

## Amadeus' business highlights for the first half of 2008

### Summary

In the first half of this year Amadeus made solid progress. The company announced the Amadeus Airline Retailing Platform which transforms its core travel distribution system into a full-service retail platform. Airlines can package, upsell and promote elements of their offer which differentiate them from the crowd in a market where yield is coming under ever more pressure. Reflecting the value and efficiency of the GDS offer, 71 airlines offer their complete inventory of fares through the Amadeus reservation system and 43 of those guarantee access for the next three years.

In June, Amadeus achieved a significant milestone in the diversification of its offer with the acquisition of Onerail, which provides a suite of technology solutions to the rail industry. The acquisition allows Amadeus to offer core, next generation technology solutions to help rail companies become more integrated with air travel and places Amadeus firmly in the Rail IT market. Also in the first half of this year, the company announced a significant reorganisation of its leisure technology business into a single, dedicated unit to seize emerging opportunities in selling complex leisure products in the travel agency front office and over the internet.

A core tenet of Amadeus' business is global strength, local expertise. The company has underlined this principle with the opening of two new solution centres which bring its technical expertise ever closer to its customers in Chicago and Dubai. Also in the Middle East, in June Amadeus signed a landmark distribution agreement to become the preferred distribution partner for 13 airline members of the Arab Air Carriers Organisation for at least the next ten years. This agreement significantly changes the distribution landscape at a very important time in the fast-growing Middle-East and North African region.

## **Business Highlights**

### **Content for travel agencies and corporations**

During the first half of 2008, Amadeus signed a 10-year distribution agreement with thirteen airline members of the Arab Air Carriers Association, to which Amadeus is the preferred distribution partner for these airlines. These agreements ensure that Amadeus can offer the best airline content for the fast-growing Middle East and North African region.

Recognising the need to balance airlines' need to reduce costs with travel agencies' need for efficient access to airline content, Amadeus introduced an extended, three year Full Content Option programme for European travel distribution for 2008. Under the programme, 43 airlines guarantee access to their full inventory through Amadeus for the next three years, and a further 28 airlines guarantee access for one year.

Low-cost carriers also continued to turn to the GDS to extend their distribution to the high-value business travel market as well as to reach new geographic markets where their brand is less well-established. The full inventory of flights and fares of transavia.com, a low cost carrier based in the Netherlands, is now available through Amadeus thanks to the company's innovative Ticketless Access solution for the distribution of low-cost carrier content. Currently, 56 low-cost carriers can be booked through Amadeus.

## **Airlines**

On 4 April, at an industry conference hosted by Amadeus in Bangkok, the company presented the Amadeus Airline Retailing Platform, which will transform the global distribution system from a purely distribution channel to a retailing platform through which airlines can also access and leverage functionality to clearly differentiate their brand as in their direct distribution channels.

The new platform, which will be rolled out in phases over the next two years, brings significant enhancements in three key areas:

- a range of airline merchandising features to the travel agent's desktop - including fares packaging, up-sell, displaying of product characteristics and advertising capabilities. This enables airlines to maximise their selling opportunities beyond simple price and route differentiation
- new functionality to ensure airline products are sold in compliance with their distinct commercial policies and to guarantee revenue integrity.
- a management graphical user interface, through which airlines can manage their distribution set-up through all the Amadeus points of sale. This enables real-time, standardised business rule deployment, increasing the speed of implementation of new functionality and business policies in the channel.

Also in the first half of 2008, Amadeus helped IATA achieve its goal of 100% electronic ticketing. By September 10, Amadeus had enabled e-ticketing for 312 airlines in 155 markets; 72 of these airlines host and operate their complete e-ticketing technology with Amadeus.

Amadeus offers an ever-wider range of IT solutions for airlines. Sixty-one airlines now use Amadeus Altéa Customer Management Solution. In the first half of 2008 Lufthansa became the first airline to begin using the inventory management module of the Star Alliance Common IT Platform, built and managed by Amadeus, following a flawless migration in the first months of 2008. Once implemented, the platform will offer participating Star Alliance airlines seamless access to a single repository of passenger data to improve customer service and operational procedures. Amadeus also signed a major IT agreement with Singapore Airlines and renewed its IT partnership with British Airways in the first half of 2008.

Using Amadeus' online booking technology, airlines generated Euros 4.77 billion in the first half of 2008. 1.4 billion web pages were downloaded with 99.9% reliability using the technology in the first

six months of the year. Several of the world's leading airlines now use Amadeus' e-commerce technology.

