Management Review January-June 2019

July 31, 2019

Index

1 Summary ... 3
1.1 Introduction ... 4
1.2 Summary of operating and financial information ... 6
2 Operating Review ... 7
2.1 Recent business highlights ... 8
2.2 Key ongoing R&D projects ... 10
3 Presentation of financial information ... 12
3.1 TravelClick acquisition ... 14
3.2 ICM Airport Technics acquisition ... 17
4 Main financial risks and hedging policy ... 18
4.1 Foreign exchange rate risk ... 19
4.2 Interest rate risk ... 20
4.3 Own shares price evolution risk ... 20
5 Operating and financial performance by segment ... 21
5.1 Distribution ... 22
5.2 IT Solutions ... 25
5.3 EBITDA ... 27
6 Consolidated financial statements ... 28
6.1 Group income statement ... 29
6.2 Statement of financial position (condensed) ... 34
6.3 Group cash flow ... 36
7 Investor information ... 39
7.1 Capital stock. Share ownership structure ... 40
7.2 Share price performance in 2019 ... 40
7.3 Shareholder remuneration ... 41
8 Key terms ... 42

1 Summary

1.1 Introduction

Highlights for the first six months ended June 30, 2019

- In Distribution, our travel agency air bookings grew 0.9%, to 307.8 million
- In IT Solutions, our passengers boarded increased 6.6%, to 947.0 million
- Revenue grew by 14.4%[1], to €2,833.6 million
- EBITDA increased by 10.7%[1], to €1,193.4 million
- Adjusted profit[2] increased by 9.9%[1], to €666.7 million
- Free Cash Flow was €451.9 million[3], decreasing 2.0% (9.4%[3] increase pre-tax)
- Net financial debt[4] was €2,965.0 million at June 30, 2019 (1.37 times last-twelve-month EBITDA[4])

In the first six months of 2019, Revenue, EBITDA and Adjusted Profit increased by 14.4%[1], 10.7%[1], and 9.9%[1], respectively. This positive evolution in the first half of the year was supported by the operating performances of our Distribution and IT Solutions segments, TravelClick's consolidation[1] (acquired on October 4, 2018) and positive foreign exchange effects.

In Distribution, during the second quarter of 2019, we continued to secure and expand content for our subscribers by renewing or signing content agreements with 5 carriers, reaching a total of 12 in the first six months of 2019. Our Distribution air volumes grew by 0.9% in the first six months of the year (3.3% excluding India) on the back of our global competitive position[5] expanding by 0.6 p.p. (by 1.4 p.p. excluding India). Despite a weak industry, Amadeus volumes were supported by market share gains across regions, with the exception of Asia and Pacific. In Asia and Pacific, in December 2018, an Indian full-service carrier cancelled its distribution agreement with Amadeus and in April 2019, another Indian full-service carrier, ceased operations. North America was our fastest-growing region in the first half, with our volumes growing at a double-digit growth rate. Our bookings in Western Europe maintained the positive growth rate trend initiated at the beginning of the year. In the first half of 2019, Distribution revenue grew 4.7%, supported by volume growth, average revenue per booking expansion and positive foreign exchange effects.

IT Solutions revenue grew 31.0%[1] in the first six months of 2019. This evolution was driven by (i) growth in Airline IT solutions, (ii) a continued expansion in our new businesses delivering double-digit revenue growth, (iii) the consolidation of TravelClick and (iv) positive foreign exchange effects. In Airline IT, our Passengers Boarded increased by 6.6% in the first half of the year. This growth was driven by (i) customer implementations (including S7 Airlines, Maldivian Airlines, Cyprus Airways

[1] Adjusted to exclude TravelClick's acquisition related costs (amounting to €3.7 million before taxes) and PPA effects (which reduce revenue and EBITDA by €7.0 million and €5.3 million, respectively. Adjusted profit is not impacted by PPA effects). For full details, please see section 3.1 on TravelClick's acquisition and impacts.

[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] Defined as EBITDA, minus capex, plus changes in our operating working capital, minus taxes paid, minus interests and financial fees paid. Adjusted to exclude TravelClick's acquisition related costs paid of €9.7 million. For full details, please see section 3.1 on TravelClick's acquisition and impacts.

[4] Based on our credit facility agreements' definition.

[5] Competitive position as defined in section 3.

and Aeromar in 2018, as well as, Philippine Airlines and Flybe in 2019,) and (ii) organic growth of 6.6%. Passengers Boarded growth in the first six months of 2019 was negatively impacted by the de-migration of LATAM Airlines Brasil from our platform during the second quarter of 2018, and the ceasing or suspension of operations of several airline customers in 2019, such as Germania, bmi Regional, Avianca Brasil and Avianca Argentina.

Our Airline IT customer base continued to expand during the second quarter. Azerbaijan Airlines contracted for the full Altéa suite and for Amadeus Revenue Management solutions. Moldavian low cost airline Flyone signed for New Skies. Additionally, Bangkok Airways and Flybe have now implemented the Altéa Suite. Furthermore, Sun Country migrated to New Skies. Our upselling efforts also yielded positive results, where LATAM Airlines Group signed to implement two components of the Amadeus Sky Suite by Optym. In addition, Alaska Airlines selected Amadeus as its revenue management partner and Cathay Pacific contracted for Amadeus Altéa NDC.

We continued to make progress in our new business areas. In Airport IT, Skyserv, Greece's leading independent ground handler, implemented Altéa Departure Control System for Ground Handlers for its 37 airports. In July, Heydar Aliyev International Airport in Baku (Azerbaijan) became the world's first fully cloud-based airport thanks to the implementation of Amadeus' Airport Common Use Service (ACUS) and Airport Operational Database (AODB). We expanded our footprint in North America, with several customers signing up for Amadeus Extended Airline System Environment (EASE), including Eagle County Airport (Colorado), Kelowna International Airport (Canada), South Bend International Airport (Indiana), Santa Barbara Airport (California) and Daytona International Airport (Florida). We also completed the acquisition of ICM Airport Technics in May. ICM, headquartered in Sydney, Australia, specializes in the provision of passenger automation and self-service bag drop solutions for customers.

In Payments, we launched Amadeus B2B Wallet Partner Pay in partnership with Elavon and Mastercard. This new solution allows agencies to pay using an airline branded virtual card reducing the cost of payments considerably when compared to other existing methods. This new solution is an extension of Amadeus' B2B Wallet and is integrated into the travel agency booking flow.

A consistent and focused investment in technology has been key to our success. In the first six months of 2019, our investment in R&D amounted to 16.8% of revenue. 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.

In the first half of 2019, our Free Cash Flow declined by 2.0%[6] to €451.9 million, driven by higher cash taxes. Our pre-tax Free Cash Flow grew by 9.4%[6]. At the end of the first half, our net financial debt[7] stood at €2,965.0 million, representing 1.37 times last-twelve-month EBITDA[7].

[6] Defined as EBITDA, minus capex, plus changes in our operating working capital, minus taxes paid, minus interests and financial fees paid. Adjusted to exclude TravelClick's acquisition related costs paid of €9.7 million. For full details, please see section 3.1 on TravelClick's acquisition and impacts.

[7] Based on our credit facility agreements' definition.

1.2 Summary of operating and financial information

Summary of KPI (€millions)	Jan-Jun 2019[1]	Jan-Jun 2018	Change
Operating KPI			
TA air bookings (m)	307.8	305.1	0.9%
Non air bookings (m)	33.9	32.5	4.1%
Total bookings (m)	**341.6**	**337.7**	**1.2%**
Passengers boarded (m)	**947.0**	**888.8**	**6.6%**
Financial results			
Distribution revenue	1,637.0	1,563.3	4.7%
IT Solutions revenue	1,196.6	913.7	31.0%
Revenue	**2,833.6**	**2,477.0**	**14.4%**
Distribution contribution	767.8	748.3	2.6%
IT Solutions contribution	781.7	660.5	18.4%
Contribution	**1,549.5**	**1,408.8**	**10.0%**
EBITDA	**1,193.4**	**1,078.2**	**10.7%**
EBITDA margin (%)	42.1%	43.5%	(1.4 p.p.)
Adjusted profit[2]	**666.7**	**606.8**	**9.9%**
Adjusted EPS (euros)[3]	**1.55**	**1.41**	**9.5%**
Cash flow			
Capital expenditure	369.9	342.5	8.0%
Free cash flow[4]	451.9	461.2	(2.0%)
Indebtedness[5]	Jun 30,2019	Dec 31,2018	Change
Net Financial Debt	**2,965.0**	**3,074.0**	**(109.0)**
Net Financial Debt/LTM EBITDA	1.37x	1.42x	

[1]Adjusted to exclude TravelClick's acquisition related costs (amounting to €3.7 million before taxes) and PPA effects (which reduce revenue and EBITDA by €7.0 million and €5.3 million, respectively. Adjusted profit is not impacted by PPA effects). For full details, please see section 3.1 on TravelClick's acquisition and impacts.

