



Management Review
January-September 2018

November 7, 2018

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1 Summary



1.1 Introduction

Highlights for the first nine months ended September 30, 2018

- In Distribution, our travel agency air bookings grew 2.4%, to 444.8 million
- In IT Solutions, our passengers boarded increased 13.8%, to 1,397.3 million
- Revenue grew by 4.6%¹, to €3,683.8 million (7.7%¹, excluding foreign exchange effects)
- EBITDA increased by 8.6%¹, to €1,588.0 million (high single-digit growth rate¹, excluding foreign exchange and IFRS 16² effects)
- Adjusted profit³ grew 5.1%¹, to €886.6 million
- Free Cash Flow⁴ amounted to €802.1 million, representing growth of 1.7%
- Net financial debt⁵ was €1,891.6 million at September 30, 2018 (0.95 times last-twelve-month EBITDA⁵)

In the first nine months of 2018, Revenue, EBITDA and Adjusted Profit increased by 4.6%¹, 8.6%¹ and 5.1%¹, respectively, driven by the performances of our Distribution and IT Solutions segments. As in the first half of the year, in the third quarter, both our revenue and EBITDA continued to be negatively impacted by foreign exchange effects, albeit to a lesser extent than in the first two quarters of the year. In the first three quarters of the year, Revenue expanded by 7.7%¹ excluding foreign exchange effects (which are fundamentally derived from the USD/Euro exchange fluctuation relative to last year). In the nine month period, EBITDA excluding IFRS 16² and foreign exchange effects (caused by the fluctuation of multiple currencies in the period) grew at a high single-digit pace and delivered a small EBITDA margin expansion.

In Distribution, during the quarter, we renewed or signed distribution agreements with 11 carriers including Aerolíneas Argentinas, Copa Airlines, Porter Airlines, and Norwegian. Also, in August, we renewed and were pleased to expand our partnership with Carlson Wagonlit Travel. In the first nine months of the year, our Distribution air volumes grew by 2.4%, on the back of a 3.5% global industry growth and a continued slippage in market share performance in the Western European OTA segment. Market share slippage in Western Europe affected our global competitive position⁶, which slightly decreased by 0.2 p.p in the first nine months of 2018 to 43.4% (excluding Western Europe, our competitive position⁶ expanded by 1.1 p.p. in the first nine months of the year and by 0.7 p.p. in the third quarter). Asia and Pacific, as well as North America, were our fastest-growing regions in the first nine months of 2018, expanding at high growth rates. Over this period, Distribution revenue grew 2.8%¹, negatively impacted by foreign exchange effects.

IT Solutions revenue grew 7.6%¹ in the first nine months of the year, negatively impacted by foreign exchange effects. This evolution was driven by growth in Airline IT solutions and a continued

¹ Compared to Jan-Sep 2017 figures restated for IFRS 15 and IFRS 9, applied from January 1, 2018. See section 3.1 for further details.

² We are early adopters of IFRS 16, which we applied since January 1, 2018. 2017 figures will not be restated for IFRS 16. In the first nine months of 2018, IFRS 16 had a positive €33.2 million impact on EBITDA. See section 3.1 for further details.

³ Excluding after-tax impact of the following items: (i) accounting effects derived from PPA exercises and impairment losses, (ii) non-operating exchange gains (losses) and (iii) other non-recurring items.

⁴ Defined as EBITDA, minus capex, plus changes in our operating working capital, minus taxes paid, minus interests and financial fees paid.

⁵ Based on the credit facility agreements' definition.

⁶ Competitive position as defined in section 3.

expansion in our new businesses. In Airline IT, Passengers Boarded increased by 13.8% in the first three quarters of the year, resulting from 7.8% organic Passengers Boarded growth and 2017/18 migrations, including Southwest Airlines, Japan Airlines, Malaysia Airlines, Kuwait Airways, Boliviana de Aviación, SmartWings, Germania, Norwegian Air Argentina, Air Algerie and MIAT Mongolian Airlines on Altéa, as well as, GoAir, Viva Air Perú, Andes Líneas Aéreas, JetSMART and flyadeal on New Skies.

We continued to expand our Airline IT customer base with Bangkok Airways signing up for the full Altéa suite, including Reservations, Inventory and Departure Control Systems. Finnair expanded its collaboration with Amadeus and contracted Amadeus Passenger Recovery and Amadeus Network Revenue Management. Amadeus Network Revenue Management will allow the airline to improve accuracy when forecasting customer demand, as well as to better optimize its origin and destination network. Additionally, Southwest Airlines signed up for the full Amadeus Sky Suite by Optym with a 10-year agreement. These tools will enable the carrier to increase the efficiency and network optimization of its more than 4,000 flights a day. Easyjet also contracted Amadeus SkySYM by Optym to improve the reliability of its flight schedules. Furthermore, we launched MHchat with Malaysia Airlines, enabling travelers to book flights and pay through Facebook Messenger. Avianca became the first airline in Latin America to adopt the Amadeus Altéa NDC solution and Maldivian Airlines migrated to Altéa together with Aeromar. Aeromar also implemented Amadeus' Payments platform.

We continued to advance in our Hospitality strategy. We made further progress in the roll-out of the Guest Reservation System with InterContinental Hotels Group, which is now substantially complete. Over 95% of hotels have successfully migrated to the platform with the remaining hotels scheduled to migrate over the coming weeks. We were also very pleased to announce the closing of our acquisition of TravelClick, a global hospitality solutions provider, on October 4, 2018, upon receiving the necessary regulatory approvals.

On NDC, Carlson Wagonlit Travel and American Airlines joined Amadeus' NDC-X program, along with American Express Global Business Travel and BCD Travel. They joined other announced partners including Flight Centre and Travix. The Amadeus NDC-X program aims to bring together all the NDC efforts across Amadeus - as IT provider and as distributor - under one roof, and is continuation of Amadeus' previous work towards the digitalization of the travel industry. NDC-X is part of the evolution of Amadeus' travel platform which will bring together all relevant content, including air, hotel and other travel content, from any source (EDIFACT, NDC, proprietary APIs and other aggregated content) to be distributed via any user interface or device.

Our technology is key to our success and we remain highly focused on our capex programs. Our investment in R&D amounted to 16.9%⁷ of revenue in the first nine months of 2018. It was dedicated to support our mid to long-term growth, through product evolution, portfolio expansion, new customer implementations, system performance optimization and our continued shift to next-generation technologies and cloud architecture.

⁷ Jan-Sep 2017 revenue restated for IFRS 15 and IFRS 9. See section 3.1 for further details.

In the first nine months of 2018, our Free Cash Flow⁸ grew 1.7% to €802.1 million. At the end of the third quarter, our net financial debt⁹ stood at €1,891.6 million, representing 0.95 times last-twelve-month EBITDA⁹. Proforma for TravelClick's acquisition, closed on October 4, 2018, net financial debt would represent 1.56 times last-twelve-month EBITDA¹⁰ at September 30, 2018. Following TravelClick's acquisition, on October 25, 2018 Amadeus announced that the Board of Directors agreed to cancel the second (cancellable) tranche of the share repurchase program, which was due to start on April 1, 2019.

⁸ Defined as EBITDA, minus capex, plus changes in our operating working capital, minus taxes paid, minus interests and financial fees paid.

⁹ Based on the credit facility agreements' definition.

¹⁰ Calculated using an acquisition price of \$1,520 million and an estimated TravelClick' 2017 recurring EBITDA of \$86 million. Translated to Euro using a USD/€ exchange rate of 1.1576 (source: ECB September 30, 2018). Net financial debt and last-twelve-month EBITDA based on the credit facility agreements' definition.

1.2 Summary of operating and financial information

Summary of KPI (€millions)	Jan-Sep 2018	Jan-Sep 2017¹	Change
Operating KPI			
TA air bookings (m)	444.8	434.4	2.4%
Total bookings (m)	491.7	481.9	2.0%
Passengers boarded (m)	1,397.3	1,228.1	13.8%
Financial results			
Distribution revenue	2,279.3	2,217.8	2.8%
IT Solutions revenue	1,404.5	1,304.7	7.6%
Revenue	3,683.8	3,522.5	4.6%
EBITDA	1,588.0	1,462.3	8.6%
EBITDA margin (%)	43.1%	41.5%	1.6 p.p.
Adjusted profit²	886.6	843.8	5.1%
Adjusted EPS (euros)³	2.06	1.93	7.1%
Cash flow			
Capital expenditure	506.2	438.4	15.5%
Free cash flow ⁴	802.1	788.6	1.7%
Indebtedness⁵			
	Sep 30,2018	Dec 31,2017	Change
Net financial debt	1,891.6	2,083.3	(9.2%)
Net financial debt/LTM EBITDA	0.95x	1.12x	

¹ 2017 figures have been restated for IFRS 15 and IFRS 9. See section 3.1 for details on these accounting changes as well as for a reconciliation to the 2017 reported figures.

² Excluding after-tax impact of the following items: (i) accounting effects derived from PPA exercises and impairment losses, (ii) non-operating exchange gains (losses) and (iii) other non-recurring items.

³ EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.

⁴ Calculated as EBITDA minus capital expenditure plus changes in our operating working capital minus taxes paid minus interests and financial fees paid.

⁵ Based on the credit facility agreements' definition.

