomes of our corporate citizenship activity, we can enhance Amadeus' reputation in the travel industry.

### Innovation

A simple historic review shows clear evidence of the critical importance that innovation has contributed to the travel industry. Looking back over the last 50 years, innovation has permitted a development hardly found in other industries: from the advent of commercial aviation, to the vast improvement in the infrastructure of

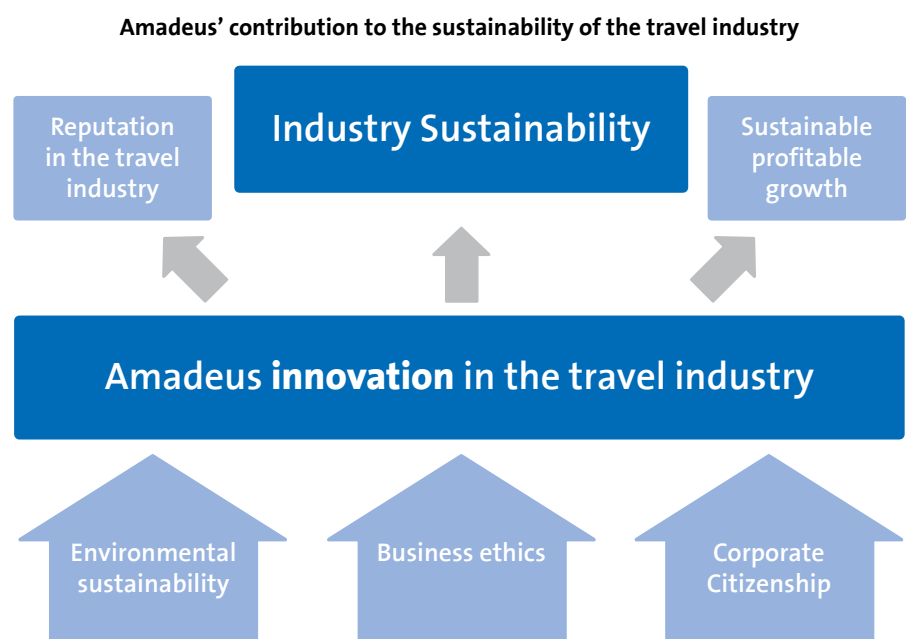
road transportation in many parts of the world, to the more recent development and implementation of high speed rail, etc. The world of travel has gone through immense transformation and has contributed to valuable changes in all aspects of the economic and social landscape. Innovation has been the catalyser for these dramatic changes in the travel industry.

Amadeus' tagline "Your technology partner" couldn't be a clearer indication of our aspirations regarding innovation. Our constant support for new technologies is materialised in the technological solutions offered to our customers. Amadeus' R&D team houses more than 4,500 people working in 16 development centres across the world. Only in 2012 our R&D investment reached 414 million EUR, and since 2004 we have invested around 2.4 billion EUR in total in R&D. In other words, our customers know that out of every hundred euros they pay for

our products and services we reinvest 14.2 in R&D to make sure our products and services deliver efficiencies and continue to shape the future of travel.

Examples of Amadeus innovation projects that contribute to overall sustainability are very diverse and expand from the transition of our core platform to open systems, to innovations in all areas of travel; always in search of improved performance for airlines, airports, rail operators, hotels, travel agencies and ultimately, travellers.

Further information on this subject can be found in the chapter dedicated to research, development and innovation we provide more information in this respect.



<sup>2</sup> Source: World Travel & Tourism Council. February 2013. *Economic impact of travel and tourism 2013. Annual update*. WTTC.

## 2.2 Corporate Governance

### Corporate Sustainability Report

For further information about Corporate Sustainability at Amadeus, you should refer to the Corporate Sustainability Report ([www.amadeus.com/msite/corporate\\_responsibility/annual\\_reports/2012/en/home.html](http://www.amadeus.com/msite/corporate_responsibility/annual_reports/2012/en/home.html)) that has been prepared in accordance with the Global Reporting Initiatives (GRI) G3.1 guidelines and which has received GRI's Application Level A+.

This report provides an overview of Corporate Sustainability at Amadeus. It contains information about:

- › Our Corporate Sustainability model and structure.
- › Our various stakeholders and how we engage with them, in particular, our commitment to our shareholders, employees, customers and suppliers.
- › Our approach to society and communities through Corporate Social Responsibility, as well as our commitment to the environment.

The Corporate Governance policies and procedures we use are designed to help the Company achieve its general objectives and to protect shareholders' interests. The legal norms specific to the Group regarding Corporate Governance were drawn up and/or adapted to the applicable legislation on the occasion of the company's flotation on the Spanish stock market in April 2010. They are the following:

- › Company bylaws (\*).
- › Regulations of the Board of Directors (\*\*).
- › Regulations of the Shareholders' General Meeting (\*).
- › Internal rules of conduct relating to the securities market.

(\*). These corporate documents were updated to the new Spanish Mercantile legislation as per resolution of the Ordinary Shareholders' General Meeting held on June 21, 2012.

(\*\*) This corporate document was updated to the new Spanish Mercantile legislation as per resolution of the Board of Directors of April 19, 2012 and reported to the Ordinary Shareholders' General Meeting held on June 21, 2012.



Photo by Carolina de Caso



The main bodies governing the Company are the following:

**The Shareholders' General Meeting** is the highest body representing Amadeus' share capital and exercises the power reserved to it exclusively in Corporate Law and in the company's bylaws. According to these laws, the shareholders must meet at least once a year, within the first six months of each year, to debate and adopt agreements concerning its exclusive duties, which are the most economically and legally relevant. Among these are the appointment of Board members, the review and approval of the annual accounts, applying results, appointing external auditors, treasury stock and supervising the Board's activity. Both the law and the company's bylaws reserve the exclusive power of adopting other important agreements to the General Shareholders' Meeting such as: bylaw modifications, bond issues, mergers, etc.

**The Board of Directors** is the highest body of representation, administration, direction, management and control of the company and sets out the general guidelines and economic objectives. The Board assumes and carries out the Company's strategy (steering and implementing company policies), supervision (controlling management) and communication (serving as a link with shareholders).

Board of Directors as of December 31, 2012		
José Antonio Tazón García	Chairman	Independent <sup>(1)</sup>
Guillermo de la Dehesa Romero	Vice-Chairman	Independent
Dame Clara Furse	Board member	Independent
Bernard Bourigeaud	Board member	Independent
David Webster	Board member	Independent
Francesco Loredan	Board member	Independent
Stuart McAlpine	Board member	Independent
Christian Boireau	Board member	Proprietary (Air France)
Enrique Dupuy de Lôme Chavarri	Board member	Proprietary (Iberia)
Stephan Gemkow	Board member	Proprietary Malta Pension Investments <sup>(2)</sup>
Pierre Henri Gourgeon	Board member	Others
Tomás López Fernebrand	Secretary (non-Director)	
Jacinto Esclapés Díaz	Vice-Secretary (non-Director)	

(1) Following the recommendation from the Compensation and Nomination Committee, based upon its verification of the fulfillment of the conditions required by the Regulations of the Board and Spanish corporate governance legislation and recommendations, in the meeting held on February 23, 2012 the Board of Directors of the Company classified the Chairman of the Board Mr. José Antonio Tazón García under the category of "independent Director".

Mr. José Antonio Tazón García was the General Manager (CEO) of the Executive Committee of the Amadeus Group until December 31, 2008, and subsequently joined the Board of Directors under the category of "others".

(2) Malta Pension Investments is an independent and unrelated company to Deutsche Lufthansa AG and its group of companies. It forms part of a group of companies owned by "Lufthansa Pension Trust e.V." and it is the entity to which Deutsche Lufthansa AG makes contributions to finance future retirement benefits of its employees in Germany and abroad.

On March 1, 2012, Société Air France carried out the sale of a 7.5% stake in Amadeus IT Holding S.A., through an accelerated book building offer to qualified institutional investors, reducing its remaining holding to a 7.7% stake in the company. As a result, and in accordance with the provisions of the Shareholders' Agreement of April 29, 2010, Air France-KLM (via its subsidiary Société Air France), having decreased its respective holding in Amadeus to below 10%, renounced one of the two Amadeus Board seats which it was entitled to. Consequently, the proprietary Board member Mr. Pierre-Henri Gourgeon placed his appointment at the disposal of the Board of Amadeus, which at the meeting held on April 19, 2012 ratified his Board seat, under the category of "others", removing his "proprietary" status. Mr. Pierre-Henri Gourgeon has not maintained any working and/or mercantile relationship with Société Air France since October 2011.

On December 7, 2012 Deutsche Lufthansa AG transferred its remaining 4% stake in Amadeus IT Holding, S.A. to Malta Pension Investments. At the same time, Deutsche Lufthansa AG and Malta Pension Investments entered into an agreement by which Deutsche Lufthansa AG reserves the faculty to exercise the contractual rights of the signatory shareholders of the Shareholders' Agreement of Amadeus IT Holding, S.A. of April 29, 2010, mainly, the appointment of a Director at the Board of Amadeus IT Holding, S.A., within the terms and conditions of the Shareholders' Agreement. As a result of this agreement, Stephan Gemkow was appointed as proprietary Board member in representation of Malta Pension Investments.

According to the bylaws, the Board of Directors has created specialised committees to ensure compliance with its duties of advising the Board of Directors. These committees are:

**Audit Committee:** The Audit Committee is currently made up of five external Board Members. The Audit Committee advises the Board especially in the knowledge and analysis of the annual balance sheet and the regular reports developed for the financial markets which are disseminated through the Comisión Nacional del Mercado de Valores (CNMV), the regulator of the Spanish Stock Exchanges. It also takes care of the review of the internal control and risk management systems, to ensure that the main risks are properly identified, managed and communicated. It also verifies that the internal audit service is both independent and efficient; proposal of the selection, appointment, re-election and dismissal of the head of the internal audit service; proposal of the budget for this service; receipt of regular information on its activities; and verification that senior management considers the conclusions and recommendations contained in its reports.

Our Audit Committee met four times during 2012.

Audit Committee	
<b>Chairman</b>	David Webster*
<b>Members</b>	Christian Boireau
	Dame Clara Furse
	Guillermo de la Dehesa Romero
	Enrique Dupuy de Lôme Chavarri**

\* Mr. Webster replaced Mr. de la Dehesa in the Chairmanship as per decision of the Audit Committee of May 8, 2012.

\*\* Mr. McAlpine was replaced by Mr. Dupuy as per resolution of the Board of Directors of April 19, 2012

## Nomination and Remuneration Committee

**Committee:** This Committee is made up of five external Board members. This Committee evaluates the competence, knowledge and experience necessary in the members of the Board of Directors; proposes for appointment independent Directors; reports to the Board on matters of gender diversity; proposes to the Board of Directors the system and amount of the annual remuneration of Directors and remuneration policy of the Members of the Management Team; formulates and reviews the remuneration programmes; monitors observance of the remuneration policies and assists the Board in the compilation of the report on the remuneration policy of the Directors; and submits to the Board any other reports on retributions established under these Regulations.

Our Nomination and Remuneration Committee met three times during 2012.

Nomination and Remuneration Committee	
<b>Chairman</b>	Guillermo de la Dehesa Romero*
<b>Members</b>	Bernard Bourigeaud
	Francesco Loredan
	Dame Clara Furse
	Stephan Gemkow**

\* Mr. de la Dehesa replaced Dame Clara Furse in the Chairmanship as per decision of the Nomination and Remuneration Committee of December 12, 2012.

\*\* Mr. Dupuy was replaced by Mr. Gemkow following Mr. Dupuy's appointment to the Audit Committee, as per resolution of the Board of Directors of April 19, 2012.

## Shareholders' Agreement

As of December 31, 2012, there was a Shareholders' Agreement in place.

The object of this agreement is (i) to regulate the composition of the Board and Board Committees in line with percentage shareholdings, (ii) to regulate the scheme applicable to the transfer of the Company's shares as regards lock-up periods as well as for an orderly sale procedure, inter alia, and (iii) covenants not to compete and other related matters.

The Shareholders' Agreement was originally signed by Société Air France, Amadelux Investments, S.à.r.l (subsequently split into Amadecin S.à.r.l and Idomeneo S.à.r.l), Iberia Líneas Aéreas de España, S.A., Lufthansa Commercial Holding GmbH, Deutsche Lufthansa AG and Amadeus IT Holding, S.A. on April 8, 2010 (effective April 29, 2010, the date of admission to trading of the shares of Amadeus IT Holding, S.A.). As of December 31, 2012, after several transactions with the Amadeus shares carried out in 2011 and 2012 by the original participants in the Shareholders' Agreement, the Company, Iberia, Lufthansa and Air France remain committed by the agreement. The relation between Lufthansa and Malta Pension Investments, vis-a-vis the shareholders' agreement, is further explained elsewhere in this chapter.





# 03

## Amadeus business overview

### 3.1 Distribution

#### Business overview

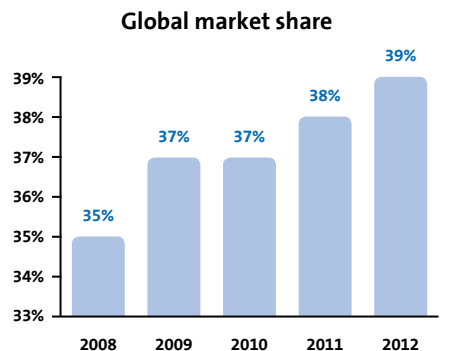
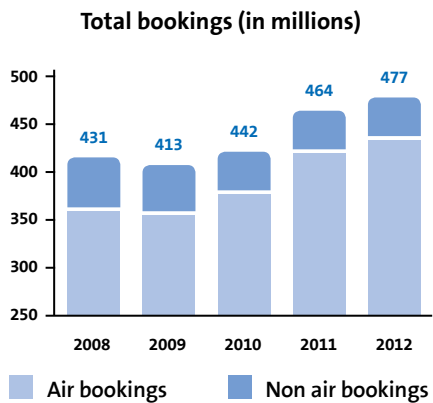
Within the travel and tourism industry, global distribution systems connect a large number of travel providers with a large number of travel agencies, through which corporations and end consumers can buy travel. As such, Amadeus creates value in the travel distribution chain for both travel providers and travel agencies:

- > Amadeus creates value for travel providers by extending their sales distribution reach to countries and market segments they would not be able to sell to through other distribution channels.
- > At the same time, Amadeus creates value for travel agencies by aggregating inventory from multiple travel suppliers into an integrated display and by offering enhanced functionalities, such as advanced search and booking engines, to enable them to efficiently access this wide inventory and sell a wide variety of choices, prices and itineraries to their customers.

We operate within a two-sided business model where (i) success in attracting and retaining travel agency customers and (ii) breadth of travel provider offering can create a virtuous cycle: the more comprehensive our content, the more attractive we are to travel agencies and the more travel agency subscribers we have, the more attractive we are to travel providers in offering them enhanced global reach.

We operate primarily on a fee-per-transaction basis, collecting a booking fee from the relevant travel provider for travel bookings processed through our platform. Although such bookings are initiated and completed through travel agencies, the fee is paid by the travel provider.

Amadeus is the largest distribution provider serving the worldwide travel and tourism industry, with an estimated market share of 38.6% in 2012<sup>(3)</sup>. Amadeus holds the number one position in travel distribution in Western Europe and Central, Eastern and Southern Europe (CESE), as well as in faster growing emerging regions such as the Middle East and Africa and the Asia-Pacific region.



<sup>3</sup> Market share is calculated based on the total volume of travel agency air bookings processed by the global or regional CRS. Excludes air bookings made through in-house or single country operators, primarily in China, Japan, South Korea and Russia. Also excludes bookings of other types of travel products, such as hotel rooms, car rentals and train tickets

## Financial performance in 2012

In 2012 Amadeus has successfully delivered against its targets, achieving profitable growth in both its business units.

In general terms, 2012 was a strong year for Amadeus, despite a difficult global macroeconomic backdrop and weak levels of business and consumer confidence. Once again Amadeus benefitted from its successful business model, which provides strong resilience and economies of scale. In addition, our continued investment in R&D and differentiated value proposition allowed us to deliver market share gains, adding new clients to our platform, both in Distribution and IT Solutions.

Our Distribution business continued to grow during 2012, despite the weakness in the distribution industry, driven by our market share gains, leading to a 2.9% booking volume growth, and the strength in average booking fees, thanks to the positive booking mix and positive FX impact. As a result of the above, our revenue increased by 5.8% in the year. Our contribution margin in 2012 was 44.3%, a decrease vs. 2011 as per the outlook provided at the beginning of the year, (also driven by the negative FX impact).

## Distribution. Key operating and financial highlights

Figures in million euros	2011	2012	% change
<b>KPI</b>			
<b>GDS industry growth</b>	<b>2.2%</b>	<b>1.2%</b>	
<b>Air TA market share</b>	<b>37.7%</b>	<b>38.6%</b>	<b>0.9 p.p.</b>
Air TA bookings (m)	402	417	3.5%
Non air bookings (m)	61	61	(1.1%)
<b>Total bookings (m)</b>	<b>464</b>	<b>477</b>	<b>2.9%</b>
<b>Results</b>			
<b>Revenue</b>	<b>2,079</b>	<b>2,201</b>	<b>5.8%</b>
Operating costs	(1,174)	(1,278)	8.9%
Direct capitalisations	45	52	15.7%
<b>Net operating costs</b>	<b>(1,129)</b>	<b>(1,226)</b>	<b>8.6%</b>
<b>Contribution</b>	<b>950</b>	<b>975</b>	<b>2.5%</b>
As % of Revenue	45.7%	44.3%	(1.4 p.p.)



Photo by Carolina de Caso

**Evolution of KPI**

As shown in the table below, during the year the volume of air bookings processed through travel agencies connected to Amadeus increased by 3.5% and our market share<sup>(4)</sup> gain was 0.9 p.p.

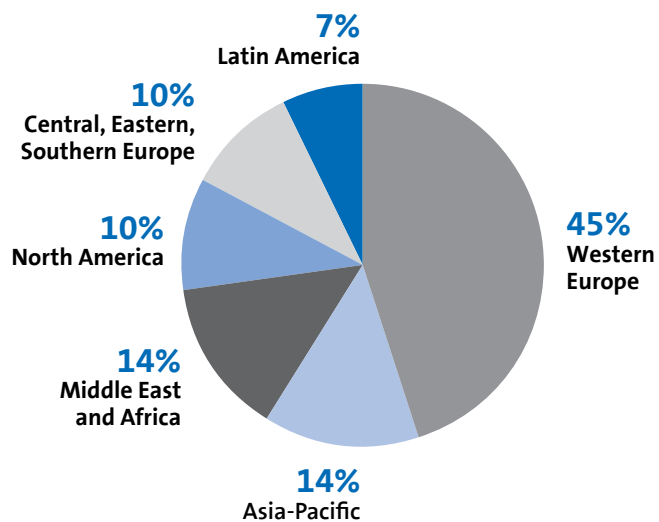
This market share gain was partially driven by our organic growth in the different markets, as well as a positive region mix, despite a weak industry performance in Western Europe and India, where Amadeus has a very large presence. This positive region mix was mainly driven by our exposure to CESE, Latin America and Middle East and Africa, all of which performed strongly in the year.

As a whole, the industry increased by a modest 1.2% in 2012, supported by a strong first half of the year which was followed by an important slowdown during the second half, driven generally by the macroeconomic environment.

More specifically, some important factors affecting the industry in 2012 include: (i) the negative performance experienced in the US, (ii) one-off events in India, Spain and Hungary, with the cessation of operations of one of the country's main full service carriers, whose traffic was taken over partially or totally by LCCs which are not currently distributed through travel agencies, (iii) higher levels of disintermediation experienced in some countries in Asia as a result of the success of certain low cost carriers and (iv) the weakness in corporate travel, the bulk of which is managed by travel agencies. These negative factors were partially offset by a strong performance in Latin America, MEA and CESE.

Within non-air distribution, our bookings for 2012 decreased by 1.1% to 60.7 million, driven mainly by the decrease in rail bookings, and despite an increase in hotel bookings.

2012 Amadeus Air travel agency bookings split by region



<sup>4</sup> Market share is calculated based on the total volume of travel agency air bookings processed by the global or regional CRS. Excludes air bookings made through in-house or single country operators, primarily in China, Japan, South Korea and Russia. Also excludes bookings of other types of travel products, such as hotel rooms, car rentals and train tickets



## Revenue

Our Distribution revenue increased by 5.8% vs. 2011. This increase was driven by growth both in booking revenue (+6.6%) and in non-booking revenue (+1.5%):

- **Booking revenue:** 6.6% increase, driven by a combination of volume growth (2.9% increase in total bookings) and a positive pricing impact (an increase of 3.6% in our unit booking fee due to the favourable booking mix, positive impact from recent renewals and positive FX impact).
- **Non booking revenue:** 1.5% increase in 2012, related to the strong contribution from revenues from travel agencies (growth in products and services sold to travel agencies, such as availability and shopping tools), a positive performance of our subsidiary Traveltainment in the leisure business and the contribution from the recent contract signed with Kayak in the US. In addition, we also had a positive impact derived from certain of our hedging instruments.

## Contribution

The contribution of our Distribution business 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 the business).

The contribution of our Distribution business increased by 2.5% for 2012, leading to a total contribution of €974.6 million in 2012 vs. €950.4 million in 2011. As a percentage of revenue, this represents 44.3%, a decline vs. 45.7% in 2011, as expected by management based on industry dynamics, including higher incentive payments, as well as

a significant number of commercial successes, leading to a short term increase in costs. R&D expenditure also increased in the year.

Finally, it should also be noted that our margins were negatively affected by FX evolution, which positively affected our revenue (as discussed above) but negatively impacted our cost base, leading to a slightly better contribution figure, in absolute terms, but a lower contribution margin, as % of revenue.

Operating costs in 2012 increased by 8.9%, as a result of: (i) the increase in our booking volumes, (ii) the increase in our average unit incentive fees, paid to travel agencies, driven by a combination of the tougher competitive environment and the mix of travel agencies originating our bookings, with significant growth in the online segment, (iii) significant development activities associated to distribution such as: (a) new products and applications for travel agencies, airlines, and corporations to provide sophisticated booking and search engines (e.g. Amadeus Meta Pricer), (b) regionalisation efforts or (c) increased investment in relation to hotel and rail (iv) commercial expenses related to new client wins and the increased activity in the regions and (v) negative impact of the EUR depreciation in our cost base.

## Products and services

As a global distribution system platform, Amadeus serves both the sales and distribution needs of travel providers, (airlines, hotels, railway companies) as well as providing travel agencies with access to a wide travel content inventory, with enhanced functionality and management solutions for their key business processes.

The following pages describe our business proposition to both groups of clients, including an overview of some of the key solutions in our portfolio.

Figures in million euros	2011	2012	% change
<b>Distribution - Revenue</b>			
Booking revenue	1,769	1,886	6.6%
Non booking revenue	311	315	1.5%
<b>Revenue</b>	<b>2,079</b>	<b>2,201</b>	<b>5.8%</b>
<b>Average fee per booking (air and non air) <sup>(1)</sup> (euros)</b>	<b>3.81</b>	<b>3.95</b>	<b>3.6%</b>

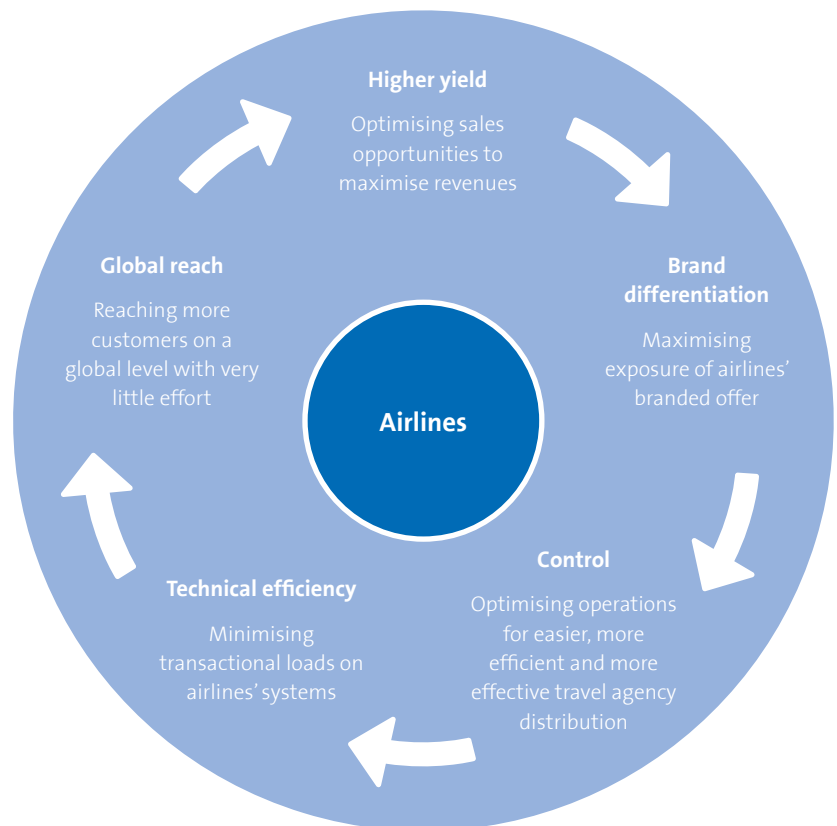
(1) Represents our booking revenue divided by the total number of air and non air bookings.

## Airlines

### Business impact

With the Amadeus distribution platform, airlines can benefit from global reach, higher value sales and brand differentiation, as well as enhanced control and reduced time to market. Our improved distribution portfolio offers the best of the traditional strengths of a global distribution system combined with the target marketing and brand differentiation techniques offered by direct channels.

### How Amadeus benefits airlines



Portfolio overview  
Airline Distribution

Availability &  
schedules

Our **Availability** portfolio helps customers ensure that their product is available and accurately reflected on the agency desktop.

Fares

The **Fares** portfolio is designed to enable customers to get the right fares to the right agents.

Customer

The **Customer** portfolio helps airlines make sure that their top-tier customers receive a differentiated service, and also prevent errors and data misuse.

Booking

Our **Booking** portfolio is used to inform agents about airlines' booking policies. It lets them book airline inventory and request related services with ease and efficiency. It also enables them to service agency bookings and perform quality checks.

Fulfilment

The **Fulfilment** portfolio facilitates automated ticketing and fulfilment by agents, including fee collection.

Revenue  
maximisation

Our **Revenue maximisation** portfolio is designed to boost sales and develop the target marketing capabilities of airlines.

Booking integrity

The **Booking integrity** portfolio enhances control over travel agency sales.

Merchandising

The **Merchandising** portfolio assists airlines in making a real brand impact and up-selling their product offer.

Business  
intelligence

The **Business intelligence** portfolio facilitates informed decision making in the areas of sales, marketing, network planning, scheduling, pricing and yield management to optimise revenues and identify the potential for cost-cutting.

## 1. Availability & schedules

Airline  
Distribution

Travel  
Agencies

Offers instant visibility with travel agencies globally.

**Facilitates management and distribution of airline availability and schedule information to travel agents.**

### Standard schedule and availability

The Amadeus system makes flight details available to over 91,000 travel agencies worldwide, giving them access to all the information and features necessary to price and sell seats, issue accountable documents and report sales back to the airline.

### Direct access

Provides travel agents with real time schedule and availability information, taken directly from an airline's inventory system, as well as instant booking confirmation through secondary, 'direct access' displays.