[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]Defined as EBITDA, minus capex, plus changes in our operating working capital, minus taxes paid, minus interests and financial fees paid. Adjusted to exclude TravelClick's acquisition related costs paid of €9.7 million (for full details, please see section 3.1 on TravelClick's acquisition and impacts). Also, impacted by an increase in taxes paid in the first quarter of 2019. Excluding TravelClick's acquisition related costs, pre-tax free cash flow increased by 9.4%.

[5] Based on our credit facility agreements' definition.

2 Operating Review

2.1 Recent business highlights

Airline Distribution

- During the second quarter, we signed 5 new contracts or renewals of content agreements with airlines reaching a total of 12 for the first half of the year. Subscribers to Amadeus' inventory can access c. 115 low cost carriers (LCCs) and hybrid carriers' content worldwide.
- Reflecting Amadeus' ongoing commitment to drive NDC forward, in July, we launched Amadeus Travel API, an NDC-enabled solution providing travel agencies worldwide access to new airline content and fares via an NDC connectivity. Travix, co-designed the solution with Amadeus and has had live NDC bookings in production since late last year. Travel agencies including AERTiCKET, American Express Global Business Travel, BCD Travel, House of Travel and integrated tourism group TUI, are to become early adopters of this new API, giving them early access to the solution and content offered by airline customers via an NDC connectivity.
- Our merchandizing solutions continued to gather interest from our customers. During the first half of the year, 9 airlines signed up for Amadeus Fare Families, and 4 airlines contracted Amadeus Ancillary Services for the indirect channel. In total, at the end of June, 89 airlines had signed up for Amadeus Fare Families (of which 77 have implemented the solution) and 156 had contracted Amadeus Airline Ancillary Services (of which 132 have implemented it).

Airline IT

- At the close of June, 218 customers had contracted either of the Amadeus Passenger Service Systems (Altéa or New Skies) and 210 had implemented them.
- During the quarter, Azerbaijan Airlines signed for the full Altéa suite and also for Revenue Management solutions. Additionally, Moldavian low cost airline, Flyone, contracted New Skies.
- Flybe recently completed its migration to the Altéa Suite, allowing the carrier to offer passengers an enhanced digital experience including personalised offers, tailored pricing and mobile disruption management. Flybe also contracted for Revenue Integrity.
- Bangkok Airways migrated to Altéa in July. The carrier implemented the Reservation, Inventory, Ticketing and Departure Control modules. The new system will help the airline enhance passenger experience by delivering more consistent and personalized customer services, and improve operational efficiency. Also, Sun Country migrated to New Skies.
- Our upselling and cross-selling efforts continued during the period. In May, LATAM Airlines Group signed a multi-year agreement to implement two components of the Amadeus Sky Suite by Optym: SkyMAX and SkySYM, enabling LATAM to optimize their flight schedules. Thanks to SkyMAX, the airline group will be able to optimize its network and generate new schedules from scratch, allowing LATAM to make deeper changes. SkySYM allows airlines to evaluate and maximize operational performance at the planning stage, prior to releasing schedules to the operating groups.
- In July, Alaska Airlines selected Amadeus as its revenue management partner. With this long-term contract, Alaska Airlines, the fifth largest carrier in the United States following its integration with Virgin America, becomes the first non-Altéa carrier, and the largest to globally use Amadeus Revenue Management.

- Additionally, Cathay Pacific recently contracted for Amadeus Altéa NDC, which will enable the airline to effectively distribute new content and fares through an NDC connectivity across channels, enhancing its retailing capabilities.
- In June, we announced a service optimizer application on Salesforce AppExchange. The application will integrate and extend the capabilities of both Salesforce and Amadeus platforms, enabling airlines to maximize their combined value by sharing insights and data in order to have one complete view of the traveler. The application will give airlines a clear view of cross-channel customer interactions, allowing airlines to personalize the traveler experience end-to-end.

Airport IT

- During the second quarter of the year, Skyserv, Greece's leading independent ground handler, implemented Altéa Departure Control System for Ground Handlers for its 37 airports. Following the implementation, Skyserv is now able to manage load control operations centrally from a single location, allowing a reduction in cost and greater efficiency, ensuring more punctuality and a better experience for travelers.
- In May, Amadeus took another step towards the creation of a common, centralized industry platform for biometrics. Working with Adria Airways, Ljubljana Airport and LOT Polish Airlines, 175 participating passengers were successfully boarded in record time. The average boarding times reduced by approximately 75%, meaning, boarding took just two seconds per passenger, rather than the typical five to ten seconds per passenger. The new technology promises to enhance the passenger experience by making boarding faster, simpler and more secure.
- In July, Heydar Aliyev International Airport in Baku (Azerbaijan) became the world's first fully cloud-based airport thanks to the implementation of Amadeus' Airport Common Use Service (ACUS) and Airport Operational Database (AODB). The move represents the first time an airport has relied on the cloud to deliver all its core systems and will mean that now all actors at Baku will be working from a single, real-time and consistent view of operations without the need for manual updates.
- We also expanded our footprint in North America, with several customers signing up for Amadeus Extended Airline System Environment (EASE), including Eagle County Airport (Colorado), Kelowna International Airport (Canada), South Bend International Airport (Indiana), Santa Barbara Airport (California) and Daytona International Airport (Florida).
- In May, we completed the acquisition of ICM Airport Technics. ICM, headquartered in Sydney, Australia, specializes in the provision of passenger automation and self-service bag drop solutions for customers, principally in Asia-Pacific and Europe. The acquisition brings Amadeus a portfolio of market leading products, complementary to our own components, which puts Amadeus in a stronger position to serve current airport market trends and needs. ICM serves around 25 airports, including some of the most important airports in the world.

Payments

- In May, we launched Amadeus B2B Wallet Partner Pay in partnership with Elavon and Mastercard. This new solution allows agencies to pay using an airline branded virtual card reducing the cost of payments by up to 70% compared to existing methods. Thai Airways and Swedish travel agency, Select Travel, were the pilot customers. The new solution, which is an extension of Amadeus' B2B Wallet, is integrated into the travel agency booking flow allowing each payment to be made by a single use Mastercard virtual card. Elavon acts as the acquirer so the airline can accept payments initiated by a wide variety of issuers within Mastercard's global network. This approach automates payment reconciliation whilst enhancing fraud prevention and protecting agencies from the risk of supplier defaults.
- In June, Ypsilon, one of the largest aggregators of LCC content, integrated Amadeus' B2B Wallet Solution within its booking platform to simplify agent payments to Low Cost Carriers (LCCs). By integrating Amadeus' B2B Wallet solution, agents can now automatically generate a virtual card quickly and simply within the Ypsilon booking flow. Each virtual card is unique to each individual booking making reconciliation simple whilst reducing fraud.

Other announcements

- In June, Amadeus announced an investment in Volantio through our startup investment program Amadeus Ventures. At the same time, we signed a new partnership with the start-up which will enable airlines to easily integrate Volantio's innovative solution with Amadeus Altéa technology. Volantio has built an industry leading platform, Yana, which proactively identifies flexible passengers on full flights and provides them with an incentive (such as frequent flyer miles, travel vouchers, or upgrades) to voluntarily move to lower demand flights. This allows airlines to improve both the management of oversold flights, and the overall revenue performance post booking.

2.2 Key ongoing R&D projects

As a leading technology provider to the travel industry, Amadeus undertakes significant R&D activities. In the first half of 2019, Amadeus devoted 16.8% of its Group revenue to R&D, which primarily 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, digital solutions and 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: continued efforts devoted to the evolution of our hospitality platform, including the enhancement of our Central Reservation System, as well as the development of our new-generation Property Management System.
- Continued development and evolution of our Airport IT, Payments and Rail portfolios.

_ 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, Merchandizing, e-commerce and personalization, among others).
- Implementation of Distribution solutions for airlines, travel agencies, and corporations, including, among 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.
- Projects related to our overall infrastructure and processes to improve efficiency and flexibility.

3 Presentation of financial information

The consolidated financial statements of Amadeus IT Group S.A. and subsidiaries are the source to the financial information included in this document. They have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and have been subject to a limited review by the auditors.

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 contribution, EBITDA, operating income, net financial debt as defined by our 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, 2016.

