Management Review January-June 2016

July 29, 2016

amadeus

Index

1 Summary

1.1 Introduction

Highlights for the first six months, ended June 30, 2016

- In Distribution, our air travel agency bookings increased 5.0%, to 279.3 million
- In IT Solutions, our total Passengers Boarded increased 75.7%, to 622.4 million
- Revenue increased by 15.1%, to €2,275.5 million
- EBITDA increased by 16.5%, to €907.1 million
- Adjusted profit[1] increased by 17.9%, to €494.5 million
- Free Cash Flow increased by 23.2%, to €417.3 million
- Covenant net financial debt was €2,147.5 million (1.31 times to covenant last twelve months' EBITDA) at June 30, 2016

We have continued to see a strong trend throughout the first half of 2016, with successful business announcements and good financial results. In the first six months of the year, Revenue and EBITDA increased by 15.1% and 16.5%, respectively, driving Adjusted Profit growth of 17.9%. These results were supported by the positive performances of our Distribution and IT Solutions segments, as well as by the contribution from our 2015 and this year's Navitaire acquisitions.

In Distribution, we successfully renewed or signed content agreements with 9 airlines during the second quarter, including Emirates, securing and expanding content for our subscribers. We successfully enhanced our competitive position[2] in the market by 1.3 p.p. during the quarter, further increasing our relevance to travel providers. Our fastest-growing regions in the quarter were Asia and Pacific, driven by strong industry growth and supported by a continued enhancement of our competitive position, followed by North America, where our volumes continued to experience double-digit growth driven also by an improvement in our competitive position. Our global competitive position[2] reached 43.2% over the first six months of 2016, representing a 1.0 p.p. improvement over last year, supporting air travel agency volume growth for Amadeus of 5.0% and a Distribution Revenue increase of 7.5%.

Amadeus is committed to supporting its airline partners in realising their full revenue potential. Merchandising solutions represent a key area of focus for the airlines. As of the end of the second quarter, 63% of air bookings processed through Amadeus could carry an attached ancillary service and 110 airlines had contracted for Amadeus Airline Ancillary Services for the indirect channel, of which 86 had been implemented. Amadeus Fare Families Solution, which allows airlines to distribute branded fares, had 39 contracts in place, including the newly signed Iberia and Ural Airlines. 30 airlines have now implemented the Amadeus Fare Families solution.

[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] Competitive position as defined in Section 3.

Sales of Airline Ancillary Services through the Amadeus indirect distribution channel grew 80% in the first half of 2016, primarily through the now more than 30 online travel agencies which have integrated the Amadeus merchandising solutions. German Reisegiganten, Swedish Airtour.se and Netherlands based TIX have integrated either Amadeus Ancillary Services or Amadeus Fare Families during the second quarter.

IT Solutions revenue grew 31.5% in the second quarter of 2016. This performance was driven by underlying double-digit growth, as well as by the consolidation of the Navitaire acquisition from late January 2016 and the full year impact from the 2015 AirIT, Hotel SystemsPro and Itesso acquisitions. Total Passengers Boarded increased by 86.9% due to the inclusion of Navitaire's Passengers Boarded. Altéa Passengers Boarded growth was 11.9%, positively impacted by organic growth and the migrations we have undertaken in the last twelve months: most importantly China Airlines, Swiss International Air Lines and Brussels Airlines (both part of the Lufthansa Group). Our main activities within Airline IT grew well in the quarter supported by upselling and cross-selling success as well as organic growth. IT solutions revenue increased by 34.4% in the first half.

During the second quarter, Malaysia Airlines announced it had chosen Amadeus to become its new PSS provider and Air Cairo completed its migration to Altéa. Nile Air renewed its Airline IT contract expanding its scope of contracted services. Swiss International Air Lines and Amadeus announced a partnership to develop Amadeus Passenger Recovery[3], a new tool that will allow the airline to re-accommodate disrupted passengers and which will be integrated with the Altéa Suite. Avianca also renewed its Altéa contract long term and became the launch customer for Amadeus Anytime Merchandising[4]. Avianca is also launching Amadeus Customer Experience Management[5], allowing Avianca to intimately understand its customers and deliver highly personalised offers. In May, Amadeus announced a partnership with Plusgrade, an IT provider to airlines, which will support passengers bidding for upgrades. In June, Amadeus became one of the first industry players to receive the highest level of NDC certification from IATA. This was shortly followed by Navitaire also receiving the NDC certification.

We continue to advance steadily in our new businesses. We are progressing in the execution of our Hospitality IT strategy, by integrating Itesso and Hotel SystemsPro and by working with InterContinental Hotels Group in the development of a new-generation Guest Reservation System for the hospitality industry. In payments, we recently announced the enhancement of our B2B Wallet offering through partnerships with MasterCard and Ixaris. Two Travel Intelligence solutions were launched during the second quarter, Amadeus Performance Insight[6] and Amadeus Booking Analytics[7]. Additionally, Amadeus and The Boston Consulting

[3] For more information on Amadeus Passenger Recovery, please click here.

[4] For more information on Amadeus Anytime Merchandising, please click here.

[5] For more information on Amadeus Customer Experience Management, please click here.

[6] For more information on Amadeus Performance Insight, please click here.

[7] For more information on Amadeus Booking Analytics, please click here.

Group (BCG) launched a new itinerary management app available to the BCG workforce worldwide. The MyBCGTrip[8] app is based on the Amadeus Mobile Platform and personalised for BCG's needs.

We remain highly focused on technology. Our investment in R&D reached 15.3% of our revenue in the first half of 2016. It was dedicated to support long-term growth through new customer implementations, product evolution, portfolio expansion, investment in new businesses and continued open systems migration and system performance optimisation.

During the first half of 2016, our free cash flow grew 23.2% and consolidated covenant net financial debt as of June 30, 2016 was €2,147.5 million, representing 1.31 times last twelve months' covenant EBITDA.

In June 2016, our shareholders approved a gross dividend of €0.775 per share for the results in respect of 2015, representing a 50% pay-out ratio, amounting to a total dividend of €340.1 million. An interim dividend of €0.34 per share was paid on January 28, 2016 and the complementary dividend of €0.435 per share was paid on July 28, 2016.