2 Operating Review



2.1 Recent business highlights

Airline Distribution

- During the third quarter of 2018, we signed 11 new contracts or renewals of content agreements with airlines, reaching a total of 35 for the first nine months of the year. Aerolíneas Argentinas, Copa Airlines, Porter Airlines and Norwegian were among the carriers that signed or renewed content agreements during the third quarter. The Norwegian agreement welcomes Norwegian Air Argentina, a new carrier serving a market where the airline has recently received regulatory approval for over 150 routes. With the addition of Norwegian Air Argentina, subscribers to Amadeus' inventory can now access over 110 low cost carriers (LCCs) and hybrid carriers' content worldwide. LCC and hybrid carriers' bookings grew 18%¹¹ in the first nine months of 2018 compared to the same period last year.
- In August, we renewed and expanded our partnership with Carlson Wagonlit Travel (CWT). CWT's travel counselors around the globe will now have access to extensive travel content on the Amadeus Travel Platform and the latest technology including Amadeus Selling Platform Connect. We are enhancing Amadeus Selling Platform Connect capabilities in order to allow travel agencies to work with NDC content. This new feature will be ready for deployment in Q2 2019.
- CWT was also among the travel sellers that joined Amadeus' NDC-X program in August, along with American Express Global Business Travel, BCD Travel and American Airlines. They joined other announced partners including Flight Centre and Travix. This program brings together all of Amadeus' NDC activities – as an IT provider and a distributor – under one roof, so that all relevant travel content from any source (EDIFACT, NDC, proprietary APIs and other aggregated content) can be distributed via any user interface or device.
- Our merchandising solutions continued to gather interest from our customers. During the first nine months of the year, 7 airlines signed up for Amadeus Airline Ancillary Services for the indirect channel. During that same period, 4 carriers contracted Amadeus Fare Families, including Porter Airlines that also implemented the solution in the quarter together with Vistara. In total, at the end of September, 150 airlines had signed up for Amadeus Airline Ancillary Services (and 119 of them had already implemented it, including Turkish Airlines which implemented the solution during the third quarter) and 79 had contracted Amadeus Fare Families (of which 66 had already implemented).

Airline IT

- At the end of the third quarter of 2018, 206 customers had contracted either of the Amadeus Passenger Service Systems (Altéa or New Skies) and 197 had implemented them.
- In October, Bangkok Airways signed up for the full Altéa suite, including the reservation, inventory, ticketing and departure control modules. The airline has a unique operation model in Asia, with airline and airport related businesses. Once implemented, the Altéa suite will help Bangkok Airways enhance customer experience by delivering more

¹¹ Adjusted to exclude the effect of the ceasing of operations of Air Berlin.

consistent and personalized customer service, develop new revenue streams, and improve operational efficiency.

- In August, Easyjet contracted Amadeus SkySYM by Optym to improve the reliability of its flight schedules. SkySYM simulates airline schedules in the planning stage to improve schedule reliability and ensure smooth operations on the actual day of the flight. It can also automatically adjust flight schedules in order to improve on-time performance.
- In September, we launched MHchat with Malaysia Airlines. This new feature helps travelers book flights and pay through the popular social media app Facebook Messenger. Designed to mimic human conversation, MHchat acts like a true “travel buddy” that understands the traveler needs. The result is a convenient, smart solution that is available 24/7, facilitating smoother transactions and immediate responses.
- In October, Southwest Airlines signed up for the full Amadeus Sky Suite by Optym with a 10-year agreement. The suite of five industry-first solutions gives Southwest Airlines the most comprehensive and advanced technology for all its network planning, simulation, forecasting and optimization needs. These tools will enable the carrier to increase the efficiency and network optimization of its more than 4,000 flights a day within the U.S. and 10 additional countries.
- Also in October, Finnair expanded its collaboration with Amadeus and contracted Amadeus Network Revenue Management. The solution will allow the airline to improve accuracy when forecasting customer demand, as well as to better optimize its origin and destination network. Amadeus Network Revenue Management harnesses big data from multiple sources and applies modern scientific algorithms to determine customer purchasing behavior and willingness to pay. Finnair also signed up for Amadeus Passenger Recovery during the third quarter.
- During the quarter, Maldivian Airlines and Aeromar migrated to Altéa. Additionally, Aeromar also implemented Amadeus Flex Pricer and Amadeus Payments solutions. These solutions will allow Aeromar to provide a clearer display of all available fares over a range of dates, helping the passenger to easily finish the booking while providing a wider variety of payment options.
- Avianca became the first airline in Latin America to adopt the Amadeus Altéa NDC solution. Thanks to this, Avianca will be able to provide its travel agency and metasearch customers with a more personalized product, as the solution will integrate ancillary services into the new NDC booking flow, allowing Avianca to upsell to third parties and ultimately the traveler.

Hospitality

- We have progressed in the roll-out of the Guest Reservation System with InterContinental Hotels Group, which is now substantially complete. Over 95% of hotels have successfully migrated to the platform with the remaining hotels scheduled to migrate over the coming weeks.
- In August, Amadeus announced its agreement to acquire TravelClick for \$1.52 billion. TravelClick provides innovative cloud-based solutions, including an independent and mid-size hotel Central Reservation System (CRS) and Guest Management Solution (GMS), as well as business intelligence and media solutions. The addition of TravelClick’s solutions to the

Amadeus portfolio will create a hospitality leader providing a broad range of innovative technology to hotels and chains of all sizes across the globe. In October, following the regulatory approvals, Amadeus announced it had completed the acquisition. See more detail in section 3.2.

Airport IT

- Charleston County Aviation Authority (Charleston, South Carolina, U.S.) contracted Amadeus to implement Amadeus EASE™ passenger processing system for the airport's Terminal Capacity Enhancement Pilot Project at the Charleston International Airport. The Amadeus solution will allow the airport to optimize its ticket counter and gate resources by allowing any of their airline tenants to operate and process passengers at any resource, at any time, with no impact on the airlines technical or business processes.
- The new Paine Field Airport (Everett, Washington, U.S.), scheduled to open in January and constructed to provide air service to residents north of Seattle, will adopt Amadeus Airport Operational Database, Flight Information Display System, EASE™ passenger processing system and Common Use Self Service kiosks. Additionally, Amadeus will provide a 24 screen video wall for their ticket lobby that run the Amadeus Advertising Display System.
- Bozeman Yellowstone International Airport BZN (Bozeman, Montana, U.S.) will adopt Amadeus EASE™ passenger processing system to enhance airport capacity in light of new air service starting in December this year. The solution will facilitate the sharing of ticket counter and gate resources amongst the airport's five airline tenants, allowing them to operate in their own native passenger processing applications.

Rail

- In September, we expanded our distribution agreement with SNCF, the French national railway. Thanks to this agreement, travel agencies beyond Europe will have access to SNCF rail content for the first time. From January 2019, agents in important markets such as Middle East & Africa, North America or Asia Pacific will be able to book SNCF's full range of fares through Amadeus.

Other announcements

- In September, Amadeus was included in the EuroStoxx 50, Europe's leading blue-chip index of listed companies in the Eurozone.
- That same month, and for the seventh consecutive year, Amadeus was included in the Dow Jones Sustainability Indices (DJSI), in both the World and Europe categories. The DJSI evaluates sustainability practices from the economic, environmental and social perspectives.
- In October, Standard & Poor's confirmed its 'BBB' long-term and 'A-2' short-term ratings for Amadeus, with a positive outlook.

2.2 Key ongoing R&D projects

As a leading technology provider for the travel industry, Amadeus undertakes significant R&D activities. In the first nine months of 2018, Amadeus devoted 16.9%¹² of its Group revenue to R&D, which focused on:

— Product evolution and portfolio expansion:

- Ongoing efforts for NDC industrialization. Investments related to the development of our platform to combine content from different sources (existing technology, NDC and content from aggregators and other sources) ensuring easy adoption in the marketplace with minimal disruption.
- For airlines: investment in merchandizing and personalization solutions, enhanced shopping and retailing tools and solutions related to revenue optimization and financial suites.
- For travel agencies, meta-search engines and corporations: efforts linked to our cloud-based new-generation selling platform, search engines and our self-booking and travel expense management tools.
- For the hospitality industry: investment to develop and implement our new-generation Central Reservation System and developments related to our new-generation Property Management System.
- Continued development and evolution of our Airport IT, Payments and Rail IT portfolios.
- Resources devoted to enhance distribution capabilities for Hospitality and Rail.

— Customer implementations and services:

- Implementation efforts related to upcoming PSS implementations (including Air Canada), as well as to our upselling activity (such as Revenue Management and Merchandizing, among others).
- Implementation of Distribution solutions for airlines, travel agencies, and corporations, including, amongst others, our search and shopping solutions.
- Implementation of customers to our Hospitality IT, Airport IT and Payments businesses.

— Cross-area technology investment:

- Continued shift to next-generation technologies and cloud services, which provides a flexible and powerful framework for massive deployment and distributed operations of very large transactional and data traffic.
- The application of new technologies, such as artificial intelligence and machine learning, to our product portfolio.
- System performance projects to deliver the highest possible reliability, availability, as well as service and security levels to our customer base.

¹² Compared to Jan-Sep 2017 figures restated for IFRS 15 and IFRS 9, applied from January 1, 2018. See section 3.1 for further details.

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- Projects related to our overall infrastructure and processes to improve efficiency and flexibility.

3 Presentation of financial information



The consolidated financial information included in this document has been prepared in accordance with International Financial Reporting Standards (IFRS) and has not been audited.

Certain amounts and 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.

This document includes unaudited Alternative Performance Measures such as EBITDA, operating income, net financial debt as defined in the credit facility agreements, adjusted profit and their corresponding ratios. These Alternative Performance Measures have been prepared in accordance with the Guidelines issued by the European Securities and Markets Authority for regulated information published on or after July 3, 2017.

- EBITDA corresponds to Operating income less D&A expense. A reconciliation to the financial statements is included in section 5.3.
- The reconciliation of the Operating income is included in the Group income statement included in section 5.
- Adjusted profit corresponds to reported profit for the period, after adjusting for: (i) accounting effects derived from PPA exercises and impairment losses, (ii) non-operating exchange gains (losses), and (iii) other non-recurring items, as detailed in section 5.6.1.
- Net financial debt as defined in the credit facility agreements is calculated as current and non-current debt (as per the financial statements), less cash and cash equivalents, adjusted for non-debt items (such as deferred financing fees, accrued interest and fair value adjustments to an EIB loan). A reconciliation to the financial statements is included in section 6.1.1.