### **Hotels**

In the first half of 2008, hotel bookings made through the Amadeus Global Distribution System generated Euros 1.3 billion for the global hotel industry, an increase of 10.9% compared with 2007. Hotel nights booked rose by 9.3%, meaning Guests are also staying longer than before, with the number of nights booked up by 9.3% from a year earlier and each booking now averaging more than two nights. 77,000 hotel properties currently distribute their inventory through Amadeus.

Amadeus signed 60 hotel brands around the world to its Worldwide Commission Manager, a solution designed to enable hoteliers to easily track commission payments and boost revenue. Over 20,000 hotel properties in Amadeus have subscribed to this initiative so far.

Amadeus' hotel IT offer continues to grow strongly with significant sales of its multi-property Property Management Solution to hotels including, The Real Hotel Company of England and Vienna International, a fast-growing chain of hotels headquartered in Austria. Over 1,000 hotel properties now use the Amadeus Revenue Management System.

### **Travel services**

On 10 June, Amadeus announced a major step-forward in its diversification strategy with the acquisition of a controlling interest in Onerail, which provides a suite of technology solutions to the rail industry. The acquisition adds a fully-integrated inventory, pricing, reservation and distribution system, enabling domestic and international distribution, alongside other forms of transport – such as air or car – to Amadeus' suite of solutions for rail companies. Increasingly, rail companies with long-distance and high-speed routes are building links with airlines, such as code share and interline agreements. This enables trains to play a greater role in an integrated transport network by bringing passengers from secondary towns to major "hub" airports. The high-speed rail network today carries about 400 million passengers and is expected to quadruple in size by 2020.

Amadeus was selected to power the online insurance service on qantas.com, the website of Australia's leading national carrier Qantas. The insurance service, provided by Australian insurance company QBE, enables customers to seamlessly and quickly pay for their chosen insurance policy while booking airline tickets.

### **Leisure travel**

On 10 April, Amadeus announced the creation of a new business unit to provide tools for international leisure distribution. The unit is called TravelTainment – The Amadeus Leisure Group and brings together three Amadeus leisure technology businesses: TravelTainment, Amadeus Tours, and the product management and development for TOMA, a tour package distribution solution. TravelTainment – The Amadeus Leisure Group initially focuses on Amadeus' existing market portfolios in Germany, Austria, Switzerland, France, Holland, Belgium, Poland and the UK and other markets beyond Europe such as North America and Canada.

The combined leisure offering of TravelTainment, The Amadeus Leisure Group, is the only multi-market, multi-channel, community distribution system for selling leisure content of all types, including alternative packages, hotels, charters, Low Cost options and cruises. Leisure customers have access to a unique database of 470 destinations covering over 80% of the world's leisure destinations.

### **Corporations**

Take-up of Amadeus e-Travel Management – the online travel management solution for business travellers – continues to grow strongly: bookings made by travellers through Amadeus e-Travel Management grew by 59% from August 2007 to August 2008. Amadeus developed important new features for the solution in 2008 including the launch in September of version 11.2 of Amadeus e-Travel Management, which includes additional content from two major Brazilian carriers Gol and TAM and also the 'unused ticket trader' which saves travel agents up to 13 steps in the ticket refunding process, initially available to the US.

- Ends -

## Notes to the editors

**Amadeus** is the chosen technology partner for providers, sellers, and buyers of travel. The company provides distribution, IT and point-of-sale solutions to help its customers adapt, grow and succeed in the fast changing travel industry. Customer groups include **travel providers** (airlines, hotels, car rental companies, railway companies, ferry lines, cruise lines, insurance companies and tour operators), **travel sellers** (travel agencies) and **travel buyers** (corporations and travellers). Solutions are grouped in four solution categories – **Distribution & Content**, **Sales & e-Commerce**, **Business Management** and **Services & Consulting**.

Amadeus has central sites in Madrid (corporate headquarters & marketing), Nice (development) and Erding (Operations – data processing centre) and regional offices in Miami, Buenos Aires and Bangkok. At market level, Amadeus maintains customer operations in 76 countries covering more than 217 markets.

The company is majority owned by WAM Acquisition, whose shareholders are BC Partners, Cinven, Air France, Iberia and Lufthansa. Amadeus employs over 8,300 employees worldwide, representing 95 nationalities.

More information about Amadeus is available at: <http://www.amadeus.com/>

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