On March 11, 2016 the Board of Directors of Amadeus IT Holding, S.A. and that of Amadeus IT Group, S.A. approved a plan in relation to the merger of both companies (being Amadeus IT Holding, S.A. the surviving entity). After the approval of the merger by absorption by the Ordinary Shareholders' Meeting of both Amadeus IT Holding, S.A. and Amadeus IT Group S.A. in June 2016 and having fulfilled the remaining legal formalities, the merger public deed is expected to be registered with the Commercial Registry of Madrid on August 1, 2016. Upon registration Amadeus IT Group S.A. will be legally dissolved and Amadeus IT Holding S.A. will adopt the name of Amadeus IT Group S.A.

[8] For more information on MyBCGTrip, please click here.

1.2 Summary of operating and financial information

	Summary of KPI (figures in million euros)		
	Jan-Jun 2016	Jan-Jun 2015	% Change
Operating KPI			
Air TA competitive position[1]	**43.2%**	**42.2%**	**1.0 p.p.**
Air TA bookings (m)	279.3	265.9	5.0%
Non air bookings (m)	31.2	32.2	(3.1%)
Total bookings (m)	**310.5**	**298.1**	**4.1%**
Passengers Boarded (m)	**622.4**	**354.2**	**75.7%**
Financial results			
Distribution Revenue	1,520.5	1,415.1	7.5%
IT Solutions Revenue	754.9	561.7	34.4%
Revenue	**2,275.5**	**1,976.8**	**15.1%**
Distribution Contribution	677.2	632.2	7.1%
IT Solutions Contribution	499.3	367.0	36.0%
Contribution	**1,176.5**	**999.2**	**17.7%**
EBITDA	**907.1**	**778.8**	**16.5%**
EBITDA margin (%)	39.9%	39.4%	0.5 p.p.
Adjusted profit[2]	**494.5**	**419.6**	**17.9%**
Adjusted EPS (euros)[3]	**1.13**	**0.96**	**17.9%**
Cash flow			
Capital expenditure	288.4	251.7	14.6%
Free cash-flow[4]	417.3	338.7	23.2%
	30/06/2016	31/12/2015	% Change
Indebtedness[5]			
Covenant Net Financial Debt	**2,147.5**	**1,611.6**	**33.3%**
Covenant Net Financial Debt / LTM Covenant EBITDA	1.31x	1.09x	

1. Competitive position as defined in section 3.
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 less taxes paid less interests and financial fees paid.
5. Based on the definition included in the senior credit agreement covenants.

2 Operating Review

2.1 Key business highlights for the second quarter

The following section includes selected business highlights for the second quarter of 2016.

Distribution

- Around 75% of airline bookings made through the Amadeus system worldwide are with airlines that have a content agreement with Amadeus. Since the beginning of the second quarter, new contracts or renewals of existing content agreements were signed with 9 carriers, including Emirates and Air Cairo.
- Chinese low cost carrier Spring Airlines made its content available through the Amadeus system and signed for Amadeus Ticketless Access. Subscribers to the Amadeus system have now access to the inventory of over 80 low cost and hybrid carriers from all over the world. Bookings of this segment grew by 17% in the first half of 2016, compared to 2015.
- Our customers continued to contract our merchandising solutions, including FlyBe and Ukraine International Airlines. As of the end of the second quarter, 63% of the global air bookings processed through the Amadeus system are eligible to carry an attached ancillary service. At the end of the second quarter, 110 airlines had signed up to Amadeus Airline Ancillary Services for the indirect channel, with 86 of them already implemented. Including customers that have contracted this solution for either their indirect channel or direct channel, the number of contracted airlines is 157, 121 of which have already been implemented.
- Amadeus Fare Families Solution, which allows airlines to distribute branded fares, had 39 contracts in place, including the newly signed Iberia and Ural Airlines. 30 customers have now implemented the Fare Families solution.
- Merchandising sales through the Amadeus indirect distribution channel had a record first half of the year, with an 80% increase in airline ancillary services sold through the Amadeus system, primarily through the more than 30 global online travel agencies that are integrating Amadeus merchandising solutions. German Reisegiganten, Swedish Airtour.se and Netherlands based TIX have integrated either Amadeus Ancillary Services solution or Amadeus Fare Families solution in their websites over the second quarter.

Airline IT

- Including Navitaire, and at the end of the second quarter, more than 170 airlines were contracted for either of the Amadeus Passenger Service Systems (PSS) and more than 160 airlines had been implemented.
- During the second quarter, Malaysia Airlines announced that it had selected Amadeus as its new IT provider for its PSS and Air Cairo completed its migration to Amadeus Altéa. Viva Group was also successfully migrated to Navitaire New Skies, which will allow VivaColombia and VivaAerobus to serve more customers, add additional destinations, and ultimately support sustained and profitable growth.
- Also, Nile Air renewed its IT contract, expanding the scope of its airline IT services: apart from Amadeus' complete Altéa Suite and the Amadeus Digital Solutions (e-commerce), Nile Air has now gained access to four key new features — revenue management,

revenue accounting, mobile web and loyalty management — that will boost operational efficiency and create savings for the airline.

- Swiss International Air Lines and Amadeus announced a partnership to develop Amadeus Passenger Recovery[9] solution, a new tool that will allow the airline to re-accommodate disrupted passengers from multiple flights through a standard service approach taking into account the value of the passengers' complete itinerary, available alternative flights, and the cost versus the quality of the new itinerary. This solution will be integrated with the Altéa Suite.
- In June, Avianca renewed its commitment to Amadeus Altéa Suite long term, and also became the launch customer for Amadeus Anytime Merchandising[10]. As such, Avianca will benefit from unique merchandising capabilities including the ability to reach more travellers at any stage of their trip through the Amadeus global travel ecosystem, and advanced segmentation capabilities and support for many different types of ancillary services that will help Avianca deliver on travellers' expectations by providing relevant and attractive offers throughout the entire trip cycle. Amadeus Anytime Merchandising, which is compliant with IATA's NDC standard, helps airlines engage with their customers at decisive moments during their journey, such as the searching and booking phase, when at the airport, during the flight, at the hotel and many more.

  Avianca is also launching Amadeus Customer Experience Management[11], an IT solution that will underpin the airline's ability to intimately understand its customers and deliver highly personalised offers, helping to maximise every merchandising revenue opportunity.
- In May, Amadeus announced a partnership with Plusgrade, an IT company that provides technology to airlines so that passengers may bid to move to a better class or have that much-prized empty seat next to them on a busy flight. After buying their tickets, passengers place their bids for these services online. They find out if their offer is accepted between 24 and 72 hours before the flight takes off.
- In June, Amadeus became one of the first industry players to receive the highest level of NDC certification from IATA. Airlines using Amadeus' new Altéa NDC solution developed earlier in 2016 will have the option to distribute their prices and fares, including ancillary and fare family content, using NDC Offers & Orders. This was shortly followed by Navitaire receiving the highest level of NDC certification as well.