We believe that these measures provide useful and relevant information to facilitate a better understanding of the performance of Amadeus and its economic position. These measures are not standard and therefore may not be comparable to those presented by other companies.

When we refer to our competitive position, we take into account our travel agency air bookings in relation to the travel agency air booking industry, defined as the total volume of travel agency air bookings processed by the three major global reservation systems (Amadeus, Sabre and Travelport). It excludes air bookings made directly through airlines' direct distribution channels (airline offices and websites), single country operators (primarily in China, Japan, Russia and Turkey), other content aggregators and direct connect applications between airline systems, travel agencies, corporations and meta-bookers, which together combined represent an important part of the industry.

3.1 Accounting changes

The following accounting changes have been adopted from January 1, 2018:

IFRS 15

The standard establishes a comprehensive framework for determining whether, how much and when revenue is recognized.

As a consequence of the adoption of this standard, certain Distribution revenues from the provision of IT to travel agencies are recognized as a reduction of operating costs (they were previously recognized within Revenue), with no impact on segment contribution, Group EBITDA or free cash flow.

Other than these effects, there are no significant impacts from the adoption of this standard, given that more than 90% of the revenues of Distribution and IT Solutions are derived from contracts identified as “Software as a Service”, compliant with the new IFRS 15 requirements.

The standard has been applied from January 1, 2018 retrospectively and hence 2017 figures shown in this report have been restated accordingly. Consequently, as shown in the next tables, Distribution revenue in the first nine months of 2017 has been reduced by €164.1 million and operating costs (Cost of revenue and Other operating expenses) by €164.1 million. EBITDA, Operating income, Profit and Free cash flow in the first nine months of 2017 are not impacted by the adoption of this standard.

IFRS 9

Among other changes, the standard establishes a new impairment model for the recognition of bad debt provisions based on expected credit losses rather than incurred credit losses.

As a consequence of the adoption of this standard, bad debt provisions, recognized within operating costs, have increased, negatively impacting segment contribution and EBITDA (by the same amount) as well as Profit (by the same amount less the associated tax benefit). Free cash flow is not impacted by the adoption of this standard.

There are no significant impacts from the adoption of this standard, other than the effect mentioned above.

For comparison purposes, 2017 figures shown in this report have been restated for the adoption of this standard. Consequently, as shown in the next tables, in the first nine months of 2017, Other operating expenses has increased by €3.9 million and net financial expense has declined by €3.4 million, resulting in a reduction in both EBITDA and Operating income of €3.9 million and a decline in Profit of €0.4 million.

Jan-Sep 2017 (€million)	Reported	IFRS 15	IFRS 9	Restated	Change
Financial Results					
Distribution revenue	2,382.0	(164.1)	0.0	2,217.8	(164.1)
IT Solutions revenue	1,304.7	0.0	0.0	1,304.7	0.0
Group revenue	3,686.6	(164.1)	0.0	3,522.5	(164.1)
Cost of revenue	(974.0)	155.8	0.0	(818.2)	155.8
Personnel expenses	(996.5)	0.0	0.0	(996.5)	0.0
Other operating expenses	(239.3)	8.3	(3.9)	(234.9)	4.4
Dep. and amortization	(393.4)	0.0	0.0	(393.4)	0.0
Operating income	1,083.4	0.0	(3.9)	1,079.5	(3.9)
Net financial expense	(45.7)	0.0	3.4	(42.3)	3.4
Other income (expense)	(1.3)	0.0	0.0	(1.3)	0.0
Profit before income taxes	1,036.4	0.0	(0.6)	1,035.8	(0.6)
Income taxes	(264.3)	0.0	0.2	(264.1)	0.2
Profit after taxes	772.1	0.0	(0.4)	771.7	(0.4)
Share in profit assoc/JV	4.2	0.0	0.0	4.2	0.0
Profit for the period	776.3	0.0	(0.4)	775.9	(0.4)
EBITDA	1,466.3	0.0	(3.9)	1,462.3	(3.9)
EBITDA margin	39.8%	1.9 p.p.	(0.1 p.p.)	41.5%	1.7 p.p.
Adjusted profit	846.7	0.0	(2.9)	843.8	(2.9)
EPS (€)	1.77	0.00	0.00	1.77	0.00
Adjusted EPS (€)	1.93	0.00	0.00	1.93	0.00
Cash flow					
EBITDA	1,466.3	0.0	(3.9)	1,462.3	(3.9)
Change in working cap.	(22.6)	0.0	3.9	(18.6)	3.9
Capital expenditure	(438.4)	0.0	0.0	(438.4)	0.0
Taxes paid	(204.1)	0.0	0.0	(204.1)	0.0
Interest & financial fees	(12.7)	0.0	0.0	(12.7)	0.0
Free cash flow	788.6	0.0	0.0	788.6	0.0

Jul-Sep 2017 (€millions)	Reported	IFRS 15	IFRS 9	Restated	Change
Financial results					
Distribution revenue	746.4	(51.9)	0.0	694.6	(51.9)
IT Solutions revenue	449.5	0.0	0.0	449.5	0.0
Group revenue	1,195.9	(51.9)	0.0	1,144.0	(51.9)
Cost of revenue	(318.8)	48.9	0.0	(269.9)	48.9
Personnel expenses	(332.7)	0.0	0.0	(332.7)	0.0
Other operating expenses	(72.7)	3.0	(1.3)	(71.0)	1.7
Dep. and amortization	(134.4)	0.0	0.0	(134.4)	0.0
Operating income	337.3	0.0	(1.3)	336.0	(1.3)
Net financial expense	(13.2)	0.0	1.4	(11.8)	1.4
Other income (expense)	(0.6)	0.0	0.0	(0.6)	0.0
Profit before income taxes	323.5	0.0	0.0	323.5	0.0
Income taxes	(78.9)	0.0	0.0	(78.9)	0.0
Profit after taxes	244.6	0.0	0.0	244.6	0.0
Share in profit assoc/JV	1.8	0.0	0.0	1.8	0.0
Profit for the period	246.3	0.0	0.0	246.4	0.0
EBITDA	467.4	0.0	(1.3)	466.0	(1.3)
EBITDA margin	39.1%	1.8 p.p.	(0.1 p.p.)	40.7%	1.6 p.p.
Adjusted profit	272.6	0.0	(1.0)	271.7	(1.0)
EPS (€)	0.56	0.00	0.00	0.56	0.00
Adjusted EPS (€)	0.62	0.00	0.00	0.62	0.00
Cash flow					
EBITDA	467.4	0.0	(1.3)	466.0	(1.3)
Change in working cap.	69.0	0.0	1.3	70.4	1.3
Capital expenditure	(147.6)	0.0	0.0	(147.6)	0.0
Taxes paid	(46.8)	0.0	0.0	(46.8)	0.0
Interest & financial fees	(2.6)	0.0	0.0	(2.6)	0.0
Free cash flow	339.4	0.0	0.0	339.4	0.0

The 2017 figures displayed throughout this report and specifically in sections 5 “Group income statement” and 6 “Other financial information” are restated for IFRS 15 and IFRS 9.

IFRS 16

We are early adopters of the standard applying it from January 1, 2018¹³. The standard introduces a single, on-balance sheet lease accounting model for right-of-use assets. The main impact from its adoption is that we have recognized new assets and liabilities for our operating leases of building rentals. Also, the nature of expenses related to those leases have changed as the standard replaces the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities. This change has resulted in a reduction in operating costs (and therefore an increase in EBITDA), and higher depreciation and amortization expenses, with limited (positive) impact on Operating income. Also, interest expense increases. As a result, we estimate that Profit is only impacted marginally. Cash generation is not impacted by the adoption of this standard, however Free cash flow is positively impacted by it, given that a large part of the payments done in relation to operating leases is now reported as financial flows (debt payments) whereas it was previously reported as operating flows (within EBITDA).

We estimate that the impact from the adoption of this standard in the first nine months of 2018 has been:

- A reduction in operating costs of €33.2 million (driving an increase in EBITDA by the same amount), higher D&A expense by €31.0 million (together resulting in an increase in Operating income of €2.2 million) and higher interest expense by €3.3 million. As a result, Profit decreased by €0.8 million in the first nine months of 2018.
- An increase in right-of-use assets (non-current assets) and financial debt (split between current and non-current liabilities in the balance sheet) of €222.2 million and €226.5 million, respectively, as of September 30, 2018. Financial debt related to operating leases arising from the adoption of this standard does not form part of the financial debt as per the credit facility agreements' definition.
- A positive impact of €33.2 million in Free cash flow, as a result of the increase in EBITDA (€33.2 million), as explained above. There is, however, no impact on cash generation as the increase in Free cash flow is offset by higher debt repayments (by the same amount) below the Free cash flow line.

Please note that the impacts from the adoption of the above mentioned accounting changes, and the 2017 restated figures are unaudited.

3.2 Acquisition of TravelClick

On August 10, 2018, Amadeus announced its agreement to acquire Project Dwight Ultimate Parent Corporation and its group of companies ("TravelClick"), a U.S.-based leading global provider of technology and business solutions to the hospitality industry. Amadeus received all the necessary regulatory approvals and the closing took place on October 4, 2018. The

¹³ Given the method chosen for the application of the standard (modified retrospective approach), 2017 figures will not be restated for IFRS 16.

acquisition price amounted to USD 1,520 million. The acquisition was 100% debt-financed. On September 18, 2018 Amadeus undertook three Eurobond issues for a total amount of €1,500 million which were partly used to finance the TravelClick's acquisition (see section 6.1.1 for more detail). Our net financial debt as of September 30, 2018 was not impacted by the acquisition of TravelClick. Proforma for TravelClick's acquisition, closed on October 4, 2018, net financial debt would represent 1.56 times last-twelve-month EBITDA¹⁴ at September 30, 2018.

The results of TravelClick will consolidate into Amadeus' books from October 4, 2018.

