

Press Release

Automating service fee management can boost service fee revenue by 28%

Madrid, Spain, 19 September, 2007: Amadeus, a global leader in technology and distribution solutions for the travel and tourism industry, has commissioned an independent study on service fee management in travel agencies in five European countries. The study, conducted by Dr. Fried and Partner, a German consultancy, found that agencies can increase service fee revenue and productivity by 28% and 67% respectively by automating the management of service fees.

The study compares agencies calculating fees manually with agencies using an automated solution. Automating service fee management was found to allow travel agencies to adopt more sophisticated fee schemes which include a greater variety of transaction fees. The resulting increase in service fee revenue can be as much as 28%.

Compared with agencies calculating fees manually, agencies using an automated solution integrated into their selling application can, on average, increase productivity by 67% for service fee application activities and by 12% for the overall booking process. The productivity gain can be achieved by using the time saved through automated fee management to make more bookings.

Maximising service fee revenue is crucial as the travel agency business model relies ever more on Service Fees as airline commissions disappear. According to research published by Amadeus in July this year, 34% of travel agencies see falling commissions as the biggest challenge their business faces. Moving to a service fee-model is one of the key ways travel agencies can prepare their business for the next phase in the travel industry's evolution. In Scandinavia, which is leading the way in this trend, 73% of business travel agencies' total revenue comes from service and transaction fees. Notably, the average revenue/gross sales margin among these agencies is higher than among agencies which have not adopted the service fee model to the same extent.

“Amadeus commissioned this study to help our customers as they move to a service fee-based business model. Our close relationship with thousands of travel agencies around the globe allows us to compare trends in service fees and how they are managed by agencies,” says Claude Giafferri, VP, Travel Office Products & Solutions, Amadeus, “We are convinced that there are strong revenue opportunities to be uncovered by travel agencies and this study demonstrates that automated processes are a key enabler to making the most of the service fee revenue opportunity.”

- The full report can be downloaded here: <http://www.amadeus.com/catchthefees>
- To access other Travel Agency study reports: <http://www.amadeus.com/Showmethethevalue>

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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 215 markets.

The company is majority owned by WAM Acquisition, whose shareholders are BC Partners, Cinven, Air France, Iberia and Lufthansa. Amadeus employs over 7,600 employees worldwide, representing 95 nationalities. Amadeus' revenue for the twelve months ended 31 December 2006 was EUR2.683m.

More information about Amadeus is available at: www.amadeus.com

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