Payments

- Amadeus partnered with two pioneers in Fintech innovation to enhance its recently announced B2B Wallet product. Amadeus is partnering with MasterCard to offer travel agencies payment acceptance and security around the globe, as well as better protection against supplier default when using B2B Wallet. Amadeus' solution will build on MasterCard's vast global network to expand virtual B2B payments in travel.

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[9] For more information on Amadeus Passenger Recovery, please click here.

[10] For more information on Amadeus Anytime Merchandising, please click here.

[11] For more information on Amadeus Customer Experience Management, please click here.

- Amadeus is also partnering with Ixaris to drive efficient virtual card management on B2B Wallet. With its innovative payments technology, Ixaris allows travel agents to easily create and add funds to their virtual payment cards. Ixaris, having won the Cards International's Prepaid Innovation Award two years in a row, has been a pioneer in payments ever since it launched the first virtual prepaid card in Europe in 2003.

Airport IT

- ASA, which owns Cape Verde's seven airports and ground handling company Cabo Verde Handling, will implement Amadeus Airport Common Use Service (ACUS) and Altéa Departure Control in four international airports to provide a more efficient passenger experience and simplify departure control connectivity for airline customers. The airports will make use of application virtualisation, allowing passenger processing systems to be accessed and deployed anywhere, on demand. This means airlines and ground handlers can use the platform from a desktop computer or laptop, enabling passengers to be checked-in and boarding passes to be printed from any location resulting in greater operational flexibility. Airline customers will also benefit from the simplified network connectivity model which facilitates the opening of new routes by substantially reducing the time needed to deploy their applications at the airports.

Travel Intelligence

- Two Travel Intelligence solutions were launched during the second quarter. The first was Amadeus Performance Insight[12], a cloud-based open architecture solution that allows airlines of all sizes to better understand their performance, using data to help them make better business decisions as a result. With Amadeus Performance Insight airlines can also gain insights to understand peaks and falls in travel shopping, and other purchase patterns to help them better manage demand and build personalised offers.
- A second data intelligence solution, Booking Analytics[13], was launched in June. Amadeus Booking Analytics allows airlines to monitor bookings - per route, per airline, per booking class, per agency point of sale, among other criteria, and act upon them. It also enables airlines to better manage inventory by adjusting their booking class offering, allows carriers to monitor passenger volumes right down to an Origin and Destination level and offers visibility to point of sale level where available.

Mobile

- Amadeus and The Boston Consulting Group (BCG) launched a new itinerary management app available to the consulting firm's entire workforce worldwide. MyBCGTrip[14] is a versatile and intuitive itinerary management app offering instant access to all trip details, easy check-in, calendar synchronisation, flight notifications and instant alternatives in case of a last-minute change in plans. Rebooking is as simple as a single tap that connects the traveller directly to a travel agent. Upon booking a trip, the traveller doesn't need to

[12] For more information on Amadeus Performance Insight, please click here.

[13] For more information on Amadeus Booking Analytics, please click here.

[14] For more information on MyBCGTrip, please click here.

do anything either: the trip links automatically to their profile within the app. The MyBCGTrip app is based on the Amadeus Mobile Platform and personalised for the corporation's travel needs.

Additional news from the second quarter

- Amadeus has been awarded "Cloud innovator of the year" by open source solutions provider Red Hat, for a project it describes as providing 'a wonderful example of what is possible with open source'. This commendation follows the successful launch of Amadeus Cloud Services last June, supported by an open source project Amadeus developed in collaboration with Red Hat on OpenShift Container Platform. Red Hat Innovation Awards honour customers and partners for their outstanding and innovative use of Red Hat solutions.
- Amadeus also continued with its thought leadership activities. A research paper written by Connections stated that luxury travel is expected to grow 6.2% annually, a third faster than global GDP. Another report commissioned by Amadeus and conducted by Context Consulting predicts that Halal travellers, those who wish to maintain Muslim principles while travelling, will increase from 110 million to 150 million by 2020. Defining the future of travel through intelligence, a new discussion paper from Amadeus Travel Intelligence, outlines how data analytics can be used to develop innovative products, services, and processes that better meet the needs of their customers. It explains that travel companies must be open to experimentation, new ideas and new approaches. Also, an Amadeus whitepaper explains how the latest in travel technology is helping travel management companies reduce costs for marine and offshore companies.

2.2 Key ongoing R&D projects

R&D investment in the first half of 2016 related primarily to:

- Customer implementations and services:
  - Altéa implementation efforts related to carriers migrated in 2016 and future implementations (mainly Swiss International Air Lines, Brussels Airlines, China Airlines, Southwest Airlines –the domestic passengers business-, and Japan Airlines), as well as resources for Navitaire New Skies migrations (including the Viva Group recently implemented).
  - Implementation costs linked to our upselling activity (such as Revenue Management or e-commerce solutions).
  - Implementation of Distribution solutions for airlines, travel agencies, and corporations, including the implementation of low cost carriers to ticketless access, the expansion of our customer base in merchandising solutions and the migration of corporations to our self-booking tool.
  - Additionally, resources allocated to client specific e-commerce competency centres.

_ Product evolution and portfolio expansion:

- For airlines, mainly solutions related to cloud availability, NDC compliant XML connectivity, and our revenue optimisation and financial suites.
- For travel agencies, meta-search engines, travel management companies and corporations, efforts linked to our cloud-based new generation selling platform, search engines, front-office customisation and conversion tools.
- Investment focused on merchandising solutions (including Amadeus Anytime Merchandising and Customer Experience Management), ancillary services and fare families, as well as enhanced shopping and booking solutions.

_ Efforts related to the new businesses (Hospitality, Rail, Airport IT, Payments and Travel Intelligence):

- Development costs to build and implement the next-generation Guest Reservation System for the hospitality industry under our partnership with InterContinental Hotels Group.
- Continued development and evolution of our Airport IT, Payments and Travel Intelligence portfolios, as well as enhanced distribution capabilities for Hospitality and Rail.
- Implementation efforts in the Airport IT space (in relation to our ground-handling, passenger processing and airport operations solutions), as well as related to Payment solutions.
- Efforts dedicated to our partnership with Bene Rail to create a new rail community IT platform.

_ Cross-area technology investment:

- Ongoing shift of the company's platform to next-generation technologies and open systems.
- System performance projects to deliver the highest possible reliability, availability, as well as service and security levels to our client base.
- 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 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 EBITDA, covenant net financial debt and Adjusted profit, and its corresponding ratios. These Alternative Performance Measures have been prepared in accordance with the Guidelines issued by the European Securities and Markets Authority for the regulated information published on or after July 3, 2016.