¹⁴ Calculated using an acquisition price of \$1,520 million and an estimated TravelClick' 2017 recurring EBITDA of \$86 million. Translated to Euro using a USD/€ exchange rate of 1.1576 (source: ECB September 30, 2018). Net financial debt and last-twelve-month EBITDA based on the credit facility agreements' definition.

4 Main financial risks and hedging policy



4.1 Foreign exchange rate risk

Our reporting currency is the Euro. However, as a result of Amadeus' global activity and presence, part of our results are generated in currencies different from the Euro and therefore are impacted by foreign exchange fluctuations. Similarly, part of our cash inflows and outflows are denominated in non-Euro currencies. As a consequence, both our results and our cash flows are impacted, either positively or negatively, by foreign exchange fluctuations.

Exposure to foreign currencies

Our revenue is almost entirely generated either in Euro or in US Dollar (the latter representing 30%-40% of our total revenue). Revenue generated in currencies other than the Euro or US Dollar is negligible.

In turn, 50%-60% of our operating costs¹⁵ are denominated in many currencies different from the Euro, including the US Dollar which represents 30%-40% of our operating costs. The rest of the foreign currency operating expenses are denominated in a variety of currencies, GBP, AUD, INR, SGD and THB being the most significant. A number of these currencies may fluctuate vs. the Euro similarly to the US Dollar - Euro fluctuations, and the degree of this correlation may vary with time.

Hedging policy

Amadeus' target is to reduce the volatility generated by foreign exchange fluctuations on its non-Euro denominated net cash flows. Our hedging strategy is as follows:

- To manage our exposure to the US Dollar, we have a natural hedge to our net operating cash flow generated in US Dollar or US Dollar-correlated currencies through, among others, payments of USD-denominated debt (when applicable) and taxes paid in the US. We enter into derivative arrangements when this natural hedge is not sufficient to cover our outstanding exposure.
- We also hedge a number of currencies, including the GBP, AUD, INR and SEK, for which we enter into foreign exchange derivatives with banks.

When the hedges in place covering operating flows qualify for hedge accounting under IFRS, profits and losses are recognized within the revenue caption. Our hedging arrangements typically qualify for hedge accounting under IFRS.

Given that 20-30% of our net free cash flow is generated in USD or currencies that fluctuate vs. the Euro similarly to the US Dollar-Euro fluctuations, and that our hedging policy targets to reduce cash volatility, our hedging results are generally insufficient to mitigate the impacts from foreign exchange fluctuations on our operating results.

In the third quarter of 2018, foreign exchange fluctuations had a negative impact on revenue and EBITDA and a positive impact on costs. Excluding foreign exchange effects, revenue and EBITDA grew at mid to high single-digit and low double-digit growth rates, respectively, in the third quarter

¹⁵ Including Cost of revenue, Personnel expenses and Other operating expenses. Excludes Depreciation and amortization.

of the year. If we also exclude the impact from the adoption of IFRS 16, EBITDA grew at a high single-digit rate and EBITDA margin expanded.

In the first nine months of 2018, foreign exchange fluctuations had a negative impact on revenue and EBITDA, a positive impact on costs and an expansive impact on EBITDA margin. Excluding foreign exchange effects, revenue and EBITDA grew at mid to high single-digit and low double-digit growth rates, respectively, in the first nine months of the year. If we also exclude the impact from the adoption of IFRS 16, EBITDA grew at a high single-digit rate resulting in a small EBITDA margin expansion.

4.2 Interest rate risk

Our target is to reduce volatility in net interest flows. In order to achieve this objective, Amadeus may enter into interest rate hedging agreements (interest rate swaps, caps, collars) to cover the floating rate debt.

At September 30, 2018, 14% of our total financial debt¹⁶ (related to the European Commercial Paper Program) was subject to floating interest rates, indexed to the EURIBOR. As of this date no interest rate hedges were in place.

4.3 Own shares price evolution risk

Amadeus has three different staff remuneration schemes which are settled with Amadeus' shares.

According to the rules of these plans, when they mature all beneficiaries will receive a number of Amadeus shares which for the outstanding plans amount to (depending on the evolution of certain performance conditions), between a minimum of 277,000 shares and a maximum of 1,562,000 shares, approximately. It is Amadeus' intention to make use of its treasury shares to settle these plans at their maturity.

¹⁶ Based on the credit facility agreements' definition.

5 Group income statement



Income Statement (€millions)	Jul-Sep 2018	Jul-Sep 2017	Change	Jan-Sep 2018	Jan-Sep 2017	Change
Revenue	1,206.8	1,144.0	5.5%	3,683.8	3,522.5	4.6%
Cost of revenue	(278.8)	(269.9)	3.3%	(874.7)	(818.2)	6.9%
Personnel expenses	(342.3)	(332.7)	2.9%	(1,009.5)	(996.5)	1.3%
Other operating exp.	(69.6)	(71.0)	(2.0%)	(199.4)	(234.9)	(15.1%)
D&A	(151.8)	(134.4)	12.9%	(446.3)	(393.4)	13.4%
Operating income	364.3	336.0	8.4%	1,153.9	1,079.5	6.9%
Net financial expense	(8.7)	(11.8)	(26.5%)	(28.0)	(42.3)	(33.9%)
Other expense	(1.9)	(0.6)	n.m.	(2.4)	(1.3)	84.6%
Profit before income tax	353.7	323.5	9.3%	1,123.5	1,035.8	8.5%
Income taxes	(91.9)	(78.9)	16.5%	(292.0)	(264.1)	10.6%
Profit after taxes	261.8	244.6	7.0%	831.5	771.7	7.7%
Share in profit from associates and JVs	(0.6)	1.8	n.m.	2.7	4.2	(35.7%)
Profit for the period	261.2	246.4	6.0%	834.2	775.9	7.5%
EPS (€)	0.61	0.56	8.1%	1.94	1.77	9.6%
Key financial metrics						
EBITDA	509.8	466.0	9.4%	1,588.0	1,462.3	8.6%
EBITDA margin (%)	42.2%	40.7%	1.5 p.p.	43.1%	41.5%	1.6 p.p.
Adjusted profit¹	279.8	271.7	3.0%	886.6	843.8	5.1%
Adjusted EPS (€)²	0.65	0.62	5.0%	2.06	1.93	7.1%

¹ Excluding after-tax impact of the following items: (i) accounting effects derived from PPA exercises and impairment losses, (ii) non-operating exchange gains (losses) and (iii) other non-recurring items.

² EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.

In the first nine months of 2018, revenue growth of 4.6% was driven by the performances of our Distribution and IT Solutions segments, negatively impacted by foreign exchange effects. Excluding foreign exchange effects, revenue increased at a mid to high single-digit rate.

In the first half of 2018, revenue grew by 4.1%, or if foreign exchange effects are excluded, at a high single-digit growth rate, supported by healthy travel agency booking industry growth (+4.3%), the impact from our 2017 Altéa migrations, particularly Southwest Airlines and Japan Airlines (driving passengers boarded growth of 18.0%) and the strong performance of our new businesses.

In the third quarter of the year, excluding negative foreign exchange effects, revenue grew at a mid to high single-digit growth rate. Distribution revenue growth, impacted by negative foreign exchange effects, decelerated vs. previous quarters, on the back of slower travel agency air booking industry growth (+1.7%), particularly in Western Europe - excluding Western Europe, the global

industry grew 3.6%. As a result of the weak industry performance and a continuation of the market share dynamics seen in the first half of the year, our booking volumes grew by 0.4% in the quarter. Distribution revenue growth was enhanced by an expansive average unitary revenue in the period.

Our IT Solutions segment continued to deliver healthy growth during the third quarter (+9.2%, impacted by negative foreign exchange effects). Airline IT reported solid growth, supported by PB volume increase (+7.1% in the quarter) and an enhanced revenue per passenger boarded. In turn, our new businesses continued to perform well, reporting double-digit revenue growth.

Net operating costs (including cost of revenue, personnel and other operating expenses) increased by 2.5% in the third quarter of the year, positively impacted by the adoption of IFRS 16 from January 1, 2018 and foreign exchange effects. Excluding the IFRS 16 impact, net operating costs increased by 4.1%, as a result of an increase in Personnel and other operating expense and a deceleration in the cost of revenue growth (resulting from slower volume growth and a more favorable customer mix). In the nine-month period, net operating costs increased by 1.7%, or by 3.3% if the IFRS 16 impact is excluded, positively impacted by foreign exchange effects.

As a result of the above, in the third quarter of the year, EBITDA grew by 9.4%, or at a high single-digit rate if foreign exchange and IFRS 16 effects are excluded, and EBITDA margin expanded. In the first nine months of the year, EBITDA increased by 8.6%. If foreign exchange and IFRS 16 effects are excluded, EBITDA grew at a high single-digit rate, and EBITDA margin expanded slightly.

Profit for the period increased by 6.0% in the third quarter of 2018, driven by EBITDA growth and a 26.5% net financial expense decline, partly offset by a higher D&A expense (+12.9%) and income taxes growth (+16.5%, impacted by a higher income tax rate than in 2017). Adjusted profit increased by 3.0% in the period. In the first nine months of the year, profit and adjusted profit increased by 7.5% and 5.1%, respectively, benefiting from a reduction in net financial expense and despite higher D&A and income tax expenses.

5.1 Revenue

In the third quarter of 2018, revenue amounted to €1,206.8 million, growing 5.5% vs. prior year. For the first nine months of 2018, revenue increased by 4.6% to €3,683.8 million.

Growth both in the third quarter and in the nine-month period was driven by the positive evolution of Distribution and IT Solutions, negatively impacted by foreign exchange effects. Excluding foreign exchange effects, revenue grew at a mid to high single-digit rate both in the third quarter and in the first nine months of 2018.

Overall, revenue growth was a combination of:

- An increase of 3.1% in Distribution in the third quarter of 2018, or 2.8% growth for the first nine month period.
- An increase of 9.2% in IT Solutions in the third quarter of 2018, or 7.6% in the first nine months of the year.