- Segment contribution is defined as the segment revenue less operating direct costs plus direct capitalizations and research incentives. A reconciliation to EBITDA is included in section 5.
- EBITDA corresponds to Operating income plus D&A expense. A reconciliation to the financial statements is included in section 6.1.5.
- The reconciliation of Operating income is included in the Group income statement included in section 6.1.
- 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 6.1.8.
- Net financial debt as defined by our 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 6.2.1.

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 TravelClick acquisition

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 acquisition price amounted to USD 1,520 million. The acquisition was 100% debt-financed. On September 18, 2018 Amadeus undertook three Eurobond issues for an aggregate amount of €1,500 million, which were partly used to finance TravelClick's acquisition (see section 6.2.1 for more detail). The acquisition was structured through a USD-denominated intercompany loan, hedged by Amadeus. The foreign exchange differences of the loan and its hedge impact our non-operating foreign exchange gains and losses in the Group income statement. The hedging also impacts the non-operating cash flows caption in the Group cash flow statement.

The results of TravelClick ("TC") were consolidated into Amadeus' books from October 4, 2018. TravelClick is reported, as part of our Hospitality IT business, within our IT Solutions segment (except for TravelClick's indirect costs, which have been allocated to Indirect costs).

As a consequence of TravelClick's acquisition, the following non-recurring effects have been accounted for in the first half of 2019:

- TravelClick's integration related costs, incurred in the first half of 2019, amounting to €3.7 million (before taxes), of which €1.7 million were paid in the period.
- Also, acquisition related costs amounting to €8.0 million, which were incurred in the fourth quarter of 2018, were paid in the first half of 2019.
- A purchase price allocation exercise in relation to the consolidation of TravelClick into Amadeus' books was carried out in the fourth quarter of 2018. As a consequence of such PPA exercise, the following effects (before taxes) have arisen in the first half of 2019:
  - A reduction in revenue and in personnel and other operating expenses amounting to €7.0 million and €1.7 million, respectively, derived from the adjustment to fair value of certain operating liabilities, resulting in a negative impact of €5.3 million to EBITDA. The effects on revenue and other operating expenses from TravelClick's PPA exercise will decrease every quarter throughout 2019, and will not impact 2020.
  - An additional amortization expense of €25.6 million, increasing the total group amortization expense.

TravelClick's acquisition related effects described above (acquisition related costs and PPA effects) have impacted our group results and cash generation, in particular our IT Solutions and Group revenue, IT Solutions contribution, Group EBITDA, Operating income, Profit, Adjusted profit, EPS, adjusted EPS and free cash flow in the first half of 2019.

For clarification, in the following tables we display (i) Amadeus Group figures, and (ii) Amadeus Group figures excluding TravelClick's non-recurring effects associated with TravelClick's acquisition (acquisition related costs, as well as PPA effects).

The financial results displayed in sections 5 “Operating and financial performance by segment” and 6.1 “Group income statement” are presented excluding the non-recurring costs and PPA derived adjustments associated with TravelClick’s acquisition.

	(A)		(B)	(A+B)	
H1 2019 financial results (€millions)	Amadeus + TC	Change vs. 2018	Acquisition related costs & PPA	2019 Results	Change vs. 2018
Income statement					
Group revenue	**2,833.6**	**14.4%**	**(7.0)**	**2,826.6**	**14.1%**
Cost of revenue	(722.2)	21.2%	0.0	(722.2)	21.2%
Personnel expenses	(751.6)	12.7%	(1.0)	(752.6)	12.8%
Other operating expenses	(157.8)	21.5%	(1.0)	(158.8)	22.3%
Dep. and amortization	(334.4)	13.5%	(25.6)	(360.0)	22.2%
Operating income	**867.6**	**9.9%**	**(34.6)**	**833.0**	**5.5%**
Net financial expense	(45.9)	137.8%	0.0	(45.9)	137.8%
Other income (expense)	12.5	n.m.	0.0	12.5	n.m.
Profit before income taxes	**834.2**	**8.4%**	**(34.6)**	**799.6**	**3.9%**
Income taxes	(216.5)	8.2%	8.7	(207.8)	3.8%
Profit after taxes	**617.8**	**8.4%**	**(26.0)**	**591.8**	**3.9%**
Share in profit assoc/JV	2.6	(21.2%)	0.0	2.6	(21.2%)
Profit for the period	**620.4**	**8.3%**	**(26.0)**	**594.4**	**3.7%**
EPS (€)	**1.44**	**7.9%**	**(0.06)**	**1.38**	**3.4%**
Adjusted profit	**666.7**	**9.9%**	**(2.8)**	**664.0**	**9.4%**
Adjusted EPS (€)	**1.55**	**9.5%**	**(0.01)**	**1.54**	**9.0%**
Cash flow					
Free cash flow	451.9	(2.0%)	(9.7)	442.2	(4.1%)
Segment Reporting					
Distribution revenue	1,637.0	4.7%	0.0	1,637.0	4.7%
IT Solutions revenue	1,196.6	31.0%	(7.0)	1,189.6	30.2%
Group revenue	**2,833.6**	**14.4%**	**(7.0)**	**2,826.6**	**14.1%**
Distribution contribution	767.8	2.6%	0.0	767.8	2.6%
IT Solutions contribution	781.7	18.4%	(7.4)	774.3	17.2%
Total contribution	**1,549.5**	**10.0%**	**(7.4)**	**1,542.1**	**9.5%**
Net indirect costs	(356.1)	7.7%	(1.6)	(357.7)	8.2%
EBITDA	**1,193.4**	**10.7%**	**(9.0)**	**1,184.4**	**9.8%**
EBITDA margin	42.1%	(1.4 p.p.)	(0.2 p.p.)	41.9%	(1.6 p.p.)

	(A)		(B)	(A+B)	
Q2 2019 financial results (€millions)	Amadeus + TC	Change vs. 2018	Acquisition related costs & PPA	2019 Results	Change vs. 2018
Distribution revenue	797.1	3.8%	0.0	797.1	3.8%
IT Solutions revenue	626.6	30.8%	(3.1)	623.5	30.2%
Group revenue	**1,423.7**	**14.2%**	**(3.1)**	**1,420.6**	**13.9%**
Cost of revenue	(364.0)	24.4%	0.0	(364.0)	24.4%
Personnel expenses	(382.1)	11.3%	(0.8)	(382.9)	11.5%
Other operating expenses	(79.5)	14.5%	(0.9)	(80.4)	15.9%
Dep. and amortization	(174.0)	15.8%	(12.9)	(186.9)	24.4%
Operating income	**424.1**	**8.3%**	**(17.7)**	**406.4**	**3.8%**
Net financial expense	(25.2)	173.9%	0.0	(25.2)	173.9%
Other income (expense)	12.7	n.m.	0.0	12.7	n.m.
Profit before income taxes	**411.6**	**7.7%**	**(17.7)**	**393.9**	**3.1%**
Income taxes	(104.7)	5.5%	4.4	(100.3)	1.0%
Profit after taxes	**306.8**	**8.5%**	**(13.2)**	**293.6**	**3.8%**
Share in profit assoc/JV	2.3	(11.5%)	0.0	2.3	(11.5%)
Profit for the period	**309.1**	**8.3%**	**(13.2)**	**295.9**	**3.7%**
EPS (€)	**0.72**	**8.0%**	**(0.03)**	**0.69**	**3.4%**
Adjusted profit	332.0	10.2%	(1.8)	330.2	9.6%
Adjusted EPS (€)	0.77	9.9%	0.00	0.77	9.3%
EBITDA	**593.6**	**10.1%**	**(4.8)**	**588.8**	**9.2%**
EBITDA margin	**41.7%**	**(1.5 p.p.)**	**(0.2 p.p.)**	**41.4%**	**(1.8 p.p.)**
Cash flow					
Free cash flow	**169.1**	**8.3%**	**(8.4)**	**160.7**	**2.9%**

3.2 ICM Airport Technics acquisition

On May 31, 2019, Amadeus acquired ICM Group Holding Limited and its group of companies, the ultimate head office of ICM Airport Technics ("ICM"), for €41.3 million. ICM, headquartered in Sydney, Australia, specializes in the provision of passenger automation and self-service bag drop solutions for customers, principally in Asia Pacific and Europe. The ICM results were consolidated into Amadeus' books from June 1, 2019.

A purchase price allocation exercise in relation to the consolidation of ICM into Amadeus' books will be carried out in the second half of 2019.

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 35%-45% of our total revenue). Revenue generated in currencies other than the Euro or US Dollar is negligible.

