Dear Friends,

Welcome to the January edition of the Onliner, our quarterly newsletter which brings you the latest corporate travel news from Amadeus and the wider industry.

I start by wishing you all a very happy New Year, and I hope that 2010 is going well so far.

2009 was a year most of us were glad to see the back of. Despite a very difficult year, we are pleased that overall Amadeus performed well. Specifically in the Corporations sector, Amadeus further consolidated our lead position in this area. This newsletter features a brief round-up from last year and a look ahead to what we all hope will be a more positive twelve months.

This edition of Onliner looks at what happened at the Copenhagen Summit in December, and discusses Amadeus’ partnership with the International Civil Aviation Organisation (ICAO) which will bring a consistent carbon offsetting calculator to the industry.

The balance between video-conferencing and face-to-face meetings is also discussed.

Since the last Onliner, Amadeus has won another two major industry awards, the details of which I would like to share with you. For the third year running, Amadeus was named the world’s leading GDS/CRS at the World Travel Awards. Elsewhere, Affinity Shopper, Amadeus’ extreme search product for airline web sites, won the PhoCusWright travel technology innovation award at the US research group’s high-profile summit in Orlando. These awards underline our commitment to invest in on-going development of technology for the travel industry.

Lastly, bringing the focus back to Corporations, I would like to highlight that on February 2nd, Amadeus announced it’s new strategic alliance with Concur, a leading global provider of travel & expense management solutions. The alliance will bring incremental value and greater choice to our mutual clients around the world by bringing together our key technologies for a combined solution to the market. This includes the integration of travel bookings from Amadeus e-Travel Management (AeTM) into Concur Expense and Amadeus Core GDS technologies into Concur Cliqbook Travel.

We hope you enjoy the first Onliner of 2010.

Best regards...

Jason Long
Head of Global Commercials for Corporations, Global Customer IT Solutions
Analysing 2009 and looking forward to 2010

During 2009, most major economies were in recession. Uncertainty still exists, despite signs that the recovery is beginning.

Travel suffered but survived. Online bookings across all travel products continued to grow, while airlines continued their drive towards more direct bookings. Travel agents lost commissions as a result. Hotels started to rethink their distribution too.

Travel technology businesses had to fight to preserve their place in the value chain.

Amadeus highlights

Amadeus has worked hard during the year to retain and grow its market leadership across many channels.

We handle 36% of worldwide airline bookings made through the travel agency channel. And while air travel declined, Amadeus’ airline IT business has grown substantially. We now partner with more than 200 airlines.

Weak business travel trends did not stop Amadeus e-Travel Management lifting online booking volumes by an average of 16%. With TMC partners and resellers, the increase was an impressive 19%. This increase was driven by the Corporations’ need to further reduce costs and control spending.

Retaining staff during a slowdown is important, and Amadeus is proud that it avoided any compulsory redundancies. It employs 8,900 people worldwide, representing 123 nationalities.

Looking forward to 2010

To stay at the forefront of the travel technology industry requires continued investment and resources. Amadeus has increased development capacity by 30% in 2010 vs. 2009 for Amadeus e-Travel Management, further evidence that Amadeus is strengthening its position in the Corporations sector.

During the year Amadeus will work on a number of new initiatives for corporations. The business travel landscape is continually evolving, so you need a technology partner who is committed to anticipating new trends.
Focus on... Going Green

The environment remains a pressing issue even when governments have more short-term issues to deal with. In December, world leaders met in Copenhagen to discuss a global approach to fighting climate change.

The summit concluded with a draft agreement known as the Copenhagen Accord. The two main resolutions – which have yet to be formally agreed to – are:

- Any rise in global temperature should be kept below 2 degrees Celsius
- By 2020, $100bn a year will be set aside to address the specific needs of developing countries

Transparency

The aviation industry – including airlines, manufacturers and airports – have recognised that they need to reduce emissions in a rigorous manner but at a reasonable cost. There is pressure from government and the public on the travel industry as a whole to get its house in order.