See sections 5.1.1. and 5.1.2. for more detail on revenue growth in Distribution and IT Solutions.

Revenue (€millions)	Jul-Sep 2018	Jul-Sep 2017	Change	Jan-Sep 2018	Jan-Sep 2017	Change
Distribution	715.9	694.6	3.1%	2,279.3	2,217.8	2.8%
IT Solutions	490.9	449.5	9.2%	1,404.5	1,304.7	7.6%
Revenue	1,206.8	1,144.0	5.5%	3,683.8	3,522.5	4.6%

5.1.1 Distribution

Distribution delivered revenue growth of 3.1% in the third quarter of 2018, driving 2.8% growth in the first nine months of the year vs. the same period of 2017. Both revenue in the third quarter and in the first nine months of the year were negatively impacted by foreign exchange effects.

In the first nine months of 2018, revenue growth resulted from an increase in bookings of 2.0% and expansive revenue per booking, supported by (i) a positive booking mix, both from an increased weight of global bookings and a declining weight of non-air bookings, with a lower average fee, and (ii) customer renegotiations.

Evolution of Amadeus bookings

Operating KPI	Jul-Sep 2018	Jul-Sep 2017	Change	Jan-Sep 2018	Jan-Sep 2017	Change
TA air booking industry growth	1.7%	4.7%		3.5%	4.4%	
TA air competitive position ¹	43.1%	43.6%	(0.5 p.p.)	43.4%	43.6%	(0.2 p.p.)
TA air bookings (m)	139.7	139.1	0.4%	444.8	434.4	2.4%
Non air bookings (m)	14.3	14.4	(0.2%)	46.9	47.6	(1.4%)
Total bookings (m)	154.0	153.5	0.3%	491.7	481.9	2.0%

¹ Competitive position as defined in section 3.

Travel agency air booking industry

The travel agency air booking industry grew by 1.7% in the third quarter of the year, a softer increase than the 4.3% growth rate delivered in the first half. Asia and Pacific continued to be the fastest growing region, albeit reporting a more moderate growth. In turn, North America continued to deliver healthy growth in the period. The industry in Western Europe declined in the quarter, negatively impacted by the bankruptcy of a GDS airline, and by the distribution strategies adopted by some airlines in the region. Also, both the Latin America and the Central, Eastern and Southern Europe regions had a negative performance, largely driven by adverse macroeconomic environments impacting volumes in key countries, such as Argentina and Venezuela in Latin America or Russia and Turkey in Central, Eastern and Southern Europe. Finally, Middle East and Africa continued reporting very limited growth.

Total air bookings grew by 3.5% globally in the first nine months of 2018. With the exception of Western Europe - where the industry declined impacted by the effects mentioned above -

all regions showed a positive evolution. Asia and Pacific reported the fastest growth rate, followed by North America. Central, Eastern and Southern Europe, Middle East and Africa and Latin America showed limited growth over the period.

Amadeus bookings

In the third quarter of 2018, Amadeus travel agency air bookings grew by 0.4%, leading to a 2.4% increase over the first nine months of the year. North America and Asia and Pacific were our fastest growing regions in the third quarter, followed by Middle East and Africa, which delivered healthy growth. Amadeus' bookings in Latin America and Europe showed a contraction over the third quarter of 2018, impacted by the industry's booking decline. Also, Amadeus' Western European bookings were impacted by the loss of share at some European mid-size online travel agencies resulting from heightened commercial activity in the market. Excluding Western Europe, Amadeus bookings grew 5.7% in the third quarter of the year and our competitive position¹⁷ expanded by 0.7 p.p.

In the first nine months of 2018, Amadeus' bookings increased by 2.4%. Asia and Pacific and North America were our best performing regions, delivering high growth rates. Middle East and Africa and Central, Eastern and Southern Europe increased softly, and Latin America had a weak performance, on the back of a weak industry in the region. Finally, Amadeus' bookings in Western Europe declined over the period, impacted by the industry decline and the loss of share at some European mid-size online travel agencies, as explained above. Excluding Western Europe, Amadeus bookings grew 8.0% in the first nine months of the year and our competitive position¹⁷ expanded by 1.1 p.p.

Amadeus TA air bookings (millions)	Jan-Sep 2018	% of Total	Jan-Sep 2017	% of Total	Change
Western Europe	147.6	33.2%	158.2	36.4%	(6.7%)
Asia and Pacific	93.9	21.1%	82.1	18.9%	14.4%
North America	83.0	18.6%	76.6	17.6%	8.3%
Middle East and Africa	54.8	12.3%	53.1	12.2%	3.2%
Central, Eastern and Southern Europe	36.8	8.3%	35.8	8.2%	2.8%
Latin America	28.7	6.5%	28.5	6.6%	0.7%
Amadeus TA air bookings	444.8	100.0%	434.4	100.0%	2.4%

Amadeus' non-air bookings remained broadly stable in the third quarter of 2018, and declined by 1.4% in the first nine months of 2018 vs. prior year. The increase in hotel bookings, which have grown strongly across the nine-month period, was offset by a decline in rail bookings, mostly driven by strikes impacting a key customer.

¹⁷ Competitive position as defined in section 3.

5.1.2 IT Solutions

IT Solutions revenue increased 9.2% in the third quarter of 2018 vs. prior year, negatively impacted by foreign exchange effects.

Excluding foreign exchange effects, third-quarter revenue growth was driven by the positive evolution of both Airline IT and our new businesses:

- Airline IT revenue increase resulted from (i) 7.1% higher passengers boarded volumes, and (ii) an expansive average revenue per passenger boarded, supported by the healthy performance of some revenue lines, such as revenue optimization, merchandizing and personalization solutions, and despite the negative effect from the increased weight of low-cost and hybrid carriers in our customer base.
- Our new businesses continued to perform well, increasing at a double-digit growth rate, supported by organic growth and customer implementations.

In the first nine months of 2018, IT Solutions revenue increased 7.6%, also negatively impacted by foreign exchange effects. Excluding these effects, revenue growth was driven by the healthy performance of both airline IT - supported by PB volume growth and a lower average unitary revenue impacted by the higher weight of low-cost and hybrid carriers in our customer base - and our new businesses.

Evolution of Amadeus passengers boarded

Amadeus passengers boarded grew by 7.1% to 508.6 million in the third quarter of 2018, driving growth over the nine month period to 13.8%.

This double-digit growth in the first nine months of the year was driven by (i) the impact from the 2017 implementations (including Southwest Airlines, Japan Airlines, Malaysia Airlines, Kuwait Airways, Boliviana de Aviación, SmartWings, Germania, Norwegian Air Argentina, Air Algerie and MIAT Mongolian Airlines on Altéa, as well as, GoAir, Viva Air Perú, Andes Líneas Aéreas, JetSMART and flyadeal on New Skies) and the 2018 implementations (including Maldivian Airlines and Aeromar on Altéa), and (ii) a 7.8% organic growth. Passengers boarded growth in the first nine months of the year was negatively impacted by the ceasing of operations of Air Berlin and Monarch Airlines during the second half of 2017, and by the de-migration of LATAM Airlines Brazil from our platform during the second quarter of 2018.

Passengers boarded (millions)	Jul-Sep 2018	Jul-Sep 2017	Change	Jan-Sep 2018	Jan-Sep 2017	Change
Organic growth ¹	432.5	401.3	7.8%	1,170.8	1,086.2	7.8%
Non organic growth	76.0	73.4	3.5%	226.5	141.8	59.7%
Total passengers boarded	508.6	474.7	7.1%	1,397.3	1,228.1	13.8%

¹ Calculated based on passengers boarded adjusted to reflect growth of comparable airlines on the Altéa and New Skies platforms during both periods.

In the first nine months of 2018, 59.9% of our passengers boarded were generated outside of Europe. Our international footprint has continued to expand, particularly in Asia and Pacific and in North America, supported by the implementations of Southwest Airlines, Japan Airlines and

Malaysia Airlines, among others, in 2017. As mentioned above, passengers boarded growth in Western Europe and Latin America in the first nine months of 2018 was negatively impacted by the ceasing of operations of Air Berlin and Monarch Airlines as well as, the de-migration of LATAM Airlines Brazil from our platform during the second quarter of 2018, respectively.

Passengers boarded (millions)	Jan-Sep 2018	% of Total	Jan-Sep 2017	% of Total	Change
Western Europe	475.8	34.1%	469.6	38.2%	1.3%
Asia and Pacific	443.2	31.7%	365.1	29.7%	21.4%
North America	183.7	13.1%	117.9	9.6%	55.8%
Latin America	105.7	7.6%	110.8	9.0%	(4.6%)
Middle East and Africa	105.2	7.5%	97.1	7.9%	8.4%
Central, Eastern & Southern Europe	83.8	6.0%	67.5	5.5%	24.1%
Passengers boarded	1,397.3	100.0%	1,228.1	100.0%	13.8%

5.2 Group operating costs

5.2.1 Cost of revenue

These costs are mainly related to: (i) incentive fees paid to travel agencies, (ii) distribution fees paid to local commercial organisations which act as a local distributor (mainly in the Middle East, North Africa, India and South Korea), (iii) non-reimbursable local taxes, and (iv) data communication expenses related to the maintenance of our computer network, including connection charges.

Cost of revenue grew by 6.9% to €874.7 million in the first nine months of 2018 vs. prior year. The increase in cost of revenue was driven by (i) booking volume expansion, (ii) a higher unitary distribution cost, resulting from heightened competitive pressure and a negative country mix (driven by the higher weight over our total volumes of some of the countries where Amadeus operates through local distributors, particularly India and South Korea), and (iii) non-recurring effects related to local taxes. Cost of revenue growth softened in the third quarter of 2018, to 3.3%, compared to 8.7% growth in the first half of the year, impacted by a slower air booking growth.