In turn, 55%-65% of our operating costs[8] are denominated in many currencies different from the Euro, including the US Dollar which represents 35%-45% 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 U.S. We may 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 30-40% 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 first half of 2019, foreign exchange fluctuations had a positive impact on both revenue and EBITDA and a negative impact on costs. Both Revenue and EBITDA were also positively impacted,

[8] Including Cost of revenue, Personnel expenses and Other operating expenses. Excludes Depreciation and amortization.

and costs negatively impacted, by foreign exchange effects in the second quarter of the year, albeit to a lesser extent.

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 June 30, 2019, 36% of our total financial debt[9] (related to the European Commercial Paper Program and one Eurobond issue) 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 260,000 shares and a maximum of 1,379,000 shares, approximately. It is Amadeus' intention to make use of its treasury shares to settle these plans at their maturity.

[9] Based on our credit facility agreements' definition.

5 Operating and financial performance by segment

As indicated in section 3.1, the financial results displayed in section 5 “Operating and financial performance by segment” are presented excluding the non-recurring costs and PPA derived adjustments associated with TravelClick’s acquisition.

Segment Reporting (€millions)	Jan-Jun 2019	Jan-Jun 2018	Change
Distribution revenue	1,637.0	1,563.3	4.7%
IT Solutions revenue	1,196.6	913.7	31.0%
Group Revenue	2,833.6	2,477.0	14.4%
Distribution contribution	767.8	748.3	2.6%
IT Solutions contribution	781.7	660.5	18.4%
Total Contribution	1,549.5	1,408.8	10.0%
Net indirect costs	(356.1)	(330.6)	7.7%
EBITDA	1,193.4	1,078.2	10.7%
EBITDA Margin (%)	42.1%	43.5%	(1.4 p.p.)

5.1 Distribution

Distribution (€millions)	Jan-Jun 2019	Jan-Jun 2018	Change
Operating KPI			
Total bookings (m)	341.6	337.7	1.2%
Financial results			
Revenue	1,637.0	1,563.3	4.7%
Net operating costs	(869.2)	(815.1)	6.6%
Contribution	767.8	748.3	2.6%
As % of Revenue	46.9%	47.9%	(1.0 p.p.)

5.1.1 Evolution of Amadeus bookings

Operating KPI	Apr-Jun 2019	Apr-Jun 2018	Change	Jan-Jun 2019	Jan-Jun 2018	Change
TA air booking industry growth	(1.4%)	4.7%		(0.7%)	4.3%	
TA air competitive position[1]	44.2%	43.4%	0.8 p.p.	44.1%	43.5%	0.6 p.p.
TA air bookings (m)	145.2	145.1	0.1%	307.8	305.1	0.9%
Non air bookings (m)	16.6	15.4	8.0%	33.9	32.5	4.1%
Total bookings (m)	161.8	160.5	0.8%	341.6	337.7	1.2%

[1] Competitive position as defined in section 3.

Travel agency air booking industry

In the second quarter of 2019, the travel agency air booking industry declined by 1.4%, impacted by a lower number of working days in the period (partly due to the Easter timing effect, which spread over the first two quarters in 2018 and took place fully in the second quarter, in 2019), and the bankruptcy of a large Indian GDS carrier. Excluding India and the working days impact, the travel agency air booking industry grew modestly in the quarter, led by the North American industry, which accelerated vs. the previous quarter and was one of the fastest growing regions. The industry in both Western Europe and Asia and Pacific were impacted by a number of effects, including strikes, macroeconomic developments and geopolitical events (particularly affecting markets such as Germany, United Kingdom, Scandinavia and Australia) and contracted further in the quarter (both had delivered negative growth in the first quarter of the year). Middle East and Africa, also facing an adverse macroeconomic situation, deteriorated in the period as well.

In the first six months of 2019, the travel agency air booking industry declined by 0.7%. North America was the fastest growing region. In turn, Western Europe, Asia and Pacific and Middle East Africa showed a contraction, impacted by the effects mentioned above. Central, Eastern and Southern Europe recovered from the decline reported in the second half of 2018 and delivered soft growth, while Latin America continued with its volatility and reported limited growth in the period.

Amadeus bookings

Amadeus travel agency air bookings increased by 0.1% in the second quarter of 2019, leading to 0.9% growth in the first six months of 2019. Amadeus bookings outperformed industry growth, supported by continued market share expansion across regions through the second quarter, except for Asia and Pacific. In the first half of 2019, Amadeus bookings grew in all regions (except for Asia and Pacific and Middle East and Africa), and most notably, in North America, our fastest growing region in the period, where our bookings delivered a double-digit growth rate. Amadeus bookings in Western Europe continued its positive growth trend, on the back of market share gains. On the other hand, Amadeus bookings in Asia and Pacific and Middle East and Africa, impacted by the industry's booking decline, showed a contraction. Amadeus Asia and Pacific bookings were also impacted by the cancellation by an Indian GDS carrier of our distribution agreement at the end of 2018, and by the ceasing of operations of an Indian GDS carrier in April 2019. Excluding India, Amadeus' global air bookings grew by 3.3% and our global competitive position[10] expanded by 1.4 p.p. in the six month period.

[10] Competitive position as defined in section 3.

Amadeus TA air bookings (millions)	Jan-Jun 2019	% of Total	Jan-Jun 2018	% of Total	Change
Western Europe	104.3	33.9%	102.4	33.6%	1.9%
North America	64.8	21.0%	56.8	18.6%	14.0%
Asia and Pacific	54.6	17.8%	64.2	21.1%	(15.0%)
Middle East and Africa	36.3	11.8%	36.6	12.0%	(0.8%)
Central, Eastern and Southern Europe	26.9	8.7%	25.6	8.4%	4.9%
Latin America	20.8	6.8%	19.4	6.4%	7.1%
Amadeus TA air bookings	307.8	100.0%	305.1	100.0%	0.9%

Amadeus' non air bookings increased by 4.1% in the first half of 2019 vs. prior year, driven by several products, including hotel, rail and car bookings.

5.1.2 Revenue

Distribution Revenue (€millions)	Apr-Jun 2019	Apr-Jun 2018	Change	Jan-Jun 2019	Jan-Jun 2018	Change
Revenue	797.1	767.9	3.8%	1,637.0	1,563.3	4.7%

Distribution delivered revenue growth of 3.8% in the second quarter of 2019, driving 4.7% first half growth vs. 2018. This first half performance was positively impacted by foreign exchange effects.

In the first six months of 2019, revenue growth resulted from an increase in bookings of 1.2% and an expansive revenue per booking, driven by booking mix (from a higher weight of global bookings), customer renegotiations and positive foreign exchange effects.

5.1.3 Contribution

Contribution increased by 2.6%, amounting to €767.8 million in the first half of 2019 and representing 46.9% of revenue. Contribution growth resulted from an increase in revenue of 4.7%, as explained in section 5.1.2 above, and 6.6% growth in net operating costs. Contribution was impacted by positive foreign exchange effects in the first half of the year.

Growth in net operating costs in the six-month period resulted from:

- An increase in variable costs, due to (i) a 1.2% increase in travel agency bookings, (ii) a unitary distribution cost expansion, mainly resulting from an increase in our average unitary incentive fee for travel agencies, mostly due to competitive pressure, and (iii) negative foreign exchange effects.
- Limited net fixed cost growth, which mainly resulted from an expansion of our R&D and commercial teams.

5.2 IT Solutions

IT Solutions (€millions)	Jan-Jun 2019	Jan-Jun 2018	Change
Operating KPI			
Passengers boarded (m)	947.0	888.8	6.6%
Financial results			
Revenue	**1,196.6**	**913.7**	**31.0%**
Net operating costs	(414.9)	(253.1)	63.9%
Contribution	**781.7**	**660.5**	**18.4%**
As % of Revenue	**65.3%**	**72.3%**	**(7.0 p.p.)**

5.2.1 Evolution of Amadeus passengers boarded

In the second quarter of 2019, Amadeus passengers boarded grew by 8.3% to 510.8 million, driving first half growth to 6.6%. Growth in the first six months of the year resulted from:

- The impact from customer implementations (including S7 Airlines, Maldivian Airlines, Cyprus Airways and Aeromar in 2018, and Philippine Airlines and Flybe in 2019), partly offset by the de-migration of LATAM Airlines Brasil from our platform during the second quarter of 2018, the ceasing of operations of Germania and bmi Regional, both in February 2019 and the suspension of operations of Avianca Brasil and Avianca Argentina in May 2019 and June 2019, respectively.
- An organic growth of 6.6%.