- The EBITDA corresponds to the segment contributions less the net indirect costs as disclosed in note 4 'Segment Reporting' of the Consolidated and condensed interim financial statements for the six months period ended June 30, 2016.
- The covenant net financial debt is defined as the current and non-current debt, less the cash and cash equivalents, adjusted for the non-debt items (such as deferred financing fees, accrued interest and fair value adjustments to EIB loans). A reconciliation to the financial statements is included in section 10.2.
- The Adjusted profit corresponds to the Profit for the period reported on the Consolidated and condensed statement of comprehensive income for the six month period ended June 30, 2016, 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 6.6.

The Group considers 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 consider only our air TA bookings in relation to the air TA booking industry, defined as the total volume of travel agency air bookings processed by the global CRS. It excludes air bookings made directly through in-house airline systems or single country operators, the latter primarily in China, Japan and Russia, which together combined represent an important part of the industry.

3.1 Acquisitions completed in 2015

AirIT

On April 21, 2015, Amadeus acquired 100% of the voting rights of Air-Transport IT Services, Inc ("AirIT"), a US-based provider of airport technology solutions. The purchase consideration paid in cash was €13.0 million. The transaction was fully financed with cash. The AirIT results were consolidated into Amadeus' books from May 1, 2015.

A purchase price allocation exercise in relation to the consolidation of AirIT into Amadeus' books was carried out in the fourth quarter of 2015.

Itesso

On July 21, 2015, Amadeus acquired 100% of the voting rights of Itesso B.V. and subsidiaries, a provider of cloud-based property management systems, to expand its technology offering to the hospitality industry. The purchase consideration paid in cash was €32.7 million. The transaction was fully financed with cash. The Itesso results were consolidated into Amadeus' books from August 1, 2015.

A purchase price allocation exercise in relation to the consolidation of Itesso into Amadeus' books was carried out in the second quarter of 2016.

Hotel SystemsPro

On July 31, 2015, Amadeus acquired through Newmarket the business (assets acquired and liabilities assumed) of Hotel SystemsPro LLC, a leading provider of sales, catering and maintenance software to the hospitality industry. The purchase consideration paid in cash was €63.3 million. The transaction was fully financed with cash. The results of the business of Hotel SystemsPro were consolidated into Amadeus' books from August 1, 2015.

A purchase price allocation exercise in relation to the consolidation of the business of Hotel SystemsPro into Amadeus' books was carried out in the fourth quarter of 2015.

Pyton

On August 21, 2015, Amadeus acquired 100% of the voting rights of Pyton Communication Services B.V. and subsidiaries, a Netherlands-based leisure travel technology specialist. The purchase consideration paid in cash was €8.2 million. The transaction was fully financed with cash. The Pyton results were consolidated into Amadeus' books in the fourth quarter of 2015, retroactively since the date of acquisition.

A purchase price allocation exercise in relation to the consolidation of Pyton into Amadeus' books was carried out in the second quarter of 2016.

3.2 Acquisitions completed in 2016

Navitaire

On July 1, 2015, Amadeus announced its agreement to acquire Navitaire, a U.S-based provider of technology and business solutions to the airline industry, from Accenture. Amadeus received all the necessary regulatory approvals and the closing took place on January 26, 2016. The cash consideration in relation to this acquisition amounted to €766.5 million. The acquisition was 100% debt-financed, partially through the drawing of the €500 million bank loan facility executed on July 3, 2015 (structured as a "club deal" financing entered into with twelve banks, with maturity dates in 2019 and 2020), and partially through the €500 million debt securities issued under our Euro Medium Term Note Programme in November 2015 (with maturity in 2021). The results of Navitaire were consolidated into Amadeus' books from January 26, 2016.

A purchase price allocation exercise in relation to the consolidation of Navitaire into Amadeus' books will be carried out in the coming quarters. The extraordinary costs of €6.7 million associated with the acquisition, incurred in the second half of 2015, were reported as indirect costs as of year-end 2015.

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.

Our revenue is mostly generated either in Euro or in US Dollar (the latter representing 30%-35% of our total revenue). Revenue generated in currencies other than Euro or US Dollar is negligible.

In turn, 40%-50% of our operating costs[15] are denominated in many currencies different from the Euro, including the USD which represents 20%-30% of our operating costs. The rest of the foreign currency operating expenses are denominated in a variety of currencies, GBP, AUD, SEK, THB and INR being the most significant. A number of the currencies in this basket (e.g. HKD, INR and THB) tend to fluctuate vs. the Euro similarly to the US Dollar - Euro fluctuations, although the degree of this correlation may vary with time.

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

- The strategy for managing our exposure to the US Dollar is based on the use of a natural hedge of our net operating cash flow generated in this currency with the payments of our USD-denominated debt (when applicable) and taxes. We enter into derivative arrangements when the natural hedge is not sufficient to cover the outstanding exposure.
- We also hedge a number of currencies, including the GBP, AUD and SEK, for which we enter into foreign exchange derivatives with banks.

When the hedges in place qualify for hedge accounting under IFRS, profits and losses are recognised within the revenue caption (under the non-booking revenue line of Distribution). Our hedging arrangements typically qualify for hedge accounting under IFRS.

In the first half of 2016, the foreign exchange impact on revenue was negligible. The appreciation of the euro vs. several currencies (GBP, ZAR, ARS, INR for example) had a positive impact on costs, EBITDA and EBITDA margin. The underlying trend, excluding the positive foreign exchange impact on costs and Navitaire, was positive with double-digit EBITDA growth and broadly stable margins.

[15] Including Cost of revenue, Personnel expenses and Other operating expenses. Excludes Depreciation and amortisation.

4.2 Interest rate risk

Our target is to reduce the volatility of the net interest flows payable. 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, 2016, 19% of our total covenant financial debt 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 their beneficiaries will receive a number of Amadeus shares which for the outstanding plans will be (depending on the evolution of certain performance conditions) between a minimum of 222,000 shares and a maximum of 2,142,000 shares, approximately. It is Amadeus' intention to make use of its treasury shares to settle these plans at their maturity.