5.2.2 Personnel and related expenses and other operating expenses

A large number of Amadeus' employees are software engineers. Amadeus also hires contractors to support its development activity, complementing permanent staff. The overall ratio of permanent staff vs. contractors devoted to R&D may fluctuate depending on business needs and project mix, therefore impacting the evolution of both "Personnel expenses" and "Other operating expenses" captions in our income statement. Personnel and other operating expenses are presented net of R&D capitalizations.

Our combined Personnel and other operating cost line increased by 2.0% in the third quarter of 2018. During the first nine months of the year, this cost line declined by 1.8% vs. prior year. Both in the third quarter and in the nine-month period, this cost line was positively impacted by foreign exchange effects and the adoption of IFRS 16 from January 1, 2018 (see section 3.1 for further details).

Excluding foreign exchange effects and the impact from the adoption of IFRS 16, Personnel and Other operating expenses together increased moderately in the first nine months of the year vs. the same period of previous year, resulting from:

- A 7% increase in average FTEs (permanent staff and contractors), mainly due to higher resources devoted to R&D (see further details in sections 2.2 and 6.2.2), as well as the expansion of our commercial teams and customer support units to support the ongoing customer implementations and commercial activities. An increase in headcount in our corporate function, driven by the geographical and business expansion, also contributed to the FTE growth.
- Limited growth in unit personnel cost, as a result of our global salary increase.
- Growth in non-personnel related expenses, such as computing and consultancy costs.
- These effects were partially offset by (i) an increase in capitalizations, driven by both R&D investment growth and a higher capitalization ratio, impacted by project mix, and (ii) a reduction in several cost lines, which by nature may show a more volatile behaviour per quarter.

Personnel + Other op. expenses (€millions)	Jul-Sep 2018	Jul-Sep 2017	Change	Jan-Sep 2018	Jan-Sep 2017	Change
Personnel + Other operating expenses	(411.9)	(403.7)	2.0%	(1,208.9)	(1,231.4)	(1.8%)

5.2.3 Depreciation and amortization

Depreciation and amortization (including capitalized D&A) was 11.9% higher in the third quarter of 2018 vs. the same period in 2017, driving growth for the first nine months of 2018 to 13.4%.

Ordinary D&A grew by 26.5% in the third quarter of 2018 vs. prior year and 20.1% over the first nine months, partly driven by the adoption of IFRS 16 from January 1, 2018 (see further details in section 3.1). Excluding the impact from the IFRS 16 adoption (€10.2 million in the third quarter and €31.0 million in the nine-month period), Ordinary D&A grew by 16.4% and 10.1% in the third quarter and in the first nine months of the year, respectively. Ordinary D&A growth was driven by higher amortization of intangible assets, as capitalized development expenses on our balance sheet started being amortized in parallel with the associated project or contract revenue recognition, coupled with a modest increase in depreciation expense.

Depreciation & Amort. (€millions)	Jul-Sep 2018	Jul-Sep 2017	Change	Jan-Sep 2018	Jan-Sep 2017	Change
Ordinary D&A	(127.8)	(101.1)	26.5%	(373.2)	(310.9)	20.1%
Amortization derived from PPA	(24.0)	(24.4)	(1.5%)	(73.1)	(73.6)	(0.7%)
Impairments	0.0	(9.0)	n.m.	0.0	(9.0)	n.m.
D&A	(151.8)	(134.4)	12.9%	(446.3)	(393.4)	13.4%
Capitalized D&A ¹	6.3	4.4	43.2%	12.2	10.6	15.1%
D&A post-capitalizations	(145.5)	(130.0)	11.9%	(434.1)	(382.8)	13.4%

¹Included within the Other operating expenses caption in the Group income statement.

5.3 EBITDA and Operating income

In the first nine months of 2018, EBITDA increased by 8.6% to €1,588.0 million, negatively impacted by foreign exchange effects (see section 4.1 for details on the exposure of our operating results to foreign exchange fluctuations). EBITDA growth resulted from the positive performances of Distribution and IT Solutions and a reduction in net indirect costs as a consequence of the adoption of IFRS 16 in 2018 (based on which operating lease costs are no longer recognized within indirect costs. See section 3.1 for details on accounting changes). Excluding foreign exchange effects and the IFRS 16 impact, EBITDA grew at a high single-digit rate in the nine-month period.

In the first nine months of 2018, EBITDA margin represented 43.1% of revenue, expanding 1.6 p.p. vs. prior year. EBITDA margin was positively impacted by foreign exchange effects, as well as by the IFRS 16 adoption in 2018. Excluding both, EBITDA margin expanded slightly vs. the first nine months of 2017.

Operating Income grew by 8.4% in the third quarter of 2018, or 6.9% to €1,153.9 million in the first nine months of the year, as a result of EBITDA expansion offset by higher D&A charges.

Operating income – EBITDA (€millions)	Jul-Sep 2018	Jul-Sep 2017	Change	Jan-Sep 2018	Jan-Sep 2017	Change
Operating income	364.3	336.0	8.4%	1,153.9	1,079.5	6.9%
Depreciation and amortization	151.8	134.4	12.9%	446.3	393.4	13.4%
Capitalized depreciation and amortization	(6.3)	(4.4)	43.2%	(12.2)	(10.6)	15.1%
EBITDA	509.8	466.0	9.4%	1,588.0	1,462.3	8.6%
EBITDA margin (%)	42.2%	40.7%	1.5 p.p.	43.1%	41.5%	1.6 p.p.

5.4 Net financial expense

Net financial expense decreased by 26.5% in the third quarter of 2018, or 33.9% in the first nine months of the year, vs. prior year. Excluding the impact from the adoption of IFRS 16 (€3.3 million. See section 3.1 for further details), net financial expense declined by 41.7% over the first nine months of 2018, mainly as a result of:

- A 9.1% decline in interest expense (excluding the IFRS 16 impact), as a consequence of both a lower average cost of debt and a lower amount of average gross debt outstanding (excluding the liability related to the share repurchase program in the first nine months of 2018. See section 6.1.1 for further details).
- Exchange gains amounted to €2.2 million in the first nine months of 2018, compared to losses of €12.4 million in the same period of 2017.

Net financial expense (€millions)	Jul-Sep 2018	Jul-Sep 2017	Change	Jan-Sep 2018	Jan-Sep 2017	Change
Financial income	1.1	0.9	22.2%	1.7	1.5	13.3%
Interest expense	(8.4)	(8.4)	0.0%	(26.3)	(25.3)	4.0%
Other financial expenses	(1.3)	(1.6)	(18.8%)	(5.6)	(6.1)	(8.2%)
Exchange gains (losses)	(0.1)	(2.7)	(96.3%)	2.2	(12.4)	n.m.
Net financial expense	(8.7)	(11.8)	(26.5%)	(28.0)	(42.3)	(33.9%)

5.5 Income taxes

Income taxes amounted to €292.0 million in the first nine months of 2018, growing 10.6% vs. the same period of 2017. The income tax rate for the first nine months of 2018 was 26.0%, higher than both the 25.5% rate reported in the same period of 2017 and the 20.8% rate reported over the full-year 2017. Income tax rate in 2017 was impacted by a number of non-recurring effects, including adjustments to deferred tax liabilities in France and the U.S. due to lower corporate tax rates starting in 2018, in accordance with government regulatory changes, and tax deductions related to non-recurring transactions.

5.6 Profit for the period. Adjusted profit

5.6.1 Reported and Adjusted profit

Reported profit grew by 6.0% to €261.2 million in the third quarter of 2018. In the first nine months of the year, reported profit increased by 7.5% to €834.2 million vs. the same period of 2017. After adjusting for (i) accounting effects derived from PPA exercises and impairment losses, (ii) non-operating exchange gains (losses), and (iii) other non-recurring items, adjusted profit increased by 3.0% in the third quarter of 2018 and by 5.1% to €886.6 million in the first nine months of 2018 vs. prior year.

Reported-Adj. profit (€millions)	Jul-Sep 2018	Jul-Sep 2017	Change	Jan-Sep 2018	Jan-Sep 2017	Change
Reported profit	261.2	246.4	6.0%	834.2	775.9	7.5%
Adjustments						
Impact of PPA ¹	17.2	17.1	0.2%	52.4	51.4	1.9%
Non-operating FX results ²	0.1	0.7	n.m.	(1.7)	6.6	n.m.
Non-recurring items	1.3	0.5	n.m.	1.7	3.0	(42.8%)
Impairments	0.0	6.9	n.m.	0.0	6.9	n.m.
Adjusted profit	279.8	271.7	3.0%	886.6	843.8	5.1%

¹ After tax impact of accounting effects derived from purchase price allocation exercises.

² After tax impact of non-operating exchange gains (losses).

5.6.2 Earnings per share (EPS)

The table below shows EPS for the period, based on the profit attributable to the parent company (after minority interests), both on a reported basis and on an adjusted basis (adjusted profit as detailed above). In the first nine months of 2018, our reported EPS increased by 9.6% to €1.94 and our adjusted EPS by 7.1% to €2.06.

Earnings per share	Jul-Sep 2018	Jul-Sep 2017	Change	Jan-Sep 2018	Jan-Sep 2017	Change
Weighted average issued shares (m)	438.8	438.8		438.8	438.8	
Weighted average treasury shares (m)	(9.3)	(1.1)		(9.3)	(1.4)	
Outstanding shares (m)	429.6	437.7	(1.9%)	429.6	437.4	(1.8%)
EPS (€)¹	0.61	0.56	8.1%	1.94	1.77	9.6%
Adjusted EPS (€)²	0.65	0.62	5.0%	2.06	1.93	7.1%

¹ EPS corresponding to the Profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.

² EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.

On December 14, 2017 the Board of Directors of Amadeus agreed to undertake a share repurchase program, in accordance with the authorization granted by the General Shareholders' Meeting held on June 20, 2013. The purpose of the share repurchase program is the redemption of shares (subject to our General Shareholders' Meeting approval). The maximum investment approved under the program was €1,000 million, not exceeding 25,000,000 shares (or 5.69% of share capital), to be carried out in two tranches of €500 million each.