Passengers boarded (millions)	Apr-Jun 2019	Apr-Jun 2018	Change	Jan-Jun 2019	Jan-Jun 2018	Change
Organic growth[1]	496.3	463.5	7.1%	923.7	866.4	6.6%
Non organic growth[2]	14.5	8.3	74.2%	23.2	22.4	3.8%
Total passengers boarded	**510.8**	**471.9**	**8.3%**	**947.0**	**888.8**	**6.6%**

[1] Calculated based on passengers boarded adjusted to reflect growth of comparable airlines on our PSS platforms during both periods.

[2] Includes the impact from 2018 and 2019 migrations, partly offset by the effects of the de-migration of LATAM Airlines Brasil from our platform during the second quarter of 2018, the ceasing of operations of Germania and bmi Regional, both in February 2019 and the suspension of operations of Avianca Brasil and Avianca Argentina in May 2019 and June 2019 respectively (for consistency, PB from Avianca Brasil and Avianca Argentina in the first quarter of 2019 have been reclassified from organic to non organic growth).

During the first half of 2019, 60.8% of our passengers boarded were generated outside of Europe. The evolution of Amadeus passengers boarded in Latin America was negatively impacted by the de-migration of LATAM Airlines Brasil from our platform during the second quarter of 2018, as well as the suspension of operations of Avianca Brasil and Avianca Argentina in May 2019 and June 2019, respectively.

Passengers boarded (millions)	Jan-Jun 2019	% of Total	Jan-Jun 2018	% of Total	Change
Asia and Pacific	311.2	32.9%	291.4	32.8%	6.8%
Western Europe	310.4	32.8%	290.8	32.7%	6.7%
North America	128.2	13.5%	119.9	13.5%	6.9%
Middle East and Africa	71.3	7.5%	66.0	7.4%	8.1%
Latin America	64.7	6.8%	72.6	8.2%	(10.9%)
Central, Eastern & Southern Europe	61.2	6.5%	48.0	5.4%	27.4%
Passengers boarded	947.0	100.0%	888.8	100.0%	6.6%

5.2.2 Revenue

IT Solutions Revenue (€millions)	Apr-Jun 2019	Apr-Jun 2018	Change	Jan-Jun 2019	Jan-Jun 2018	Change
Revenue	626.6	479.1	30.8%	1,196.6	913.7	31.0%

IT Solutions revenue increased by 30.8% in the second quarter of 2019, or 31.0% in the first half of 2019. Revenue growth was driven by both Airline IT and our new businesses:

- Airline IT continued delivering healthy growth, on the back of higher PB volumes. Average unitary revenue expanded, supported by (i) the increased contribution from several revenue lines, including revenue management, passenger recovery and merchandizing, which continued to report solid growth, offseting the average PSS pricing dilution effect resulting from the increasing weight of low cost and hybrid carriers on our customer base, and (ii) positive foreign exchange effects.
- New businesses grew strongly in the first six months of the year, boosted by the TravelClick consolidation and a double-digit revenue growth rate delivered by our new businesses excluding TravelClick.

5.2.3 Contribution

Contribution expanded by 18.4% in the first six months of 2019, amounting to €781.7 million. This positive performance was the combination of 31.0% revenue growth, as explained in section 5.2.2 above, and 63.9% increase in our net operating costs. Contribution growth was impacted by positive foreign exchange effects in the first half of the year.

Growth in net operating costs in the six-month period was highly impacted by the consolidation of TravelClick. Excluding TravelClick, underlying growth in net operating costs resulted from:

- Higher personnel-related expenses, driven by the reinforcement of our commercial teams to better support the expansion of our product offering and customer base, as well as, increased R&D expenditure dedicated to our airline IT portfolio evolution and expansion and to our new businesses, coupled with growth in unit personnel cost.

- An increase in several cost lines, such as bad debt provisions, which by nature may show a more volatile behavior per quarter.
- A lower capitalization ratio, impacted by project mix.
- Negative foreign exchange effects.

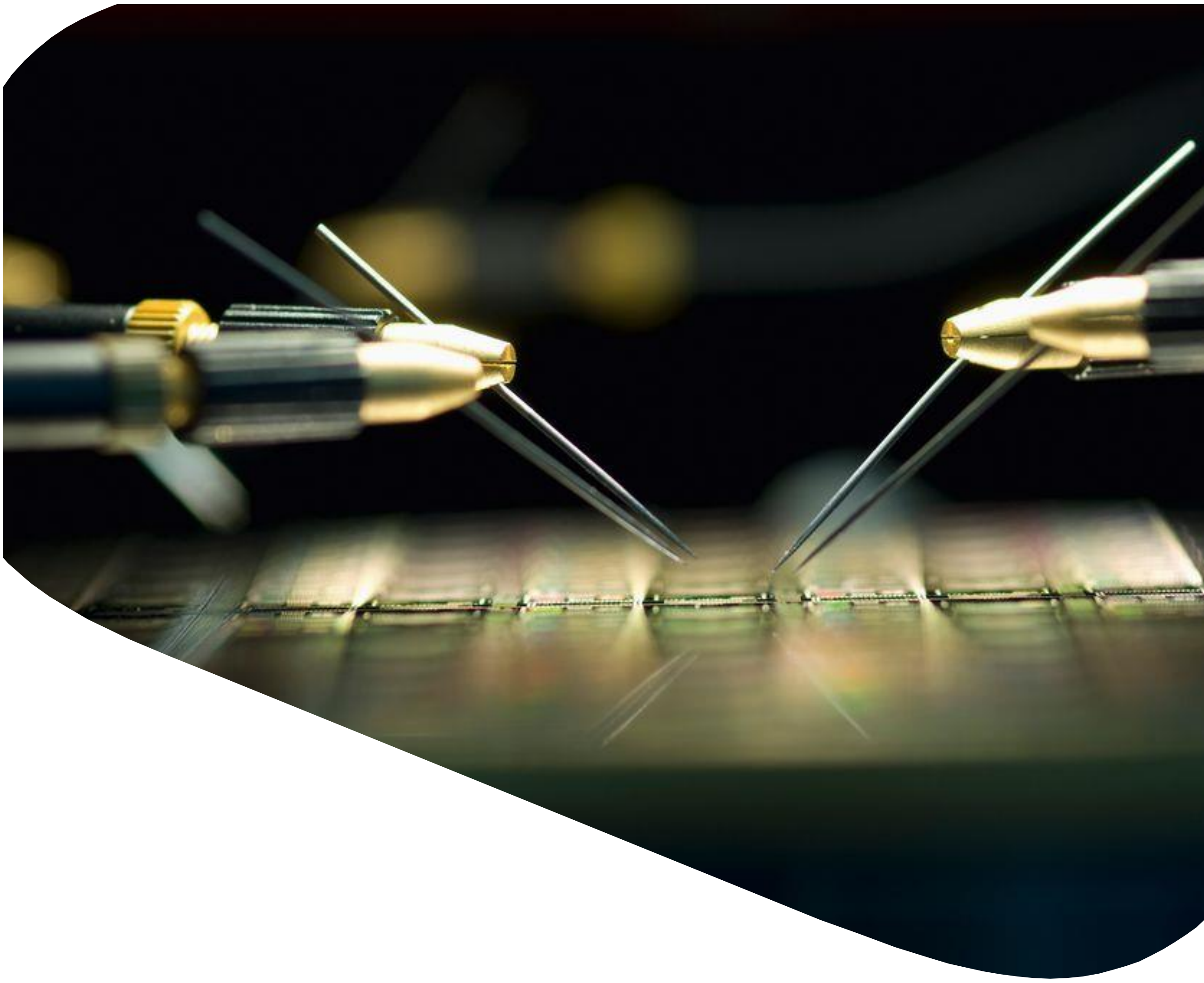
5.3 EBITDA

In the second quarter of 2019, EBITDA amounted to €593.6 million, a 10.1% increase vs. the second quarter of 2018. EBITDA growth was driven by a higher contribution from our Distribution and IT Solutions businesses, an increase in net indirect costs and the TravelClick consolidation effect. EBITDA growth was positively impacted by foreign exchange effects. EBITDA margin was 41.7% in the period, 1.5 p.p. lower than the second quarter of last year, impacted by the consolidation of TravelClick.

In the first half of 2019, EBITDA increased by 10.7% to €1,193.4 million. EBITDA growth resulted from the positive performances of Distribution and IT Solutions, partly offset by an increase in net indirect costs. EBITDA growth was positively impacted by foreign exchange effects in the period (see section 4.1 for details on the exposure of our operating results to foreign exchange fluctuations). In the first half of the year, EBITDA margin declined by 1.4 p.p. to 42.1%, impacted by the TravelClick consolidation.