### Access update (dynamic schedules, daily schedule update and numeric availability)

Provides travel agents with real time schedule and availability information through Amadeus principal neutral displays and to load flight schedule information directly into Amadeus on a daily basis.

### Business benefits



#### Reduced time to market

Provides real time availability and schedule information to travel agents, enabling them to book flights with total confidence



#### Enhanced brand awareness

Instantly distributes availability and schedule information to over 91,000 travel agents



#### Superior customer service

Makes sure that the airline product is rightly reflected on the agency desktop and therefore lets customers have access to accurate schedules and availability information

## 2. Fares portfolio

Makes sure the right fares are available to the right agents.

**Facilitates management and distribution of fares and related information to travel agents.**

### Fare data loading

Enables the distribution and display to travel agents of public fares and related information, which are seamlessly uploaded from the airlines' preferred fare filing source.

### Web fare access in meta pricer

Enables the display of content to travel search companies without incurring the costs associated with them.

### FareXpert filing platform

Allows airlines to load and update all non-public fares in the Amadeus system for display, pricing and ticketing by selected travel agencies.

Airline  
Distribution

Travel  
Agencies

### Business benefits



#### Reduced time to market

Makes confidential fares instantly available to target travel agency points of sale



#### Superior customer service

Serves preferred agents and consolidators with automated pricing and ticketing of fares with any type of incentive schemes supported, all in line with an airline's revenue accounting



#### Optimised distribution costs

Reduces transaction related costs generated by travel search companies



#### Increased productivity

Facilitates fare filing with a graphical user interface that saves up to 80% of the time required for cryptic entries and minimises training efforts through a guided filing process

### 3. Customer portfolio

Airline  
Distribution

Travel  
Agencies

Provides superior levels of customer service.

**Supports Client Relationship Management (CRM) initiatives and facilitates management of high-yield customers by travel agents.**

#### Frequent flyer

Enables agents to use customer data when making reservations, giving an airline the ability to track frequent flyer Passenger Name Records (PNRs) and/or identify frequent flyer requests in real time.

#### Business benefits



##### Superior customer service

Enhances service for frequent flyers by easily identifying their requests and acting accordingly, and improves service to travel agents by enabling them to handle frequent flyer reservations in a much faster, professional and secure manner



##### Optimised distribution costs

Prevents errors and misuse of customer data through real time validation and the automatic transmission of frequent flyer information to all the partners of the airline



Photo by Jannine Adams

## 4. Booking portfolio

Easy and efficient sales through over 91,000 travel agents.

**Facilitates information provision and enables sales execution and customer servicing by travel agents, as well as Passenger Name Record (PNR) servicing and quality checks.**



### Standard access

Provides standard booking facilities in accordance with IATA AIRIMP (universally agreed upon communications standards for the handling of passenger reservations interline messages).

### Interactive Sell (previously access sell)

Enables real time sales by travel agents using an interactive process that sends a request to your system when a sell request is made by an agent.

### Interactive seat map and advance seat reservation

Provides travel agents with real time seat map information on flights and the ability to request specific seats in real time and receive an instant acknowledgment from an airline's system.

### Automatic special service request (SSR) handling

Helps to automatically handle special service requests in the Amadeus system based on a powerful set of defined business rules.

### Auxiliary services

Facilitates the ordering of value-added non air services provided by the airline. e.g. taxi pick-up, limousine services, etc.

### Negotiated space

Allows an airline to define blocked space and assign it to preferred travel agents whilst retaining full synchronisation with the inventory of the airline.

### PNR claim

Lets travel agents retrieve Passenger Name Records (PNRs) initially created in the system and take control of them for the purpose of ticket fulfilment or further PNR servicing.

### PNR Synchronisation

Amadeus PNR Synchronisation product provides non-Altéa airlines with the ability to synchronise PNRs created in Amadeus and subsequently updated in the airline system. Thanks to this feature PNR items are kept in sync between Amadeus and the airline system.

### Operational flight information

Provides travel agents with access to full flight details before and after departure, including departure gate and take-off times, estimated time of arrival, real landing and final arrival times.

### System servicing

Allows servicing of agency bookings and quality checks via the connection of terminals to the Amadeus system.

### Amadeus Group Passenger Name Record

Allows agents to handle groups of up to 99 passengers in one single booking record with flexibility.

Group bookings are managed efficiently thanks to features like advanced group seating and individual name management.



#### Business benefits



#### Superior customer service

Facilitates sales in real time and enables travel agents to provide superior levels of customer service to the customers of the airline



#### Increased productivity

Performs servicing functions required for distribution through travel agents, including PNR servicing, past date booking requests, availability and fare checks



#### Optimised distribution costs

Decreases the amount of messages that the airline has to process manually or automatically, eliminates unproductive bookings and saves time and money by sharing the responsibility for PNR follow up directly to travel agents



## 5. Fulfilment portfolio

Facilitates automated ticketing and fulfilment.

**Facilitates ticketing and issuance of relevant documentation by travel agents as well as collection of fees.**

### Ticketing

Enables travel agents all over the world to issue electronic tickets for customers, facilitating instant access to ticketing and fare information for revenue accounting systems. We also support Electronic Miscellaneous Documents (EMD) for the fulfilment of miscellaneous charges including ancillary services.

### Card acceptance

Allows the airline to establish credit card acceptance and process authorisation for major international credit and payment cards.

### Airline service fees

Facilitates the processing, collection and reporting of the airline's credit card fees by travel agents. These fees are seamlessly integrated into the agency booking flow being applied automatically at the time of fare pricing and ticket issuance.



### Business benefits



#### Increased revenue

Enables the collection of credit card fees through the Amadeus travel agency channel in a fully automated manner



#### Superior customer service

Encourages transparency by enabling end users to view the total price associated with their tickets as well as the breakdown of fees at any step of the booking process



#### Optimised distribution costs

Reduces fraud through the issuance of electronic tickets and improves the cash flow of the airline by increasing security and speed of ticket data reporting to its revenue accounting system



#### Increased productivity

Tracks collection performance with real time information about tickets, fares, customers and sales channels

Airline  
Distribution

Travel  
Agencies

## 6. Revenue maximisation portfolio

Allows airlines to make smarter sales and increase revenue.

**Facilitates distribution decisions in line with revenue management policies and customer and market segmentation.**

### Carrier preferred display management

Gives the opportunity to influence the selling behaviour of Amadeus travel agents by creating and managing an airline's own biased displays to support its business requirements and customer and market segmentation objectives.

### Availability management

Enables airlines to differentiate their offer in line with their customer and market segmentation. By applying revenue management controls at the channel level, an airline can tailor availability information to individual points of sale.

### Dynamic availability

Works in conjunction with the airline's own system to reflect its recommendations through Amadeus powered channels.

This allows an airline to reply to availability requests by agents in real time, customising its offer based on the value of the booking, taking into

account origin and destination (O&D) information as well as its customer and market segmentation.

### Availability calculator

Provides the airline with the ability to get automatic computed availability information directly in the Amadeus system using a calculation algorithm provided by the airline, therefore reducing the volume of polling transactions.

### Journey data

Allows an airline to receive real time information about the rest of a passenger's journey and make more accurate decisions about what offer to propose and/or how to react to a booking request.

### Married segment control

Links connecting flight segments together to be treated as a single unit during the booking process and beyond, for the entire existence of the booking record.

### Business benefits



#### Increased revenue

Improves the profitability of sales across the network and ensures that forecast yield translates into revenue collected, plus gets agents to book preferred flight connections



#### Optimised distribution costs

Controls travel agency sales more effectively through the prevention of agency abuse, and ensures travel agents sell in the way that the airline wants them to sell



#### Enhanced brand awareness

Targets the airline's offer based on customer and market segmentation, and customises the offer based on customer value and who is selling

## 7. Booking integrity portfolio

Enhances airlines' control over travel agency sales.

**Facilitates travel agents' adherence to an airline's reservation policies.**



### Automates ticketing limits

Facilitates advanced, real time flight firming to ensure a product is sold strictly in compliance with its terms and conditions, so that non-committed inventory is not released for sale.

### Pricing override management

Provides the ability to restrict or inhibit the use of pricing override functions by Amadeus travel agents when pricing an itinerary.

### Image Passenger Name Record (PNR)

Allows access to a complete picture of the PNR created by a travel agent, over and above the standard information provided in a PNR wrap-up message as defined by IATA.

### Name change controller

Allows control of the ability of travel agents to perform name changes on an airline's flights by defining rules directly in the Amadeus system.

### Passive segment notification

Allows an airline to be notified each time a travel agent inserts a passive segment on the airline's flights into an Amadeus PNR, helping to identify how and by whom the customer has been serviced.



### Business benefits



#### Superior customer service

Encourages pricing and policy transparency to passengers



#### Optimised distribution costs

Protects revenues through increased control over travel agency sales



## 8. Merchandising portfolio

Allows airlines to make a real brand impact and upsell.

**Facilitates the communication of airlines and their products and the ability to promote special offers to travel agents in the most relevant and visually impactful manner.**

### Flight features

Enables airlines to differentiate their product on the travel agent's booking screen with a pop-up box which displays text and pictures supplied by the airline.

### Banners

Provides the means to deploy real time and extremely visual promotional campaigns to selected travel agents, communicating product offering, positioning, special promotions, new services and others.

### Airline ancillary services




Enables airlines to sell *à la carte* ancillary services (seats, bags, meals, etc.) in all distribution channels including travel agencies.

### Personalisation

Airlines are looking to provide services and offers which are customised according to who is looking for a flight. There are current functionalities which enable airlines to do this in the Amadeus platform today. Airlines can, for example, charge a different price for ancillary services depending on the traveller's frequent flyer tier.



**Business benefits**

- **Superior customer service**  
Provides additional information about products and services and facilitates real time promotion on a worldwide basis or selectively to the agent(s) or on the displays of the airline's choice
- **Enhanced brand awareness**  
Communicates promotional news at the right time to the right, targeted audience in a cost-effective way
- **Increased revenue**  
Generates new revenues as well as higher revenues per sale by offering a wide range of chargeable services

## 9. Business intelligence portfolio

Provides a firm foundation for informed decisions.

**Provides powerful sales and market data as a basis for informed decision making and channel performance analysis.**

### Market Information Data Tapes (MIDT)

Facilitates identification of business opportunities and traffic patterns, demand and market size through detailed reservation data.

### Amadeus Total Demand by airconomy

Provides airlines with a comprehensive and accurate view of passenger volume on any given route. Total Demand includes market intelligence data on bookings made with low-cost carriers and on airlines' websites and call centres.

### Ticket data

Provides fast and automated access to comprehensive information on ticket sales.

### City pair data

Provides airlines with relevant information to monitor booking activity for specific city pairs.

### Billing information

Provides the foundation for analysis of an airline's distribution through the travel agency channel, giving detailed billing data covering every booking made on an airline's flights by travel agents as well as any distribution service for which it has been billed and/or received an invoice or credit report.

Airline  
Distribution

Travel  
Agencies

### Business benefits



#### Reduced time to market

Determines how and where to focus market spend



#### Optimised distribution costs

Identifies different areas of distribution expenditure with data on cancellation rates as well as waitlisted and passive segments and abusive travel agents or sources of unproductive bookings



#### Increased productivity

Identifies the most productive agents and monitors how they are booking an airline's services and those of its competitors

## Travel agencies

### Business impact

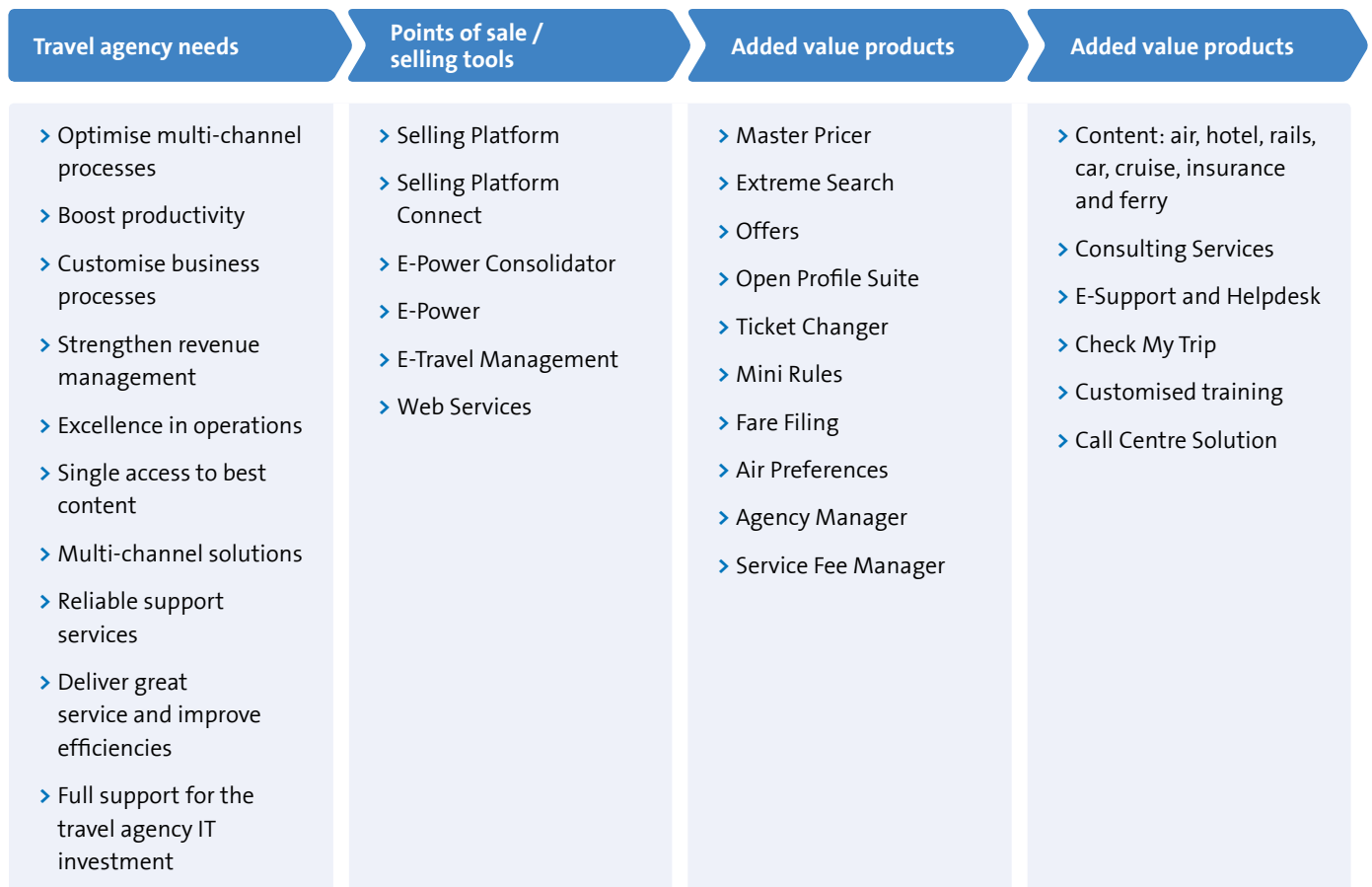
At Amadeus, we have developed a complete range of products and services designed to benefit every area of the travel agent's business.

Because not all our customers are the same, Amadeus has developed specific products for specific travel agency segments, based on their priorities and business needs.

### Amadeus' range of products and services for travel agencies



**Portfolio overview**  
**Travel agencies Distribution**



Airline  
Distribution

Travel  
Agencies

## Amadeus Selling Platform

### Portfolio overview

**Amadeus Selling Platform is a truly scalable solution that in its simplest form is suitable for the smallest start-up agency, yet is robust enough to be scaled up and customised to suit the most demanding multinational customers. The solution allows multinationals to seamlessly integrate their own packages to provide a truly customised solution.**

### Main features

Amadeus Selling Platform is built on state-of-the-art technology delivering the most sophisticated features:

#### Dual usage with combined graphic/cryptic interface

> The fully integrated graphical user interface and cryptic host window make Selling Platform an ideal platform for all levels of user expertise and allows consultants to choose how they work. It gives travel professionals fast, integrated, single-screen access to all travel content and fares.

#### Amadeus Ancillary Services

> Increased parity with the airlines' own online offer strengthens aggregated content and consultancy value.

#### Amadeus All Fares Plus

- > Amadeus All Fares is to access, browse and sell the widest range of aggregated air fare content, saving time and enabling optimal service packaging: the best deals with professional advice.
- > Fully web-based, new features are available immediately over the web – no install or upgrade required.

#### Amadeus Ticket Changer

> The Amadeus solution to automate the calculations necessary to reissue a ticket and store the results in the correct ticketing formats ready for travel documents issuance.

#### Amadeus Travel Preference Manager

> Automatic highlighting of customers' preferences.

#### Amadeus Multi-content Deskop

> All third-party content and applications, integrated into one professional booking tool.

#### Amadeus Hotels Plus and Cars Plus

> Professional and intuitive graphical interfaces which bring web application benefits to travel agents' sales: easy to use & quick to book for improved efficiency and added value to customer offer.

#### Amadeus Hotel Multisource

> Integrated non-GDS content from aggregators, including features such as pre-paid rates, and with guaranteed commissions.

#### Amadeus Speedmode

> Enables experienced agents to work even faster.

#### Amadeus Electronic Miscellaneous Documents

> Amadeus Selling Platform enables travel agencies to issue electronic documents for standalone services.

> EMD facilitates the sale of ancillary services which are not necessarily linked to a flight segment but which can be issued in connection with the ticket for reference. Amadeus EMD is fully integrated with standard PNR workflows, including Amadeus Ticket Changer and document print facilities, making it a real cost saver.



### Amadeus Profiles Plus

- › The quickest way to make a booking, while remaining fully compliant with the travel agency customers' preferences.
- › Manage all profile types (traveller, company, agency and group), and get unified access to business and leisure profiles. In addition, traveller preferences can be managed for non air bookings: cars, hotels and rail.
- › Quick and easy search for profiles thanks to internet search engine type technology. The new 'merge' display combines data from the traveller, the linked company and the owning agency for a much clearer view. Easy transfer data to the PNR.

### Business benefits



#### Increased selling capabilities: single access to all fares and broadest content

- › Access to comprehensive air, land & sea content in a fully integrated way
- › Access to the same ancillary services offered by airline web sites
- › Add specific content through integrated partners



#### Streamlined processes to keep costs down

- › Amadeus Selling Platform is loaded with tools designed to speed up the booking process and boost productivity
- › Built-in efficiency tools and integration enable faster sales
- › Instant integration from front to back-office
- › Reduces the complexity of business processes & administration time



#### Exceed customers' expectations with personalised services

- › Wide offering and flexibility for corporate clients to provide for trouble-free travelling
- › Ability to comply with clients' preferred supplier agreements
- › Automated processes for easy handling of customer profiles, policies and preferences
- › Customer profiles are easily created and their purchase history and preferences can be saved

## Amadeus Selling Platform Connect

Airline  
Distribution

Travel  
Agencies

Amadeus Selling Platform Connect is the only professional sales and fulfilment platform that is fully web-based, yet built for travel professionals. It can be tailored to the travel agent needs and is packed with innovative features such as Booking File, Integrated Partners, Cryptic Magic and more. Amadeus Selling Platform Connect requires minimal training and no installation, it is accessible from anywhere at anytime and provides access to the best content, Amadeus, regional and local, seamless through a single application.

### Main features

#### Customisable

› Customisable desktop can be set up based on individual travel agent needs and behaviours with the exact travel content required. Travel agents can configure the platform themselves or work directly with Amadeus to develop specific customisation. Third party content that that is pecifically requested can be integrater directly into the booking flow.

#### No installation

› Amadeus Selling Platform Connect is not only a new graphical interface completely re-thought, it also features industrial-strength tools needed by the travel professional and is fully accessible on the web!

› Can be accessed any time and from any machine simply using travel agency credentials. No lengthy or costly installation or deployment required. New features can be deployed even faster and accessed instantly over the web.

#### Intuitive workflow

› The air, hotels, cars, and profiles components have been re-thought to gain the same intuitive workflow across the board. Selling Platform Connect

includes many productivity enhancing features, such as pre-population from the air segment, auto-complete entries, progressive displays for fast results and filtering options that instantly adjust your displays.

#### Booking File

› At the core of the new Amadeus Selling Platform Connect framework is a re-engineered interface boasting new toolbars and menus with a navigation that is centred around the Booking File. The Booking File concept offers one unique repository for all the information that an agency needs to store for a passenger's trip.

› Trip components can be easily accessed from the 'Go To' panel there is a 'Check List' to remind agents of key steps when building a customer's itinerary.

#### Cryptic Magic

› Cryptic Magic is a unique feature that allows the entry of cryptic commands but with results displayed in a rich graphical display. Speed can be maintained with control over workflow while enriching the results display thanks to the Amadeus Selling Platform Connect powerful graphical interface.

› Cryptic Magic will truly improve productivity and give an optimal balance between the speed of cryptic



entries and the rich content of the graphical page. It also brings significant cost savings.

#### Integrated Partners

> As well as the external web sites that can be brought into Amadeus Selling Platform Connect through the 'External links' feature, it is also possible to fully integrate specific providers through the Integrated Partners framework. Integrated Partners allows booking non-GDS content using the same workflow and integrate it fully into the Booking File and back office.

#### Productivity Suite

> Amadeus Selling Platform Connect already boasts revolutionary, timesaving features, but even more options can be added to further increase productivity and quality.

> **File finishing:** facilitates the completion of booking files based on defined rules

> **Agent assistant:** the evolution of smart keys and predefined workflows to help agents complete tasks more efficiently

#### Business benefits



##### Best content: Find and book Amadeus, regional and local content seamlessly through one application

- > Satisfies all traveller needs and enhances customer service
- > Access to the same ancillary services offered by the airline web sites
- > Add specific content through integrated partners
- > Rich content and interactive maps



##### Built by and for travel professionals, designed to boost productivity and access to information and differentiate through a tailored approach

- > Intuitive interface, user-friendly toolbars, menus and productivity tools
- > Efficient processing and follow-up
- > Reduces training cost and time
- > Agency specific customisation for a 'tailored fit' that matches business objectives



##### Anywhere, anytime, accessed entirely through the internet with all features, functionalities and content at agent's fingertips

- > Easy to install, deploy and access
- > No need for upgrades
- > Agents have access to the same platform and feature set, across offices and countries

Airline  
Distribution

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## Amadeus e-Travel Management

Amadeus e-Travel Management is the online self-booking tool that gives corporations unparalleled control over their travel programme and business travellers greater choice with their trips while complying with corporate travel policies.

Planning, booking and purchasing complete travel itineraries (while adhering to company guidelines) becomes simple. Corporations and travel agencies alike can integrate all elements of their global travel programmes (including travel policies, preferred suppliers and negotiated rates) into one easy-to-use website.

Amadeus e-Travel Management is the number one international Corporate Travel Solution with full integration with the main Expense Management systems.

### Main features

#### Sophisticated and intuitive interface and work flows

- > Easy to use overview of the key features, enabling users to quickly plan a travel itinerary as traveller or as a travel arranger and providing visibility to users on their trips and their status
- > Intuitive tab structure to navigate to the included modules; travel planning, book, review, profiles and administration
- > Efficient service tools to view maps, weather and additional information
- > Plan & book itineraries that include air, rail, hotel, car, and destination services such as taxi
- > Quickly fill in your mini-profile
- > Avoid misleading fare conditions with Mini Rules
- > Manage templates when booking or from any existing PNR

#### Administration

- > System with communities to define the different roles (e.g. administrator, profile manager, traveller, approver etc.) and their associated processes

- > The hierarchical structure based on communities enables to keep control of important details regarding roles definition and settings.

- > The administrative tool allows the building of fine tuned travel policies and customisation of the interface

#### Integration of external applications and content

With Amadeus e-Travel Management, corporations and travel agencies alike can integrate all the elements of their global travel programmes, including travel policies, preferred suppliers and negotiated rates, into one website.

- > Profile management integration
- > Silent login; users logging in through external applications seamlessly linked into e-Travel Management
- > Integration with external workflows
- > Expense systems

#### Amadeus Mobile Partner

- > Access Amadeus e-Travel Management from a mobile device
- > Full trip lists, details and travel approval functionality



Amadeus' hotel booking solution tailored to the needs of corporations and their business travellers

## Business benefits

### Control



- > Controls costs and expenses through control over corporate travel programme and policy implementation
- > Defines travel policies easily and provides access to sophisticated reports using the built-in reporting tool
- > Enables substantial savings through touchless processing, travel policy compliance and best content
- > Increases efficiency

### Choice of travel, technology and content suppliers



- > Provider choice flexibility
- > Off the shelf and/ or customised integration between HR, expense, finance and travel management company systems
- > Availability of GDS and external content with advanced search Tools

### Increases customer satisfaction



- > Intuitive application and easy booking
- > Environmental care including CO<sub>2</sub> emission indicators
- > Offline flow enhancements help save time answering requests
- > Avoids misunderstandings and provides clarity on fare conditions through Mini Rules
- > Easy comparison on fares, return and one-way
- > Templates and tools speeding up booking processes and increased accuracy through seamless workflows

## Amadeus Shopping Solutions

### Amadeus Master Pricer

**Amadeus Master Pricer is Amadeus' leading shopping solutions portfolio, allowing travel agencies to generate more revenue and benefit from state-of-the-art technology.**

It is the most revolutionary and comprehensive low fare search and merchandising solution for online travel agencies and online sites of traditional travel agencies. As their technology partner, we are committed to ensure that our travel agencies remain at the forefront of the industry equipped with the most innovative online products.

Based on state-of-the-art technology, the Amadeus Master Pricer Portfolio is specifically designed to meet the needs of different end consumers and is composed of the following products, dedicated to online travel agencies:

#### Amadeus Master Pricer Travelboard

- › Specifically designed for the cost-conscious traveller seeking the lowest fares.

#### Master Pricer Special Offer

- › Allows travel agencies to differentiate beyond price to attract choice conscious customers. Customers are able to book the most attractive or profitable content allowing travel agencies to drastically improve the efficiency of marketing campaigns.

#### Master Pricer Agent Fare Families

- › Allows travel agencies to offer an improved shopping experience to customers and direct them to the most profitable content using the travel agency's own defined fare families.

#### Amadeus Master Pricer Calendar

- › Expertly addresses the needs of travellers who are flexible with their dates in order to obtain the most cost effective options.

### Amadeus Extreme Search

**Amadeus Extreme Search is a unique inspirational shopping solution for online travel agencies that revolutionises the way customers search for air travel online.**

Amadeus Extreme Search provides intuitive and efficient options where users can explore and determine their trip based on their holiday requirements. Travellers are engaged right at the beginning of the shopping process, before decision on destination has been made. Using flexible parameters and open search criteria the best deals from hundreds of airlines are returned instantly over a full calendar year and results can be displayed using interactive maps.

Amadeus Extreme Search is based on Massive Computation Platform which computes huge volume of prices on itineraries and dates defined by the traveller. The platform is capable of computing billions of combinations in batch mode and stores them into a cache called the Massive Search Platform. These results are searched in transactional mode enabling almost instantaneous results.