5 Operating and financial performance by segment

	EBITDA (figures in million euros)		
	Jan-Jun 2016	Jan-Jun 2015	% Change
Distribution revenue	1,520.5	1,415.1	7.5%
IT Solutions revenue	754.9	561.7	34.4%
Group Revenue	**2,275.5**	**1,976.8**	**15.1%**
Distribution contribution	677.2	632.2	7.1%
Distribution contribution margin (%)	44.5%	44.7%	(0.1 p.p.)
IT Solutions contribution	499.3	367.0	36.0%
IT Solutions contribution margin (%)	66.1%	65.3%	0.8 p.p.
Total Contribution	**1,176.5**	**999.2**	**17.7%**
Net indirect costs	(269.4)	(220.4)	22.2%
EBITDA	**907.1**	**778.8**	**16.5%**
EBITDA Margin (%)	39.9%	39.4%	0.5 p.p.

In the second quarter of 2016, Revenue increased by 17.0%, to €1,155.4 million, confirming the solid start to 2016 reported in the first quarter. Revenue growth was 15.1% in the first half, driven by the positive evolution of our segments:

- In Distribution, a 1.0 p.p. improvement in our competitive position[16], expansive average pricing and growing non-booking revenue generated revenue growth of 7.5%.
- In IT Solutions, revenue grew 34.4% driven by underlying strong double-digit growth, as well as by the consolidation of the Navitaire acquisition from late January and the full year impact from the 2015 acquisitions. (See section 3.1 Acquisitions completed in 2015 for more detail).

EBITDA expanded 16.5% in the first half of 2016, as a result of growing contributions in both Distribution (7.1%) and IT Solutions (36.0%). These were partly offset by an increase in net indirect costs (22.2%), impacted by the consolidation of Navitaire's central costs. EBITDA margin represented 39.9% of revenues in the first half of 2016, expanding 0.5 p.p. vs. prior year. The underlying trend, excluding the positive foreign exchange impact on costs and Navitaire, was positive with double-digit EBITDA growth and broadly stable margins.

[16] Competitive position as defined in Section 3.

5.1 Distribution

	Distribution (figures in million euros)		
	Jan-Jun 2016	Jan-Jun 2015	% Change
Operating KPI			
Air TA competitive position[1]	43.2%	42.2%	1.0 p.p.
Total bookings (m)	310.5	298.1	4.1%
Financial results			
Revenue	1,520.5	1,415.1	7.5%
Net operating costs	(843.3)	(782.9)	7.7%
Contribution	**677.2**	**632.2**	**7.1%**
As % of Revenue	**44.5%**	**44.7%**	**(0.1 p.p.)**

1. Competitive position as defined in section 3.

Distribution delivered 7.5% revenue growth in the first half of 2016, driven by volume growth, expansive average pricing and growing non-booking revenue. Contribution grew by 7.1% to reach €677.2 million in the first half to represent 44.5% of revenue.

5.1.1 Evolution of operating KPI

Amadeus air travel agency bookings[17] increased by 7.9% in the second quarter of 2016, supported by the 3.7% air TA industry growth and an improvement of 1.3 p.p. in our global competitive position[18]. In the first half of 2016, our air bookings grew by 5.0% and our competitive position improved by 1.0 p.p. to 43.2%.

[17] Air travel agency bookings were positively affected in the first quarter of 2015 by a one-time seasonality impact linked to the way Topas group bookings were made. This impact reverted in the second quarter of 2015 and the Topas booking dynamics normalised. For comparability purposes, we have made a reclassification between the first quarter and second quarter of 2015 for such air travel agency bookings, slightly impacting industry growth and competitive position. Note first half and full-year 2015 figures are not impacted by this reclassification.

[18] Competitive position and air TA booking industry as defined in Section 3.

	Apr-Jun 2016	*Apr-Jun 2015*	*% Change*	*Jan-Jun 2016*	*Jan-Jun 2015*	*% Change*
						Operating KPI
Air TA booking Industry growth[17,18]	**3.7%**	**5.6%**		**2.2%**	**4.9%**	
Air TA competitive Position[17,18]	**43.8%**	**42.5%**	**1.3 p.p.**	**43.2%**	**42.2%**	**1.0 p.p.**
Air TA bookings (m)[17]	138.1	128.0	7.9%	279.3	265.9	5.0%
Non air bookings (m)	15.4	15.7	(2.2%)	31.2	32.2	(3.1%)
Total bookings (m)[17]	**153.5**	**143.8**	**6.8%**	**310.5**	**298.1**	**4.1%**

Air TA booking Industry

Air travel agency bookings[17] grew by 2.2% in the first half of 2016, with a marked seasonality between the first and second quarter of the year. Growth amounted to 3.7% in the second quarter of 2016, compared to 0.8% in the first quarter of 2016, impacted by the Easter timing effect. (Easter took place in the first quarter of 2016, while it happened in the second quarter in 2015.)

Asia and Pacific was the fastest growing region during the first half of 2016 experiencing robust growth, supported by the strong performance of South Korea, India, Hong Kong or the Philippines among others. Despite a stronger second quarter, the air TA booking industry in Western Europe and Middle East and Africa increased moderately overall in the first half of the year, negatively impacted either by terrorist attacks or geopolitical conflicts. Latin America and Central, Eastern and Southern Europe experienced booking declines in the first half of 2016, dragged by unfavourable macroeconomic conditions (e.g. Brazil, Venezuela and Russia). Finally, bookings in North America recovered in the second quarter and slightly increased in the first half of 2016 vs. prior year.

Amadeus bookings

Air bookings processed through travel agencies connected to Amadeus increased by 5.0% in the first half of 2016, outperforming the industry, supported by a 1.0 p.p. improvement of our competitive position.

Asia and Pacific and North America were our best performing regions benefiting from enhancements of our local competitive positions. Volumes in Middle East and Africa grew nicely in the first half while Western European bookings grew moderately, as the industry. Finally, the performance of our bookings in Latin America and Central, Eastern and Southern Europe were impacted by the declining underlying markets during the period.

	Amadeus Air TA Bookings (figures in million)				
	Jan-Jun 2016	% of Total	Jan-Jun 2015	% of Total	% Change
Western Europe	107.0	38.3%	105.1	39.5%	1.8%
Asia & Pacific	49.7	17.8%	42.4	15.9%	17.3%
North America	49.1	17.6%	45.1	17.0%	8.9%
Middle East and Africa	34.2	12.3%	32.5	12.2%	5.5%
Central, Eastern and Southern Europe	22.7	8.1%	24.1	9.1%	(5.8%)
Latin America	16.5	5.9%	16.7	6.3%	(1.7%)
Total Air TA Bookings	**279.3**	**100.0%**	**265.9**	**100.0%**	**5.0%**

Regarding non-air distribution, bookings decreased by 2.2% in the second quarter of 2016 and 3.1% in the first half, driven by the decline in rail bookings and despite an increase in hotel bookings, which continue to perform well.