The sector’s international trade body IATA has linked up with the International Civil Aviation Organisation (ICAO), a UN agency, to establish aviation’s targets. These are:

- A commitment to improve fuel efficiency by an average of 1.5% a year until 2020
- Stabilize carbon emissions from 2020 with carbon neutral growth
- A net reduction in carbon emissions of 50% by 2050.

Amadeus takes control

Amadeus has also linked up with the ICAO. In November a deal was reached which will lead to ICAO’s carbon emissions data being incorporated into Amadeus distribution platforms by the middle of this year.

ICAO data covers average carbon emissions for flights between 1.5m city pairs. It calculates emission using public available data using a consistent methodology designed by international experts. Amadeus believes that this is the best option for global aviation emissions calculations.

As a provider of technology to all sectors of the travel industry, Amadeus is also looking at ways to include other forms of transport. It is already looking for international accepted standards that could compare emissions air, rail and road transportation.

Future gazing

Corporate social responsibility is an umbrella term which covers many aspects of business, including an organisation’s carbon footprint. Many companies are already adopting “triple bottom line” accounting – a financial reporting system that also takes in the environmental and social performance of a company into consideration.

This new approach could become a regulatory requirement rather than a voluntary gesture. The Amadeus/ICAO carbon calculator will be a useful tool for corporations who want to account and quantify the carbon footprint of their staff who travel on business.
Why the Amadeus/ICAO deal will help the travel industry to fight climate change?

Amadeus is confident that its partnership with the ICAO will provide the travel industry with an industry standard for calculating carbon emissions.

Comprehensive
The ICAO database calculates the average CO2 emissions from 1.5m city pairs. It is updated every two months. THE ICAO is a United Nations agency with 190 contracting states. It is the most legitimate global body to represent aviation on a global scale.

Amadeus books 500m air tickets a year. The partnership between two scale players should ensure that the ICAO calculator becomes the industry standard.

Consistent
There are many carbon calculators in the market, capable of producing varying results for the same journey [SEE BOX BELOW]. The ICAO uses a consistent methodology across the 1.5m city pairs. Emissions information passed on by Amadeus to its customers is consistent. Customers can then make informed choices about how to offset their emissions, or how to reduce their overall carbon footprint.

Co-operative
Amadeus will liaise with the ICAO so that users of the calculator can be kept up-to-date with the methodology used to calculate the emissions.

Effective
By linking up with an existing provider, Amadeus has avoided the costs of developing its own product. Details will appear on its selling platforms at no cost for existing customers. Amadeus will only charge a fee when a business requests specific reports which factor in data from other sources.

Why aviation needs ICAO/Amadeus

One of the biggest problems the airline industry has when it comes to quantifying its carbon footprint is a lack of consistency. Many calculators are available and the results vary widely.

Example: A return flight between Madrid Barajas and Paris Charles de Gaulle, in terms of CO2 emissions:

- SAS Calculator: 239 Kg
- Climate Care: 250 Kg
- Air France: 266 Kg
- TerraPass: 270 Kg

Some calculators use a different approach, converting the total global warming effect of a flight into a CO2 equivalent

- Carbon Planet: 600 Kg
- Atmosfair: 620 Kg

The results prove that aviation needs to find an industry standard, accepted by airlines and governments alike.
Also Of Interest

Business travel budgets are under scrutiny at the best of times, and 2009 was no exception. Video conferencing has emerged as a viable alternative, but research shows that the importance of face-to-face meetings hasn't diminished. What is the right balance between the two?

Video conferencing on the rise

The “cost” of a business trip now includes the carbon costs as well as the room rate and air fare. Video conferencing can offer corporations big savings, once the initial set-up costs have been paid.

A recent survey of 1400 travel managers, carried out on behalf of the Business Travel and Meetings Show, found that 46% of respondents were planning to increase their use of video-conferencing this year.

Corporations in Western European and North American are more likely to persuade their staff to take to video-conferencing than counterparts in the Middle East, Africa and Asia Pacific, as the culture of technology is more established in the western world.