#### Business benefits



##### Increased business growth

- › Increased level of service to customers by proposing a list of relevant alternatives
- › Competitive travel solutions, finding the lowest fare for heavily price-driven customers
- › Enable corporate clients to control travel costs



##### Improved productivity

- › Specific features such as cryptic, PNR search and context management
- › Efficient and reliable shopping tool with high bookability and price accuracy rates
- › Ability to manage complex itineraries with up to six separate city pairs



##### Enhanced customer satisfaction

- › Ability to find travel solutions matching customer's profile and preferences (thanks to flexible, powerful options allowing customer's expectations to be met) and corporate travel policies

## Amadeus Offers

**Amadeus Offers is a comprehensive demand management solution, from handling trip proposals in the pre-booking phase to offering alternative travel arrangements after departure.**

The management of pre-booking activities typically constitutes about a half of the daily agency activities, but to date there has been a lack of appropriate tools to facilitate this complex and essential phase of the reservation process.

Amadeus Offers provides a central, innovative cross-channel solution that allows managing pre-booking activities, proposing and storing a list of saved travel quotes, or offers, in a single location, with the possibility to exchange trip proposal details with travellers via e-mail.

In addition, the travel data stored provides the opportunity to generate reports for analysis, as well as business intelligence on pre-booking behaviours and trends, giving a valuable source of information to optimise operations management.



### Main features

#### Automated process with full integration

- > Using the existing booking flow, pricing methods and tools itinerary proposals are stored in the same Total Travel Record (ie. PNR), offers can be refreshed to ensure information is up-to-date, and an offer can be confirmed into a booking in a single transaction.

#### Offer Notice

- > The Offer Notice is a customisable, preformatted e-mail that includes flight and/ or hotel details, pricing and a summary of fare conditions, providing fast and efficient communication.
- > The Offer Notice simplifies follow up, saving valuable time and enhancing the support delivered.

#### Business intelligence and reporting

- > As all itinerary proposals are stored, the data enables the generation of reports for analysis and business intelligence on pre-booking behaviour and trends.

### Business benefits



#### Increased productivity and revenues

- > Replaces time consuming workarounds, saving time and money
- > Facilitates pro-active chase-up by proposing additional services based on stored trip data
- > Manages constraints during a trip with alternatives accessible at any time



#### Enhanced customer satisfaction and retention

- > Transparent and efficient communication channels provide customers with a faster, more convenient travel experience
- > Allows travel agencies to demonstrate the value delivered to the customer, comparing the price of booked items with the price of offers made



#### Optimised operations management

- > Products are tailored to customer needs by tracking the details of confirmed bookings with offers made
- > Synchronised management of customer requests
- > Improved negotiating power with providers using business intelligence from compared offers

## Hotels

Complexity continues to define the hotels sector, which faces both fragmentation of the selling channel as well as changing guest preferences, driven by major geographic shifts and attitudes.

Amadeus brings value to both the hotelier and the seller by providing the content and the technology to meet the needs of today's guests. The key to Amadeus' advantage is having visibility of the total spectrum - hotelier, seller and guest - which allows us to drive complexity out of the industry, a key requirement to ensure innovation flourishes.

Today, Amadeus connects some 300 of the world's leading hotel chain providers with our global community of travel agencies.

- › Via our various hotel reservation channels and solutions Amadeus gives **hoteliers** the possibility to target and sell their rooms and rates to business and leisure travellers globally. Our portfolio of booking tools maximise hoteliers' visibility and sales opportunities in the travel agency arena. In addition we offer high-value marketing and promotional solutions and services for hotels to reach the right booker with the right offer at the right time, helping them manage their pricing strategies and customer relationships.
- › By working in partnership with hoteliers, Amadeus is able to ensure **travel agents and travel management companies** remain relevant by giving them what they require to deliver customer value when it comes to hotels. We give our booking customers access to offers on over 250,000 hotels<sup>(5)</sup> via custom-built reservation applications which are speedy, efficient and tailored to the way our business partners operate.



Amadeus empowers travel bookers with an easy to use one-stop-shop for hotels - Amadeus Hotels Plus

<sup>5</sup> Accumulated hotel inventories of some 300 provider partners.



## Rail

Amadeus is committed to delivering next generation solutions to support rail companies modernise and meet the triple challenge of deregulation and increased competition, fulfilling the needs of the 21st century traveller and generating sustainable revenue growth. Amadeus Rail is the business arm dedicated to serving the needs of some 100 rail companies around the world, and we have a global network of rail travel sellers including business and leisure travel agents, corporations, online travel companies and railway companies themselves.

### A rail renaissance

The rail industry is undergoing a period of rapid transformation. Central to this is the liberalisation of the European rail industry. In addition, the EC's 2011 whitepaper, *Roadmap to a Single European Transport Area*, emphasises rail's central role in its vision for the future of European transport: by 2050, the majority of medium-distance passenger transport, about 300km and beyond, should go by rail.

Europe's high-speed network will add 5000 km between 2012 and 2020, and, as Amadeus' own research has found, long-distance passenger traffic in Europe will increase by 21% (2.2% annually) to reach over 1.35 billion by 2020, up by almost 250 million from 2012 figures.

The opportunity for rail companies is clear – but to capitalise upon it, they must put the traveller at the heart of everything they do. This will involve a new approach to distribution, if they are to reach new customer segments, drive passenger growth and meet the expectations of the 21st century traveller.

Whilst regulatory change is driving the rail renaissance in Europe, rail companies around the world will also benefit from taking a new approach to distribution and meeting the needs of the traveller. Increased investment in high-speed rail infrastructure in Asia, the US and Brazil means an unprecedented global rail opportunity is emerging.





**Amadeus: understanding the future of rail**

Amadeus has commissioned a number of rail-focused thought leadership studies to better understand the future of the industry, particularly as it undergoes a period of rapid change. The most recent is *The Rail Journey to 2020*, published in February 2013, and which identifies six key factors that will influence the growth of long-distance rail passenger traffic in Europe over the period to 2020.

The six key factors include: liberalisation, new market entrants, completion of new high-speed lines, new hubs, Air-Rail and Rail-Rail cooperation, and railways' costs, and the study finds that, if developments in six key areas progress as currently anticipated, long-distance passenger traffic in Europe will increase by 21% (2.2% annually) by 2020.

White papers can be downloaded at [www.amadeusrail.net/research](http://www.amadeusrail.net/research)

## Products – investing in technology to make booking rail easier

Amadeus' distribution solutions aim to make booking rail easier. They are multi-channel and multi-railway.

### Amadeus Global Rail Sales Platform

The Amadeus Global Rail Sales Platform provides availability, booking and ticketing capabilities to both travel sellers (travel agencies, online travel agencies and corporations) and railways' direct sales channels. To date, SNCF, Eurostar, Thalys, Lyria, Trenitalia and SJ have selected Amadeus as their global, multichannel distribution partner.

### Amadeus FlyByRail Track

FlyByRail Track is an industry-first solution that allows air-rail comparison and the possibility to book rail services from the same screen as flights, enabling railways to seriously compete against airlines at the booking stage. It has recently been adopted by Trenitalia and Thalys, and Eurostar has been using it since 2006.

FlyByRail Track enables high-speed rail services to be displayed alongside airline routes on the travel agent's screen, allowing customers to be presented with a choice of journey in an open and transparent way. If a customer chooses the rail option, the ticket is booked in exactly the same way as an airline ticket. For the first time therefore, travel agents are able to compare and sell rail routes with airline journeys.

The platform crucially allows for seamless integration with Amadeus Passenger Name Record and mid/back office systems, making the rail booking process simple and intuitive for the agent.

FlyByRail Track makes the possibility of interlining between rail companies and airlines a reality, dependent upon the commercial agreement between the two.

Using this innovative system, rail companies are finally able to compete with airlines on short-haul routes, with real-time availability and schedules.

UVET Amex, in Italy, was the first travel agency/travel management company to pilot the Trenitalia offering via FlyByRail Track. UVET Amex achieved a 50% reduction in the overall booking process times, thereby improving productivity and reducing cost.

### Amadeus Web Services Track

Amadeus Web Services Track is a toolkit that enables railways and online travel agencies to build their own web interface, selecting the train services, fares and inventory they wish to sell to make online railway ticket booking easier. Online Travel agencies in France are using Web Services Track to sell services from SNCF and we are working with other online travel agencies to make rail more visible through the online channel.

### Amadeus Agent Track

Amadeus Agent Track is a state-of-the-art rail booking solution that allows travel sellers to perform large volumes of rail bookings quickly and efficiently, using the same interface and process flow as well as benefitting from full integration with Amadeus products.

Agent Track's intuitive Graphical User Interface (GUI) has been designed to remove the complexity from rail bookings, yet incorporates all key steps and elements of standard travel agency processes. Once adopted, a rail company's offering will be available to agents

worldwide, making it simple for agents to book global rail travel for their customers.

So far, SNCF, Eurostar, Thalys, Lyria, SJ, Deutsche Bahn and Trenitalia are being integrated on Agent Track and other major European railways will also soon be available.

**These solutions are part of Amadeus Total Rail, a complete suite of next generation distribution and technology solutions based on a single data source allowing rail companies to meet the needs of today's market by providing them with the ability to manage all customer interactions, distribute tickets across any sales channel, and streamline operations.**

## 3.2 IT Solutions

### Business overview

IT Solutions refers to (i) the development and the provision of IT solutions and (ii) the provision of consulting, bespoke system integration and migration services, application hosting, training and other services to travel providers.

Our current product offering primarily addresses the Passenger Service Systems (PSS) segment of the airline IT market, enabling processes such as central reservation, inventory management, departure control and e-commerce, as well as providing direct distribution technologies. We are also expanding our airline IT solutions offering with new modules such as Revenue Accounting and Revenue Management and we are seeking to grow our market share within the non-airline markets, including the hotel, airport and rail IT markets.

Travel providers have historically developed many of their core technology systems in-house, but given the complex

operating environment and greater competitive and cost pressures they are increasingly looking to replace inflexible in-house legacy systems. By moving towards outsourced IT systems with a provider of scalable next-generation technology platforms such as Amadeus, our customers enhance the quality and functionality of their product and service offerings and improve their ability to respond to changing market conditions, while reducing their spend on development and ongoing maintenance of their legacy systems and converting the fixed costs associated with such systems into variable costs.

In addition to our airline IT portfolio of solutions, we are gradually expanding into the provision of IT solutions to other travel providers, mainly hotels and ground handlers. Building in our unique experience in delivering mission-critical systems for airlines, Amadeus is working in partnership with hoteliers and ground handlers to develop next generation solutions for their business.



Photo by Employee & Brand Engagement team

## Amadeus Altéa Suite

The principal service of this business area is the Amadeus Altéa Suite, a new-generation set of passenger management solutions which address airlines' mission-critical operating functions: sales and reservations, inventory management and departure control.

- **Amadeus Altéa Reservation** enables our airline customers to manage all their bookings, fare prices and ticketing through a single interface and is compatible with distribution via direct and indirect channels, both online and offline. We launched our initial airline IT offering, known as System User, in 1991 and are gradually converting System Users to our other Altéa PSS modules.
- **Amadeus Altéa Inventory** permits airlines to create and manage schedules, seat capacity and associated fares on a flight-by-flight basis. This allows the airline to monitor and control availability and reassign passengers in real time. Altéa Inventory also incorporates a seat-mapping functionality. Since we introduced Altéa in 2000, with British Airways and Qantas, we have successfully migrated 110 airlines. Each airline that uses our Altéa Inventory module must also have implemented our Altéa Reservation module.
- **Amadeus Altéa Departure Control** covers many aspects of flight departure, including check-in, issuance of boarding passes, gate control and other functions related to passenger flight boarding, while enabling airlines to manage disruptions and other flight events efficiently. In addition, Altéa Departure Control offers aircraft load control functionality, which enables airlines to evaluate and optimise fuel utilisation. As of December 31, 2012, 57 airlines were using our Altéa Departure Control solution. Each airline that uses our Altéa Departure Control module must also have implemented our Altéa Reservation and Altéa Inventory modules.

### Amadeus Altéa Reservation

Customer profiles

Availability

Bookings

Fares & pricing

Ticketing & e-ticketing

### Amadeus Altéa Inventory

Inventory control

Schedule management

Re-accommodation

Seating management

### Amadeus Altéa Departure Control

Check-in

Boarding pass issuance

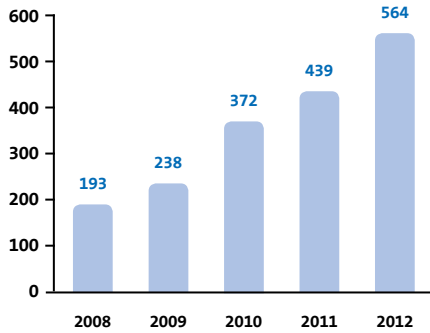
Baggage management

Flight boarding

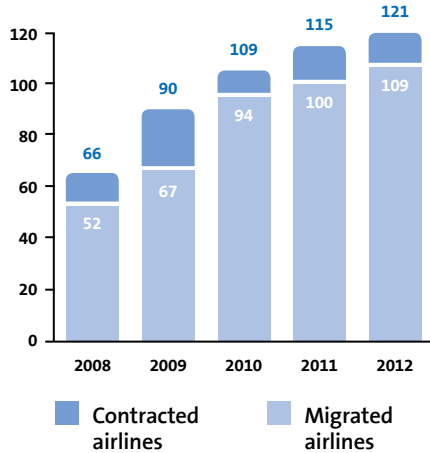
Aircraft weight & balance

## Amadeus Airline e-Commerce

Passengers Boarded in the platform



Contracted and migrated airlines



Amadeus Altéa is complemented by our e-Commerce product offering.

> Amadeus Airline e-Commerce Suite is a set of solutions that seeks to improve the profitability and efficiency of an airline e-Commerce sales and support process. The suite comprises solutions that can be fully integrated such as Amadeus Flex Pricer, for pre-sales faring and multi-currency online shopping, or Amadeus e-Retail, a sophisticated booking solution for airline websites, and for post-sales servicing solutions, including online award redemptions and online ticket changes. As of December 31, 2012, over 100 airline clients were using our e-Commerce solutions (operating over 280 websites), including more than 25 of the top 50 IATA airlines (measured in terms of total annual passenger numbers) and our airline e-Commerce Suite is available in 29 languages.

Unlike the carriers' legacy IT systems, which use different technologies, the Altéa platform is based on a common technical infrastructure and software. With Altéa, airlines outsource their operations onto a community platform which delivers superior operational efficiency and allows them to share information with both airline alliance and code-share partners.

The Altéa Suite offers a high degree of flexibility through standardised, modular products that can be selected by airlines to suit their particular needs. We offer our Altéa Suite on a community-based platform, with all of our airline customers sharing the applications on a single system fully hosted by us. We believe that this approach, unique among passenger service system providers, enables us to provide users, simultaneously and at a low cost, with upgrades and enhancements we make to the platform, incorporating new industry standards or adapting to the changing needs of a dynamic and rapidly evolving market. In addition, this approach facilitates our connecting of new users and adding new functionalities at limited marginal costs, providing us with significant operational leverage as we grow our business. The development of Altéa was based on the following five core principles:

- › **Single data source:** elimination of duplication and inconsistency by sharing a single version between components of all key data.
- › **Customer centricity:** core processes driven by customer value; full customer and journey information captured and made available.
- › **Automation & flexibility:** business rules drive the main business processes; intuitive graphical user interfaces and customisable workflows facilitate efficient and consistent service.
- › **Common platform:** benefits from the combined input of a community of world leading airlines; seamless integration with alliances and partners.
- › **Designed for Change:** modular architecture based on next-generation, open systems technology; highly configurable solutions, designed with latest business concepts, such as self-service and customer value in mind.

Airline Passenger Service Systems (PSS) are mission-critical and highly complex platforms. To migrate and run such systems requires a particularly high level of competence and experience. Since launching our Altéa Suite, we have acquired and developed the tools, methodologies and experience necessary to ensure an efficient and seamless migration of our Altéa customers, securing the transfer of their critical data and delivering a smooth migration without any downtime affecting our customers' systems. We place a strong emphasis on ensuring a low-risk implementation through a detailed migration planning process and a focus on ensuring critical business functions are protected throughout the implementation.

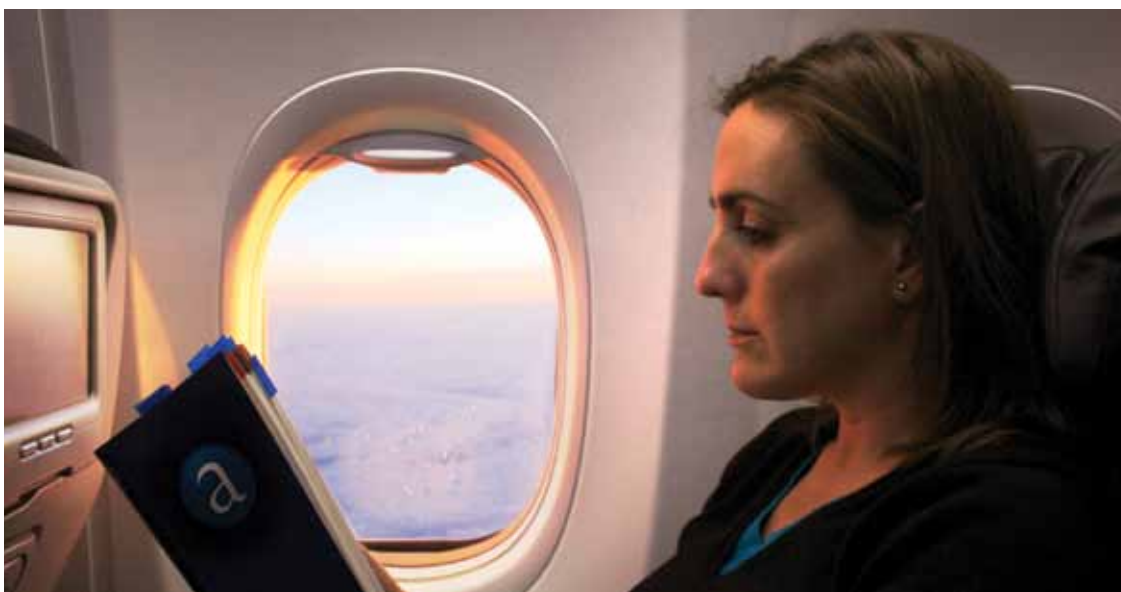


Photo by Carolina de Caso

## Amadeus Stand Alone IT solutions for airlines

In addition to our core Amadeus Altéa Suite, we offer a range of stand-alone IT solutions to support airlines in certain critical customer-related processes, including:

- **Amadeus Ticketing Platform:** a sophisticated ticketing tool that allows airlines to issue all standard paper and e-ticket traffic documents, to maintain a ticket database and generate sales and transaction reports, to cross-sell additional content (such as car, hotel and insurance products) and to produce highly customisable revenue accounting reports.
- **Amadeus Revenue Integrity:** a revenue management tool designed to assist airlines to increase capacity utilisation through the reduction of no-shows and cancellations and to eliminate distribution costs associated with non-productive bookings.

This tool also enables a better enforcement of the fare conditions and avoids revenue leakage related to fraudulent activities. Airlines benefit from these advantages at any time from pre-sales to after travel stages.

- **Amadeus Payment:** facilitates airline's access to the complex and fragmented payment industry. The tool offers payment transactions management for sales performed across all channels on behalf of an airline merchant, through a wide range of international and local methods of payment. It provides protection of revenue via a number of sophisticated checks, including 3D secure for web payments and a full fraud prevention module. The payment processing is fully integrated within the airline's selling flow and across all systems, creating an enriched capture file, and leading to very detailed statistical capabilities.



Photo by Andres Tateosian



- **Amadeus Altéa Revenue Management:** combines innovative demand forecasting techniques and perfect integration with the airline's systems to ensure the maximum revenue return over an airline's full network. Amadeus Revenue Management provides network optimisation through a combination of traditional airline revenue management techniques, plus demand forecasting for a customer's 'willingness to pay' in markets where fare fences have been removed. This allows airlines to directly reverse the 'spiral down' effect increasingly affecting markets across the globe. A number of complementary products further help to improve yield including Yield Generation - which calculates yields based on Revenue Accounting/Fares information, Altéa Group Negotiator - which supports the analyst in group quotation, and Amadeus Revenue Availability with Active Valuation - which further maximises revenue through more precise customer segmentation.
- **Amadeus Ticket Changer:** Amadeus Ticket Changer was launched in 2006 to simplify the ticket re-issuing process. Amadeus Ticket Changer combines the state-of-the-art Amadeus Fares and Pricing engine with a powerful, multi-channel ticketing functionality. Since its launch, Amadeus Ticket Changer has evolved in response to the changing requirements of airlines in the area of customer servicing, and today boasts a full portfolio of products and features known as the Amadeus Ticket Changer Suite. Based on the ATPCO Category 31 and 33 rules governing airline re-issue and refund conditions, the Amadeus

Ticket Changer Suite is now used by almost 60 customers, including major airlines from all regions of the world. Today Amadeus Ticket Changer Suite is comprised of Amadeus Ticket Changer Reissue, Amadeus Ticket Changer Refund, Amadeus Ticket Changer Upgrade, Amadeus Ticket Changer Disruption and Amadeus Ticket Changer Shopper.

- **Amadeus Airline Ancillary Services:** delivers a comprehensive solution that enables airlines to create a highly profitable ancillary services offering and deliver unmatched levels of customer service. Amadeus Airline Ancillary Services is fully integrated with all Amadeus Airline IT solutions including the Amadeus e-Commerce Suite. In addition, it is fully industry compliant so can be distributed through other participating GDS and airlines.
- **Amadeus Electronic Miscellaneous Document Server:** provides an electronic solution for airlines to issue, store, manage and distribute Electronic Miscellaneous Documents. Electronic Miscellaneous Document is the industry standard electronic document used to track the sale and usage of fees for services currently collected with paper or virtual MCO such as ancillary services. The Amadeus Electronic Miscellaneous Document Server solution is fully integrated across the Amadeus Altéa Suite including Reservation, Inventory and Departure Control systems.



➤ **Amadeus Passenger Revenue Accounting:** as mentioned above, in 2012 we have launched a new module, Amadeus Revenue Accounting together with British Airways as first customer. Amadeus Passenger Revenue Accounting is an airline revenue accounting solution that increases profitability by tracking revenue from all distribution channels in real time. Airlines can instantly and automatically collect data, which is critical for their business model. It enhances an airline's visibility on the full revenue picture through instant, consolidated sales and usage

information, advanced reporting, and decision support. Also Saudia has signed up for this new module that will start to be implemented on the airline from Saudi Arabia during the first half of 2013.

This solution can be taken for both existing Altéa clients and non Altea clients.

Each of our stand-alone IT solutions has been designed to integrate fully with our Altéa solutions, to take advantage of their customer-centric features, but they can also be used, on a stand-alone basis, with other in-house or third-party systems.



Photo by Carolina de Caso

## Amadeus Hotel IT

Amadeus works in partnership with hoteliers to build IT solutions for next generation hotel management systems focused on delivering a single view of rates, inventory, reservations, content and guest information plus enhanced distribution and merchandising tools, in order to enable hotel business and brand transformation. In addition, this single view of the guest and all operations helps to remove operational complexity. Our solutions are based on open technology and offered as a Software as a Service model (SaaS) which is less expensive and more flexible than traditional solutions for hoteliers.

## Amadeus Ground Handlers

Building on our unique experience in delivering mission-critical systems for airlines, Amadeus is now extending its offer to ground handlers. Amadeus has leveraged its leadership position in airline departure control systems to propose a fully automated and integrated set of solutions for ground handlers using the technological capabilities of Amadeus Altéa Departure Control Systems - Customer Management and Altéa Departure Control Systems - Flight Management services for airlines as a base.

With Altéa Departure Control Systems for Ground Handlers, the complexity of pairing the ground handler's system with the airline's own specific business rules is removed, permitting a seamless integration of the ground handler's and the airline's operations regardless of whether the airline uses the Amadeus Altéa suite or not.

This enhanced level of integration results in increased productivity for ground handlers and provides higher quality services to the airlines and their customers. Ground handlers migrating to the Altéa suite have the capability to service all types of airlines through a single terminal and one intuitive interface, gaining operational efficiency while providing best quality services. The benefits of higher staff flexibility and reduced training expenses are considerable.

Amadeus Altéa Departure Control Systems for Ground Handlers is a community platform developed by working closely with ground handlers that allows customers to take advantage of a combination of ground handlers' expertise and Amadeus technology.



Amadeus employee

## Financial performance in 2012

Revenue from IT Solutions accelerated its growth in 2012 to 13.0%. This increase was driven both by IT Transactional revenue growth, fuelled by growth in PB volumes, together with an improvement in non-transactional revenue.

Contribution margin continues to benefit from certain operational leverage and is 73.2% for 2012 vs. 72.6% for 2011, despite negative FX impact on margins.

From a commercial perspective, 2012 was a very successful year. We continued to sign new clients to the Altéa platform with special mention of Southwest Airlines, the largest U.S. carrier in terms of domestic passengers boarded. This airline is the first US carrier to contract Amadeus' Altéa reservations solution in order to support the carrier's international service. While the agreement focuses on the international element of Southwest's reservation system, the contract also provides the option for Southwest to convert its domestic business to Amadeus in the future.

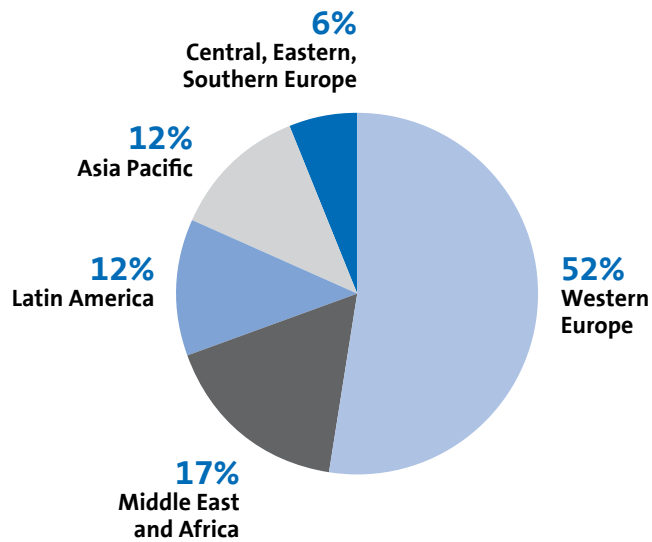
During the year, we continued to invest significantly, not only in preparation for the migrations of 2013 and 2014, but also in the new business areas, with the aim to enlarge our Total Addressable Market, reaching other businesses outside Airline IT, within travel.

### Evolution of KPI

During the year 2012, the number of passengers boarded reached 563.8 million, 28.4% higher than in 2011, despite the loss of traffic from Spanair and Malev, both of which ceased operations early in the year. On a like-for-like basis, the organic underlying PB growth was 7.4%, ahead of traffic growth, given the positive mix in our client base.

As of December 31, 2012, 52.5% of our total PB were generated by Western European airlines, where growth was fuelled by the contribution from airberlin and Norwegian (both migrated in December 2011) as well as SAS, migrated in the first quarter of 2012. The number of PB related to carriers in the Asia Pacific region also increased very significantly, driven by the migration of Cathay Pacific and Singapore Airlines. Asia Pacific now represents 12% of our total PB.