5.1.2 Revenue

Distribution revenue growth accelerated in the second quarter of 2016 (growing 10.9% vs. prior year), driving first half growth to 7.5% vs. the same period of 2015. This first half increase was the result of growth in both booking revenue and non-booking revenue.

The increase in booking revenue was a combination of (i) higher bookings (+4.1%) and (ii) a unitary booking revenue expansion, supported by certain customer renegotiations and a positive booking mix (higher weight of global bookings, and a declining weight of non-air bookings, which have a lower average fee compared to air travel agency bookings).

Non-booking revenue increased in the first half mainly due to search solutions provided to metasearch engines, and enhanced functionalities provided to travel agencies, travel management companies and corporations. Data and advertising solutions as well as our B2B Wallet, part of our Payments portfolio, have also grown their revenue contribution.

5.1.3 Contribution

In Distribution, contribution amounted to €677.2 million in the first half of 2016, growing by 7.1% vs. the same period in 2015. This positive performance was the combination of 7.5% revenue growth, explained in section 5.1.2 above, and a 7.7% increase in our net operating costs, resulting from:

- Growth in incentives and distribution fees, driven by volume increase (+5.0% increase in air bookings in the period) and a higher unitary distribution cost, as a consequence of (i) competitive pressure and (ii) an increase in weight of countries where we operate through non fully owned ACOs and which have a higher unit distribution cost.
- A moderate net fixed costs increase which was driven by:
  - Annual salary and variable remuneration reviews.

- Increased resources for advertising and Travel Intelligence solutions, as well as the consolidation of Pyton.
- A slowdown in capitalisations in the period as a consequence of a reduction in the capitalisation ratio, which is impacted by the intensity of the development activity, the mix of projects undertaken and the different stages of the various projects.

_ A positive foreign exchange impact.

5.2 IT Solutions

	IT Solutions (figures in million euros)		
	Jan-Jun 2016	*Jan-Jun 2015*	*% Change*
Operating KPI			
Passengers Boarded (PB) (m)	622.4	354.2	75.7%
Financial results			
Revenue	754.9	561.7	34.4%
Net operating costs	(255.7)	(194.7)	31.3%
Contribution	**499.3**	**367.0**	**36.0%**
As % of Revenue	**66.1%**	**65.3%**	**0.8 p.p.**

IT Solutions posted underlying strong double-digit growth in the first half of 2016, which, together with the consolidation of Navitaire and our 2015 acquisitions, resulted in a 34.4% revenue increase. This positive evolution was supported by increases in transactional revenue, fuelled by growth in PB volumes and upselling activity, as well as non-transactional revenue.

Contribution amounted to €499.3 million and increased by 36.0% in the first half of 2016 vs. prior year. As a percentage of revenue, this represented 66.1%, expanding 0.8 p.p. vs. prior year.

5.2.1 Evolution of operating KPI

Amadeus passengers boarded grew by 86.9% to 352.9 million in the second quarter of 2016, driving first half growth vs. prior year to 75.7%. In particular, Altéa passengers boarded grew 11.9% in the second quarter of 2016.

Growth in the second quarter was driven by a higher contribution from (i) Navitaire passengers boarded (consolidated since January 26, 2016) and (ii) the latest Altéa implementations. In turn, our Altéa organic growth, in line with global traffic, slightly slowed down compared to the previous quarter, reaching 3.7% in the second quarter and leading to 4.1% in the first half of 2016 vs. the same period in 2015.

	Operating KPI (figures in million)					
	Apr-Jun 2016	Apr-Jun 2015	% Change	Jan-Jun 2016	Jan-Jun 2015	% Change
Altéa Passengers Boarded	211.3	188.9	11.9%	392.9	354.2	10.9%
Navitaire Passengers Boarded	141.6	0.0	n.m.	229.5	0.0	n.m.
Total PB	**352.9**	**188.9**	**86.9%**	**622.4**	**354.2**	**75.7%**

The acquisition of Navitaire and the latest Altéa implementations have contributed to further expand our international footprint. Both Asia and Pacific and North America have increased their respective weight in our total volumes (31.9% and 3.7% respectively in the first half of 2016), and will continue to do so in the future with the planned migrations of Japan Airlines and Southwest Airlines (the domestic passengers business).

Our Altéa passengers boarded grew 10.9% in the first half of 2016 vs. prior year. Altéa growth within Western Europe and Asia and Pacific was double-digit, supported by the carriers which joined the platform in 2015 (All Nippon Airways, Thomas Cook Group Airlines) and in 2016 (including mainly Swiss International Air Lines, Brussels Airlines and China Airlines). Passengers boarded in Middle East and Africa increased very solidly organically while growth in Latin America was limited due to the economic downturn in Brazil.

Navitaire New Skies passengers boarded performed well in the first half, increasing organically double-digit and benefitting from recent implementations such as Viva Group.

	Total PB (figures in million)				
	Jan-Jun 2016	% of Total	Jan-Jun 2015	% of Total	% Change
Western Europe	252.5	40.6%	151.7	42.8%	66.4%
Asia & Pacific	198.4	31.9%	97.0	27.4%	104.6%
Latin America	61.4	9.9%	37.7	10.6%	62.7%
Middle East and Africa	56.7	9.1%	49.8	14.1%	14.0%
Central, Eastern and Southern Europe	30.2	4.8%	16.2	4.6%	85.8%
North America	23.3	3.7%	1.8	0.5%	n.m.
Total PB	**622.4**	**100.0%**	**354.2**	**100.0%**	**75.7%**

5.2.2 Revenue

IT Solutions continued delivering robust growth, with a 31.5% increase in revenue during the second quarter of 2016, reaching 34.4% growth in the first half of the year.

This 34.4% increase was driven by the positive contribution of our acquisitions (mainly Navitaire), as well as by a strong double-digit underlying growth, which resulted from:

- The positive evolution of our Airline IT business, mainly driven by (i) a 10.9% increase in Altéa passengers boarded, (ii) an expansive average pricing reflecting our successful upselling activity, primarily through implementations of additional Altéa modules

(Departure Control Systems or Revenue Management), e-commerce and standalone solutions, and (iii) growth in services (in particular services related to e-commerce).

- A growing contribution from new businesses.