Meeting people matters

While the finance department might come down with a cost-based directive for more video-conferencing, other departments might have a different approach. US business magazine Forbes released a reader survey in August which showed that 87% of the sample said that there are tangible business benefits to in-person meetings which outweigh the cost savings.

A study carried out by Oxford Economics, released in September, quantified these benefits. It found that, for every dollar invested in business travel, businesses experience an average $12.50 in increased revenue and $3.80 in new profits.

More than a quarter of Oxford Economics’ sample added that current business could be lost without face-to-face meetings.

However, 59% of executives told Forbes said that their use of technology-driven meetings had increased during the recession, particularly if the meeting was about sharing data or if there wasn’t enough time to travel to meet in person.

Global sportswear giant Nike recently announced that it was increasing its investment in teleconferencing facilities by 15% this year and that by 2011 it would have 200 video conferencing systems in Nike offices around the world.

Finding the balance

Technologists and traditionalists will both argue their corner, but the end result is likely to be a combination of the two. There is a place for video-conferencing within most businesses, but the evidence is overwhelming that meeting in person is an inevitable part of securing that lucrative new contract.
Meet the team

Jason Long
Head of Global Commercials for Corporations
Global Customer IT Solutions

Jason Long is Head of Global Commercials for Corporations within Amadeus’ Global Customer IT Solutions group and is based at the Amadeus global headquarters in Madrid, Spain. In his role he is responsible for expanding the Amadeus corporations business through global partnerships with leading international travel management companies and via a direct sales organisation. As such, he manages an international team of high profile sales & account managers based in different Amadeus offices across the world.

Prior to joining Amadeus, Jason held a variety of senior management positions within the technology and online sectors. He started his career with Nortel Networks helping them to establish their Internet business throughout EMEA and was soon heading their sales and consultancy group across Europe.

After a sabbatical year working as a volunteer in Cuba, during which time he lectured at Havana’s major university whilst raising funds to install computing equipment in schools, Jason returned to the technology industry – at a start-up venture in Spain selling online and mobile solutions in the European & African markets.

Jason has lived in Spain, Cuba, Germany and the United Kingdom.

Jason holds a degree in Electronic Engineering from King’s College, University of London and a M.B.A. from IEDE in Madrid.
Events

Business Travel & Meetings Show
London, February 9th - 10th, 2010

Business Travel & Meetings Show, one of the biggest travel trade events!

One stop store for all the players in the business sector of the travel industry, Business travel & Meetings Show will be held in Earls Court, London on 9th-10th February 2010. Now in its sixteenth year, this annual event will see more than 200 suppliers and over 6,500 buyers from UK and Western Europe get-together, share, network and trade.

Amadeus will be represented by a team of delegates whom you will be able to meet at the Amadeus booth (number 150).

Please click here to view more about the event

ACTE Executive Forum:
‘Eyes Wide Open - Embracing Uncertainty in Business Travel’
Brussels, February 22nd, 2010

The objective of this event is to provide delegates a better understanding of the trends shaping the distribution landscape in a competitive environment as well as developing a risk management strategy to protect travellers and companies from the inherent risks of business travel.

Daniel Greaves, Distribution Strategy Manager at Amadeus will be presenting the latest trends of Airline distribution ranging from multi-channel distribution to consolidation and a-la-carte pricing.
Amadeus representatives will attend the event and are looking forward to meeting you there.

Please click here to find out more about the agenda of the event.
Facts & figures

Amadeus named World’s Leading CRS/GDS for third year at the 2009 World Travel Awards

Amadeus was named the World’s Leading CRS/GDS System for the third time at the 2009 World Travel Awards ceremony, held recently in London. Amadeus also won this prestigious title in 2007 and 2006.

Now in its sixteenth year, the World Travel Awards continues to acknowledge and celebrate excellence in the travel and tourism industry.

“This award recognises that Amadeus technology is second to none, and Amadeus’s commitment to the industry remains stronger than ever” said David Brett, President, Amadeus Asia Pacific.