2012 Amadeus Passenger Boarded split by region



Figures in million euros	2011	2012	% change
<b>IT Solutions - Revenue</b>			
IT transactional revenue	430	519	20.7%
Direct distribution revenue	134	120	(10.6%)
Transactional revenue	564	639	13.3%
Non transactional revenue	64	71	10.4%
<b>Revenue</b>	<b>628</b>	<b>709</b>	<b>13.0%</b>
<b>IT transactional revenue per PB<sup>(1)</sup> (euros)</b>	<b>0.98</b>	<b>0.92</b>	<b>(6.0%)</b>

(1) Represents our IT transactional revenue divided by the total PB figure.



Photo by Joachim Raffin

## Revenue

In 2012, IT Solutions revenue grew by a remarkable 13.0%. As detailed in the table, group revenue was fueled by growth in both IT transactional and non-transactional revenues, and despite the expected decrease in direct distribution revenue.

### IT transactional revenue

IT Transactional revenue increased by 20.7% in 2012, to €519.2 million. This increase was supported by strong growth in all main revenue lines:

**Altéa:** strong growth driven by the increase in PB, both in relation to new migrations that took place in the year and the full year impact of the 2011 migrations. Additionally, we had a strong contribution from the up selling of functionalities such as revenue integrity services, availability calculator or code share services.

**e-commerce:** significant increase in Passenger Name Record volumes, despite negative impact from the loss of clients (mainly Spanair, Malev and Cimber). Positive contribution from up selling activities (e.g. affinity shopper, mobile solutions).

**Stand-alone IT Solutions:** strong performance in most products, such as ancillary services, the Amadeus Ticket Changer product or web services. As in the case of Altéa, growth is driven both by the organic growth from existing customers, as well as new clients implemented.

Average IT transactional revenue per PB for the year was €0.92, below the average fee of €0.98 reported in 2011, and in line with internal expectations. The main reasons for this dilution are (i) the change in the Altéa client mix, due to the migration of new hybrid carriers to the platform at the end of 2011 (whose service and fee level are reduced vs. the existing average), (ii) revenue mix within IT transactional revenue, as e-commerce and standalone IT solutions grow at lower rates than Altéa (these revenue streams are not charged on a per PB basis and therefore do not grow in line with PB). This dilution was partially offset by the positive FX (translational) impact.

#### Direct distribution

Revenue from Direct Distribution fell by 10.6% in 2012 compared to 2011. This decrease in revenue was mostly driven by a drop in bookings as a consequence of the migration of some of our existing users of our Reservations module (notably SAS) to the Inventory module of our Amadeus Altéa Suite in 2012. Once migrated on to the Altéa platform, these clients pay a fee per PB, and revenue is accounted for under IT Transactional revenue, rather than in Direct Distribution. In addition, revenue growth was negatively affected by the demigration of LAN in the second half of the year.

#### Non transactional revenue

Non-transactional revenue increased by 10.4% in 2012, driven both by higher revenue from gaps and implementations (deferred revenues starting to be recognised after the client cutover) and from services, such as consulting or hosting.

#### Contribution

The contribution of our IT Solutions business 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 this business).

In 2012, the contribution of the IT Solutions business grew by a significant 13.9% to €519.3 million. As % of revenue, there was a slight margin expansion of 0.6 p.p. vs. a contribution margin of 72.6% in 2011.

The 13.9% increase in the contribution of our IT Solutions business in 2012 was driven by a 13.0% increase in revenues and a more limited 10.5% increase in net operating costs.

The increase in operating costs was mainly driven by activities which were subject to capitalisation, as they relate to investment in R&D to fuel future growth (portfolio expansion with new modules and functionalities, new business areas, etc). In particular, costs were driven by: (i) an increase in our R&D expenditure associated with client implementations, as well as increased efforts on new functionality and New Business areas (as reflected in a strong increase in FTE in our development area), (ii) an increase in commercial and technical efforts related to local support (regionalisation), with the establishment of new local sites such as Korea and Dubai and new services to support customer satisfaction. We have also increased the focus on post-implementation teams to support our growing customer base and (iii) negative impact of EUR depreciation on our cost base.

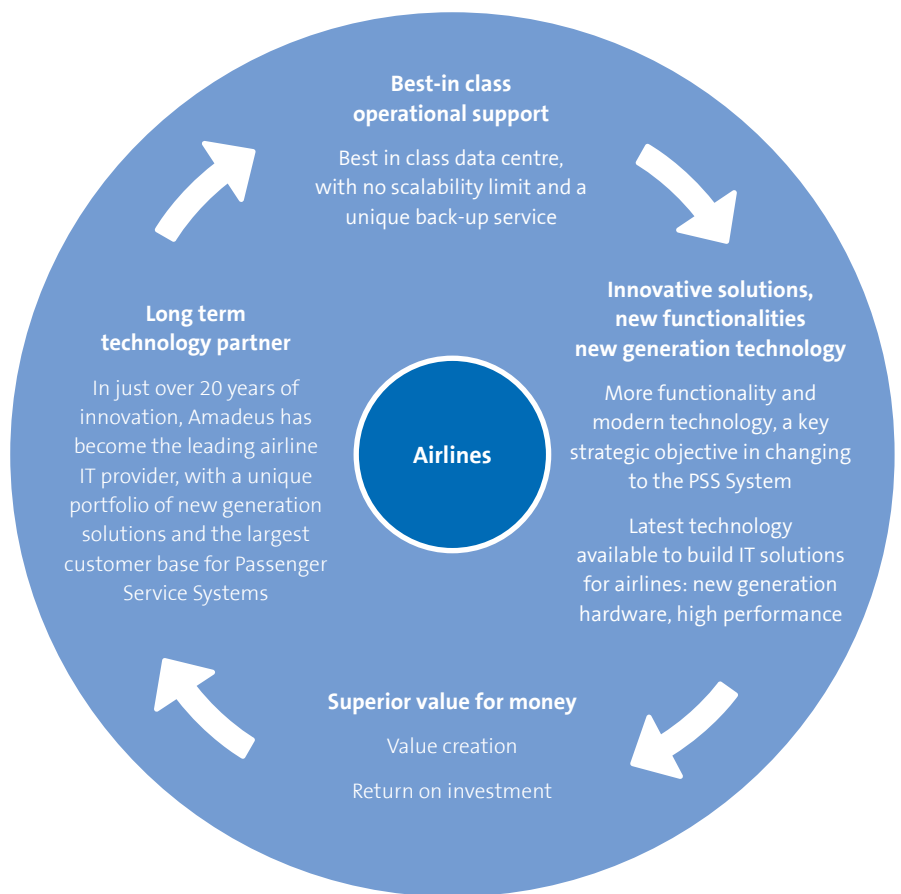
### Products and services

Through our current portfolio of innovative IT solutions, we believe that we can help airlines differentiate and ensure a competitive advantage, not only in the short-term by rapidly delivering cost savings and revenue gains, but also in the long-term by improving market agility and adapting quickly to their business model.

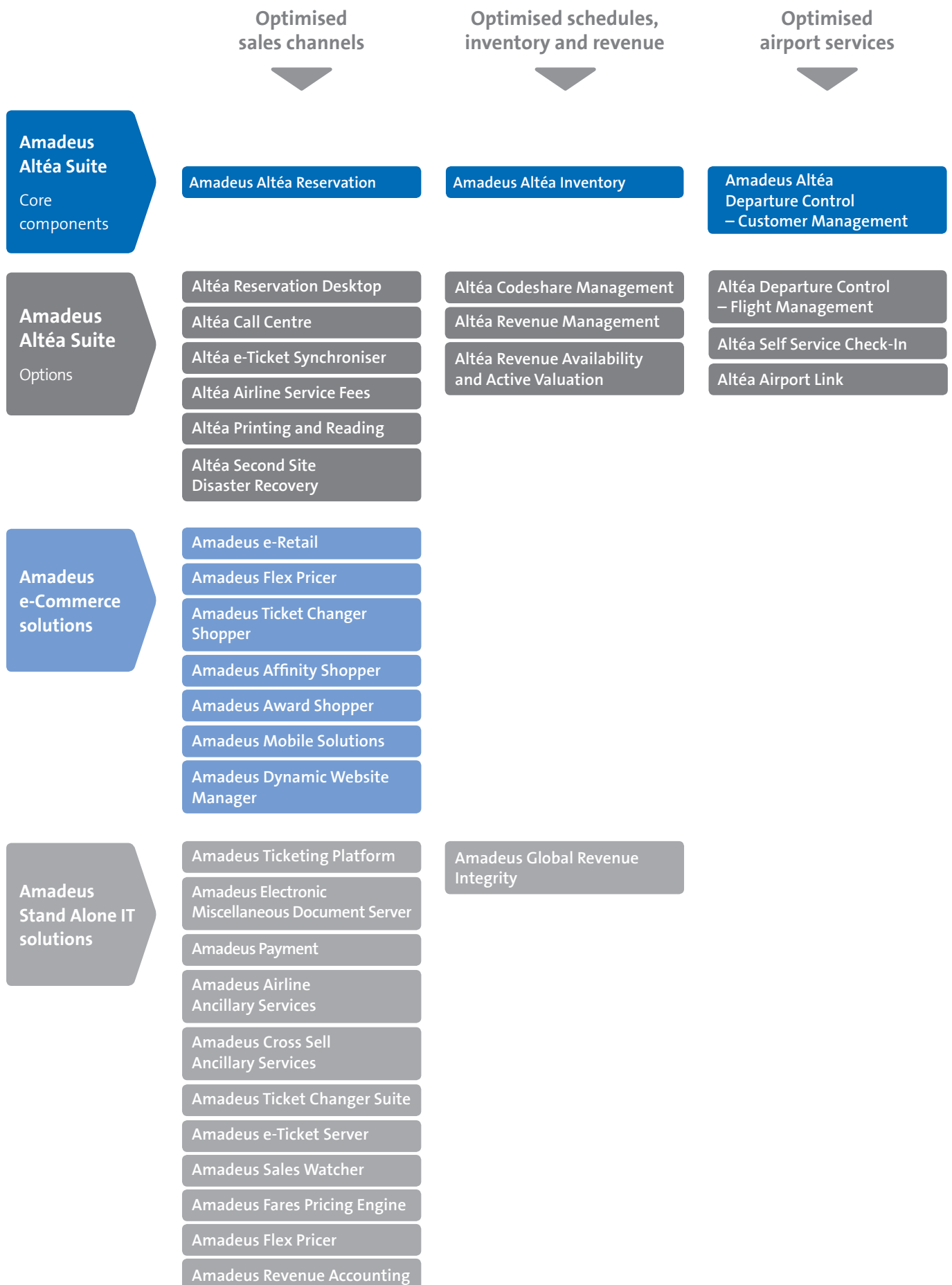
The following pages describe the value that our new generation technology can bring to airlines, as well as an overview of some selected solutions in our portfolio.

### IT Solutions business benefits

The airline's Passenger Service system is as vital as their aircraft. It can simplify processes, lower cost structures, ensure differentiated and consistent customer service, facilitate seamless alliances and enable faster decision making. Airlines migrating to new generation passenger management solutions can radically transform their business instead of just making incremental changes. What is more, they can do this for a minimal cost while also building a sustainable competitive advantage that will make the difference for their customers and shareholders alike.







## Amadeus Altéa Reservation

### Airline IT

Amadeus  
Altéa Suite

Amadeus  
e-Commerce  
solutions

Amadeus  
Stand Alone  
IT solutions

A new generation reservation solution, offering seamless service across channels and partners.

### Main features

#### Booking management

- > Amadeus SSR Static Notification
- > Default carrier preferred display
- > Unique automation features to create bookings
- > Automated PNR update with customer profile
- > Easy cross-selling with Amadeus Hotel, Car, Insurance and Rail content as well as PNR integration
- > Real-time access to archive PNR to facilitate servicing
- > Management of airline specific bookings and processes (frequent flyers, staff, groups and non-commercial)

#### Fares & pricing

- > Most up-to-date fare databases
- > Best-in-class algorithms to calculate pricing

#### Ticketing

Altéa Reservation can be adapted to meet every airline's needs and a number of optional features are available to meet specific business requirements.

### Main options

Amadeus Altéa Reservation Desktop

Amadeus Altéa Airline Service Fees

Amadeus Altéa Credit Card Acceptance

Amadeus Altéa Real-Time Data Feeds

- > Best-in-class e-ticketing capability, including rapid deployment of interlining

#### Sales via direct channels

- > Easy integration of solutions for both offline and online channels

#### Distribution via indirect channels

- > Unique distribution via Amadeus travel agencies and airlines on the Amadeus platform, sharing the same PNR and best access to availability
- > Distribution via any other GDS as well as other airlines channels

#### Feed

- > Daily batch PNR data feed

Amadeus Customer Value

Amadeus Altéa Data Nexus

Notification

## Business benefits

**Altéa Reservation is an airline reservation system that offers multiple business benefits. In particular, it enables you to provide enhanced, faster customer service as well as better control of the various channels.**



### Increased productivity

- › Reduces the time it takes for reservation agents to complete bookings by using automated processes
- › Save up to 30% of reservation time



### Increased revenue

- › Increases sales from and to alliance partners using the carrier-preferred display. Increases revenue by optimising the distribution of selling classes at points of sale



### Customer satisfaction

- › Applies customer preferences consistently across all channels and partners during reservation. Speeds up servicing



### Increase revenue from CRM action

- › Captures full journey information into enriched PNRs and uses them dynamically to launch more efficient CRM activities



### Efficient IT model

- › Variable IT cost and benefit from shared infrastructure and community development. Reduces total cost of ownership



## Amadeus Altéa Inventory

### Airline IT

Amadeus  
Altéa Suite

Amadeus  
e-Commerce  
solutions

Amadeus  
Stand Alone  
IT solutions

**A new generation inventory management solution, which maximises yield and automates schedules, seating and re-accommodation.**

### Main features

#### Schedule management

- > Automated schedule reception
- > Automated massive schedule change
- > Flight dressing using market pair logic
- > Automated and customised schedule publication

#### Inventory control

- > Revenue Availability (O&D), control airline inventory and calculate availability by revenue bid price and market based yields
- > Support for all revenue management techniques
- > Point of sale control down to IATA agency ID
- > Real-time interaction with RMS and Departure Control Systems
- > Automated availability publication rules
- > Prioritisation of users' daily workload

### Seating management

- > Single seat map used across reservation and departure control.
- > Automated seating rules using customer value
- > Graphical seat map

### Waitlist management

- > Customised customer access to waitlist
- > Automated waitlist clearance based on customer value

### Re-accommodation

- > Guided re-accommodation mode
- > Automated flight selection, including partners
- > Fully automated re-accommodation mode based on full itinerary and customer value

**Altéa Inventory can be adapted to meet every airline's needs and a number of optional features are available to meet specific business requirements.**

### Main options

**Amadeus Altéa Automated Schedule and Re-accommodation**

**Amadeus Altéa Point of Sale Inventory Control**

**Amadeus Altéa Revenue Inventory Control**

**Amadeus Altéa Customer Value Real-Time Interface**

## Business impact

**Altéa Inventory delivers multiple business benefits. Enables more advanced revenue management techniques to capture full yield opportunities.**



### Increased yield

- › Maximises the yield of the entire network by using latest revenue management techniques. Increases revenue by up to 6%, depending on current business characteristics



### Time to market

- › Responds instantly to competitor's actions, changes business policies dynamically (seating, schedules) using market-based business rules. Saves several days or weeks, depending on current processes



### Customer satisfaction

- › Applies customer preferences consistently and gives priority to high value customers (waitlist clearance, re-accommodation)
- › Increases revenue from repeat customers



### Increased productivity

- › Saves time for all schedule, seating and re-accommodation management agents, as well as flight controllers
- › Reduces processing time by up to 30%



### Efficient IT model

- › Variable IT cost and benefit from shared infrastructure and community development
- › Reduces total cost of ownership

## Amadeus Altéa Departure Control – Customer Management

### Airline IT

Amadeus  
Altéa Suite

Amadeus  
e-Commerce  
solutions

Amadeus  
Stand Alone  
IT solutions

A complete, new generation departure control solution, enhancing customer experience at the airport through differentiated customer service.

### Main features

#### Customer Value

- > Used throughout all airport processes
- > Adaptable to each airline using business rules
- > Enabling offer of differentiated customer service

#### Check-in

- > Simplified customer-centric identification
- > Smart workflow
- > Automated validation of tickets, regulatory checks and through check-in etc.
- > Flow forward search for earlier flight possibility

#### Self-service support

- > 100% self-service enabled
- > Easy integration with Altéa multi-channel self-service application
- > Advanced self-service logic

#### Customer management

- > Full automation of activities
- > Proactive onload and re-grade
- > Automated, optimised seating

- > Same seat map used for pre-seating and departure

#### Baggage management

- > Automated enforcement of airline baggage policies
- > Easy collection of baggage fees
- > Integrated with automated baggage systems

#### Disruption management

- > Powerful decision support tool
- > Process starts as soon as flight information is updated
- > Automated or guided transfer of passengers
- > Priority given according to customer value

#### Boarding management

- > Customer tracking
- > Centralised control of flight departures
- > Integrated dynamic agent alert system

#### Ground Handling Management

- > Manage all handled airlines customers and proceed to customer records update with the same fully graphical application

A number of additional functional options are also available to allow an airline to customise the solution to meet their specific business needs.

### Main options

[Amadeus Altéa Check-in Desktop](#)

[Amadeus Altéa Self Service Check-in](#)

[Amadeus Altéa Automated Passenger Transfer](#)

[Amadeus Altéa Passenger Watchlist and Altéa Ticket Blacklist](#)

[Amadeus Altéa Airport Link](#)

[Amadeus Altéa Customer Value](#)

## Business impact

**Altéa Departure Control – Customer Management delivers multiple business benefits. In particular, increases airport agents' productivity, improves customer satisfaction at the airport and maximises revenue opportunities.**



### Increased productivity

- › Saves time for airport customer service agents at check-in, boarding and to manage disrupted passengers
- › Manages all handled airline customers and proceeds to customer records update with the same fully graphical application
- › Achieves automation of back office tasks and performs them for multiple carriers without switching systems
- › Some implemented airlines have seen typical productivity increases of up to 30%



### Increased revenue

- › Ensures collection of excess baggage charges
- › Make any seats released at the airport immediately available for re-sale thanks to real-time integration with inventory and reservation systems
- › Some implemented airlines have seen their revenues increased by up to 0.1%
- › Increases revenue from repeat customers



### Customer satisfaction

- › Offers faster and simpler check-in
- › Applies customer preferences for seating consistently
- › Enables effective service recovery actions
- › Provides consistent given priority to high-value customers (seating, alternative flights proposal upgrade, disruption management)



### Cost reduction

- › Reduces cost of penalties due to reach of regulatory requirements
- › Reduces costs related to flight delays due to early detection of passengers' issues that could impact flight departure



### Efficient IT model

- › Variable IT cost and benefit from shared infrastructure and community development to reduce total cost of ownership
- › Tight integration of Altéa Departure Control – Customer Management with Altéa Reservation, Altéa Inventory and Altéa Departure Control – Flight Management

## Amadeus Altéa Departure Control – Flight Management

### Airline IT

Amadeus  
Altéa Suite

Amadeus  
e-Commerce  
solutions

Amadeus  
Stand Alone  
IT solutions

A new generation load control platform to ensure efficient flight departures and optimises the weight and balance process.

### Main features

#### Flight activity plan

- > Very flexible flight activity plan, customisable down to flight level, aircraft type etc.
- > Scheduled activities initiated automatically

#### Flight departure monitoring

- > Graphical user interface enables supervision of multiple flights on the same screen
- > Automated alerts if any activity needs attention

#### Load distribution & balance

- > Detailed allocation of passenger weight, improving capacity and trim management
- > Automated and optimised aircraft load distribution
- > Graphical user interface for easy handling
- > Graphical LIR (Load Instruction Report) sent to ramp
- > All activities can be fully automated
- > Apply operating carriers preferences and processes into the Ground Handling environment

#### Staff Management

- > Powerful tools to support shift management, load controller licensing and recency, dangerous goods certification etc.

#### Ground Handling Management

- > Airlines or ground handlers can handle any carrier (Altéa or Non-Altéa )
- > A unique User Interface to manage all flights from all handled airlines

A number of additional functional options are also available to allow an airline to customise the solutions to meet their specific business needs.

### Main options

Automated feed of archived departure plans and related data to an airline's data warehouse



## Business impact

With Altéa Departure Control – Flight Management, you can implement the most efficient aircraft load control process, while optimising fuel usage and cargo uplift.



### Increased productivity

- › Significantly increases productivity for load controllers with automated flight departure monitoring and business rules
- › Manages all handled airline flights with the same fully graphical application and easy switch between flights of multiple carriers in one single view



### Reduced costs

- › Centralises load control sites and reduces fuel costs through improved capacity management and optimises aircraft trim



### Increased revenue

- › Gain load capacity for freight thanks to optimised weight and balance



### Increased reliability

- › Reduces the cost of delays caused by unexpected or late changes and achieves flight departure excellence and fast turnaround





## Amadeus e-Retail

The world's most widely used integrated airline internet booking engine. Offering the widest range of travel services to customers.

### Main features

#### Flight search

- > Powerful search by city pair

#### Fares and prices

- > Best in class faring and pricing capabilities, including advanced low-fare search and an improved framework for special offers

#### Ticketing and payment

- > e-Ticketing fully integrated with online credit card validation

#### Booking notification

- > Automatically sends an e-mail confirmation for each booking, including total fares and rate information

#### Cross-selling

- > Ability to distribute a growing amount of additional content including car, hotel, insurance, etc

#### Fully customisable interface

- > Hundreds of customisable settings to choose from in order to fully adapt the layout and structure of the interface

#### Global solution

- > Available in over 28 languages
- > Fare calculations in all major currencies

#### Reporting

- > Online Performance Improvement, backed-up by an expert e-Business Consulting team and integration with any web analytics platform

### Business impact

**Amadeus e-Retail, lowers direct distribution costs and builds long-term relationships with your customers.**



#### Customer loyalty

- > Offers an efficient online booking system 24/7 and establishes a direct relationship while promoting brand and offer



#### Reduced costs

- > Reduces distribution costs by boosting channel shift from offline to online and from indirect to direct



#### Increased revenue

- > Increases market share in the online market and thus generate additional bookings



#### Efficient IT model

- > Variable IT cost and benefit from shared infrastructure and community development
- > Manages websites cost-efficiently in various markets
- > Reduces total cost of ownership

## Amadeus Flex Pricer

A powerful online search interface, offering comprehensive and easy-to-find fares by product family, enabling an airline to strengthen customer loyalty and significantly increase yield.

### Main features

#### Advanced grouping of fares

- > Flexible grouping of fares by family
- > Up to six customisable fare families proposed for each booking

#### Advanced calendar search capability

- > Ability to propose up to 200 availability or fare options per request at once for up to 15 days around the preferred date of departure
- > Clearly provide all the information required to facilitate customer choice
- > Best in class fare accuracy for both domestic and international flights, including code share and interline partners' flights

#### Fully customisable graphical interface

- > Hundreds of customisable settings to choose from in order to fully adapt the layout and structure of the interface

#### Global solution

- > Available in over 28 languages
- > Fares calculation in all major currencies

#### Airline IT

Amadeus  
Altéa Suite

Amadeus  
e-Commerce  
solutions

Amadeus  
Stand Alone  
IT solutions

### Business impact

**Amadeus Flex Pricer, strengthens customer loyalty and increases yield and revenue at the same time.**



#### Increased yield

- > Maximises the yield per online booking by offering not only the lowest fare, but also a choice of dates and various fares with clear fare conditions



#### Increased revenue

- > Increases online sales and market share



#### Customer satisfaction

- > Boosts customer loyalty by providing very efficient service and multiple choices



#### Efficient IT model

- > Variable IT cost and benefit from shared infrastructure and community development
- > Manages the shopping solution in various markets cost-efficiently
- > Reduces total cost of ownership

## Amadeus Affinity Shopper

### Airline IT

Amadeus  
Altéa Suite

Amadeus  
e-Commerce  
solutions

Amadeus  
Stand Alone  
IT solutions

Enables airlines to accelerate the mobile shift.

### Main features

#### Search options

- > Ability to define a wide range of search criteria such as specific interests and maximum budget, in addition to more traditional criteria like dates and destinations
- > Weekend search

#### Usability

- > Map based interface provides an easily understood display of flights that match with the shopper's motivation for travel
- > Choice of map provider
- > Ability to link destinations with activities
- > Ability to restrict cities to origins and/or destinations
- > Customisation of look and feel
- > Customisation of displayed search criteria

### Business benefits



#### Increased revenue

- > Increases share of leisure travel market by giving customers the ability to quickly find perfect travel alternatives
- > Increases load factors by enhancing your ability to steer price sensitive demand towards flights with excess capacity



#### Customer Satisfaction

- > Gives your customers all of the tools they need to be able to manage their own travel and find the travel solutions that best meet their needs



#### Cost reduction

- > Improves look to book ratio by providing extremely relevant search results for every shopper



#### Efficient IT model

- > Shared infrastructure and product evolution costs

## Amadeus Airline Ancillary Services

A unique integrated solution that enables airlines to implement their ancillary services strategy, adding more profitability to their business.

### Main features

#### Completeness

- > A single comprehensive ancillary system
- > Unique integrated solution encompassing sales, service delivery and revenue tracking and reporting
- > Enabling sales via all channels (direct, indirect, airport...)
- > Available at all customer touch points from shopping to arrival
- > Seamlessly integrated with all airline processes (planning, sales, accounting, airport operations, etc.)

#### Consistency

- > Centralised control and administration
- > Ensuring consistent policies across all touch points
- > Synchronisation between all business areas
- > Real time integration between all system components
- > Able to comply with industry standards (ATPCO products, RESCOM resolutions, Electronic Miscellaneous Documents)

#### Flexibility

- > Designed to manage all types of services
  - > Both flight and non-flight related services
  - > Both industry standard and airline specific services
- > Enabling sales at any time
  - > Before, during or after ticket purchase
    - > At the airport: during or after check-in, in the departure lounge...
    - > Multiple fee filing mechanisms
- > Able to tailor the offer for each channel
  - > Channel discrimination enables a targeted offering
  - > Equally able to follow industry standards or a bespoke approach

#### Simplicity

- > Easy to add new ancillary services
  - > Simple filing of offer and price
  - > New services automatically added to all channels
- > High levels of automation
- > Automation designed to minimise staff interactions and requirement for procedural changes
- > Seamless integration with Airlines' loyalty systems & CRMs
- > Airlines able to control and maintain their own offering
- > Business rules framework



### Business impact



#### More efficient servicing

- > High levels of automation avoiding the need for manual processing



#### Customer satisfaction

- > Consistent and seamless service delivery, even following flight disruptions
- > Automatic recognition of loyalty program status
- > A solution that works across all you partners and across the alliances



#### Reduced costs

- > Single solution covering all channels
- > Simplified systems integration



#### Increased profitability

- > Multi channel solution able to capture every sales opportunity
- > Full visibility of payment status at airport enabling control of waivers
- > Systematic tracking of revenues enabling improved decision making on services offer, pricing and targeting
- > Automated cancellation of booked services when payment not received in time

## Amadeus Payment



Globally streamlines payment processing in a fragmented industry, with a seamless integration from point of sale to back office.