As of September 30, 2018, the maximum investment under the first (non-cancellable) tranche of the share repurchase program (€500 million) has been recognised in the statement of

financial position as a reduction of equity, and the corresponding treasury shares have been included in the weighted average treasury shares shown in the table above, in the first nine months of 2018. As of September 30, 2018, Amadeus had acquired 4,114,744 shares under the share repurchase program, for a paid amount of €262.3 million. The future payments under the first (non-cancellable) tranche of the program, amounting to €237.7 million, have been included in the “Other current liabilities” caption in the statement of financial position, as well as in the net financial debt as per the credit facility agreements’ definition as of September 30, 2018.

Following TravelClick’s acquisition, on October 25, 2018 Amadeus announced that the Board of Directors agreed to cancel the second (cancellable) tranche of the share repurchase program, which was due to start on April 1, 2019.

6 Other financial information



6.1 Statement of financial position (condensed)

Statement of financial position (€millions)	Sep 30, 2018	Dec 31, 2017
Property, plant and equipment ¹	400.2	479.8
Right-of-use assets ¹	319.6	0.0
Intangible assets	3,347.8	3,204.3
Goodwill	2,741.2	2,714.2
Other non-current assets	284.1	256.8
Non-current assets	7,092.9	6,655.1
Current assets	697.5	639.6
Cash and equivalents	2,211.8	579.5
Total assets	10,002.2	7,874.2
Equity	3,208.5	2,640.2
Non-current debt	2,902.6	1,755.1
Other non-current liabilities	1,184.5	1,195.4
Non-current liabilities	4,087.1	2,950.5
Current debt	1,181.3	396.1
Other current liabilities	1,525.3	1,887.4
Current liabilities	2,706.6	2,283.5
Total liabilities and equity	10,002.2	7,874.2
Net financial debt (as per financial statements)	1,872.1	1,571.7

¹In compliance with IFRS 16, the "Right-of-use assets" caption includes assets under operating and financial lease agreements, part of which (financial leases) were recognized as Property, plant and equipment at December 31, 2017. See section 3.1 for further details.

6.1.1 Financial indebtedness

Indebtedness (€millions)	Sep 30, 2018	Dec 31, 2017
Credit facility agreements' definition¹		
Long term bonds	2,500.0	1,500.0
Short term bonds	500.0	0.0
European Commercial Paper	530.0	300.0
EIB loan	225.0	257.5
Other debt with financial institutions	22.8	13.2
Obligations under finance leases	87.9	92.1
Share repurchase program	237.7	500.0
Financial debt	4,103.4	2,662.8
Cash and cash equivalents	(2,211.8)	(579.5)
Net financial debt	1,891.6	2,083.3
Net financial debt / LTM EBITDA	0.95x	1.12x
Reconciliation with financial statements		
Net financial debt (as per financial statements)	1,872.1	1,571.7
Interest payable	(9.0)	(2.1)
Deferred financing fees	15.0	10.3
EIB loan adjustment	2.3	3.4
Share repurchase program	237.7	500.0
Operating lease liabilities	(226.5)	0.0
Net financial debt (as per credit facility agreements)	1,891.6	2,083.3

¹ Based on the definition included in the credit facility agreements.

Net financial debt, as per our credit facility agreements' terms, amounted to €1,891.6 million at September 30, 2018 (representing 0.95x times last-twelve-month EBITDA).

The main changes to our debt in the first nine months of 2018 were:

- Three Eurobond issues on September 18, 2018 (under our Euro Medium Term Note Programme) for a total amount of €1,500 million, with the following conditions: (i) a €500 million issue, with a three year and a half maturity and an interest rate of 3-month Euribor plus 0.45% margin (with a minimum annual coupon of 0%), (ii) a €500 million issue, with a five year maturity, an annual coupon of 0.875% and an issue price of 99.898% of nominal value, and (iii) a €500 million issue, with an eight year maturity, an annual coupon of 1.5% and an issue price of 99.761% of nominal value.
- The use of the Multi-Currency European Commercial Paper (ECP) program by a net amount of €230.0 million.
- A repayment of €32.5 million related to the European Investment Bank loan.

— As explained in section 7.3.2, as of September 30, 2018, Amadeus had acquired 4,114,744 shares under the share repurchase program, for a paid amount of €262.3 million. The future payments under the first (non-cancellable) tranche of the program, amounting to €237.7 million, have been included in net financial debt as per the credit facility agreements' definition as of September 30, 2018.

On April 27, 2018 Amadeus executed a new €1,000 million Single Currency Revolving Loan Facility, with a five-year term, to be used for working capital requirements and general corporate purposes. Simultaneously, the two undrawn revolving facilities signed in March 2015 (€500 million) and in April 2016 (€500 million) were cancelled. The new revolving facility remained undrawn at September 30, 2018.

On October 4, 2018, following the necessary regulatory approvals, the acquisition of TravelClick was completed. Proforma for TravelClick's acquisition, closed on October 4, 2018, net financial debt as per the credit facility agreements' definition would represent 1.56 times last-twelve-month EBITDA¹⁸ at September 30, 2018.

Reconciliation with net financial debt as per our financial statements

Under the credit facility agreements' terms, financial debt (i) does not include the accrued interest payable (€9.0 million at September 30, 2018) which is treated as financial debt in our financial statements, (ii) is calculated based on its nominal value, while in our financial statements our financial debt is measured at amortized cost, i.e., after deducting the deferred financing fees (that mainly correspond to fees paid upfront in connection with the set-up of new credit agreements and amount to €15.0 million at September 30, 2018), (iii) does not include an adjustment for the difference between the nominal value of the loan granted by the EIB at below-market interest rate and its fair value (€2.3 million at September 30, 2018), (iv) includes the outstanding payment of the first tranche of the share repurchase program at September 30, 2018 (€237.7 million), as explained above, which has been included in the "Other current liabilities" caption in the statement of financial position, and (v) does not include debt related to assets under operating lease agreements (which form part of the financial debt in the statement of financial position) amounting to €226.5 million at September 30, 2018.

¹⁸ Calculated using an acquisition price of \$1,520 million and an estimated TravelClick' 2017 recurring EBITDA of \$86 million. Translated to Euro using a USD/€ exchange rate of 1.1576 (source: ECB September 30, 2018). Net financial debt and last-twelve-month EBITDA based on the credit facility agreements' definition.

6.2 Group cash flow

Consolidated Statement of Cash Flows (€millions)	Jul-Sep 2018	Jul-Sep 2017	Change	Jan-Sep 2018	Jan-Sep 2017	Change
EBITDA	509.8	466.0	9.4%	1,588.0	1,462.3	8.6%
Change in working capital	56.2	70.4	(20.2%)	(120.2)	(18.6)	n.m.
Capital expenditure	(163.7)	(147.6)	10.9%	(506.2)	(438.4)	15.5%
Pre-tax operating cash flow	402.3	388.8	3.5%	961.6	1,005.3	(4.3%)
Taxes paid	(52.8)	(46.8)	12.7%	(145.1)	(204.1)	(28.9%)
Interest & financial fees	(8.7)	(2.6)	n.m.	(14.5)	(12.7)	14.1%
Free cash flow	340.8	339.4	0.4%	802.1	788.6	1.7%
Equity investment	(2.1)	(0.1)	n.m.	(9.2)	(28.9)	(68.2%)
Cash flow from extraordinary items	(8.3)	(2.1)	n.m.	(22.3)	(56.2)	(60.4%)
Debt payment	1,454.8	(13.8)	n.m.	1,626.9	166.8	n.m.
Cash to shareholders	(112.7)	(44.9)	n.m.	(765.7)	(419.1)	82.7%
Change in cash	1,672.6	278.4	n.m.	1,631.7	451.2	n.m.
Cash and cash equivalents, net¹						
Opening balance	538.3	622.4		579.1	449.6	
Closing balance	2,210.9	900.9		2,210.9	900.9	

¹ Cash and cash equivalents are presented net of overdraft bank accounts.

6.2.1 Change in working capital

Working capital outflow increased by €101.6 million in the first nine months of the year, mostly driven by (i) accounting effects from non-cash operating items, such as bad debt provisions and the recognition of previously deferred revenue, (ii) timing differences in some payments and collections, partly related to changes in the contract terms with a supplier, and (iii) lower tax collections.

6.2.2 Capital expenditure, R&D investment

Capital expenditure

The table below details the capital expenditure in the period, both in relation to property, plant and equipment ("PP&E") and to intangible assets. Based on the nature of our investments in PP&E, the figures may show variations on a quarterly basis, depending on the timing of certain investments. The same applies to our investments in contractual relationships where payments to travel agencies may take place in different periods, based on the timing of the negotiations. In turn, our capitalized R&D investment may fluctuate depending on the level of capitalization ratio, which is impacted by the intensity of the development activity, the mix of projects undertaken and the different stages of the various projects.

Capex in the third quarter of 2018 increased by 10.9% vs. prior year, due to higher capex in intangible assets, partly offset by a decline in capex devoted to property, plant and equipment. The increase in capex in intangible assets resulted from growth in software capitalizations in the period, driven by higher R&D investment coupled with an increase in the R&D capitalization ratio, impacted by project mix.

In the first nine months of 2018, capex increased by 15.5% vs. 2017, amounting to €506.2 million. As a percentage of revenue, capex represented 13.7%, 1.3 p.p. higher than the same period of previous year. Capex in intangible assets expanded 21.1% in the nine-month period, largely driven by an increase in software capitalizations and, to a lesser extent, higher signing bonuses paid.