ISO 9001:2008 Certification

Amadeus has been granted the Det Norske Veritas Management System Certification for the third time in a row. This certification is received in recognition of Amadeus’s continuous commitment to improvement.

The ISO 9001:2008 Quality Certification granted by Det Norske Veritas (DNV), is one of the world’s leaders in the provision of services to safeguard life, businesses, property and the environment. This ISO standard emphasises on continuous improvement and customer satisfaction.

Historically, Amadeus was the first GDS to be ISO-certified and this recertification proves our continuous efforts for excellence.

Amadeus Affinity Shopper wins industry vote at PhoCusWright Travel Innovation Summit

Recognised at The Travel Innovation Summit in Orlando, USA, Affinity Shopper is the first solution from Amadeus Extreme Search technology portfolio which enables travellers to shop on airline websites by their desired travel experience rather than on a linear date and destination basis.

The accolade was awarded to Amadeus Affinity Shopper following a live vote from industry members attending this year’s annual PhoCusWright conference.

“We believe we are delivering a competitive leap to our customers with our Extreme Search technology and we are delighted Affinity Shopper has been recognised by the industry in this way,” said Denis Lacroix, Amadeus Vice President, Sales & e-Commerce Platforms.
Amadeus News Round-up

Click the titles below to read the press releases in full.

2 Feb 2010
Amadeus and Concur enter into a global strategic alliance
Amadeus and Concur (Nasdaq: CNQR), a leading provider of on-demand employee spend management solutions, announced that they have entered into a long-term alliance to bring key technologies together for a combined travel and expense management solution to extend their core offerings.

29 Jan 2010
Air France and KLM extend Amadeus full content distribution agreement until December 2013
Amadeus and Air France - KLM, the largest airline group in Europe, have agreed to extend their full content agreement until December 2013. The agreement guarantees Amadeus users worldwide access to the entire range of fares, schedules and inventory relating to more than 74.8 million seats and 90,000 flights operated annually by Air France and KLM.

18 Jan 2010
Iberia and Amadeus extend full content agreement until December 2014.
Amadeus and Iberia, the leading airline in Spain and the European-Latin American market, have agreed to extend their full content agreement until 2014. According to the agreement, the fares, schedules and inventory made available through the Amadeus system will be the same, and under the same conditions, as through any indirect or direct channel, distribution provider or website.

12 Jan 2010
Amadeus underpins senior management structure with key appointments for 2010 and 2011.
Amadeus announced that David V. Jones will continue to lead the company as President & CEO through 2010 and will be succeeded in January 2011 by present Deputy CEO and until now also CFO, Luis Maroto.

23 Dec 2009
Amadeus signs long-term full content agreement with Lufthansa and SWISS.
Amadeus, Lufthansa German Airlines and Swiss International Air Lines have signed a long-term full content agreement, which will guarantee worldwide access to the full range of Lufthansa and SWISS content through Amadeus, with no surcharge until 2014.

21 Dec 2009
British Airways and Amadeus extend long-term agreement.
Amadeus and British Airways, the UK’s largest international airline, announced a three-year extension of their content agreement taking it up to 2013. The renewed agreement guarantees full-content access to Amadeus users worldwide.

23 Nov 2009
Amadeus Affinity Shopper wins industry vote at PhoCusWright Travel Innovation Summit
Amadeus announces its Affinity Shopper product, developed for airline websites and launched last week, has won the PhoCusWright travel technology innovation award. Recognised at The Travel Innovation Summit in Orlando, USA, Affinity Shopper is the first solution from Amadeus Extreme Search technology portfolio which enables travellers to shop on airline websites by their desired travel experience rather than on a linear date and destination basis

18 Nov 2009
Amadeus introduces the 'Amateur-Expert Traveller'.
Amadeus has identified the Amateur-Expert Traveller - who is more knowledgeable, more adventurous and more likely to live in an emerging economy than ever before - and whose rise coincides with innovations in the trip experience and the growth of niche travel in the post-recessionary environment.