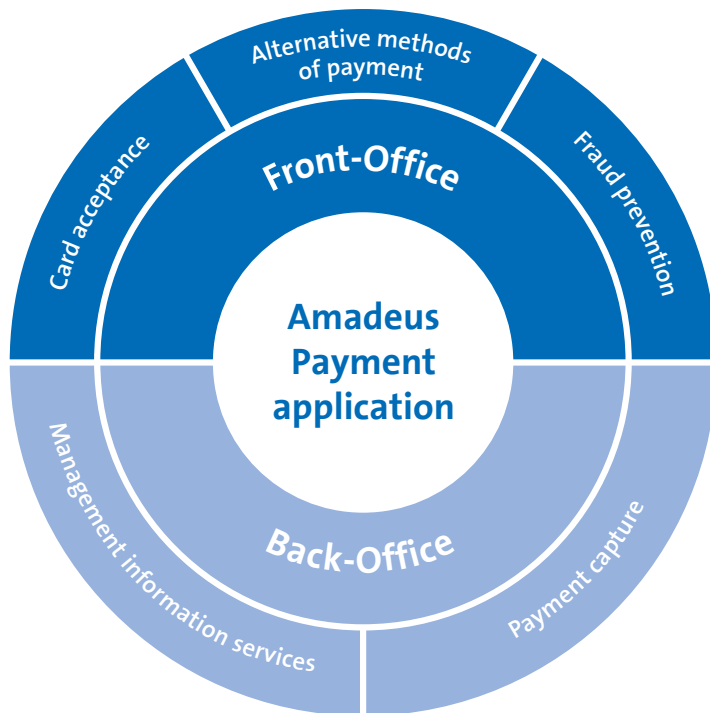
### Main features

#### Front-Office

- > Full integration to the selling flow. Amadeus Payment enables airline payment services through all types of point of sale: Call Centers, Face to Face, travel agencies, web, mobile, and kiosk
- > A wide range of methods of payment, from both international to local methods, including credit and debit cards, card present and alternative methods of payment
- > Real-time airline fraud prevention based on booking and payment data, covering all the above. The Amadeus Payment Fraud Prevention is available through ReD Shield, a Retail Decisions product

#### Back-Office

- > Payment Capture: Unique capability to offer the payment data fully complemented by the sales data creating an enriched capture file(s). Amadeus Payment capture enables full visibility to the acquirer, potentially allowing a merchant service fee decrease and removing the complexity of complying with PCI-DSS regulations
- > Management Information Services (MIS): Web interface to the Amadeus Payment Server allowing to retrieve payment transactions details and provide statistics on airline payment traffic.
- > Enables time savings in airlines' back office processing, for example for dispute management



## Business benefits



### Revenue gain / protection

- › Supports merchants in their effort to protect revenue by offering leading edge features such as Fraud Prevention, advanced security checks and an enriched capture



### Increase revenue

- › Brings additional revenue thanks to a better sales conversion rate and market penetration, achieved through a wide range of methods of payment
- › Covers all airline sales channels and ensures payment collection for new services such as ancillary services



### Productivity gain

- › Integrates payment information to the booking, issuance and reporting processes thanks to integration into the Amadeus Reservation Platform
- › This seamless integration leads to time savings both for sales agents and financial analysts responsible for reconciliation and dispute management



### Efficient IT model

- › Complete and unique solution for airline Payment processing



### Customer satisfaction

- › Offers a wide choice of methods of payment



## Amadeus Ticket Changer Suite

### Airline IT

Amadeus  
Altéa Suite

Amadeus  
e-Commerce  
solutions

Amadeus  
Stand Alone  
IT solutions

Amadeus Ticket Changer was launched in 2006 to simplify the airline ticket re-issuing process. Amadeus Ticket Changer combines the state-of-the-art Amadeus Fares and Pricing engine with a powerful, multi-channel ticketing functionality.

### Amadeus Ticket Changer Suite Products

#### Amadeus Ticket Changer Reissue

Amadeus Ticket Changer Reissue automates the necessary calculations to re-issue a ticket and stores the results in the correct ticketing formats required for subsequent document issuance.

Previously, these complex calculations had to be performed manually by highly experienced staff, and were subject to the risk of human error resulting in incorrect charges and collections.

#### Amadeus Ticket Changer Shopper

Combining the advanced shopping experience of Amadeus Flex Pricer with the superior reliability and accuracy of Amadeus Ticket Changer, Amadeus has developed an industry-leading shopping solution – Amadeus Ticket Changer Shopper. This tool enables users to book, rebook and service itineraries entirely in the online environment.

#### Amadeus Ticket Changer Upgrade

Amadeus Ticket Changer Upgrade automatically computes the upgrade of a commercial ticket to a superior class using air miles. The calculation of the upgrade is filed in miles and the calculation of the tax difference is provided in the payment currency.

#### Amadeus Ticket Changer Disruption

Amadeus Ticket Changer Disruption offers two different features to help airlines handle flight disruption situations: Amadeus Ticket Changer Invol and Amadeus Ticket Changer Dynamic Waiver.

Amadeus Ticket Changer Invol allows airlines to handle the re-routing of passengers caused by unexpected events such as flight cancellation, and re-issue tickets at the airport.

With Amadeus Ticket Changer Dynamic Waiver, airlines can implement new commercial measures and react immediately to more lengthy unexpected events such as strikes, snow storms and volcano eruptions, allowing passengers to change their tickets or postpone trips without being penalised.

#### Amadeus Ticket Changer Refund

Amadeus Ticket Changer Refund is the latest feature of the Amadeus Ticket Changer Suite.

Amadeus Ticket Changer Refund is integrated into the existing Auto Refund solution. Upon request of a refund, the Amadeus Ticket Changer Refund function automatically fills in the refund mask and calculates the refund quantities.



## Amadeus Passenger Revenue Accounting

Amadeus Passenger Revenue Accounting is an airline revenue accounting solution that increases profitability by tracking revenue from all distribution channels in real time. Airlines can instantly and automatically collect data, which is critical for their business model. It enhances the airline's visibility on the full revenue picture through instant, consolidated sales and usage information, advanced reporting, and decision support.

Amadeus Passenger Revenue Accounting helps airlines optimise their revenue accounting process, and can be fully integrated with the Amadeus Altéa Suite.

### Main features

- › Sales registration: online registration of all sales from all channels
- › Usage registration: online recording of all flights and services used
- › Interline billing: management of interline invoices
- › Airline Accounting: preparation and posting to airline's financial system
- › Sales and revenues reporting: online monitoring of airline's unearned and earned revenue
- › Card capture and settlement
- › Sales auditing
- › Agency incentive manager



### Business impact

#### Increased revenue



- › Integration with other solutions enables revenue identification to be made earlier and with increased accuracy
- › Rich real-time online reporting, first-class comparative capabilities and analysis of planned, unearned and earned revenues enables timely internal or alliance strategy adaptations for optimal revenue generation

#### Increased productivity



- › Full integration with other Amadeus airline IT solutions ensures data consistency, accuracy and elimination of manual loading requirements
- › Easy to use, thanks to a modern and user-friendly web interface. Users can easily customise workflows and access booking, ticketing and usage history all along the ticket lifecycle

#### Reduced costs



- › Integration with other solutions enables instant controls and audit checks at time of sale
- › Proactive alert and reporting mechanisms reduce frauds, as well as the amount of time and money spent in post-flight auditing and recovery processes
- › Immediate compliance: latest industry standards embedded; system continuously updated to ensure full compliance with SIS, ancillary services and EMD implementation requirements

## Amadeus Hotel IT

### Amadeus Hotel Platform

**Our solutions allow hoteliers to be more agile in delivering innovative guest services, generating new revenues and responding to market changes in order to succeed in today's highly competitive marketplace.**

- › Shopping and booking tools to reach, attract and retain guests
- › Check-in / out and Guest services to improve management of hotel operations
- › Revenue management functionalities to forecast and manage pricing, therefore maximising revenue opportunities
- › Business intelligence and data analytics, to better understand business trends

#### Amadeus Hotel Platform enablers

- › Content Management
- › Channel Hub
- › Search Engine
- › e-Commerce
- › Call Center

#### Central Reservation System

- › Profiles and preferences
- › Rates and inventory controls
- › Administration
- › Groups and blocks

#### Property Desktop

- › Provides an above-property technology with a true single image of inventory, rates, profiles and reservations
- › Allows for guest centric services and brand promise delivery
- › Reduces technology requirements and investment at property

#### Maximising hotel capacity at profitable rates

- › Helps anticipate future room sales with advanced forecasting technology
- › Defines optimal room allocation and rate
- › Responds quickly to market changes with customisable alerts

#### Understanding business trends

- › Provides instant access to the latest booking information
- › Provides a 360° view of cross-company activity to support strategic decisions
- › Allows flexibility to manipulate data and tailor reports



Automated travel agency bookings as received by independent hotels thanks to Amadeus LinkHotel

## Ground Handlers

### Amadeus' solutions for Ground Handlers

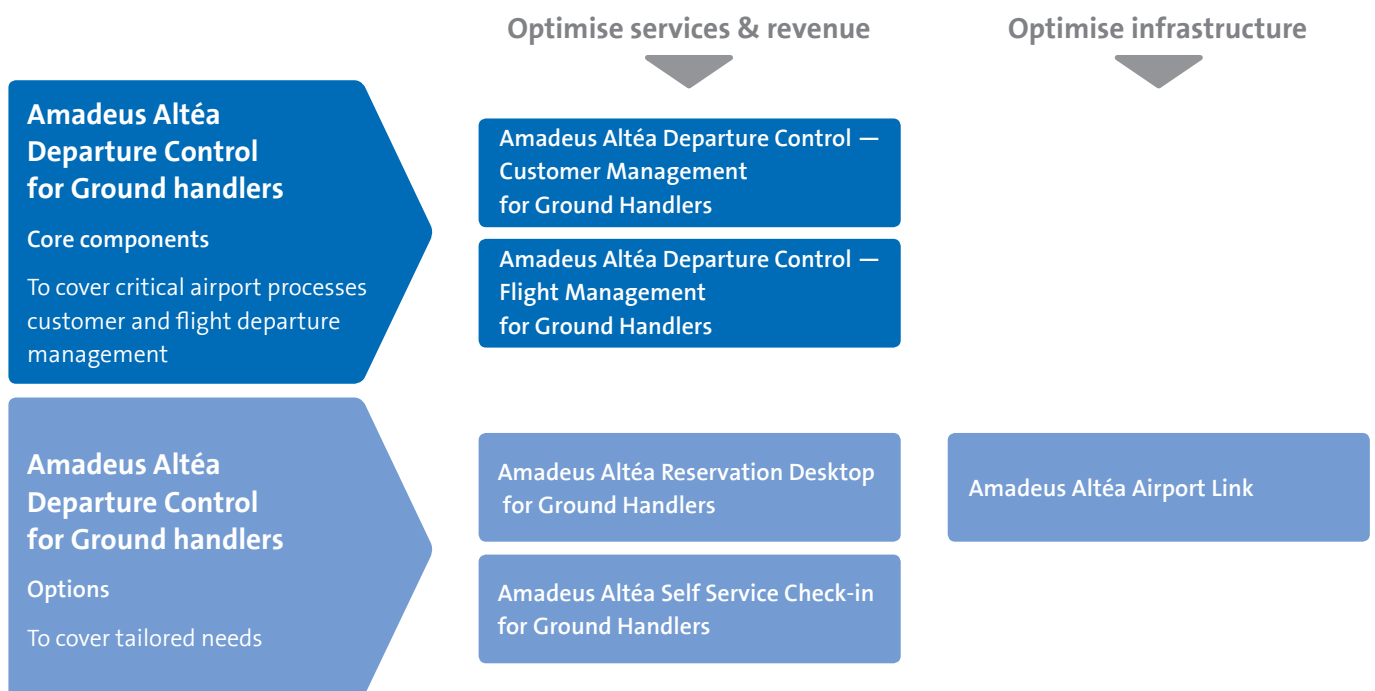
Amadeus Altéa Departure Control Systems for Ground Handlers is a community platform developed by working closely with ground handlers that allows customers to take advantage of a combination of ground handlers' expertise and Amadeus technology.

The following section provides information about the Amadeus' portfolio of solutions for ground handlers in 2012, a portfolio which will continue to grow in the coming years.

The diagram below provides a snapshot of our current offering. Amadeus Altéa DCS for Ground Handlers can be divided into two core solutions: Altéa DCS-Customer Management for Ground Handlers and Altéa DCS-Flight Management for Ground Handlers. We also offer options to tailor services more precisely to ground handlers' needs.



Photo by Carolina de Caso



## Amadeus Altéa Departure Control Systems – Customer Management for Ground handlers

This new generation departure control solution enables ground handlers to boost productivity and increase revenue while enhancing the passenger experience of their airline customers through differentiated customer service.

### Main features

- > Easily handles check-in for multiple airlines within the same platform
- > Manages all handled airlines' passengers and updates customer records within a single fully graphical application using a unique sign-in
- > Real-time integration with inventory and reservation systems allows any seats released at the airport to be immediately available for re-sale
- > Powerful decision-support tool with automated or guided re-accommodation of disrupted passengers
- > Customer tracking for boarding management, centralized control of flight departure and integrated dynamic agent alert system



Photo by Carolina de Caso

### Key benefits at a glance



Efficiency. Enables moving to variable IT costs and benefits from shared infrastructure and community development, thereby reducing total cost of ownership. Full integration with Altéa Reservation, Altéa Inventory and Altéa DCS Flight Management for Ground Handlers



Maximisation of productivity, efficiency at check-in and boarding, and management of disrupted passengers. The solution automates back-office tasks for multiple carriers without switching systems



Ensures collection of excess baggage charges and makes any seats released at the airport immediately available for re-sale. It provides direct access to data to facilitate the invoicing process



Reinforces relationships with airline customers by providing better passenger services, reflecting directly on the airline's image. For passengers, it allows ground handling agents to quickly handle simple requests so that more time can be spent on complex and value added personalised services



Training costs are minimised for new and seasonal staff thanks to the platform's flexible usability. Operational costs are also reduced by using fewer check-in counters to handle passenger flow

## Amadeus Altéa Departure Control Systems – Flight Management for Ground handlers

It is a new generation load control platform that boosts productivity, optimises fuel requirements and ensures efficient flight departures, ramp and load control.

### Main features

- > A unique graphical user interface to manage flights from all handled airlines (Altéa or non-Altéa). Multiple flights on the same screen
- > Very flexible flight activity plan, customisable down to flight level, aircraft type, etc.
- > Scheduled activities are initiated automatically
- > Detailed allocation of passenger weight for complete confidence
- > Automated and optimised load distribution
- > Graphical LIR (Load Instruction Report) sent to ramp
- > Powerful tools to support shift management, load controller licensing, dangerous goods certification, etc.

### Key benefits at a glance



Reliability. Reduces the costs of delays caused by unexpected or late changes and creates flight departure excellence and fast turnaround. Full integration with Altéa Reservation, Altéa Inventory, and Altéa DCS Customer Management for Ground handlers



Significantly increases productivity for load controllers with automated flight departure monitoring and business rules. Manages all handled airlines flights with a single fully graphical application and easily switches between flights of multiple carriers in a single view



Bigger load capacity for freight thanks to optimised weights and balance



Satisfied airline customers as it reduces fuel costs through improved accuracy and optimised trim

### Additional options to packages

#### Amadeus Altéa Reservation Desktop for Ground Handlers

A solution to perform travel reservation and ticketing tasks easier and faster, this solution provides a single access to service multiple airlines with a seamless integration of customer database and CRM systems.

#### Amadeus Altéa Self-Service Check-in for Ground Handlers

A kiosk, internet and mobile check-in solution that optimises operations by limiting the number of passengers using airport desks, this solution reduces costs by lowering the number of counters needed during the day. It is fully customisable (branding, screen layout, language, process flow).

#### Amadeus Altéa Airport Link

Ideal for establishing cost-effective communication links between airport stations and the Amadeus data center, it is an easy data connection to airports leveraging the Amadeus global network. The links are customisable by airport, with scalable bandwidth and no limit to the number of terminals per link.





04

# Amadeus technology

## 4.1 Research & Development

Amadeus' world-class technological excellence has its roots in our worldwide network of Research & Development (R&D) centres. This is where tomorrow's solutions for the travel and tourism industry are being created.

We are committed to continuously investing in R&D and providing the expertise and added value that our customers need - both now and in the years to come.

Indeed, our R&D investment enables us to offer some of the most advanced, integrated and powerful business tools available in the market. In terms of R&D investment in the travel and tourism industry, we are ranked number one in Europe and are amongst the first in the world. Over the years, we've established close collaboration with research teams in leading institutes throughout the world, such as the Massachusetts Institute of Technology (MIT) in Boston (on revenue management mathematics), ETH - Swiss Federal Institute of Technology - in Zurich (on high performance systems engineering), and Institut National Polytechnique (INP) in Grenoble (on airline schedule & operations)

Amadeus' R&D teams conceive, design, develop and maintain some of the world's most complex, widely available, real time information systems accessed by hundreds of thousands of travel professionals and end-users.

Our customers rely on Amadeus to provide a clear vision and direction to shape the future of the global travel and tourism industry.

### World class technology

25 years ago, the decision to base our architecture on a **community system** shared by airlines and travel agencies helped give us an advantage over our competitors. Today it continues to make that same difference.

Thanks to our continued R&D investments, Amadeus has become the industry's number one technology partner. Our expertise and leading solutions are widely acknowledged by the travel and tourism sector's leading players.

In recent years Amadeus' R&D efforts have been particularly focused on:

- > Extremely high performance transaction processing under stringent system availability and dependability requirements;
- > Information mining from very large data-bases;
- > Super-responsive travel search engines;
- > Multi-channel customer servicing applications (agent desktop, web, kiosk, mobile, tablets);
- > Pioneering the use of open systems

Our modern architecture based on **open systems**, with multi channel components and services, enables us to provide greater innovation and more and more powerful functional solutions in a shorter timeframe, therefore responding faster to industry needs. It also enlarges our range of travel solutions. With the Altéa suite for airlines, Amadeus has the first airline Passenger Services System (PSS) ever operated on new generation technology. This innovative suite of solutions is capable of delivering the core requirements of airlines whilst at the same time allowing carriers to propose differentiated services to their passengers.



## True partnership

Amadeus was founded by airlines. From the start we adopted a partnership philosophy to develop solutions for airlines and travel agencies. In-depth knowledge of customer needs is a key component to conceiving our tailor-made solutions that reduce costs, boost productivity and increase revenues - all the while improving customer service.

Amadeus has a proven track record of working in partnership with our customers on large projects.

Amadeus, Qantas and British Airways have been working together since 2000 to develop Altéa, the next generation Passenger Services System which is now used by 109 airlines throughout the world. Our unique community approach to the development of airline IT solutions reinforces our position as a true partner to our customers.

In 2012, we have successfully continued growing our portfolio, into **Revenue Accounting**: British Airways has become the first airline to sign for Amadeus' new Passenger Revenue Accounting solution and is scheduled to migrate to the new solution in early 2014. This strategic partnership with British Airways demonstrates that both companies share the same vision for a next generation passenger revenue accounting solution, built using modern technology and embracing the latest industry standards and which enables real-time revenue monitoring for faster, more accurate revenue decisions.

Amadeus also made inroads with Ground Handling Companies thanks to Altéa **Departure Control Systems for Ground Handlers**, a community platform developed by working closely with ground handlers.

To boost the sale of rail products and ease rail operations, Amadeus has been cooperating closely with large European rail providers and major Travel Management Companies to create **Amadeus Total Rail**. The solution enables railways to manage operations and sell seats across multiple sales channels and allows travel sellers access to book rail and air services side-by-side within the same solution. The offering includes Amadeus Global Rail Sales Platform, which is the first rail GDS on offer, and Amadeus Rail Operations Engine, which allows railway companies to manage schedules, inventory, fares and pricing.

In the online travel flight search area, Amadeus delivered an industry first solution making flight search more relevant and simpler for travellers with **Amadeus Featured Results™**. This solution, which instantly delivers the four most relevant bookable travel options available - fastest, cheapest, most popular and sponsored, was presented at the PhoCusWright Travel Innovation Summit in Arizona, U.S.A. Vayama, a leading online travel agency uniquely focused on international travel, was our partner to design and pilot the solution in beta form on its website, including 100 origin and destination combinations.

Also this year, Amadeus signed a global partnership agreement with Akamai, the leading cloud platform for helping enterprises provide secure, high-performing user experiences, to improve the performance of all web-based applications used by Amadeus and its customers, including airline e-Commerce websites and Amadeus' own suite of booking tools. Airlines, travel agencies and TMCs will all benefit from improvement in online responses of up to five times previous speeds, leading to increased revenues and a cutting-edge user experience.

### Technological excellence spanning the globe

In 2012, Hervé Couturier, was appointed Executive Vice President of R&D, following the retirement of Jean-Paul Hamon. Hervé Couturier, who brings with him some 25 years of international software development experience gleaned from previous high-profile roles at SAP, IBM and Business Objects, is heading up Amadeus' 4,500+ strong software development organisation across its 16 different sites worldwide.

Under Hervé's leadership, a continuous improvement programme was launched, spanning the entire R&D scope and aiming at further progress in innovation, operational excellence and software development efficiency.

Sophia Antipolis (Nice) is Amadeus' central headquarters for R&D activities, with on-site and worldwide teams developing solutions for travel distribution, e-Commerce, points-of-sale, airline, hotel, rail and airport IT.

Our global networked organisation includes the central R&D centres of Sophia Antipolis, Bangalore and Boston, the R&D sites of London, Sydney, Aachen, Antwerp, Frankfurt, Miami, Strasbourg, Toronto, Tucson and Istanbul as well as regional centres in Bogota, Warsaw, and Bangkok.

Our R&D centre in Bangalore, created in 2008 in partnership with Ness Technologies, whose mission was to help us build and operate the centre in its initial phase, is since June this year a fully-owned Amadeus entity. This forms part of our strategy to extend our global R&D footprint and reach out to our customers in different regions of the world.

All sites provide our staff with stimulating environments that enhance creativity and help spark innovative ideas. They also bring together a wide range of expertise and a worldwide approach to developing global products. A transversal division is supporting, via competence driven governance rules and communities, the cross fertilisation between sites in the domains of architecture, software engineering, project management, common best practices and tools.

Process improvement has always been a constant, systematic initiative in Amadeus. We were the first GDS to receive quality certification (ISO 9001:2000). We continue to deploy a Capability Maturity Model Integration (CMMI) approach to software development and received additional certifications in 2012.

Our methodologies are evolving and now support different approaches to product development, from very large projects involving hundreds of people to small and mid-size agile projects, with very frequent deliveries and evolving requirements.



Amadeus employees

As part of our dedication to developing world class technology, Amadeus has long been engaged in a patent programme for collecting and reviewing patent propositions and coaching inventors in their drafting process.

### Proven Results

Thanks to the vision of our R&D teams, Amadeus is able to demonstrate both the commitment and results to ensure the future success of our customers.

- › In 2012, the European Commission ranked Amadeus' investment in research and development technologies for use in the travel sector (over €414m in 2012, an increase of 20% on 2011) as the largest in Europe by total research & development investment in the travel and tourism sector. Innovation is one of the drivers behind Amadeus progress and growth, which has allowed the company's technology to achieve an outstandingly competitive position within the market.
- › Amadeus will be the first IT provider to the airline industry which has most of its systems on open source software and fully replaced mainframe proprietary environments with open source and widely used commercial software. In 2012, Amadeus published 'Open for business', authored by leading technology expert Professor Jim Norton. The report made the case for the travel industry to embrace open source software in order to benefit from greater innovation, respond faster to industry change and reduce costs, whilst freeing the industry from its reliance on proprietary software to provide greater competitive advantage. Leading innovations online, including Amadeus e-Retail, Amadeus Dynamic Website

Manager and Amadeus Extreme Search have been built with extensive use of open source components in a way that would not be possible using legacy components. Amadeus ARIA™ Templates – the framework upon which Amadeus IT Group's web solutions are based – was recently made open source, allowing third party developers to use it without charge.

- › In the hotel segment, we continued the development of the Amadeus Hotel Platform, a solution for hotel chains which combines central reservation, property management and global distribution systems into one fully integrated platform.
- › Our online corporate travel booking tool, Amadeus e-Travel Management (AeTM), has undergone a completely new workflow redesign, streamlining the booking process itself, making it easier and faster to search, book, review and approve. We also introduced a mobile booking app, Amadeus e-Travel Management Mobile. This new tool allows travellers to make new air and rail bookings via their mobile devices including iPhone and Android, ensuring efficiency and continuity of service for travellers on the road.
- › Amadeus is the global leader in online travel technology and corporate travel management solutions. We service over 280 airline websites in more than 110 countries and power the self-booking websites of 6,000 corporations. Amadeus is the world's largest processor of online bookings, with half of the world's top 50 airlines using the Amadeus e-Commerce airline suite. We serve over 650 million page views every month and 10 million unique visitors every day.

## 4.2 The Amadeus Data Centre

The Amadeus Data Centre in Erding, Germany opened for operations in January 1990. The purpose-built facility was designed by engineers with extensive experience in establishing military and commercial data centres. It is fully owned and managed by Amadeus and we are the sole occupier. This ownership provides us with full control of the physical environment and removes any reliance on third parties for security and data protection matters. Additionally, it optimises the efficiency of our development organisation – not only through integration processes and tools but also the flexibility it creates and the dedicated support we can give to creative, new solutions.

Our 20+ years of experience running a first class data centre coupled with the strong commitment to continuous investment in latest technology, progressive automation, and adaptation to international and industry standards

lets us stay ahead of the curve. Today, more than 430 airlines, more than 250,000 hotel properties, more than 100 rail providers, and other travel providers depend on the systems hosted and maintained at the data centre facility to deliver over 3.7 million net bookings on peak days. The facility also hosts and manages the passenger service and Departure Control Systems for more than 100 airlines, as well as numerous other IT solutions for travel management companies, hotel companies, and many other players in the travel and tourism industry.

Amadeus' solutions are offered in a SaaS (Software-as-a-Service) model hosted primarily on Open Systems and highly scalable hardware on more than 7,500 servers at the facility. The Amadeus Data Centre is one of the largest data processing centres dedicated to the travel industry and we are committed to service excellence for our customers.

**1.6+ billion**  
transactions per day (peak)

**<0.5 sec**  
average system response time

**3.7+ million**  
bookings per day

**19,000+**  
transactions per second (peak)

**13+ billion**  
SQL executions per day

**3,400+**  
IT changes per month

**9,000+**  
physical IT infrastructure  
devices

**13**  
Petabytes\* storage

**400+**  
application software loads  
per month

\* Peta = 10<sup>15</sup>= 1.000.000.000.000.000

## The building and its physical security

The bunker-like building has metre thick, steel reinforced concrete walls and ceilings. It's shaped like a pentagon with 6,000 square metres of fully equipped computer floor space. The internal configuration of the data centre is designed to further increase the resilience of the service in case of failure of any single component.

Security is always of the highest importance to our operations and it starts with the physical security of the facilities. A fence, monitored with perimeter radar and cameras, surrounds the premises and a trench prevents possible attacks using vehicles. Infrared observation is installed on the roof and inside the building a network of cameras is set up for surveillance. The observation systems are linked to the security control centre manned 24 hours per day / 365 days per year by a professional security company.

- > 140 cameras inside and outside the complex
- > 3,000+ sensors with central control
- > 18,000+ data points for the building management system

All rooms are equipped with fire alarms and active and passive smoke detection systems. Server rooms and technical units are equipped with CO<sub>2</sub> extinguishing systems and sprinklers. Emergency procedures involving the local fire brigade are tested on a regular basis.