Net indirect costs increased by 7.7% in the first six months of the year vs. the same period of 2018, mainly driven by increased resources in our corporate functions to support our business expansion, the addition of TravelClick's indirect costs and negative foreign exchange effects.

6 Consolidated financial statements



As indicated in section 3.1, the financial results displayed in section 6.1 "Group income statement" are presented excluding the non-recurring costs and PPA derived adjustments associated with TravelClick's acquisition.

6.1 Group income statement

Income Statement (€millions)	Apr-Jun 2019	Apr-Jun 2018	Change	Jan-Jun 2019	Jan-Jun 2018	Change
Revenue	**1,423.7**	**1,247.0**	**14.2%**	**2,833.6**	**2,477.0**	**14.4%**
Cost of revenue	(364.0)	(292.5)	24.4%	(722.2)	(595.9)	21.2%
Personnel expenses	(382.1)	(343.4)	11.3%	(751.6)	(667.2)	12.7%
Other operating exp.	(79.5)	(69.4)	14.5%	(157.8)	(129.8)	21.5%
D&A	(174.0)	(150.3)	15.8%	(334.4)	(294.5)	13.5%
Operating income	**424.1**	**391.4**	**8.3%**	**867.6**	**789.6**	**9.9%**
Net financial expense	(25.2)	(9.2)	173.9%	(45.9)	(19.3)	137.8%
Other income (expense)	12.7	(0.1)	n.m.	12.5	(0.5)	n.m.
Profit before income tax	**411.6**	**382.1**	**7.7%**	**834.2**	**769.8**	**8.4%**
Income taxes	(104.7)	(99.3)	5.5%	(216.5)	(200.1)	8.2%
Profit after taxes	**306.8**	**282.8**	**8.5%**	**617.8**	**569.7**	**8.4%**
Share in profit from associates and JVs	2.3	2.6	(11.5%)	2.6	3.3	(21.2%)
Profit for the period	**309.1**	**285.4**	**8.3%**	**620.4**	**573.0**	**8.3%**
EPS (€)	**0.72**	**0.66**	**8.0%**	**1.44**	**1.33**	**7.9%**
Key financial metrics						
EBITDA	**593.6**	**539.2**	**10.1%**	**1,193.4**	**1,078.2**	**10.7%**
EBITDA margin (%)	41.7%	43.2%	(1.5 p.p.)	42.1%	43.5%	(1.4 p.p.)
Adjusted profit[1]	**332.0**	**301.2**	**10.2%**	**666.7**	**606.8**	**9.9%**
Adjusted EPS (€)[2]	**0.77**	**0.70**	**9.9%**	**1.55**	**1.41**	**9.5%**

[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.

6.1.1 Revenue

In the second quarter of 2019, revenue amounted to €1,423.7 million, growing 14.2% vs. prior year. For the first half of 2019, revenue increased by 14.4% to €2,833.6 million. Revenue growth was a combination of:

- An increase of 3.8% in Distribution in the second quarter of 2019, driving 4.7% growth for the first half period.
- An increase of 30.8% in IT Solutions in the second quarter of 2019, or 31.0% in the first half of the year.

In the first six months of 2019, revenue growth was impacted by positive foreign exchange effects.

See sections 5.1.2. and 5.2.2. for more detail on revenue growth in Distribution and IT Solutions.

Revenue (€millions)	Apr-Jun 2019	Apr-Jun 2018	Change	Jan-Jun 2019	Jan-Jun 2018	Change
Distribution	797.1	767.9	3.8%	1,637.0	1,563.3	4.7%
IT Solutions	626.6	479.1	30.8%	1,196.6	913.7	31.0%
Revenue	1,423.7	1,247.0	14.2%	2,833.6	2,477.0	14.4%

6.1.2 Cost of revenue

These costs are mainly related to: (i) incentive fees paid to travel agencies, (ii) distribution fees paid to local commercial organizations which act as a local distributor (mainly in the Middle East, North Africa, India, and South Korea), (iii) data communication expenses related to the maintenance of our computer network, including connection charges and (iv) fees paid in relation to advertising and data analytics activities within our Hospitality IT business.

In the second quarter of 2019, cost of revenue amounted to €364.0 million, 24.4% higher than in the same period of 2018. In the first half of the year, cost of revenue grew by 21.2%. The increase in cost of revenue was highly impacted by the consolidation of TravelClick. Underlying growth excluding TravelClick resulted from:

- Travel agency booking growth.
- A higher unitary distribution cost, mainly resulting from an increase in our average unitary incentive fee to travel agencies, mostly due to competitive pressure.
- An increase in data communication expenses.
- Negative foreign exchange effects.

6.1.3 Personnel and related expenses and other operating expenses

A large number of Amadeus' employees are software engineers. Amadeus also hires contractors to support 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.

Our combined operating expenses cost line, representing both Personnel expenses and Other operating expenses, net of capitalizations, increased by 11.8% in the second quarter of 2019, or by 14.1% in the first half of 2019, vs. prior year, highly impacted by the consolidation of TravelClick. Growth in our net fixed cost base resulted from:

- A 12% increase in average FTEs (permanent staff and contractors), due to (i) higher resources devoted to R&D (see further details in sections 2.2 and 6.3.2), (ii) the expansion of our commercial teams and customer support units to support the ongoing customer implementations and commercial activities, (iii) an increase in headcount in our corporate function, driven by the geographical and business expansion, and (iv) the addition of TravelClick's employees. Excluding TravelClick, Amadeus FTEs grew by 5% in the quarter.
- Growth in unit personnel cost, as a result of our global salary increase.
- Growth in non-personnel related expenses, such as computing costs.
- A negative impact from foreign exchange effects.

Personnel + Other op. expenses (€millions)	Apr-Jun 2019	Apr-Jun 2018	Change	Jan-Jun 2019	Jan-Jun 2018	Change
Personnel + Other operating expenses	(461.6)	(412.8)	11.8%	(909.4)	(797.0)	14.1%

6.1.4 Depreciation and amortization

Depreciation and amortization (including capitalized D&A) was 12.9% higher in the first half of 2019 vs. the same period in 2018. In particular, ordinary D&A grew by 13.5% in the period, driven by a 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, and, to a lesser extent, an increase in depreciation expense related to hardware and software acquired. Depreciation and amortization was also impacted by the consolidation of TravelClick.

In the second quarter of 2019, impairment losses amounted to €5.8 million, and were mostly related to (i) developments carried out for airline customers that have suspended or ceased operations, and (ii) investments related to new solutions or technology which did or will not deliver the expected benefits.

Depreciation & Amort. (€millions)	Apr-Jun 2019	Apr-Jun 2018	Change	Jan-Jun 2019	Jan-Jun 2018	Change
Ordinary D&A	(143.1)	(126.6)	13.0%	(278.5)	(245.4)	13.5%
Amortization derived from PPA	(25.1)	(23.7)	6.0%	(50.1)	(49.1)	2.0%
Impairments	(5.8)	0.0	n.m.	(5.8)	0.0	n.m.
D&A	**(174.0)**	**(150.3)**	**15.8%**	**(334.4)**	**(294.5)**	**13.5%**
Capitalized D&A[1]	4.5	2.5	80.0%	8.6	5.9	45.8%
D&A post-capitalizations	**(169.5)**	**(147.8)**	**14.7%**	**(325.8)**	**(288.6)**	**12.9%**

[1] Included within the Other operating expenses caption in the Group income statement. D&A is capitalized when the related asset is used for a software internally developed project which related costs are capitalized.

6.1.5 Operating income

Operating Income in the second quarter of 2019 increased by 8.3%. In the first half of the year, operating income grew by 9.9% to €867.7 million, as a result of EBITDA expansion, partly offset by higher D&A charges.

See section 5.3 for more detail on EBITDA growth.

Operating income – EBITDA (€millions)	Apr-Jun 2019	Apr-Jun 2018	Change	Jan-Jun 2019	Jan-Jun 2018	Change
Operating income	424.1	391.4	8.3%	867.6	789.6	9.9%
Depreciation and amortization	174.0	150.3	15.8%	334.4	294.5	13.5%
Capitalized depreciation and amortization	(4.5)	(2.5)	80.0%	(8.6)	(5.9)	45.8%
EBITDA	593.6	539.2	10.1%	1,193.4	1,078.2	10.7%
EBITDA margin (%)	41.7%	43.2%	(1.5 p.p.)	42.1%	43.5%	(1.4 p.p.)