5.2.3 Contribution

Contribution in IT Solutions increased by 36.0%, to €499.3 million in the first half of 2016. This increase was driven by a 34.4% revenue growth, as explained in section 5.2.2 above, partly offset by an increase of 31.3% in net operating costs, which was driven by:

- Annual salary and variable remuneration reviews.
- The consolidation of our 2015 acquisitions (AirIT, Itesso and Hotel SystemsPro) and Navitaire, including M&A fees.
- An increase in commercial support driven by the expansion of our offering and the commercial activity undertaken during the period, particularly for new businesses.
- Higher R&D expenditure dedicated to (i) our Airline IT portfolio evolution and expansion (including improved merchandising and shopping functionalities, cloud and optimised availability), and (ii) our new businesses (mainly related to the development of our next-generation Guest Reservation System under our agreement with InterContinental Hotels Group). Most of these efforts are subject to capitalisation. However, the capitalisation ratio in the period slowed down, impacted by the intensity of the development activity, the mix of projects undertaken, and the different stages of the various projects.
- Increased resources dedicated to Services (in particular services related to e-commerce).
- A positive foreign exchange impact.

5.3 EBITDA

In the first half of 2016, our EBITDA grew by 16.5%, to €907.1 million, driven by the positive underlying performance of Distribution and IT Solutions. The contribution from Navitaire and our 2015 acquisitions and a positive foreign exchange impact also contributed to this growth (see section 4.1 for details on the exposure of our operating results to foreign exchange fluctuations).

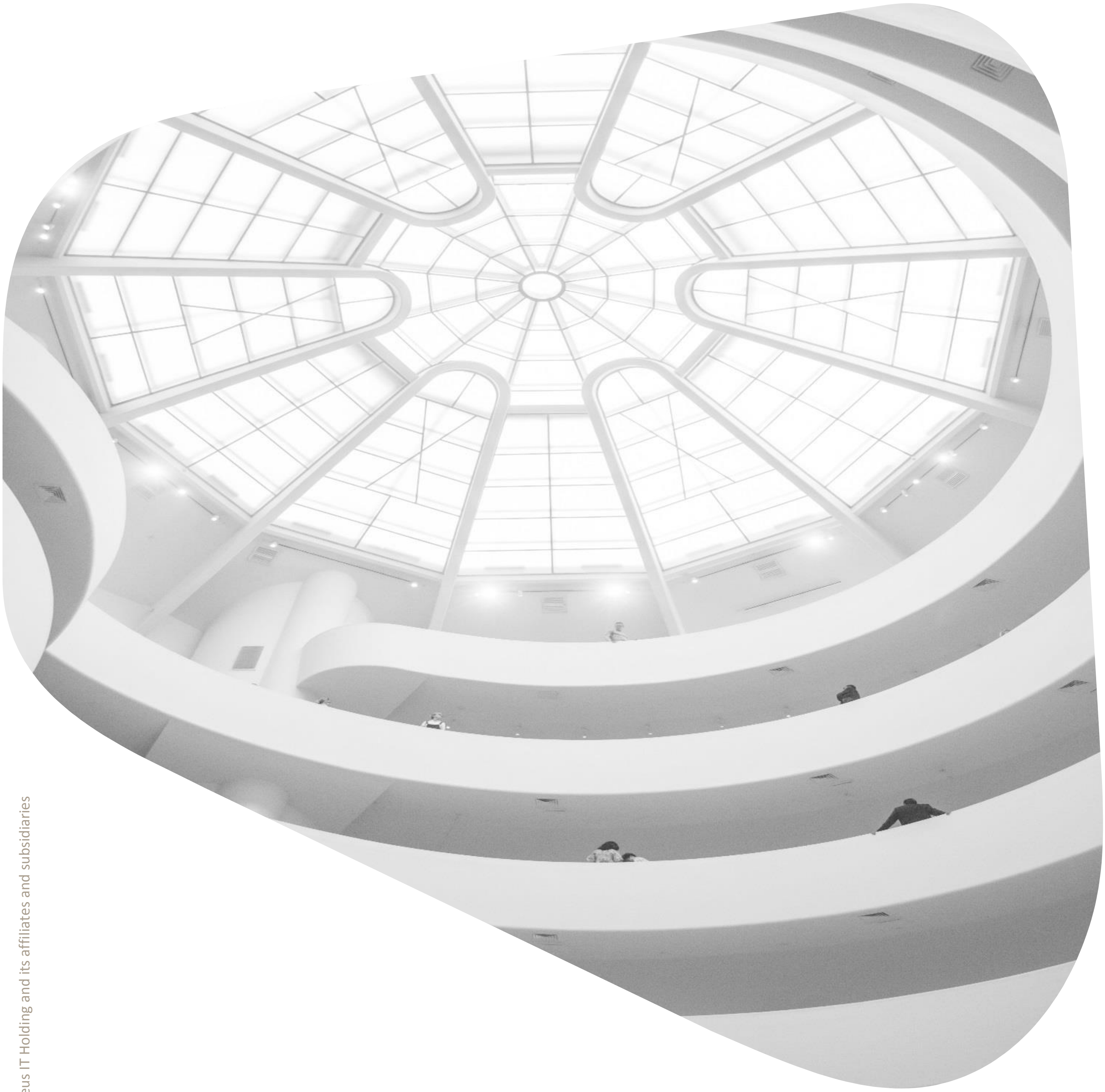
Distribution and IT Solutions contributions were partly offset by higher net indirect costs, which grew by 22.2% in the first half of 2016 vs. 2015.

Net indirect costs were impacted by the consolidation of Navitaire central costs (e.g. costs related to hosting in Accenture's data centres). Excluding the central costs related to Navitaire, total net indirect costs increased at a mid to high single digit rate, mainly driven by:

- Annual salary and variable remuneration reviews.
- Additional resources to expand our corporate structure following our business and geographical expansion.
- An increase in expenses related to cross area development and data centre related projects (including the shift to open systems, in its final stage, which brings scalability and increased efficiency), though most of these projects are capitalised.

- Higher consultancy and integration costs related to our recent acquisitions.
- A positive foreign exchange impact.