## Compliance with international standards and certifications

Through our continuous strive for excellence, Amadeus was the first global distributor to achieve ISO 9001:2008 Quality Management certification. This certification, which Amadeus has always successfully renewed since 2000, was again granted in 2012 by BSI Group.

Three times per year, Amadeus Data Processing is audited by Bureau Veritas to ensure business continuity and security measures are maintained at the highest level. This environmental investigation is based on numerous British, ISO, and US federal standards as well as hardware install standards. Amadeus Data Processing has been awarded and maintained this certification at the highest grade level for many years running.

Amadeus' security control, policies, and procedures are examined, measured and validated annually against the PCI DSS requirements defined by the PCI Security Standards Council. Amadeus IT Group S.A. first achieved certification of PCI DSS compliance in 2009 and has maintained this certification ever since.

Amadeus also undergoes an annual audit according to the SSAE16 standard to provide our customers an attestation of the effective implementation of internal controls.

Additionally, the Amadeus Data Centre first achieved certification as an 'Energy-efficient Enterprise' by the internationally recognised organisation TÜV Süd in March 2010. This certification was renewed in 2012.



**The principles of minimum n+1 and no single point of failure are applied to all functions at all levels.**

## A few 2012 highlights

### Furthering the move towards Open Technology

Amadeus Data Processing continued its move towards Open Source operating systems in 2012. With this ongoing transition from proprietary systems to Linux, we now see Altéa Reservations, Inventory and Departure Control Systems substantially running on open systems.

### Opening of energy annex

In response to the ever increasing need for processing power, in 2011 Amadeus commenced the construction of an energy annex. This annex came into operation in April 2012. The addition to the data centre facilities nearly doubled Amadeus' capacity to 6.0 MW UPS power and 6.6 MW cooling production.

The new, more energy-efficient equipment now significantly contributes to the supply of the facilities and supports our continuous commitment to efficiency improvement. The energy annex houses:

- › Three diesel UPS systems with powerbridge at 1,2 MW each
- › Two cooling machines with 1,5 MW each
- › One free cooling unit of 1,5 MW
- › Three 20 kV transformers
- › One 30,000 litre diesel tank hold the fuel required to generate power for the annex in case of an outage

### Continued focus on Green IT

Amadeus' focus on the energy efficiency of its power supply, cooling and climate control processes, IT equipment used, as well as the facility's procurement, installation and de-installation processes and procedures resulted in the certification as "Energy-efficient Enterprise" in March 2010 by TÜV Süd. The certification was renewed in 2012. This focus also enabled us to continue the reduction of our annual Power Usage Effectiveness (PUE) ratio from 1.49 in 2009, when we began closely monitoring and recording this value, to 1.42 in 2010, 1.41 in 2011, and still further to 1.39 in 2012. The latest survey by Uptime Institute states an average value for data centres is between 1.8 and 1.89.

### Constant service improvement

In our ongoing drive for service excellence, Amadeus launched in 2012 a corporate initiative to review all core business services and applications in an effort to increase resilience and improve operability. Key areas of the programme are infrastructure and architecture resilience, incident management, monitoring and diagnosis, application operability and resilience, as well as release management and testing. The more than 80 projects launched as a result of this programme are scheduled to be implemented over a period of 18 months.

In 2012, Amadeus launched a corporate initiative focused on infrastructure and architecture resilience, incident management, monitoring and diagnosis, application operability and resilience, as well as release management and testing

## Amadeus global operations

### Follow-the-sun concept

Amadeus operations is based on a follow-the-sun model with operation sites in Erding (Germany), Miami (USA), and Sydney (Australia), as well as specialist operations support groups in Bad Homburg (Germany) and London (Great Britain). Although the primary site in Erding is manned 24x7, the secondary sites become the first point of contact during their business hours, following a formal hand-over. This ensures optimal support for our customers from an office near to them and facilitates us performing maintenance procedures during “off-hours”.

Our truly global operations are supported by approximately 850 employees of more than 50 nationalities.

### Amadeus’ operations bridge

The operations bridge is the control centre for our systems, networks, and their supporting infrastructure from which we provide 24x7 support. The recently remodelled (2011), primary operations bridge is located at the Amadeus Data Processing facility in Erding. It supports our focus on customer centric service delivery and our approach of parallel investigations with experts for all technical environments in one room for collaborative and efficient resolution of incidents. In addition to operations bridges in our regional offices, a back-up operational bridge for the Erding site is available, approximately 40 km away, should the prime site become inaccessible.



Amadeus employees







# 05

## Our people

## KEY FIGURES

### An international company committed to its employees

- > Workforce of over 11,000 people
- > 39% women
- > A diverse team from 110 countries
- > 42 nationalities in our headquarters in Spain (42% of employees non-Spanish nationals)
- > 80% permanent active contracts

## 5.1 Amadeus: a people company

Amadeus' outstanding achievements are dependent on the contribution of every member of our staff. Since we published our previous report, we have continued to focus our efforts towards making Amadeus a great place to work, a place where talent, expertise and success are recognised, where we continue to focus on innovation and where Amadeus employees are empowered to achieve their professional goals.

In 2012, for example, we:

- > Completed second Global Employee Engagement Survey
- > Attracted top industry talent from the software industry to ensure excellence across our R&D and Operations Divisions
- > Our Headquarter office in Madrid was certified as a Top Employer in Spain

Total workforce by type of contract	2010	2011	2012
Permanent staff	7,852	7,901	8,883
Temporary staff	108	87	113
External manpower (including contractors, and staff seconded from other firms)	2,310	2,234	2,042
<b>Total</b>	<b>10,270</b>	<b>10,222</b>	<b>11,037</b>

Scope: All Amadeus Group Companies. Figures in full-time-equivalent (FTEs) which is the number of headcount converted to a full-time basis; for example, an employee working part-time covering 80% of a full-time schedule is considered 0.8 FTEs. Figures for 2010 and 2011 do not include Opodod and Vacation.com (divested in 2011).

Split by professional category	2010	2011	2012
VPs and Directors	2%	2%	2%
Senior Managers / Managers	23%	25%	23%
Staff	75%	74%	75%

Scope: All Amadeus Group Companies. Based on permanent heads.

Employee turnover	2010	2011	2012
Turnover rate	5.3%	5.8%	6.9%

Note: Only permanent heads included.

Our people, with their competencies, skills and attitudes, and our company culture are unique assets for Amadeus, differentiating us in what we deliver to our customers and how we relate to them. A robust, sustainable business model, coupled with continuity in leadership, managers and employees have allowed the company to continuously grow and succeed.

Our focus on people has enabled our company to see its solutions implemented in 195 countries. Our global presence has resulted in a special appreciation for diversity within the company and is a driver for greater innovation.

As we continue to invest in comprehensive practices regarding talent retention, we keep a low turnover rate of 6.9%, below the IT labour market rate, which according to the Corporate Leadership Council was 14.9%<sup>(6)</sup> in 2010. Due to the growth pattern of the Company and prudent management through the economic downturn, there have been no large-scale employee redundancy programmes in recent years.

## Employee diversity

Multiculturalism, respect and openness are at the heart of our culture. With employees from 110 countries speaking over 58 languages, the diversity of our staff enriches the company with their different experiences and backgrounds. We have over 80 nationalities represented in our central sites. In our headquarters based in Madrid, Spain, over 40% of our employees are non-Spanish nationals.

We explicitly outline a multicultural approach as the first of the primary core competencies required of our employees.

Equality among men and women is a key concern for Amadeus, whose efforts are focused on increasing awareness and reinforcing policies in this matter. Diversity, and with it equality among all employees, is the source of our incredible wealth in human assets, and the foundation for cohesion and constant progress within Amadeus.

With regards to gender diversity, 39% of our permanent employees in 2012 were women. Out of 2,091 management positions, 662 are currently held by women, representing 32% of the total. Furthermore, 17 women occupy executive management positions out of 141 total executive positions. At the Executive Committee level, we increased female representation to 33%. On our Board, the chair of our Nominations and Remunerations Committee in 2012 was a woman.



Photo by Joachim Raffin

Workforce by region	2010	2011	2012
Europe	7,998	7,824	7,974
North America	725	737	749
South America	508	532	539
Asia	873	947	1,581
Middle East and Africa	166	182	194
<b>Total</b>	<b>10,270</b>	<b>10,222</b>	<b>11,037</b>

Scope: All Amadeus group companies as of December. Figures for 2010 and 2011 do not include Opodo in Europe and Vacation.com in North America (divested in 2010).

<sup>6</sup> Corporate Executive Board, CLC Human Resources, Turnover Benchmarking Database Version 4.0, September 2011.

## Talent management

### Top employer

In November 2012, our headquarter offices in Madrid were certified as a Top Employer Spain, a certification by CRF Institute. Companies that want to be certified are subject to an audit, and are scored on 5 Dimensions: primary benefits, secondary benefits & working conditions, training & development, professional career, company culture.

A total of 49 Companies in Spain were certified as a Top Employer in 2012.



Photo by Carolina de Caso

## Talent sourcing

At Amadeus we seek highly skilled and high performing staff. In clear alignment with our philosophy, Amadeus' staffing strategy is based on growing talent within the company by supporting and promoting internal mobility. For that reason our vacancies are published internally prior to going external.

When doing external searches, Amadeus uses a variety of channels to attract talent at different career stages. Entry level and interns are recruited actively from their universities, schools and student job boards. Experienced staff and senior positions are generally recruited at country level to cover their local / regional business needs. We prefer local recruitment whenever possible. Headhunters are instructed to present diverse candidate slates.

In addition, Amadeus has invested in increasing the sourcing pool of talent in the industry by engaging in a social media network. The objective of this new initiative is to increase effectiveness by reaching a larger talent pool and decrease the time to fill positions, minimising the disruption of our business.

### Ability to attract top industry talent

In May 2012 we announced the appointment of a senior IT executive as the new EVP, Development. He has held various management positions in large IT companies such as SAP, Business Objects and XRT. He also serves as a Board member for SimCorp A/S, a Danish software company, and Areva plc, a British software company, and brings 25 years of international software development experience.

In September 2012, we announced the appointment of a software executive to our Operations Division. Our new Deputy Operations joins us from SAP where he was Senior Vice President, Global IT Infrastructure Services. Over ten years with SAP he held a variety of roles. Previously he spent six years with McKinsey and Co. and five years with Alcatel, where he was Head of Research and Development. By attracting top industry talent to the Operations and Development divisions, we ensure continued top-class leadership, in both our Mission Critical operations as well as our innovative Product Development.

### **Building engagement & company culture**

Following the evolution of Company Values in 2011, 85% of Amadeus employees participated in the Transformation workshops, where the newly evolved Company Values were presented and explained in detail. Additionally, our second Global Engagement Survey took place in June 2012. 89% of Amadeus employees took part in the survey, an increase of 9% vs. 2010.

### **Training & development**

Amadeus continuously invests in the development and growth of our workforce. In 2012, we continued to consistently invest in training around 0.2% of our revenue.

A key area in the training function this year has been the deployment of content related to external factors the impact the way we work:

- > Global launch of the e-learning module “Working in a publicly traded company: your responsibilities”.
- > We have trained specific groups on Data Security & Data Privacy legislation.

**We put employees at the centre of the organisation by providing support and the work environment to help them perform and achieve their professional goals.**

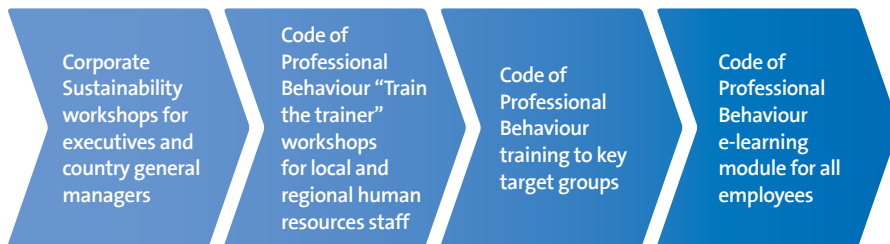
- > Employees received 163,472 hours of classroom training in 2012
- > € 6.7 million invested in training
- > Over 450 e-learning courses are available for employees on-line

### Ethical behaviour

Training for employees in ethics began in 2008 and since 2009 we have included the Amadeus Code of Professional Behaviour as part of our training programme to ensure that all employees understand the importance of our values, and how we should work together.

Training in ethics and the Code of Professional Behaviour has gradually been incorporated across the Company through four phases:

#### Four phases of ethics training



An e-learning module is currently available in English, Spanish and German and is mandatory for all employees at the time of the local launch. In addition, it is mandatory for all newcomers since the local launch.

In some subsidiaries, employees are also required to read and sign a copy of the Code of Professional Behaviour document which has been translated into the local language where this is not English, Spanish, German or French.

### The Expert career path

The “Expert career path” is a new career development path for Amadeus employees in Sophia Antipolis (Software Development areas) who have demonstrated leadership in a given area of expertise. After “Professional Path” & “Management Path”, the “Expert Path” recognises an expertise in a very precise area, identified through our strategic and operational needs. It is an opportunity for staff with a very specialised area of expertise to make the most of their knowledge and use it as part of their career progression. It is also an opportunity for us to optimise our competitiveness and promote a favourable environment for innovation.

Based on our programme, an expert is a person who has extensive experience and knowhow in a specific field, and who is motivated to share this knowledge with colleagues, customers and industry leaders.

An expert acts as a consultant, taking part in debates on strategic topics, and contributing to projects, but also playing a key role in sharing and transmitting information in their area, both throughout the company and externally.

## Compensation and benefits

At Amadeus we offer competitive benefits to our employees that are specific to market needs and comply with local legislation.

We seek to incentivise our employees through variable remuneration schemes linked to individual and company performance. We believe this comprehensive approach to reward reinforces our strong corporate culture and helps us maintain our sector leadership.

A competitive remuneration package is key to attract and retain the best talent, therefore Amadeus provides comprehensive benefits packages (aligned with social security legislation, tax legislation and market practice in each location). The majority of our permanent employees are entitled to a defined contribution retirement plan, life and disability insurance, a medical plan and comprehensive travel insurance for business trips, plus all business travellers and employees on international assignments are covered by an emergency medical and security cover.

## Employee well being

With relation to health and safety, our company has a low injury and accident rate as a result of its activities taking place in an office environment. Nonetheless, we have proactively developed initiatives to improve employee health and well-being at work and considered the company's "duty of care", which form part of our focus on employee welfare and satisfaction. In 2012, there were 83 accidents, of which 50 took place whilst employees were travelling to or from work, and we saw an improvement in all relevant metrics, as can be seen in the table below:

	2011	2012
Injury rate	1.65	0.73
Lost day rate	0.03	0.01
Common illness rate (%)	2.13	2.04
Absentee rate (%)	2.38	2.30

Note: Figures cover 90% of Amadeus staff, some subsidiaries are not included.

- > **Injury rate:** number of accidents resulting in lost days per million hours worked.
- > **Lost day rate:** number of days lost due to accidents per thousand hours worked.
- > **Common illness rate (%):** number of working hours lost due to common illness per theoretical total working hours in the year.
- > **Absentee rate (%):** number of absentee hours lost, expressed as a percentage of the theoretical total working hours in the year.

The purpose of our Health and Safety Policy is to ensure that all Amadeus companies fulfil local requirements regarding health and safety.



**AMADEUS**  
Your technology partner

SAT/SUN

		1	2	3	4
		THE RAIN FALLS IN THE MOUNTAINS (Event)			





# 06

## The year in review

## 6.1 The year with Amadeus

### Introduction

Despite a challenging economic environment and difficulties in the travel industry, 2012 was overall a very successful year for Amadeus during which it maintained growth and further consolidated its leading position in the industry.

This growth was attributable to successful expansion across both business lines. In Distribution, our global market share in travel agency air bookings expanded 0.9 percentage point vs. 2011 to become 38.6%, helping grow revenue by 5.8%. In IT Solutions, as the number of migrated Altéa customers increased to 109 airlines, Passengers Boarded rose by 28.4% vs. 2011 and revenue went up by 13%.

Amadeus' overall customer portfolio evolved significantly during the year to diversify by both area and geography. Landmark customer wins in North America with **Expedia**, **Southwest Airlines**, and **Kayak** deserve special mention. So too does the fact that the number of airlines contracted for both Altéa Reservation and Altéa Inventory increased to 121, raising our estimated PB for 2015 to 800 million – which would be an increase of 42% on 2012. In Distribution, whilst many contracts with key airlines were re-signed, we also signed many new Low Cost Carriers (LCCs). Increasing LCC adoption in the travel agency channel is a key priority for Amadeus, and a number of initiatives are in place in order to increase the number of bookings for LCCs from travel agencies. We also made great progress in the growth area of merchandising, and specifically in relation to ancillary services where the Amadeus Ancillary Services

solution has been contracted by 53 airlines. Our New Business units also continued to tap into the significant growth potential for the provision of IT solutions to rail providers, hotels and airports, with many important customer wins.

We attribute these successes directly to our leading customer offering and once again our tireless dedication to innovation remained core throughout the year, launching products such as Amadeus Featured Results and increasing total R&D investment by 20% to €414 million.

### Corporate

#### Debt structure

Early in the year the **European Investment Bank (EIB)**, the European Union's long-term financing institution, granted Amadeus a loan of €200 million to finance the research & development of a variety of projects in the area of IT solutions between 2012 and 2014.

In relation to its debt structure, Amadeus also announced the signature of a €200 million revolving credit facility, via a "club deal" with eleven banks, with a 2.5 year maturity from completion date. This facility added further flexibility to Amadeus' financial structure and provided additional available liquidity. Taking advantage of its strengthened liquidity position, Amadeus used €350 million of existing cash of the Group to partially amortise its outstanding bridge loan. The maturity of the remaining €106 million bridge loan was extended until May 2013.

Meanwhile strong cash flow generation in the period drove consolidated net

financial debt down to €1,495.2 million as of December 31, 2012 (based on covenants' definition). This was down by €356.6 million vs. December 31, 2011 and represented 1.34x the last twelve months' EBITDA, well within the target leverage ratio of 1.0x to 1.5x net debt to EBITDA previously established by the company.

### **Dow Jones inclusion and S&P upgrade**

Amadeus debuted on the **Dow Jones Sustainability Index (DJSI)**, within both the DJSI-World and DJSI-Europe indexes. Out of the 57 companies invited to participate in the Support Services sector - in which Amadeus is included - only 12 members were ultimately selected and Amadeus was ranked as the leader of the sector with a score of 82 points. Amadeus achieved the highest scores in a number of categories, including the overall Economic and Social Dimension of the business, as well as in Environmental Policy/Management or social metrics such as Labour Practice Indicators and Human Rights, and Talent Attraction and Retention. Amadeus' ambitions within Corporate Social Responsibility and sustainability are to improve gradually and visibly the company's contribution to society.

The further deleveraging mentioned above as well as the progress made to strengthen the sound business performance and outlook resulted in an improved credit rating outlook, to positive, by Standard & Poor's, whilst stating that Amadeus had "improved its financial performance beyond our previous expectations".

### **Shareholder remuneration**

The Board of Amadeus IT Holding, S.A., in the meeting held on October 18, 2012, reviewed the dividend policy of the Company, increasing the proposed pay-out ratio to between 40% and 50% of the consolidated profit (excluding extraordinary items), compared to the previous policy, fixed in 2010, which consisted of a pay-out ratio of between 30% and 40%. The new dividend policy, applicable to the period of 2012 and onwards, also establishes the payment of an interim dividend related to the results of each financial period.

Therefore, in 2013 the Board of Directors will submit to the General Shareholders Meeting for approval a gross dividend of €0.50 per share, including an interim dividend of €0.25 per share (gross), which was paid on January 30, 2013. Based on this, the proposed appropriation of the 2012 results included in our 2012 audited consolidated financial statements of Amadeus IT Holding, S.A. and subsidiaries, includes a total amount of €223.8 million corresponding to dividends pertaining to the financial year 2012 – representing a 35% increase on the previous year's dividend.

### **Appointments**

In the early summer Amadeus confirmed its commitment to R&D when Hervé Couturier became Executive Vice President of Development at Amadeus, heading up Amadeus' software development team of more than 4,500 members across 16 different sites worldwide. Couturier was previously Executive Vice President of SAP's Technology Group and brings with him 25 years of international software

development experience in previous high-profile roles, including at IBM and Business Objects.

Amadeus also strengthened its growing hotel business, which incorporates both distribution and IT services, with the key appointment of hotel industry veteran Jeff Edwards. Formerly Chief Information Officer and EVP Distribution of Wyndham Worldwide, he has joined Amadeus with a clear brief to quickly expand its burgeoning hotel division.

## Distribution

### Airlines

Amadeus continued to expand its position in the distribution business and to build upon its leading offering, signing content agreements with a significant number of airlines, including examples such as **Air France KLM, Gulf Air, Korean Air, Malaysian Airlines, Virgin Australia, Emirates, Qantas and Delta Air Lines**. Many of these renewed agreements were expanded to include the sale of ancillary services through Amadeus travel agents. With these content agreement signatures, Amadeus continues to deliver on its commitment to guarantee access to a comprehensive range of fares, schedules and availability for Amadeus' travel agents. Around 80% of Amadeus bookings worldwide are with airlines where a content agreement is in place.

Additionally, global distribution agreements were signed with 13 new airlines, including a number of low-cost carriers, making them accessible to travel agencies globally via the Amadeus system.

Low-cost carriers (LCCs) continued to be an area of growth and opportunity for Amadeus. During the year new distribution contracts were signed with eight LCCs and we worked with a strategic partner to deliver an improved connectivity level and workflow integration in order to increase low cost carrier adoption in the travel agency channel. Bookings for LCCs from travel agencies using Amadeus increased by 14.6% over the full year.

In 2012 we continued to invest significantly in the area of merchandising, with a particular focus on the growth area of ancillary services, where we maintain our position as a leader. In January, the flagship carrier **Finnair** implemented the Amadeus Ancillary Services solution to allow travel agencies to process preferred seats and excess baggage. Amadeus Ancillary Services is an end-to-end solution based on industry standards that helps airlines sell additional services using both travel agencies and the airline's own call centre or website. In June, **Air France** also implemented the solution, followed by **airberlin** and a number of other airlines later in the year. At the close of the year, in total 53 airlines had contracted this service. Of these, 24 had opted to implement the service both in the indirect and direct channels, and 10 were already implemented and using the Amadeus technology to do so.

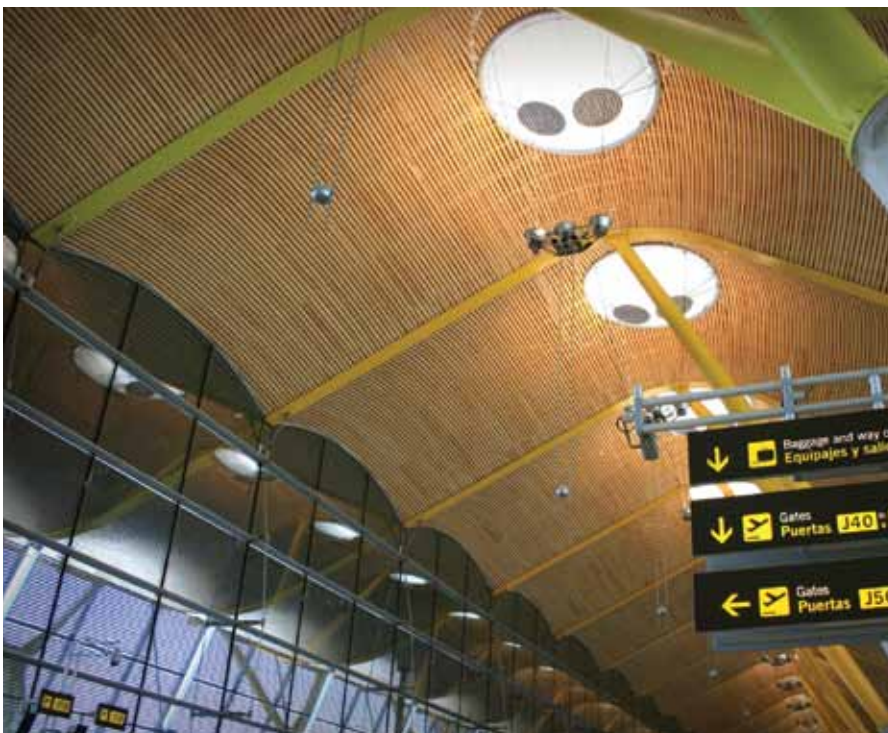


Photo by Carolina de Caso

## Rail

Expanding the depth and breadth of rail content in the Amadeus system, whilst also improving its bookability and functionality, remained a top priority for Amadeus – and 2012 delivered many successes in this significant growth area.

**SNCF (Société Nationale des Chemins de fer Français)** became the launch customer for Amadeus Rail Agent Track, a state-of-the-art rail booking solution for travel agents which enables agents to access the rail company's schedules and inventory via a 'single view' of fares and availability on one screen. In addition, Amadeus and SNCF also agreed an extension to their full content agreement by which travel sellers have access to all SNCF fares, origins and destinations, and products.

A partnership was also announced with **Trenitalia**, the transport division of the Italian FS Group, to distribute Trenitalia content through all Amadeus channels. Travel agents around the world are able to book both Trenitalia's high speed rail products through the existing sales channels and through the Amadeus global distribution system. Travel agents who use the Amadeus Selling Platform have a standardised way to access Trenitalia services, in turn making bookings through an air/rail-based search solution, FlyByRail Track, and Amadeus Rail Agent Track.

**SJ Swedish Rail**, Sweden's largest rail operator, both extended and expanded its content agreement and commercial partnership to make its content also available through additional channels integrated into Amadeus' Global Rail Sales Platform, the rail-specific distribution service. For the first time SJ content became available through the offline and online travel agency channels using Amadeus Agent Track and Amadeus Web Services Track – as well as continuing to

be distributed through Amadeus e-Travel Management, which distributes rail content through the corporate and travel management companies (TMC) channel.

## Hotel

The Hotel Optimisation Package was launched, a complete set of services and technologies for large travel agencies and travel management companies (TMCs) to increase competitiveness, grant efficient access to all relevant hotel content and save valuable time for travel counsellors. The Amadeus Hotel Optimisation Package portfolio of solutions is articulated under two areas, Profit Optimisation – to help large travel agencies and TMCs save time and have more control over global hotel programmes – and Content Optimisation, converting Amadeus into a one-stop-shop for hotel content. **GSM Travel Management** was one of the first clients to work in partnership with Amadeus on LinkHotel, part of the Amadeus Hotel Optimisation Package, which actively seeks smaller or independent hotels and adds them to the platform, delivering the kind of content that TMC customers frequently need.

A strategic alliance to distribute **Hotel Reservation Services'** (HRS) hotel content through Amadeus was announced. HRS is the worldwide leading hotel portal for corporate customers, and the agreement was a milestone in HRS' strategy as it was the first time the hotel portal made its content available through a global distribution system. Through this strategic partnership, Amadeus took a major step forward in its 'Multisource' hotel initiative to integrate and distribute hotel content from diverse sources. With the integration of HRS, the total hotel inventory available through the Amadeus system exceeded 250,000 hotels.