6.1.6 Net financial expense

Net financial expense increased by €26.6 million in the first six months of 2019, mainly due to non-operating exchange losses amounting to €21.7 million, compared to €2.3 million gains in the same period of 2018. Non-operating exchange losses in the first half of the year mostly respond to hedging costs and results in relation to a USD-denominated intercompany loan, linked to TravelClick's acquisition. See section 3.1 for details on TravelClick's acquisition.

Interest expense grew by €2.9 million or 16.2% in the period, as a consequence of a higher amount of average gross debt outstanding and, to a lesser extent, a higher average cost of debt, in the period compared to the first half of 2018.

Net financial expense (€millions)	Apr-Jun 2019	Apr-Jun 2018	Change	Jan-Jun 2019	Jan-Jun 2018	Change
Financial income	0.6	0.4	50.0%	0.7	0.6	16.7%
Interest expense	(10.6)	(9.9)	7.1%	(20.8)	(17.9)	16.2%
Other financial expenses	(1.8)	(1.4)	28.6%	(4.1)	(4.3)	(4.7%)
Exchange gains (losses)	(13.4)	1.7	n.m.	(21.7)	2.3	n.m.
Net financial expense	(25.2)	(9.2)	173.9%	(45.9)	(19.3)	137.8%

6.1.7 Income taxes

Income taxes amounted to €216.5 million in the first six months of 2019, 8.2% higher than in the same period of 2018. The income tax rate for the first half of 2019 was 25.9%, broadly in line with the 26.0% reported in the first half of 2018 and higher than the 25.2% reported in full-year 2018. The increase in income tax rate vs. the full-year 2018 was mainly driven by changes in tax regulation across countries. The tax rate for the first half of the year was 25.9%, lower than 26.4% reported in the first quarter of 2019, as a result of an increase in deductions associated with R&D expected for the year.

6.1.8 Profit for the period. Adjusted profit

Reported profit amounted to €620.4 million in the first half of 2019, an 8.3% increase vs. the same period of 2018. 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 9.9% to €666.7 million in the first six months of 2019.

Reported-Adj. profit (€millions)	Apr-Jun 2019	Apr-Jun 2018	Change	Jan-Jun 2019	Jan-Jun 2018	Change
Reported profit	309.1	285.4	8.3%	620.4	573.0	8.3%
Adjustments						
Impact of PPA[1]	17.7	17.0	4.4%	35.1	35.2	(0.3%)
Non-operating FX results[2]	10.4	(1.3)	n.m.	16.5	(1.8)	n.m.
Non-recurring items	(9.7)	0.1	n.m.	(9.7)	0.4	n.m.
Impairments	4.4	0.0	n.m.	4.4	0.0	n.m.
Adjusted profit	332.0	301.2	10.2%	666.7	606.8	9.9%

[1] After tax impact of accounting effects derived from purchase price allocation exercises.
[2] After tax impact of non-operating exchange gains (losses).

6.1.9 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 in section 6.1.8). In the first half of 2019, our reported EPS increased by 7.9% to €1.44 and our adjusted EPS by 9.5% to €1.55.

Earnings per share	Apr-Jun 2019	Apr-Jun 2018	Change	Jan-Jun 2019	Jan-Jun 2018	Change
Weighted average issued shares (m)	438.8	438.8		438.8	438.8	
Weighted average treasury shares (m)	(8.2)	(9.4)		(8.2)	(9.4)	
Outstanding shares (m)	**430.6**	**429.5**	**0.3%**	**430.6**	**429.5**	**0.3%**
EPS (€)[1]	**0.72**	**0.66**	**8.0%**	**1.44**	**1.33**	**7.9%**
Adjusted EPS (€)[2]	**0.77**	**0.70**	**9.9%**	**1.55**	**1.41**	**9.5%**

[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.

6.2 Statement of financial position (condensed)

Statement of financial position (€millions)	Jun 30,2019	Dec 31,2018
Property, plant and equipment	422.5	433.2
Right-of-use assets	328.1	351.2
Intangible assets	4,172.2	4,093.8
Goodwill	3,636.5	3,598.0
Other non-current assets	335.5	282.8
Non-current assets	8,894.8	8,759.0
Current assets	913.2	808.5
Cash and equivalents	543.2	562.6
Total assets	**10,351.2**	**10,130.1**
Equity	3,515.7	3,191.7
Non-current debt	2,855.1	2,898.1
Other non-current liabilities	1,321.7	1,347.2
Non-current liabilities	4,176.8	4,245.3
Current debt	903.6	986.9
Other current liabilities	1,755.1	1,706.2
Current liabilities	2,658.7	2,693.1
Total liabilities and equity	**10,351.2**	**10,130.1**
Net financial debt (as per financial statements)	3,215.5	3,322.4

6.2.1 Financial indebtedness

Indebtedness[1] (€millions)	Jun 30, 2019	Dec 31, 2018	Change
Long term bonds	2,500.0	2,500.0	0.0
Short term bonds	0.0	500.0	(500.0)
European Commercial Paper	750.0	330.0	420.0
EIB loan	160.0	192.5	(32.5)
Other debt with financial institutions	13.4	23.9	(10.6)
Obligations under finance leases	84.8	90.1	(5.3)
Financial debt	**3,508.2**	**3,636.6**	**(128.4)**
Cash and cash equivalents	(543.2)	(562.6)	19.4
Net financial debt	**2,965.0**	**3,074.0**	**(109.0)**
Net financial debt / LTM EBITDA	**1.37x**	**1.47x**	
Reconciliation with financial statements			
Net financial debt (as per financial statements)	**3,215.5**	**3,322.4**	**(106.9)**
Interest payable	(16.5)	(5.5)	(11.0)
Deferred financing fees	12.9	14.9	(2.0)
EIB loan adjustment	1.3	1.9	(0.6)
Operating lease liabilities	(248.2)	(259.7)	11.5
Net financial debt (as per credit facility agreements)	**2,965.0**	**3,074.0**	**(109.0)**

[1] Based on our credit facility agreements' definition.

Net financial debt, as per our credit facility agreements' terms, amounted to €2,965.0 million at June 30, 2019 (representing 1.37x times last-twelve-month EBITDA).

The main changes to our debt in the first half of 2019 were:

- The amortization of €500 million bonds issued in May 2017, which reached maturity in May 2019.
- The increase in the use of the Multi-Currency European Commercial Paper (ECP) program by a net amount of €420.0 million.
- The repayment of €32.5 million related to our European Investment Bank loan.

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. This revolving facility remained undrawn at June 30, 2019.

Reconciliation with net financial debt as per our financial statements

Under our credit facility agreements' terms, financial debt (i) does not include the accrued interest payable (€16.5 million at June 30, 2019) 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 €12.9 million at June 30, 2019), (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 (€1.3 million at June 30, 2019), and (iv) 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 €248.2 million at June 30, 2019.

6.3 Group cash flow

Consolidated Statement of Cash Flows (€millions)	Apr-Jun 2019	Apr-Jun 2018	Change	Jan-Jun 2019	Jan-Jun 2018	Change
EBITDA	588.8	539.2	9.2%	1,184.4	1,078.2	9.8%
Change in working capital	(146.8)	(108.2)	35.7%	(212.3)	(176.4)	20.4%
Capital expenditure	(170.5)	(179.6)	(5.1%)	(369.9)	(342.5)	8.0%
Pre-tax operating cash flow	**271.5**	**251.4**	**8.0%**	**602.3**	**559.3**	**7.7%**
Taxes paid	(107.1)	(91.8)	16.7%	(153.7)	(92.3)	66.5%
Interest & financial fees paid	(3.7)	(3.5)	6.5%	(6.4)	(5.8)	10.6%
Free cash flow	**160.7**	**156.1**	**2.9%**	**442.2**	**461.2**	**(4.1%)**
Equity investment[1]	(42.8)	(0.1)	n.m.	(42.8)	(7.1)	n.m.
Cash flow from non-operating & extraord. Items[2]	(16.2)	1.3	n.m.	(31.0)	(14.0)	121.3%
Debt payment	(357.0)	142.5	n.m.	(159.9)	172.1	n.m.
Cash to shareholders	(7.7)	(312.1)	(97.5%)	(227.3)	(653.0)	(65.2%)
Change in cash	**(263.0)**	**(12.3)**	**n.m.**	**(18.9)**	**(40.9)**	**(53.7%)**
Cash and cash equivalents, net[3]						
Opening balance	805.8	550.6		561.7	579.1	
Closing balance	542.8	538.3		542.8	538.3	

[1] Equity investments in the first half of 2019 was mainly related to the acquisition of ICM (see section 3.2 for further detail).
[2] Cash flow from non-operating and extraordinary items in the first half of the year mostly respond to hedging results in relation to a USD-denominated intercompany loan, linked to TravelClick's acquisition. See section 3.1 for details on TravelClick's acquisition.
[3] Cash and cash equivalents are presented net of overdraft bank accounts.

