The global travel industry in which Amadeus operates is both exciting and emotive. The technology we provide facilitates hundreds of millions of journeys, touching the lives of countless people across the world every day. It creates wealth, employment and opportunities for economic development while linking individuals, families, society and businesses. Amadeus has earned a privileged leadership position in this industry and it is one that we aim to develop sustainably as well as profitably.

Generating sustainable, profitable growth that benefits all of our stakeholders is one of the pillars of the Amadeus strategy. That is reflected in our first integrated annual report combining the traditional annual report to shareholders with our sustainability report.

During 2013, Amadeus continued to enjoy success in these two critical areas. Our continued commercial strength and record financial performance allowed us to increase our value to our shareholders. We are equally proud that we achieved this performance in a sustainable manner.

In 2013, Amadeus made important progress across both business units, Distribution and IT Solutions, despite a macro-economic environment – to which we remain closely tied – in which recovery remained fragile and uneven. The business units continued to show their high quality, their resilience and their ability to adapt to a changing and competitive market landscape.

In Distribution, Amadeus again increased its market share – by 1.5% to 40.1%. This was underpinned by our continued geographic diversity with our growth driven in part by our continued expansion in the US. Both bookings and revenues increased by 5.3% to €502.6 million and €2.318 billion respectively. We also continued to sign content agreements that will be key to future success, not least by adding 10 low-cost carriers to the platform during 2013.

Airline migrations to our Altéa platform continued to fuel our IT solutions business which recorded 615.7 million passengers boarded in 2013, an increase of 9.2% on 2012, driven by significant growth in Asia-Pacific. Revenues from the unit grew by 10.8% to €785.9 million. Our migration platform remains strong and we continue to expect total passengers boarded to grow to about 800 million by the end of 2015.

These strong performances translated into Group Revenues of €3,103 million, a 6.6% increase from 2012 and adjusted net profit of €619.5 million, a 7.8% increase year-on-year.

During 2013 Amadeus further strengthened its financial structure. We generated strong cash-flow across our businesses (€541.7 million free cash-flow in 2012). Our consolidated financial debt on 31 December 2013 was €1,210 million or 1.01x the last twelve months EBITDA, down by €284 million and at the low end of the target leverage ratio of 1.0x to 1.5x net debt to EBITDA established by the company.

The continued strength of our balance sheet is critical to the future development of the business, allowing Amadeus to invest in its future in two important ways.
First in December 2013, Amadeus announced the $500 million acquisition of Newmarket International, significantly accelerating our drive in hotel segment and underlining our strategic commitment to new business areas. In early 2014 the acquisition of UFIS, an airport IT provider, followed.

Overall Amadeus took large strides in new business areas in 2013, and in particular in the airports segment, where we signed new agreements with our launch partners Copenhagen and Munich airports, to deliver new IT modules, while also increasing the number of ground handlers contracted to our Departure Control System (DCS) solution to 55.

The second key area of investment is in R&D. Amadeus leadership in the travel technology segment has been built on the twin pillars of our outstanding customer service and innovative product and solutions. Technology is a demanding master, however, and to continue to maintain our leadership it is essential that we continue our long-term commitment to R&D. In 2013, Amadeus invested €514 million in R&D, or 16.50% of our revenue. In a competitive and dynamic marketplace, this investment is critical to our future success.

In 2013 our investments led to expansion in important areas such as hotels, payments, mobile, rail and airports; next generation front office and search engines for Travel Agencies.

Our financial strength also allowed the Board of Directors to submit to the General Shareholders Meeting for approval a 25% increase in dividend in 2013 compared to 2012. The proposed pay-out ratio represents 50% of the reported 2013 profit for the year, a total dividend of €279.7 million (€0.625 per share). An interim dividend of €0.30 per share was paid on 31 January 2014 with the balance expected to be paid in July 2014.

Our commitment to deliver value to all stakeholders was emphasised by a number of important projects in 2013. In April Amadeus announced a new initiative with United Nations Children’s Fund (UNICEF), which enables travel providers and sellers to raise funds for UNICEF by giving their customers the opportunity to make a micro donation when paying for travel online, using Amadeus technology. Towards the end of the year, Iberia became the launch airline for the scheme and we hope to add many more in the future as we believe this is an ideal example of how Amadeus can leverage its unique attributes to drive improvement in the societies we work in.

Amadeus’ efforts in the sustainability sphere were recognised by the Dow Jones Sustainability Index for the second consecutive year and we were included in the IT Services and Internet sector, one of just seven companies to achieve inclusion of the 65 eligible. Our commitment to good Corporate Citizenship is threaded through all our activities from employee relations to investment in R&D and to social projects. We strongly believe that all these activities will drive long-term benefits for all our stakeholders.

As ever, the foundation of the success of the company is our people. Amadeus has an incredibly committed and loyal workforce that has consistently delivered value for our customers and our shareholders. Our commitment in turn to them is the creation of a working environment that safeguards the dignity and rights of every employee, that fosters and promotes creativity, innovation and talent; that creates an atmosphere of engagement and support and that rewards excellence. The application of our team’s dedication, expertise and professionalism has once again allowed us to record an outstanding business year, and once again I thank them all sincerely for that.

Finally I would also like to thank our shareholders and customers for their continued confidence and trust. It is a privilege to work with you and we look forward to enjoying further success together in 2014.

Luis Maroto
President & CEO