## Travel Agencies

Our strategy in North America continued to produce significant results with many high-profile developments. Further to **Expedia** signing a multi-year content and technology agreement for North America in April 2012, which provided Expedia with Amadeus' fare search technologies for air travel among other products, as well as access to global travel supplier content through the Amadeus system, Expedia's launch on Amadeus during the summer of 2012 was virtually flawless. Since then Expedia has been ramping up the volumes of bookings made on the Amadeus system. Amadeus has been providing services to Expedia Inc., which is the largest travel enterprise in the world in terms of air volumes, in over 15 countries since 2005.

Other highlights in the region also included **KAYAK**, a leading US-based travel search company, signing a multi-year agreement that extended its existing strategic global alliance to expand the use of Amadeus' airline fare and availability technology. The innovative US-based metasearch website **Hipmunk** also selected Amadeus' advanced technology solutions to provide international low fare search and shopping to help assure its users the best online experience and speed. Hipmunk will utilise Amadeus Meta Pricer, Amadeus Master Pricer, and Amadeus Web Services solutions. Also in the U.S., **Routehappy** selected Amadeus as the provider of its airfare pricing and availability information. Routehappy enables users to find flights based on various factors such as plane quality, flight amenities and recent airline ratings provided by real flyers.

Pioneering world leading travel technology solutions for travel agents

remained at the forefront of Amadeus' activity. At the PhoCusWright Conference Travel Innovation Summit in November Amadeus introduced Amadeus Featured Results™, the first search solution which boosts the leisure travellers' purchasing experience by making online travel search simpler and more relevant. This works by integrating Business Intelligence (BI) data into the search algorithm, and instantly presenting the top four most relevant, cheapest, fastest and most popular recommendations. **Vayama**, a leading online travel agency that is part of one of the biggest online travel companies **Travix International, B.V.**, became the first pilot customer to implement the beta version.

Elsewhere in the world we continued to consolidate our leading position with deals including **FCm Travel Solutions**, the global corporate travel and expense management specialist, renewing its global content agreement for a further five years, meaning Amadeus' content will continue to be available to FCm's partner network via Amadeus Selling Platform and AeTM. An agreement was also extended with **STA Travel**, which is a global travel organisation that handles six million passengers each year across 29 markets and specialises in the student and youth sector. Later in the year Cleartrip, one of India's leading online travel companies, also signed a multi-year technology agreement, based on which Amadeus will provide the company with fare search technologies and access to global travel content through the Amadeus system.

## IT Solutions

### Airline IT – Amadeus Altéa

Further growth continued as many leading airlines 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 Systems.

**EVA Airways**, Taiwan's second largest international airline, announced it had selected the full Amadeus Altéa Suite for its passenger management, and also for the international passengers of its subsidiary **UNI Airways**. The airline had been recently accepted onto the **Star Alliance**, for which Amadeus is the preferred IT platform provider. The long-term agreement with Amadeus will bring EVA Airways and UNI Airways onto **Star's** Common IT Platform - already used by 64% of Star Alliance members - which offers enhanced customer service functionalities, for both sales and airport environments. **Garuda Indonesia**,

the national airline of Indonesia, also announced that it will transform its passenger service processes with the introduction of the Amadeus Altéa Suite to manage its domestic and international reservations, inventory and departure control processes.

One particularly noteworthy development occurred in April when **Southwest Airlines**, the largest U.S. carrier in terms of domestic passengers boarded and consistently ranked number one in customer service by the US Department of Transportation, entered into a contract for the Amadeus Altéa Reservation solution to support the carrier's international flights. Whilst the agreement focused on the international element of Southwest's reservation system, which will be implemented by 2014, the contract also provided a future option for Southwest to convert its domestic business to Amadeus.

Additional signatures for the full Amadeus Altéa Suite included **Czech Airlines**, which is the flagship airline carrier of the Czech Republic, along with

other airlines such as **Equatorial Congo Airlines, Izair, Air Côte d'Ivoire** and **Air Greenland**. Both **Mongolian Airlines Group** and Ural Airlines announced contracts for both the full Amadeus Altéa Suite plus the Amadeus e-Retail online booking engine.

In terms of further up selling, a number of existing Altéa users (**Aigle Azur, Bulgaria Air, Trans Air Congo, AeroSvit - Ukrainian Airlines, Egyptair** and its subsidiary **Air Sinai**) completed the full Amadeus Altéa Suite by contracting to use Amadeus Altéa Departure Control Systems.

As of the close of the year, a total number of 121 airlines were contracted for both Altéa Reservation and Altéa Inventory, 104 of which were contracted to use the full Altéa Suite, up from 92 at the end of 2011. Based upon these 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%.

In addition to these commercial successes, we continue to deliver in the successful implementation of contracted clients. Many successful migrations onto the Altéa platform were completed during the year. These included **Cathay Airlines** and its subsidiary **Dragonair, Scandinavian Airlines** and later on in the year **Singapore Airlines** and its subsidiary **SilkAir**.

IT Solutions also continued to migrate existing Altéa users to the Departure control module, including **TACA** and many of its group airlines, **Saudi Arabia, airberlin, Royal Brunei, Qatar Airways** or **Egyptair**.



### Airline IT – Stand Alone IT portfolio

Expansion of the IT product portfolio continued, with the launch of its new Passenger Revenue Accounting solution and the announcement of **British Airways** as the first airline to sign-up for the new solution. The new Revenue Accounting solution is a user-friendly, web-based system, which is designed to help airlines increase revenue, reduce operational costs, and make revenue decisions faster and more accurately, bringing revenue accounting closer to operational functions. In addition, the new solution transforms revenue accounting from a labour-intensive task to a fast, flexible strategic function. Later in the year, in October, **Saudi Arabian Airlines** also announced that it had signed-up for Amadeus Passenger Revenue Accounting, and will become the first airline to implement it, early in 2013.

Further contracts were also signed for the Stand Alone IT solutions portfolio. These contracts included **bmi**, **EVA Airways**, **Iberia Express**, and **Ural Airlines** all signing up for Amadeus Ticket Changer (ATC) – whilst **airberlin**, an existing Amadeus Ticket Changer customer, signed-up for the additional Amadeus Ticket Changer Refund module. Amadeus Ticket Changer simplifies the ticket re-issuing process by combining the state-of-the-art Amadeus Fares and Pricing engine with a powerful, multi-channel ticketing functionality. **Qatar Airways** also contracted for the Amadeus Affinity Shopper solution, which enables airlines to improve their share of the leisure travel market. Meanwhile **TAP Portugal** signed to use Flex Pricer, a solution for airline websites which simplifies the customer experience and helps increase yields, and Award Shopper, a solution which allows airline customers

to redeem air miles / points online. **Air China** implemented two additional advanced technology solutions from the Amadeus e-Commerce portfolio, the Amadeus Mobile Solution and German Rail Booking.

Within the Stand Alone IT solutions portfolio, 24 further airlines signed up for the use of the electronic messaging standard Electronic Miscellaneous Document (EMD). 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.

The world's first interline Electronic Miscellaneous Document (EMD) link was created by Amadeus early in the year. This move enabled launch partner airlines **Finnair** and Star Alliance member **Egypt Air** to grow revenue by facilitating the interline sale of ancillary services. Interline EMD processing between Finnair and Egypt Air means their customers can now buy ancillary services across interline flights. By the close of the year in total 82 airlines, including sub-hosted airlines, had contracted Amadeus' EMD Server and approximately 20% of air bookings made through the Amadeus system are the result of interline partnerships.

### Airport IT

We continued to realise significant opportunities beyond airline IT as our new business portfolio expanded both its offering and customer base. In particular 2012 was a very successful year for Airport IT, which announced the signatures of further new customers for Amadeus Altéa Departure Control System for Ground Handlers. These included Swissport International, the world's leading provider of ground



Photo by Carolina de Caso



services to the aviation sector, and Amadeus' first Asian customer, SATS, a leading provider of gateway services and food solutions in the region. In addition Aviation Handling Services, Billund Airport in Denmark, Egyptian Aviation Services (EAS), the number one ground handler in Egypt, Groundforce Portugal, Groupe Europe Handling, Sky Handling Partner, and SEA Handling, the Milan-based number one Italian ground handler, all also signed-up this year. Agreements are now in place with 21 ground handlers for the deployment of the solution. Altéa Departure Control Systems for Ground Handlers allows all of the handler's airline customers to benefit from the leading-edge technological capabilities of Altéa Departure Control Systems' Customer Management and Altéa DCS's Flight Management services, regardless of whether or not the airline uses Altéa. Separately, Altéa Reservation Desktop (ARD) with Map Handling was launched in Nice Airport and the service is currently being deployed in nine other airports.

## Hotel IT

Also falling within the new business portfolio, Hotel IT continued its success with **Accor**, one of the world's leading hotel operators and market leader in Europe, extending its ten-year collaboration with Amadeus. The new agreement will achieve a higher adoption rate of Amadeus Revenue Management. Amadeus Revenue Management is a web-based solution that makes intelligent rate and inventory recommendations to maximise revenue contribution and increase profitability.

During the first quarter of 2013, a medium-sized European hotel chain

launched their newly developed Amadeus-powered websites across European markets. Over the last months, Amadeus has developed and delivered a fully integrated e-commerce environment for web and mobile for the global hotel marketplace. The solution allows hotels and hotel chains to meet the unique needs of each of its many guests. Available in multiple languages for branded e-commerce sites in numerous markets, the solution includes a scalable booking engine, usability optimisation to drive online conversion rates, cloud-based hosting, dynamic web management and business intelligence.

## Thought leadership

Publishing enlightened market research and advanced white papers is central to Amadeus' position as a leader in travel technology. During 2012, several reports were produced which continue to stimulate and shape debate across the travel industry globally. The following are highlights of reports which are available on Amadeus' website:

- > *Open for business* made the case for the travel industry to embrace open source software in order to benefit from greater innovation, respond faster to industry and consumer change and reduce costs. The report outlined how open systems could free the industry from its reliance on proprietary software and provide travel companies with a greater competitive advantage.
- > *The Amadeus Review of Ancillary Revenue Results* for 2011 was produced by Amadeus and the **IdeaWorksCompany**, the foremost consultancy in the area of airline ancillary revenues. Research was based





on the financial filings of 50 airlines which disclose ancillary revenue activity, to identify the ancillary revenue reported by airlines, which grew to €18.2 billion in 2011. This represented ancillary revenue growth of 66% in the two years since 2009.

- › Later in the year Amadeus and IdeaWorksCompany also produced *The Amadeus Worldwide Estimate of Ancillary Revenue*, which projected that airline ancillary revenue would reach \$36.1 billion worldwide in 2012 – based upon an even larger list of 176 airlines, to provide a truly global projection of ancillary revenue activity by the world's airlines in 2012.
- › *From Chaos to Collaboration* examined how transformative technologies and evolving social values and trends will combine to establish a new era of collaborative travel over the next decade and beyond.
- › *Empowering Inspiration – the future of travel search*. Amadeus commissioned research authority **PhoCusWright Inc.** to produce a global study to identify the online shopping behaviour and future motivations of trend-setting travellers.
- › *Back on Track* called on the international rail industry to embrace a shared approach to customer IT systems in order to meet the multiple challenges of growing passenger numbers, increasing financial pressures and rising customer expectations.
- › *Reinventing the Airport Ecosystem* identified consumer frustrations with today's airport experience, mapping how airports will re-invent themselves up to 2025, with new operating models, driving revenues beyond traditional income streams.

## Awards

In December, once again Amadeus was confirmed as the European leader for R&D in the travel and tourism area. Amadeus' commitment to innovation was recognised in the 2012 EU Industrial R&D Investment Scoreboard, an annual report published by the **European Commission** which examines the largest 1,000 European companies investing in R&D according to the total amount invested.

## Additional news

In China, Amadeus welcomed the publication of the new Civil Aviation Administration of China (CAAC) Computerised Reservation System (CRS) regulations. These are expected to bring enhanced global distribution technologies to the Chinese market that can significantly benefit the travel industry and consumers in China. These regulations started on October 1, 2012 and introduce the option for foreign airlines to use global distribution systems to distribute their air fares to travel agents in China.

In order to drive our response to growing prospects for travel market intelligence, in February Amadeus acquired the Frankfurt-based company **airconomy**, a small international strategy consultancy supplying precise and comprehensive data on passenger demand. airconomy will be run as a separate business incubator to develop ideas for new market intelligence products.

## 6.2. Financial review – analysis of results

In 2012 Amadeus successfully delivered against its targets, achieving profitable growth in both its business units. At group revenue level, growth stood at 7.5%, supported by growth in both its business lines. In turn, EBITDA increased by 6.6%, leading to an 18.0% growth in adjusted profit for the year, assisted by lower interest expense.

Indeed, 2012 was a strong year for Amadeus, despite a difficult global macroeconomic backdrop and weak levels of business and consumer confidence. Once again Amadeus benefitted from its successful business model, which provides strong resilience and economies of scale. In addition, our continued investment in R&D and differentiated value proposition allowed us to deliver market share gains, adding new clients to our platform, both in Distribution and IT Solutions.

In our Distribution business, in 2012 we achieved 5.8% revenue growth, despite limited industry growth, which was negatively affected by a weak macro environment, particularly in the second half of the year. Growth was supported both by our market share gains (0.9 p.p.) and average pricing, as well as the positive impact from the translation of USD flows into Euro. We successfully extended all distribution contracts with airlines due for renewal, notably Qantas, Delta and Air France KLM, and continued to expand the content available to our travel agency subscribers, with the addition of 8 new low cost carriers to the platform. We also signed some important travel agency contracts, including Expedia, the largest online travel agency in North America.

Strong results were also achieved in the IT Solutions business, with a 13.0% revenue increase driven by a remarkable increase

of 28.4% in processed PB. Also, we continued to expand our Altéa portfolio with the launch of our new module, Revenue Accounting. At the same time, 10 new Altéa contracts were signed and the pipeline was further reinforced.

Innovation is at the core of our strategy, and as such investment in R&D was further increased by 20.2% in 2012, reaching 14.2% of our revenue. Client implementations, product evolution, portfolio expansion and investment in new opportunities which may expand our total addressable market represent the majority of our investment.

As of December 31, 2012 our consolidated net financial debt was €1,495.2 million (based on covenants' definition in our senior credit agreement), representing 1.34x net debt / LTM EBITDA. This is a significant decrease of €356.7 million vs. net debt of €1,851.8 million as of December 31, 2011, or 1.75x net debt / LTM EBITDA. Our financial structure was further strengthened with the signature of a new loan with the European Investment Bank and a new Revolving credit facility.

In October 2012, having reached the top end of the stated capital structure target (1.0x - 1.5x net debt / EBITDA), the Board of Directors revised the dividend policy, increasing the pay-out ratio to between 40%-50% from the previous 30%-40% of the consolidated profit (excluding extraordinary items).

### Classification of Opodo as discontinued operation

On June 30, 2011 the Group completed the sale of Opodo Ltd and its subsidiaries. In 2011, Opodo was presented as a discontinued operation in our Group income statement. As a result of this

sale the Group booked a gain of €270.9 million. This gain, together with the extraordinary costs related to the sale, are presented within "Profit from discontinued operations".

### Extraordinary costs related to the 2010 Initial Public Offering

On April 29, 2010 Amadeus began trading on the Spanish Stock Exchanges. The Company incurred extraordinary costs in relation to the offering that impacted the figures for 2010, 2011 and 2012.

For the purposes of comparability with previous periods, the figures for 2010, 2011 and 2012 shown in this report have been adjusted to exclude such costs.

### One-time payment from United Airlines in relation to the discontinued Altéa contract

On May 6, 2011 Amadeus announced that it had agreed to dissolve a contract under which United Airlines previously planned to migrate onto the Amadeus Altéa Suite in 2013. United Airlines agreed to make a one-time payment of \$75.0 million to Amadeus for the cancellation of the IT services agreement. The payment was made effective in Q2 2011 and recognised (in Euros, in an amount of €51.7 million) under the "Revenue" caption on the consolidated statement of comprehensive income of our financial statements.

For purposes of comparability with previous periods, this revenue, as well as certain costs of migration that were incurred in relation to this contract, have been reclassified from revenue and other operating expenses, respectively, to the Other income / (expense) caption in our Group income statement shown in this report.

## 6.3 Consolidated P&L

Figures in million euros	2008	2009	2009 <sup>(1)(2)</sup>	2010 <sup>(2)</sup>	2011 <sup>(2)</sup>	2012
<b>Summary Group Income statement</b>						
<b>Revenue</b>	<b>2,505</b>	<b>2,461</b>	<b>2,348</b>	<b>2,594</b>	<b>2,707</b>	<b>2,910</b>
% change	(2.8%)	(1.7%)	n.a.	10.5%	4.4%	7.5%
Cost of revenue	(627)	(592)	(601)	(653)	(678)	(747)
Personnel and related expenses	(598)	(606)	(588)	(640)	(681)	(764)
Depreciation and amortisation	(318)	(347)	(346)	(342)	(242)	(273)
Other operating expenses	(405)	(368)	(294)	(321)	(306)	(287)
<b>Operating Income</b>	<b>557</b>	<b>550</b>	<b>519</b>	<b>637</b>	<b>800</b>	<b>839</b>
% change	19.1%	(1.4%)	n.a.	22.8%	25.6%	4.8%
Net financial expense	(375)	(177)	(176)	(219)	(169)	(93)
Other income / (expense)	54	(1)	(1)	2	55	(17)
<b>Profit before income taxes</b>	<b>237</b>	<b>372</b>	<b>342</b>	<b>421</b>	<b>686</b>	<b>729</b>
% change	8.4%	57.1%	n.a.	23.1%	63.1%	6.2%
Income taxes	(60)	(102)	(93)	(122)	(219)	(231)
<b>Profit after taxes</b>	<b>177</b>	<b>270</b>	<b>249</b>	<b>299</b>	<b>468</b>	<b>497</b>
Share in profit / (losses) from associates and JVs	7	3	3	6	(2)	4
<b>Profit for the period from continuing operations</b>	<b>184</b>	<b>272</b>	<b>251</b>	<b>305</b>	<b>466</b>	<b>502</b>
% change	(8.9%)	47.9%	n.a.	21.2%	52.9%	7.6%
Profit from discontinued operations	n.a.	n.a.	17	79	277	0
<b>Profit for the year</b>	<b>184</b>	<b>272</b>	<b>269</b>	<b>384</b>	<b>742</b>	<b>502</b>
% change	(8.9%)	47.8%	n.a.	42.8%	93.4%	(32.4%)
<b>Other financial information</b>						
<b>EBITDA from continuing operations</b>	<b>871</b>	<b>871</b>	<b>863</b>	<b>976</b>	<b>1,039</b>	<b>1,108</b>
EBITDA margin (%)	34.8%	35.4%	36.8%	37.6%	38.4%	38.1%
<b>Adjusted profit for the year from continuing operations</b>	<b>323</b>	<b>350</b>	<b>344</b>	<b>403</b>	<b>487</b>	<b>575</b>
% change	14.8%	8.3%	n.a.	17.4%	20.7%	18.0%

(1) 2009 figures estimated assuming the application of IFRIC 18 during the year.

(2) On June 30, 2011, the Group completed the sale of Opodo Ltd and its subsidiaries. Opodo has been presented as a discontinued operation since 2009 to allow for comparison between 2009 – 2012 figures.

In 2012, revenue from continuing operations increased by 7.5%, to €2,910.3 million.

Operating income increased by 4.8% during the year, while EBITDA increased by 6.6%, to €1,108 million, representing a margin of 38.1%, compared to 38.4% in 2011.

Adjusted profit for the year increased to €575.1 million, up 18.0% from €487.2 million in 2011.

## Revenue

Revenue reached €2,910.4 million in 2012, representing a 7.5% growth compared to revenue in 2011. Underlying growth was driven by both our business lines:

- › In our Distribution business, revenue for the full year increased by €121.6 million, or 5.8%, in 2012, as a combination of growth in the GDS business and Amadeus market share gains, leading to strong growth in booking volume, as well as an increase in non booking revenue.
- › In our IT Solutions business, revenue grew by 13.0% or €81.4 million driven by a combination of: the increase in IT transactional revenue (both as a result of new implementations and organic growth of existing clients) and growth in non-transactional revenue.

Both business lines were positively impacted by FX. Excluding FX impact, group revenue for the year would have grown by 5.7%.

Figures in million euros	2011	2012	% change
<b>Revenue breakdown</b>			
Distribution revenue	2,079.4	2,201.0	5.8%
IT solutions revenue	628.0	709.4	13.0%
<b>Revenue</b>	<b>2,707.4</b>	<b>2,910.4</b>	<b>7.5%</b>



Photo by Deepti Gupta

## Operating income

Operating Income for 2012, excluding the impact of extraordinary IPO costs, amounted to €838.8 million, €38.5 million or 4.8% higher than in 2011. The increase was driven by revenue growth in both business lines, partially offset by an increase in operating expenses and higher D&A and impairment charges.

- Cost of revenue amounted to €747.2 million, an increase of 10.2% vs. 2011. This increase was mainly driven by the growth in volumes in the period and an increase experienced in average unit incentives and distribution fees, due to the current competitive environment, as well as business mix (different growth rate experienced in different regions or within different types of travel agencies). In addition, this cost line was negatively impacted by FX impact (translation of different currencies into Euro). Excluding this negative impact, this caption would have grown by 7.4% in the year. As a percentage of revenue, cost of revenue in 2012 represented 25.7%, slightly higher than the percentage rate registered in 2011 (25.1%).
- Personnel and related expenses amounted to €763.9 million, 12.2% higher than in 2011, adjusted for extraordinary IPO expenses.

The 12.2% growth in personnel and related expenses in 2012 is the result of:

- A 9% increase in average FTEs, driven both by the increase in development and commercial activity, as well as the transfer of approximately 500 contractors from our permanent staff (shift of operating cost from Other operating expenses to Personnel expenses)

- The revision of the salary base as per market conditions on a global basis (+c.3-4%).
- The impact of the EUR depreciation against various currencies (cost base in many sites negatively impacted by EUR depreciation) (resulting in c.2 p.p. higher growth rate).
- Other one-off impacts, such as the higher impact from our recurring incentive scheme (stronger company performance than initially expected), as well as the reinforcement of our management team with the recruitment of industry talent in various areas.
- Total D&A increased by 12.9% in 2012, driven by a higher amortisation charge, within the Ordinary depreciation and amortisation line. The increase in amortisation of intangible assets is linked to the amortisation of capitalised expenses in our balance sheet, once the associated product / contract start generating revenues. In addition, we registered certain impairment losses in the last quarter of the year, in relation to a short list of projects where a reassessment of the business case delivered lower recoverable amounts than initially expected, or in relation to products that were developed for airlines that went into bankruptcy during the year
- Other operating expenses declined by by €18.9 million or 6.2%, driven to a large extent by the transfer of contractors to our permanent staff.

On a net basis, personnel and other operating expenses increased by 6.5% in 2012.

## EBITDA

EBITDA increased by 6.6%, from €1,039.0 million in 2011 to €1,107.7 million in 2012.

As a percentage of revenue, EBITDA margin in 2012 was 38.1%, slightly reduced from 38.4% in 2011, as a result of the negative FX impact. Excluding such impact, EBITDA margin would have been 38.4%, in line with the previous year.

## Net financial expense

In 2012, Net financial expense declined by 29.2% or €38.5 million to €93 million. This decrease is explained by (i) the lower amount of average gross debt outstanding, after debt repayments in 2011 and 2012 and (ii) a lower average interest paid on the new financing package (unsecured senior credit agreement signed in May 2011, bond issuance in July 2011 and loan received from EIB in May 2012). This significant decrease is partially offset by the exchange gains registered in 2011 as well as significant income from change in fair value of financial instruments also in 2011 (as opposed to neutral contribution from both items in 2012).

## Profit for the year

Profit for the period from continuing operations amounted to €501.6 million, an increase of 7.6% when compared to profit for the period in 2011.

After adjusting for (i) non-recurring items and (ii) accounting charges related to the PPA (purchase price allocation) amortisation and other mark-to-market items, adjusted profit for the period (from continuing operations) increased by 18.0% in 2012, to €575.1 million.



Photo by Carolina de Caso

## 6.4 Statement of financial position

Figures in million euros	Dec 31, 2008	Dec 31, 2009	Dec 31, 2010	Dec 31, 2011	Dec 31, 2012
<b>Assets</b>					
Tangible assets	346	314	283	282	299
Intangible assets	1,802	1,681	1,642	1,778	1,879
Goodwill	2,240	2,239	2,071	2,071	2,065
Total other non-current assets	107	104	133	114	140
Total non-current assets	4,495	4,338	4,128	4,245	4,384
Current assets	376	397	395	406	372
Cash and cash equivalents	617	811	535	393	400
Total current assets	993	1,208	930	799	772
Non-current assets classified as held for sale	17	17	274	0	0
<b>Total assets</b>	<b>5,505</b>	<b>5,563</b>	<b>5,331</b>	<b>5,044</b>	<b>5,155</b>
<b>Liabilities and shareholder's equity</b>					
Total equity	(539)	(278)	767	1,266	1,531
Total non-current liabilities	5,023	4,817	3,526	2,760	2,412
Total current liabilities	1,018	1,021	943	1,018	1,212
Liabilities associated with non-current assets classified as held for sale	3	3	95	0	0
<b>Total equity and liabilities</b>	<b>5,505</b>	<b>5,563</b>	<b>5,331</b>	<b>5,044</b>	<b>5,155</b>



## 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 2012 amounted to €55.8 million, an increase of 26.0% vs. 2011.

## Intangible assets

This caption principally includes (i) the net cost of acquisition or development and (ii) the excess purchase price allocated to patents, trademarks and licenses, technology and content and contractual relationships. 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. The amortisation charge attributable to PPA amounted to €71.0 million in the full year 2012.

Capital expenditure in intangible assets in 2012 amounted to €293.1 million, a 9.2% increase vs. 2011.

## Goodwill

Goodwill mainly relates to the unallocated amount of €2,065.4 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, S.A. by Amadeus IT Holding, S.A. in 2005.



Photo by Employee & Brand Engagement team

## Financial indebtedness

The net financial debt as per the existing financial covenants' terms amounted to €1,495.2 million at December 31, 2012, a reduction of €356.7 million vs. December 31, 2011, thanks to the free cash flow generated during the period and after (i) payment of the 2011 dividend, in a total amount of €164.5 million and (ii) the acquisition of treasury shares to cover future delivery of shares to employees in relation to management shared-based incentive schemes.

During the period, the following changes to our capital structure took place:

- Partial amortisation of the bank financing (tranche A of the senior credit facility), as agreed in the senior credit agreement.
- Partial repayment of the bridge loan (tranche B of the senior credit facility) by an amount of €350 million.
- The European Investment Bank granted Amadeus a loan by an amount of €200 million to finance R&D activities.
- New revolving credit facility in an amount of €200 million, which remained undrawn at December 31, 2012.
- Cancellation of the financial leases related to our data centre facilities and refinancing with a new mortgage loan (notional value of €62 million)

### Hedging arrangements

Based on the current debt structure, 45% of our total covenant financial debt is subject to floating interest rates, indexed to the EURIBOR or the USD LIBOR, while 55% of our debt has a fixed cost and is therefore not subject to interest rate risk. However, we use hedging arrangements to limit our exposure to movements in the underlying interest rates. Under these arrangements, 92% of our euro-denominated gross debt subject to floating interest rates has its base interest rate fixed until June 2014 at an average rate of 1.9%, and 82% of our USD-denominated gross debt subject to floating interest rates has its base interest rate fixed for the same period at an average rate of 1.2%. In total, in the aforementioned period, 94% of our total covenant financial debt will accrue fixed interest.