It is important to note that a large part of our investments do not have any revenue associated at this stage (particularly in the case of new diversification initiatives), or are investments for projects that will produce revenue during the life of the contracts, on average 10 to 15 years in Airline IT and 3 to 5 in Distribution, thereby affecting the capex as a percentage of revenue ratio. It is also important to note that a large part of our investments related to the migration of our clients is paid by the customer, although not recognised as revenue but deferred in the balance sheet. It is therefore capex which does not have a negative cash impact and where revenue does not get recognised as such, making the ratio of capex to revenue less relevant.

Capital Expenditure (€millions)	Jul-Sep 2018	Jul-Sep 2017	Change	Jan-Sep 2018	Jan-Sep 2017	Change
Capital Expenditure PP&E	18.5	29.4	(37.1%)	77.5	84.2	(8.1%)
Capital Expenditure in intangible assets	145.1	118.2	22.8%	428.7	354.1	21.1%
Capital Expenditure	163.7	147.6	10.9%	506.2	438.4	15.5%
As % of Revenue	13.6%	12.9%	0.7 p.p.	13.7%	12.4%	1.3 p.p.

R&D investment

R&D expenditure (including both capitalized and non-capitalized expense) increased by 20.6% in the third quarter of 2018. In the first nine months of 2018, R&D investment amounted to €623.1 million, 14.4% higher than previous year. As a percentage of revenue, R&D investment amounted to 16.9% of revenues in the nine-month period, 1.5 p.p. higher than prior year.

Growth in R&D investment in the first nine months of 2018 resulted from:

- Increased resources to enhance and expand our product portfolio (including projects under the scope of our NDC-X program, merchandizing, shopping and personalization solutions, our revenue optimization portfolio, disruption management tools, IT for corporations, search tools, etc.) and to implement solutions associated with our Airline IT upselling activity, combined with lower efforts devoted to implementing new carriers to our core Altéa platform.
- Investment devoted to our new businesses: Hospitality, Airport IT, Payments, Rail and Travel Intelligence.

- Efforts dedicated to the shift to next-generation technologies and cloud services and continued enhancement of the overall infrastructure and processes to enhance efficiency, flexibility, availability and security.

It should be noted that a significant part of our research and development costs are linked to activities which are subject to capitalization. The intensity of the development activity and the different stages in the ongoing projects have an effect on the capitalization ratio in any given quarter, thereby impacting the level of operating expenses that are capitalized on our balance sheet.

R&D investment (€millions)	Jul-Sep 2018	Jul-Sep 2017	Change	Jan-Sep 2018	Jan-Sep 2017	Change
R&D investment ¹	221.8	184.0	20.6%	623.1	544.5	14.4%
As % of Revenue	18.4%	16.1%	2.3 p.p.	16.9%	15.5%	1.5 p.p.

¹ Net of Research Tax Credit.

6.2.3 Taxes paid

Cash taxes decreased by €59.0 million, or 28.9%, in the first nine months of the year vs. previous year, mainly due to (i) higher reimbursements from previous years, (ii) regularizations in various regions (due to higher than expected 2016 results) negatively impacting cash taxes in the second quarter of 2017, and (iii) lower prepaid taxes in U.S. resulting from a decrease in the corporate tax rate in 2018, in accordance with government regulatory changes.

7 Investor information



7.1 Capital stock. Share ownership structure

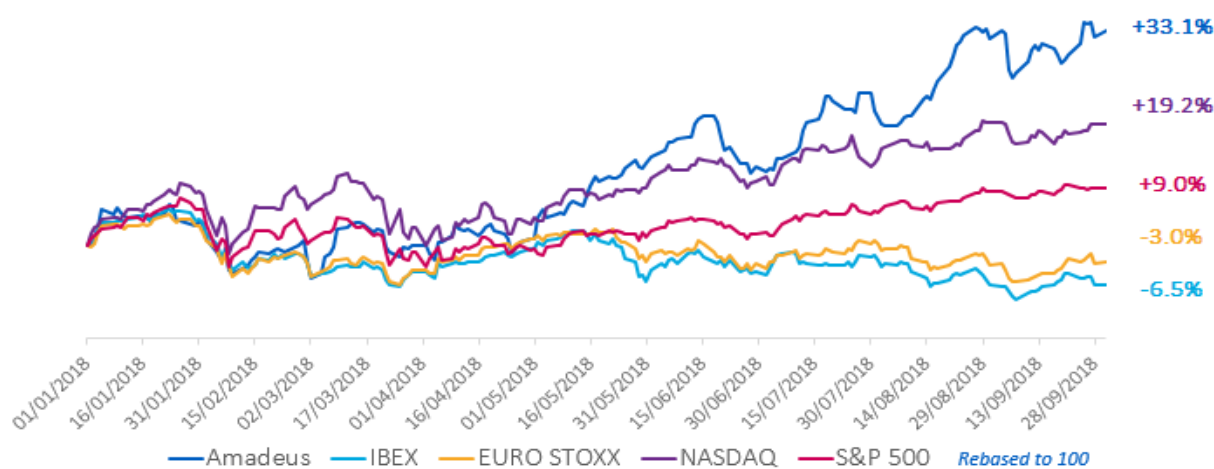
As of September 30, 2018, our capital stock amounts to €4,388,225.06 represented by 438,822,506 shares with a nominal value of €0.01 per share, all belonging to the same class, fully subscribed and paid in.

The shareholding structure as of September 30, 2018 is as described in the table below:

Shareholders	Shares	% Ownership
Free float	433,600,460	98.81%
Treasury shares ¹	4,793,762	1.09%
Board members	428,284	0.10%
Total	438,822,506	100.00%

¹ Voting rights suspended for as long as the shares are held by the company. Includes treasury shares acquired to cover the exchange ratio related to the merger of Amadeus IT Holding, S.A. and Amadeus IT Group, S.A. not yet delivered.

7.2 Share price performance in 2018



Key trading data

Number of publicly traded shares (# shares)	438,822,506
Share price at September 30, 2018 (in €)	80.02
Maximum share price in Jan - Sep 2018 (in €) (September 25, 2018)	81.48
Minimum share price in Jan - Sep 2018 (in €) (March 2, 2018)	56.90
Market capitalization at September 30, 2018 (in € million)	35,115
Weighted average share price in Jan - Sep 2018 (in €) ¹	67.10
Average Daily Volume in Jan - Sep 2018 (# shares)	1,329,300

¹ Excluding cross trade

7.3 Shareholder remuneration

7.3.1 Dividend payments

At the General Shareholders' Meeting, held on June 21, 2018, our shareholders approved a final gross dividend of €498.1 million or €1.135 per share, representing a 20.7% increase vs. prior year. An interim dividend of €0.48 per share (gross) was paid on January 31, 2018 and a complementary dividend of €0.655 per share (gross) was paid on June 29, 2018.

7.3.2 Share repurchase program

On December 14, 2017, the Board of Directors of Amadeus agreed to undertake a share repurchase program, in accordance with the authorization granted to it by the General Shareholders' Meeting held on June 20, 2013. The purpose of the share repurchase program is the redemption of shares (subject to our General Shareholders' Meeting approval). The maximum investment approved under the program was €1,000 million, not exceeding 25,000,000 shares (or 5.69% of share capital), to be carried out in two tranches:

- Tranche 1: up to €500 million (non-cancellable), from January 1, 2018 to March 31, 2019.
- Tranche 2: up to €500 million (cancellable at Company's discretion), from April 1, 2019 to March 31, 2020.

As of September 30, 2018, Amadeus had acquired 4,114,744 shares under the share repurchase program, for a paid amount of €262.3 million. The future payments under the first (non-cancellable) tranche of the program, amounting to €237.7 million, have been included in the "Other current liabilities" caption in the statement of financial position, as well as in net financial debt as per the credit facility agreements' definition as of September 30, 2018. Also, as of September 30, 2018, the maximum investment under the first (non-cancellable) tranche of the share repurchase program (€500 million) was recognized in the statement of financial position as a reduction of equity, and the corresponding treasury shares have been included in the weighted average treasury shares shown in section 5.6.2, in the first nine months of 2018.

Following TravelClick's acquisition, on October 25, 2018 Amadeus announced that the Board of Directors agreed to cancel the second (cancellable) tranche of the share repurchase program, which was due to start on April 1, 2019.

8 Key terms

- “D&A”: refers to “depreciation and amortization”
- “ECP”: refers to “European Commercial Paper”
- “EIB”: refers to “European Investment Bank”
- “EPS”: refers to “Earnings Per Share”
- “FTE”: refers to “Full-Time Equivalent” employee
- “GDS”: refers to “Global Distribution System”
- “IATA”: refers to “International Air Transport Association”
- “IFRS”: refers to “International Financial Reporting Standards”
- “JV”: refers to “Joint Venture”
- “KPI”: refers to “Key Performance Indicators”
- “LTM”: refers to “last twelve months”
- “NDC”: refers to “New Distribution Capability”. NDC is a travel industry-supported program launched by IATA for the development and market adoption of a new, XML-based data transmission standard
- “n.m.”: refers to “not meaningful”
- “OTA”: refers to “Online Travel Agency”
- “PB”: refers to “passengers boarded”, i.e. actual passengers boarded onto flights operated by airlines using at least our Amadeus Altéa Reservation and Inventory modules or Navitaire New Skies
- “p.p.”: refers to “percentage point”
- “PPA”: refers to “Purchase Price Allocation”
- “PP&E”: refers to “Property, Plant and Equipment”
- “PSS”: refers to “Passenger Service System”
- “R&D”: refers to “Research and Development”
- “TA”: refers to “travel agencies”
- “TA air bookings”: air bookings processed by travel agencies using our distribution platform
- “TA air booking industry”: defined as the total volume of travel agency air bookings processed by the three major global reservation systems (Amadeus, Sabre and Travelport). It excludes air bookings made directly through airlines’ direct distribution channels (airline offices and websites), single country operators (primarily in China, Japan, Russia and Turkey), other content aggregators and direct connect applications between airline systems, travel agencies, corporations and meta-bookers, which together combined represent an important part of the industry

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