In the first half of 2019, Amadeus Group free cash flow amounted to €442.2 million, 4.1% lower than the first half of 2018, impacted by an increase in taxes paid in the first quarter of 2019. Amadeus Group pre-tax free cash flow grew by 7.7% in the period. Free cash flow was also impacted by non-recurring costs related to TravelClick's acquisition, amounting to €9.7 million, paid in the first half of 2019. Excluding these non-recurring costs paid in relation to TravelClick's acquisition, pre-tax free cash flow increased by 9.4%. See section 3.1 for further explanation about TravelClick's acquisition effects.

In the second quarter of 2019, Amadeus Group free cash flow amounted to €160.7 million, an increase of 2.9% vs. the same period of 2018. Excluding non-recurring TravelClick's acquisition costs, free cash flow increased by 8.3% in the quarter.

6.3.1 Change in working capital

In the first half of 2019, the working capital outflow increased by €35.9 million, or 20.4%, vs. previous year. The increase in working capital outflow was mainly related to (i) advanced payments related to customer renegotiations, and (ii) timing differences in some payments and collections, partly related to VAT reimbursements.

6.3.2 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.

In the second quarter of 2019, capex decreased by €9.1 million, or 5.1%. In the first half of the year, capex amounted to €369.9 million, an increase of 8.0% vs. previous year. As a percentage of revenue, capex decreased by 0.7 p.p. to 13.1% in the six-month period.

The growth in capex in the first half of 2019 was driven by:

- A €39.7 million, or 14.0% increase in capex in intangible assets, as a result of higher capitalizations from software development (driven by the increase in R&D investment, as explained below, coupled with a lower capitalization ratio) and, to a lesser extent, an increase in signing bonuses paid. The TravelClick consolidation also contributed to the increase in capex in intangible assets.
- A €12.3 million, or 20.9% decline in capex in property, plant and equipment.

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.

Capital Expenditure (€millions)	Apr-Jun 2019	Apr-Jun 2018	Change	Jan-Jun 2019	Jan-Jun 2018	Change
Capital Expenditure PP&E	16.2	29.6	(45.3%)	46.6	58.9	(20.9%)
Capital Expenditure in intangible assets	154.3	150.0	2.8%	323.3	283.6	14.0%
Capital Expenditure	170.5	179.6	(5.1%)	369.9	342.5	8.0%
As % of Revenue	12.0%	14.4%	(2.4 p.p.)	13.1%	13.8%	(0.7 p.p.)

R&D investment

R&D investment (including both capitalized and non-capitalized expense) increased by 18.0% in the first half of 2019 vs. prior year. As a percentage of revenue, R&D investment amounted to 16.8%. Growth in R&D investment in the period resulted from:

- Increased resources to enhance and expand our product portfolio (including efforts related to NDC, shopping and digital solutions, etc.).
- Higher efforts dedicated to our new businesses, particularly in Hospitality (including the consolidation of TravelClick), Payments and Rail.
- Investments focus on cloud services and continued enhancement of our 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)	Apr-Jun 2019	Apr-Jun 2018	Change	Jan-Jun 2019	Jan-Jun 2018	Change
R&D investment[1]	251.8	208.3	20.8%	473.6	401.3	18.0%
As % of Revenue	17.7%	16.7%	1.0 p.p.	16.8%	16.2%	0.6 p.p.

[1] Net of Research Tax Credit.

6.3.3 Taxes paid

Cash taxes increased by €61.4 million, or 66.5%, in the first half of 2019 vs. previous year, mainly due to no reimbursements from taxes paid in previous years in the first half of 2019, compared to reimbursements received from previous years in the first half of 2018 (mainly in the first quarter). Higher prepaid taxes in several countries also contributed, to a lesser extent, to the increase in taxes paid in the period.

7 Investor information

7.1 Capital stock. Share ownership structure

As of June 30, 2019, Amadeus' capital stock amounts to €4,312,684.36, represented by 431,268,436 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 June 30, 2019 is as described in the table below:

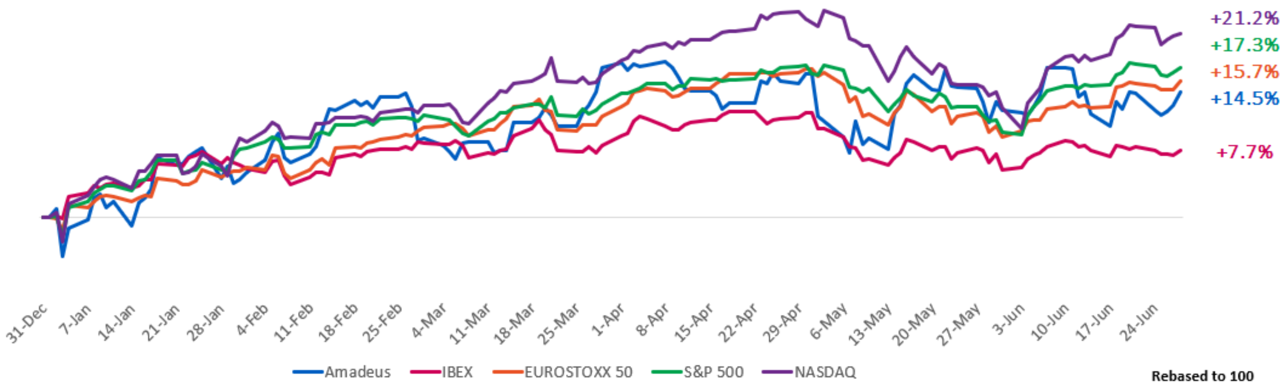
Shareholders	Shares	% Ownership
Free float	430,605,973	99.85%
Treasury shares[1]	304,364	0.07%
Board members	358,099	0.08%
Total	**431,268,436[2]**	**100.00%**

[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.
[2] Total number of Amadeus shares after the share capital reduction approved by the General Shareholders Meeting on June 19, 2019, which was registered with the Commercial Registry of Madrid on July 11, 2019.

On December 10, 2018, Amadeus announced it had completed the share repurchase program approved by the Board of Directors of Amadeus on December 14, 2017, upon reaching the maximum investment under the first tranche (€500 million) of the share repurchase program (the second tranche of the program had been cancelled, following TravelClick's acquisition on October 4, 2018). Under the program, Amadeus acquired 7,554,070 shares (representing 1.721% of Amadeus share capital).

The share capital reduction through the amortization of the treasury shares was approved by the General Shareholders Meeting on June 19, 2019 and registered with the Commercial Registry of Madrid on July 11, 2019.

7.2 Share price performance in 2019



Key trading data	
Number of publicly traded shares (# shares)	438,822,506
Share price at June 30, 2019 (in €)	69.66
Maximum share price in Jan - Jun 2019 (in €) (April 8, 2019)	71.80
Minimum share price in Jan - Jun 2019 (in €) (January 3, 2019)	58.06
Market capitalization at June 30, 2019 (in € million)	30,568
Weighted average share price in Jan - Jun 2019 (in €)[1]	67.47
Average Daily Volume in Jan - Jun 2019 (# shares)	1,406,001

[1] Excluding cross trade

7.3 Shareholder remuneration

7.3.1 Dividend payments

At the General Shareholders' Meeting, held on June 19, 2019, our shareholders approved a final 2018 gross dividend of €1.175 per share, representing a 3.5% increase vs. the 2017 dividend and 50% of our reported Profit, adjusted to exclude TravelClick acquisition related effects. An interim dividend of €0.51 per share (gross) was paid in full on January 17, 2019 and a complementary dividend of €0.665 per share (gross) was paid on July 12, 2019.

8 Key terms

- "API": refers to "Application Programming Interface"
- "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
- "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"
- "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

Contacts

For any other information please contact:

Ana de Pro
Chief Financial Officer
ana.depro@amadeus.com

Cristina Fernandez
Director, Investor Relations
cristina.fernandez@amadeus.com

You can follow us on:
AmadeusITGroup

amadeus.com/investors

Disclaimer

There may be statements in this financial report which are not purely historical facts, including statements about anticipated or expected future revenue and earnings growth. All forward-looking statements in this report, if any, are based upon information available to Amadeus on the date of this report. Any forward-looking statements involve risks and uncertainties that could cause actual events or results to differ materially from the events or results described in the forward-looking statements. Amadeus undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on forward-looking statements.