Figures in million euros	Dec 31, 2011	Dec 31, 2012
<b>Financial Indebtedness based on Covenants Definition<sup>(1)</sup></b>		
Senior Loan (EUR)	951.9	490.8
Senior Loan (USD) <sup>(2)</sup>	442.3	361.5
Long term bonds	750.0	750.0
EIB loan	0.0	200.0
Other debt with financial institutions	9.8	72.7
Obligations under finance leases	77.5	20.1
Guarantees	13.6	0.0
<b>Covenant financial debt</b>	<b>2,245.0</b>	<b>1,895.0</b>
Cash and cash equivalents <sup>(2)</sup>	(393.2)	(399.9)
<b>Covenant net financial debt</b>	<b>1,851.8</b>	<b>1,495.2</b>
<b>Covenant net financial debt / LTM covenant EBITDA</b>	<b>1.75x</b>	<b>1.34x</b>

(1) Based on the definition included in the senior credit agreement.

(2) The outstanding balances denominated in USD have been converted into EUR using the USD / EUR exchange rate of 1.2939 and 1.3194 (official rate published by the ECB on Dec 31, 2011 and Dec 31, 2012, respectively).

(3) LTM Covenant EBITDA as defined in the senior credit agreements.

## 6.5 Segment reporting: reconciliation with EBITDA

Figures in million euros	2008	2009	2009 <sup>(1)(2)</sup>	2010 <sup>(2)</sup>	2011 <sup>(2)</sup>	2012
<b>Segment reporting: reconciliation with EBITDA</b>						
<b>Revenue</b>	<b>2,431</b>	<b>2,384</b>	<b>2,347</b>	<b>2,594</b>	<b>2,707</b>	<b>2,910</b>
% change	1.6%	(1.9%)	n.a.	10.5%	4.4%	7.5%
Distribution revenue	1,931	1,836	1,836	1,992	2,079	2,201
% change	(0.3%)	(4.9%)	n.a.	8.5%	4.4%	5.8%
IT Solutions revenue	500	548	511	601	628	709
% change	9.6%	9.6%	n.a.	17.7%	4.4%	13.0%
<b>Contribution</b>	<b>1,242</b>	<b>1,222</b>	<b>1,209</b>	<b>1,336</b>	<b>1,406</b>	<b>1,494</b>
% change	(0.2%)	(1.6%)	n.a.	10.5%	5.3%	6.2%
Distribution - contribution	907	873	873	926	950	975
% change	(2.9%)	(3.8%)	n.a.	6.1%	2.6%	2.5%
Contribution margin (%)	47.0%	47.5%	47.5%	46.5%	45.7%	44.3%
IT Solutions - contribution	335	350	336	410	456	519
% change	7.9%	4.5%	n.a.	21.8%	11.3%	13.9%
Contribution margin (%)	67.0%	63.8%	65.8%	68.1%	72.6%	73.2%
Net indirect costs	(371)	(351)	(346)	(359)	(367)	(386)
% change	(2.3%)	(5.3%)	n.a.	3.8%	2.2%	5.1%
<b>EBITDA</b>	<b>871</b>	<b>871</b>	<b>863</b>	<b>976</b>	<b>1,039</b>	<b>1,108</b>
% change	0.7%	0.0%	n.a.	13.2%	6.4%	6.6%
EBITDA margin (%)	35.8%	36.5%	36.8%	37.6%	38.4%	38.1%

(1) 2009 figures estimated assuming the application of IFRIC 18 during the year.

(2) Excluding Opodo.





# 07

## Commitment to shareholders

AMADEUS  
Your technology



Stock markets experienced a difficult, yet promising 2012. Performance during the first half of the year for most of the main equity indices was weak, with some major declines up until the end of July. However, after the high volatility seen during the summer, most indices started to grow at a steady pace, and, as the year came to an end, managed to show a low double digit positive performance. Amadeus shares were an exception, and despite the widespread uncertainty in financial markets, the Amadeus share price managed to deliver a 52% increase during the year, trading at €19.05 at the end of the year, compared to €12.54 a

year earlier. Other than this outstanding share price performance, Amadeus also achieved recognition through inclusion in the Dow Jones Sustainability Index, in recognition of our company's commitment to the environment and best sustainability practices.

During the year, a dividend of €0.37 per share was paid, and the company stands by its intention to return cash to its shareholders in 2013, with a proposed dividend policy that will increase dividend per share to €0.50, a 2.6% yield on the 2012 year end share price and an increase of 35% vs. last year.



Photo by Employee & Brand Engagement team

## 7.1 Share capital and structure

As of December 31, 2012 the share capital of our company was represented by 447,581,950 shares with a nominal value of €0.01 per share.

The shareholding structure as of December 31, 2012 was as described in the table on this page. During the year, a number of placings took place amongst institutional investors, as some of our share holders sold part of their stakes in the company shares:

- On March 1, 2012, Air France Finance placed 33,568,646 shares, representing 7.5% of the Company's share capital. The shares were placed among qualified investors through a "block trade" process. After the placing, Air France Finance still held shares representing a 7.7% stake in the company.
- On August 8, 2012, Iberia Líneas Aéreas de España, S.A. Operadora, Sociedad Unipersonal carried out a financial derivative transaction ("collar") over its total participation in Amadeus IT Holding, S.A. (33,562,331 shares representing 7.5% of the share capital). As a guarantee of its obligations under the financial derivative, Iberia granted a financial security over the total number of shares, providing a disposal right over the shares in the benefit of the chargee ("acreedor pignoraticio") which was exercised over 29,820,131 shares representing 6.66% of the share capital. Iberia is entitled to exercise or direct the exercise of the voting rights attached to such shares by way of a right to recall that can be exercised at any time.

- On November 13, 2012, Air France Finance, carried out a financial derivative transaction ("collar") over 12,000,000 shares representing 2.68% of the share capital. As a result of this transaction, a total of 7,440,000 shares were sold in the market to institutional investors, representing a stake of 1.66% of the company
- On that date, an additional 16,710,160 shares representing 3.61% of the Company's share capital, owned by

Lufthansa AITH Beteiligungs GmbH (held by Lufthansa Commercial Holding, GmbH at December 31, 2011), were also placed among qualified investors through a "block trade" process.

- On December 7, 2012, 17,903,279 shares representing 4% of the Company's share capital owned by Lufthansa through his 100% subsidiary Lufthansa AITH Beteiligungs GmbH were transferred to Malta Pension Investments<sup>(7)</sup>.

Shareholders	Shares	% Ownership
Air France Finance	22,578,223	5.04%
Malta Pension Investment <sup>(1)</sup>	17,903,279	4.00%
Iberia Líneas Aéreas de España, S.A. <sup>(2)</sup>	3,742,200	0.84%
Free float	399,368,926	89.23%
Treasury shares <sup>(3)</sup>	3,571,810	0.80%
Board of Directors	417,512	0.09%
<b>Total</b>	<b>447,581,950</b>	<b>100.00%</b>

- (1) Malta Pension Investments is an independent and unrelated company to Deutsche Lufthansa AG and its group of companies. It forms part of a group of companies owned by "Lufthansa Pension Trust e.V." and it is the entity to which Deutsche Lufthansa AG makes contributions to finance future retirement benefits of its employees in Germany and abroad. Deutsche Lufthansa AG and Malta Pension Investments entered into an Agreement of 7 December 2012 (registration number with the CNMV 178604) by which Deutsche Lufthansa AG reserves the faculty to exercise the contractual rights of the signatory shareholders of the Shareholder's Agreement of Amadeus IT Holding, S.A. of 29 April 2010 (registration number with the CNMV 124400), mainly, the appointment of a Director at the Board of Amadeus IT Holding, S.A., within the terms and conditions of the Shareholder's Agreement.
- (2) Iberia carried out a financial derivative transaction ("collar") over its total participation in Amadeus IT Holding S.A. (33,562,331 shares representing 7.5% of the share capital). As a guarantee of its obligations under the financial derivative, Iberia granted a financial security over the total number of shares providing a disposal right over the shares in the benefit of the chargee ("acreedor pignoraticio") which was exercised over 29,820,131 shares of Amadeus IT Holding S.A., representing 6.66% of the share capital, although Iberia is entitled to exercise or direct the exercise of the voting rights attached to such shares by way of a right to recall that can be exercised at any time (relevant facts with registered numbers 172247 and 172254 of 7 and 8 of August 2012, respectively).
- (3) Political and economical rights of these shares are suspended to the extent they form part of the treasury stock.

<sup>7</sup> Malta Pension Investments is an independent and unrelated company to Deutsche Lufthansa AG and its group of companies. It forms part of a group of companies owned by "Lufthansa Pension Trust e.V." and it is the entity to which Deutsche Lufthansa AG makes contributions to finance future retirement benefits of its employees in Germany and abroad. Deutsche Lufthansa AG and Malta Pension Investments entered into an Agreement of 7 December 2012 (registration number with the CNMV 178604) by which Deutsche Lufthansa AG reserves the faculty to exercise the contractual rights of the signatory shareholders of the Shareholder's Agreement of Amadeus IT Holding, S.A. of 29 April 2010 (registration number with the CNMV 124400), mainly, the appointment of a Director at the Board of Amadeus IT Holding, S.A., within the terms and conditions of the Shareholder's Agreement.

## 7.2 The stock market in 2012

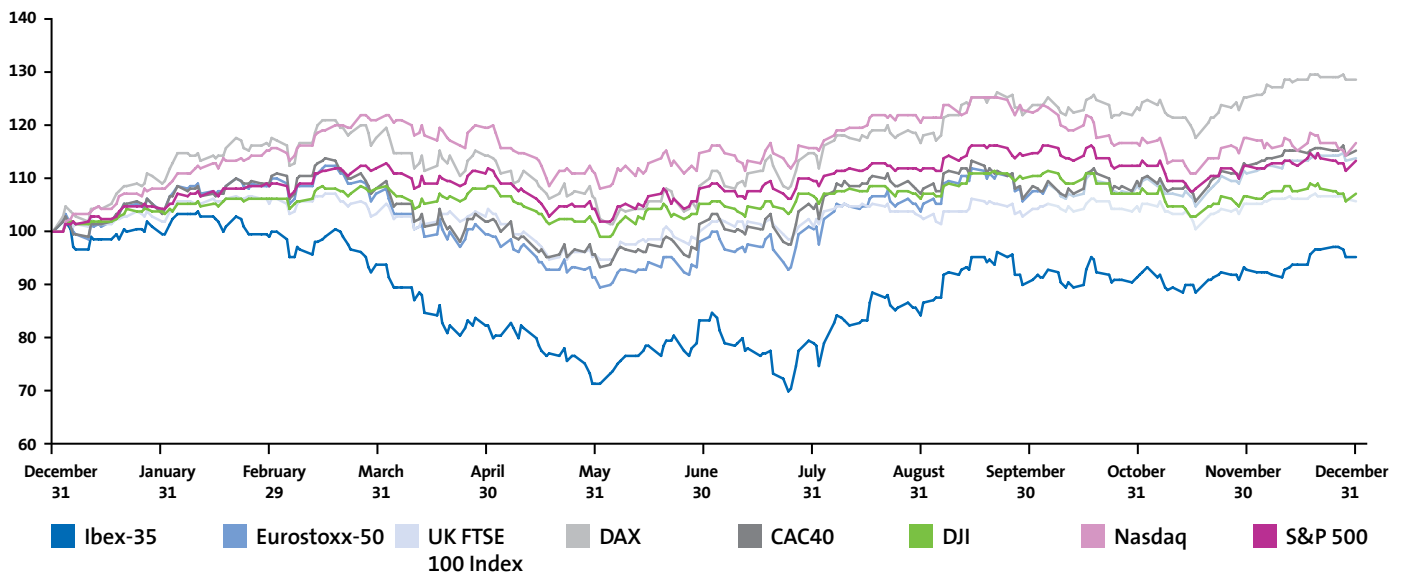
Compared to 2011, 2012 could be seen by many as a year of recovery, particularly in the second half of the year, despite high volatility in equity capital markets. Concerns surrounding European Sovereign debt and US solvency remained high throughout the year, with recurring headlines in the press about European countries on the brink of collapse, or continuous rumours of a possible Euro breakup.

Despite all of these macroeconomic difficulties, the main European equity indices (except for the Spanish Ibex-35), showed a positive performance: the UK's FTSE 100, which had been

the most resilient in 2011, showed the lowest increase in 2012 (5.8%), while the German DAX and the French CAC 40 had outstanding runs of 29.1% and 15.2% respectively. On the other hand, the Spanish Ibex-35 was down 4.7%. The Eurostoxx 50 (benchmark index for the European equity market) finished the year up 13.8%.

Likewise, US markets ended the year with significant gains. The S&P 500 index and the technological NASDAQ were up 13.4% and 16.8% respectively, while the Dow Jones registered a more moderate increase of 7.3%.

Equity capital markets performance in 2012





## 7.3 Amadeus' performance in 2012

In this context, the performance of Amadeus shares during 2012 was exceptional. At December 31, 2012 our share price stood at €19.05, an increase of 52.0% vs. the closing price of 2011. Our share price grew moderately during the first quarter of the year, having climbed around 12% by April. It was mainly after that, during the summer period, that our share price heavily outperformed the market, having climbed +47% by the beginning of August. During the next four months, our stock continued to outperform, and despite the high volatility observed in the period, it steadily increased to finish 2012 with an increase of 52% vs. 2011, considerably better than the performance of the best European indices, DAX or CAC 40.

Our market capitalisation as of December 31, 2012 was €8,526 million. Amadeus shares hit their maximum daily closing price on November 13, 2012 (€19.36) and their intraday high on November 12, 2012 (€19.55). Average daily trading volume was over 4.0 million shares or €65.2 million, for a total traded volume of €16.7 billion for the year. The proportion of our

stock in free float increased during the year, to 89.3%, as our airline shareholders placed 19.4% of total shares outstanding with institutional investors.

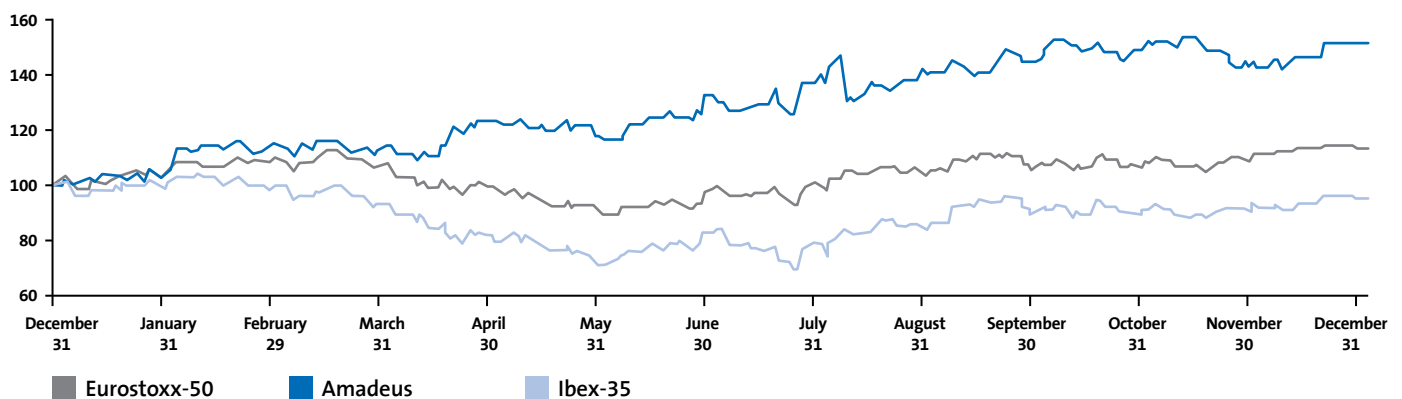
Since its inclusion in the Ibex-35, on January 3, 2011, Amadeus weight in the index has progressively increased its weight. By the end of 2012 it was the 12th largest company by market capitalisation in the index, with a weight of 2.63%, compared to being ranked 14th, with a weight of 1.40%, a year before.

In 2012, adjusted earnings per share stood at €1.30, and at December 31, 2012 the price to earnings ratio was 14.6x.

### Analysts Recommendations

Around 34 financial analysts follow the Amadeus equity story and regularly publish research reports in Amadeus. At the end of 2012, 53% of those analysts had a "buy" recommendation for our stock, while 41% had a "neutral" rating. Only 6% had an underweight recommendation. As of December 31, 2012 the average target price was €19.2.

Amadeus Share performance in 2012



Amadeus key trading data at year end	2011	2012
Number of shares issued	447,581,950	447,581,950
Share price (in €)	12.5	19.1
Market capitalisation (in € million)	5,610	8,526
Earnings per share (Adjusted Profit per share) (in €)	1.09	1.30
Dividend per share (in €)	0.37	0.50
Dividend yield (%) <sup>(1)</sup>	3.0%	2.6%
Pay-out ratio (%)	36%	45%
Price to earnings ratio (x) <sup>(1)</sup>	11.5x	14.6x

Amadeus key trading data for the year	2011	2012
% change in Share price	-20.1%	+52.0%
Number of trading days	257	261
Maximum share price (in €)	15.7	19.3
Minimum share price (in €)	11.6	12.5
Weighted average share price (in €) <sup>(2)</sup>	13.6	16.2
Average Daily Volume (# shares)	3,547,928	4,071,838
Average Daily Volume ('000 €)	48,397	65,282
Annual Volume ('000 €)	12,437,968	16,712,402

(1) Based on year end share price.

(2) Excluding cross trades.

## Dividend policy

The Board of Amadeus IT Holding, S.A., in the meeting held on October 18, 2012, reviewed the dividend policy of the Company, increasing the proposed pay-out ratio to between 40% and 50% of the consolidated profit (excluding extraordinary items), compared to the previous policy, fixed in 2010, which consisted of a pay-out ratio of between 30% and 40%. The new dividend policy, applicable to the period of 2012 and onwards, also establishes the payment of an interim dividend related to the results of each financial period.

At the Shareholders' General Meeting held on June 21, 2012 our shareholders approved the annual dividend for 2011. The total value of the dividend was €165.6 million, representing a pay-out of 35.5% of the 2011 Reported profit for the year (excluding extraordinary items related to the IPO), or €0.37 per share (gross). Regarding the payment, an interim amount of €0.175 per share (gross) was paid on January 30, 2012 and the final dividend of €0.195 per share (gross) was paid in July 27, 2012.

In 2013, the Board of directors will submit to the General Shareholders Meeting for approval a gross dividend of €0.50 per share, including an interim dividend of €0.25 per share (gross), which was paid on January 30, 2013. Based on this, the proposed appropriation of the 2012 results included in our 2012 audited consolidated financial statements of Amadeus IT Holding, S.A. and subsidiaries includes a total amount of €223.8 million corresponding to dividends pertaining to the financial year 2012.

## 7.4 Capital markets and Investor Relations

Amadeus continually strives to ensure open and constructive communication with all capital markets participants, as well as transparency in relation to the company's performance.

Through the Investor Relations Department, which forms part of the Finance Department, the company maintains ongoing dialogue with the financial community, including analysts (both sell side and buy side), current and potential investors (both large institutional and minority shareholders), debt holders, credit rating agencies and other market constituencies such as the Spanish stock market regulator (the CNMV).

The key role of Investors Relations is to increase Amadeus' visibility in the capital markets, at the same time as keeping the different parties informed of the most relevant news of the company and the industry, the competitive dynamics and the operating and financial performance of the company. Effective and simple communication is key, as well as the ability to build long-term relationships

based on credibility and trust. It is also important to set relevant and realistic performance expectations within the financial community, and to be forthcoming with relevant information, in order to avoid unnecessary volatility in share price performance.

In addition, our Investors Relations team supports management in their decision making by taking into account feedback received from the above mentioned financial community.

In 2012, Amadeus conducted an investor perception study, with the aim to gauge the sentiment in the financial market towards Amadeus. Very relevant feedback was obtained in a number of important areas, which the Company will seek to incorporate into its thinking and decision making processes, where appropriate. These areas include the company strategy, operational and financial performance, capital allocation and M&A, as well as disclosure and communications practices.



Amadeus Shareholders' General Meeting 2012

In order to achieve the above mentioned objectives, in 2012, the Investors Relations team had intense activity through numerous one-on-one meetings, roadshows worldwide and conferences in the key financial centres:

- The company organised 4 results-driven road shows (following the announcement of our quarterly financial results), and several other additional road shows. In total the company had meetings with more than 314 investors in 26 of the main European, US and Asian venues.
- Amadeus participated in 15 conferences throughout Europe and the United States, where meetings were held with over 386 investors, individually through one-on-ones or in group meetings.
- In Amadeus' premises in Madrid, the IR team conducted more than 219 conference calls and face-to-face meetings with investors from around the globe, including meetings with some of the Amadeus top management, who made themselves available to meet our investors and present in more detail the Amadeus business and company strategy.
- Besides the investor community, the IR department held more than 112 meetings with analysts from different broker houses, some of which were initiating coverage of the company. As a result, the number of analysts following the stock increased to 34 at year-end from 29 in December 2011.

In addition to the above, investors and analysts regularly receive updates on relevant events via email, through the Investor Relations distribution list.

Lastly, investors and other market participants can find extensive information about Amadeus and Amadeus shares and bonds in our web page. The Amadeus Investors Relations website (<http://www.investors.amadeus.com>) was developed in accordance with the “Circular 1/2004 17 Marzo de la CNMV” and IR Best Practice Web guidelines. The website, which is regularly updated with the latest significant corporate and financial events surrounding our performance, is available in both Spanish and English, and contains relevant information, including specific sections, amongst others, on:

- Company description and introductory presentation; investor kit
- Stock market performance: current share price and historical performance
- Information on Amadeus financial strategy, debt facilities and Eurobonds (including credit ratings)
- Financial results (quarterly reports and presentations and annual reports)
- Financial calendar: upcoming dates for quarterly results announcements, roadshows and conferences dividend payment or any other relevant corporate issue
- Amadeus Press releases
- Analyst coverage: list of financial analysts following the Amadeus equity story
- Information on Corporate Governance and Corporate Sustainability

- Communications with CNMV and other regulatory bodies
- Shareholder communication channels (IR email group and telephone number)
- Thought Leadership and Industry reports

During 2012 there were a total of almost 174,000 page views (representing close to a 25% increase vs. 2011) and close to 50,000 unique visitors.

Finally, in 2012 the Investor Relations team was awarded a number of awards and recognitions from some of the most relevant industry organisations:

- Best IR in the Technology software & services sector at the IR Magazine Awards – Europe 2012
- Best IR professional (nominated by sellside) at the Institutional Investor 2012 All-Europe Executive Team awards
- #2 at Best IR professional and Best IR (nominated by the buy-side) at the Institutional Investor 2012 All-Europe Executive Team awards
- #2 at the Best IR CFO (nominated by the buy-side) at the Institutional Investor 2012 All-Europe Executive Team awards





# 08

## Corporate information and glossary

## 8.1 Corporate information

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## 8.2 Glossary

**AACO:** refers to “Arab Air Carrier Organisation”.

**ACO:** refers to “Amadeus Commercial Organisation”.

**ACH:** refers to “Airlines Clearing House”

**Adjusted Profit:** refers to the profit for the year adjusted to exclude 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, the debt refinancing and the United Airlines IT contract resolution.

**Adjusted EPS:** EPS corresponding to the Adjusted profit for the year attributable to the parent company. Calculated based on weighted average outstanding shares less weighted average treasury shares of the year.

**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”.

**CNMV:** refers to “Comisión Nacional del Mercado de Valores”

**Covenant:** based on the definition included in our Senior Credit Agreement.

**Covenant EBITDA:** EBITDA based on the covenants’ definition included in our Senior Credit Agreement.

**Covenant Net debt:** net debt based on the covenants’ definition included in our Senior Credit Agreement.

**CRM:** refers to “Customer Relationship Management”.

**CRS:** refers to “Central Reservation System”.

**CR:** refers to “Corporate Responsibility”.

**DCS:** refers to “Departure Control Systems”.

**DMO:** refers to “Destination Management Organisation”.

**D&A:** refers to “Depreciation and Amortisation”.

**EBITDA:** refers to “Earnings before Interest, Taxes, Depreciation and Amortisation”.

**ECB:** refers to “European Central Bank”.

**EIB:** refers to “European Investment Bank”.

**EMD:** refers to “Electronic Miscellaneous Document”.

**EMDS:** refers to “Electronic Miscellaneous Document server”.

**EPS:** refers to “Earnings per share”. EPS corresponding to the profit for the year attributable to the parent company. Calculated based on weighted average outstanding shares less weighted average treasury shares of the year.

**Adjusted EPS:** EPS corresponding to the Adjusted profit for the year attributable to the parent company. Calculated based on weighted average outstanding shares less weighted average treasury shares of the year.

**FSC:** refers to “Full Service Carrier” (also known as Network carriers).

**FTE:** refers to “Full-Time Equivalent” employee.

**FX:** refers to “Foreign Exchange”.

**GDS:** refers to “Global Distribution System”. i.e. a worldwide computerised reservation system (CRS) 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.

**Distribution 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.

**GRI**: refers to "Global Reporting Initiatives".

**HTML**: refers to "HyperText Markup Language".

**HX Segment**: refers to segments that have been cancelled by the passenger directly with the airline or by a travel agency.

**IATA**: refers to "International Air Transportation Association".

**IATA AIRIMP**: refers to "AIRIMP", meaning universally agreed upon communications standards for the handling of Passenger Reservations Interline Messages.

**ICH**: refers to "International Clearing House".

**IFRIC**: refers to "International Financial Reporting Interpretation Committee".

**IPO**: refers to "Initial Public Offering".

**IR**: refers to "Investor Relations" department.

**IT**: refers to "Information Technologies".

**JV**: refers to "Joint Venture

**KPI**: refers to "Key Performance Indicators".

**LATAM**: refers to "Latin America".

**LBO**: refers to "Leveraged Buy-Out".

**LCC**: refers to "Low Cost Carriers".

**LTM**: refers to "Last twelve months".

**Market share**: share of the air travel agency bookings processed by the GDS

providers operating on a global scale, being Sabre, Travelport, Abacus and Amadeus.

**MEA**: refers to "Middle East and Africa".

**MENA**: refers to "Middle East and North Africa"

**n.m.**: refers to "not meaningful"

**MIDT**: refers to "Marketing Information Data Tape".

**MIT**: refers to "Massachusetts Institute of Technology".

**O&D**: refers to "Origin & Destination".

**PB**: refers to "Passenger Boarded". i.e. actual passengers boarded onto flights operated by airlines using at least our Amadeus Altéa Reservation and Inventory modules

**PMS**: refers to "Property Management Systems".

**PNR**: refers to "Passengers Name Record".

**p.p.**: refers to "Percentage point".

**PPA**: refers to "Purchase Price Allocation".

**Pre-Tax Free Cash Flow**: calculated as EBITDA (including Opodo and the revenue from the United Airlines IT contract resolution) less capital expenditure plus changes in our operating working capital.

**PSS**: refers to "Passenger Service System".

**R&D**: refers to "Research and Development".

**RTC**: refers to "Research Tax Credit".

**SSR**: refers to "Special Seating Request".

**TA**: refers to "Travel Agency".

**TMC**: refers to "Travel Management Company".

**TPF**: refers to "Transaction Processing Facility".

Cover photo: Amadeus Data Centre

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