6 Consolidated financial statements



Group income statement

	Income Statement (figures in million euros)					
	Apr-Jun 2016	Apr-Jun 2015	% Change	Jan-Jun 2016	Jan-Jun 2015	% Change
Revenue	**1,155.4**	**987.4**	**17.0%**	**2,275.5**	**1,976.8**	**15.1%**
Cost of revenue	(285.6)	(255.1)	12.0%	(580.1)	(526.6)	10.2%
Personnel and related expenses	(328.9)	(280.6)	17.2%	(636.4)	(549.6)	15.8%
Other operating expenses	(80.1)	(60.4)	32.7%	(146.6)	(116.6)	25.7%
Depreciation and amortisation	(116.0)	(96.5)	20.2%	(232.6)	(192.9)	20.6%
Operating income	**344.8**	**294.8**	**16.9%**	**679.8**	**591.1**	**15.0%**
Net financial expense	(16.6)	(24.2)	(31.3%)	(44.6)	(25.4)	75.4%
Other income (expense)	2.2	1.1	97.5%	2.1	0.3	n.m.
Profit before income taxes	**330.4**	**271.8**	**21.6%**	**637.3**	**565.9**	**12.6%**
Income taxes	(97.5)	(84.3)	15.7%	(188.0)	(175.4)	7.2%
Profit after taxes	**232.9**	**187.5**	**24.2%**	**449.3**	**390.5**	**15.1%**
Share in profit from associates and JVs	0.9	1.5	(41.8%)	1.7	1.1	58.0%
Profit for the period	**233.8**	**189.0**	**23.7%**	**451.0**	**391.5**	**15.2%**
Key financial metrics						
EBITDA	**458.3**	**389.1**	**17.8%**	**907.1**	**778.8**	**16.5%**
EBITDA margin (%)	39.7%	39.4%	0.3 p.p.	39.9%	39.4%	0.5 p.p.
Adjusted profit[1]	**248.9**	**209.7**	**18.7%**	**494.5**	**419.6**	**17.9%**
Adjusted EPS (euros)[2]	**0.57**	**0.48**	**18.9%**	**1.13**	**0.96**	**17.9%**

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 Revenue

Revenue in the second quarter of 2016 amounted to €1,155.4 million, representing 17.0% growth vs. the same period in 2015. For the first half of 2016, revenue increased by 15.1%, to €2,275.5 million.

This increase was supported by the positive evolution of Distribution and IT Solutions and by the contribution of our latest acquisitions, mainly Navitaire. Overall, revenue growth was a combination of:

- An increase of 10.9% in our Distribution segment in the second quarter of 2016, leading to a 7.5% growth for the first half period.
- An increase of 31.5% in our IT Solutions segment in the second quarter of 2016 and 34.4% in the first half.

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

	Revenue (figures in million euros)					
	Apr-Jun 2016	*Apr-Jun 2015*	*% Change*	*Jan-Jun 2016*	*Jan-Jun 2015*	*% Change*
Distribution	768.8	693.4	10.9%	1,520.5	1,415.1	7.5%
IT Solutions	386.6	294.0	31.5%	754.9	561.7	34.4%
Revenue	**1,155.4**	**987.4**	**17.0%**	**2,275.5**	**1,976.8**	**15.1%**

6.2 Group operating costs

6.2.1 Cost of revenue

These costs are mainly related to: (i) incentive fees per booking paid to travel agencies, (ii) distribution fees per booking paid to those local commercial organisations which are not majority owned by Amadeus, and (iii) data communication expenses relating to the maintenance of our computer network, including connection charges.

Cost of revenue increased by 12.0% to reach €285.6 million in the second quarter of 2016, driving growth for the first half of 2016 to 10.2%, which was a result of:

- Higher air booking volumes in the Distribution business (+5.0%).
- An increase in the unitary distribution cost, as a consequence of (i) competitive pressure and (ii) an increase in weight of countries where we operate through non fully owned ACOs and which have a higher unit distribution cost.
- Increasing data communication expenses driven by the expanding volume of transactions and connectivity activity around the globe.
- A positive foreign exchange impact.

6.2.2 Personnel and related expenses and other operating expenses

A large part of Amadeus' employees are software developers. Amadeus also hires contractors to support its development activity, complementing the permanent staff. The overall ratio of permanent staff vs. contractors devoted to R&D fluctuates 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, including both Personnel expenses and Other operating expenses, increased by 20.0% in the second quarter of 2016 vs. prior year. For the first half period, the combined operating expenses amounted to €783.0 million, representing an increase of 17.5% vs. the same period of 2015.

	Personnel expenses + Other operating expenses (figures in million euros)					
	Apr-Jun 2016	*Apr-Jun 2015*	*% Change*	*Jan-Jun 2016*	*Jan-Jun 2015*	*% Change*
Personnel expenses + Other operating expenses	(409.0)	(341.0)	20.0%	(783.0)	(666.3)	17.5%

This 17.5% growth was mostly driven by:

- An increase of 10% in average FTEs (permanent staff and contractors), highly impacted by our recent acquisitions, mainly Navitaire. Excluding Navitaire, average FTEs grew 6%.
- Global salary and variable remuneration reviews.
- An overall increase in expenses due to the consolidation of acquisitions, impacting particularly computing expenses (as the Navitaire platform is hosted in Accenture's data centres).
- An increase in consultancy and integration costs related to our recent acquisitions, as well as M&A fees.
- An overall lower capitalisation ratio in the first half of 2016.
- A positive foreign exchange impact.

Average FTEs grew mainly as a result of:

- The consolidation of our 2015 acquisitions (AirIT, Itesso, Hotel SystemsPro and Pyton), and most importantly, Navitaire.
- Higher headcount in R&D, mostly driven by ongoing investment in portfolio expansion and product evolution (including the progress achieved in our new businesses), and resources dedicated to system performance projects and services (see further detail in sections 2.2 and 7.1).
- Reinforcement of our corporate, technical and commercial, support, as we successfully expand our customer base, geographical reach (such as in Asia and Pacific and North America) and product portfolio.

6.2.3 Depreciation and Amortisation

Depreciation and amortisation (including capitalised D&A) increased by 20.4% in the second quarter of 2016, leading to a 21.1% growth for the first half period, mostly driven by growth in ordinary depreciation and amortisation.

Ordinary D&A grew by 20.0% in the first half, highly impacted by the consolidation of our acquisitions, mainly Navitaire. The underlying growth is mostly due to higher amortisation of intangible assets, linked to the amortisation of capitalised development expenses on our balance sheet, as the associated product or contract started generating revenues (for example, previously capitalised costs related to the migration of customers which have been recently implemented, or certain product development projects).

Additionally, amortisation from PPA increased by 4.7% in the first half of 2016 due to the consolidation of our 2015 acquisitions, including Itesso and Pyton (whose purchase price allocation exercises were carried out in the second quarter of 2016, with a retroactive impact to their consolidation dates).

As part of the integration of Newmarket into Amadeus, the trademark "Newmarket International" will stop being used and will be replaced by the global Amadeus brand. As a consequence, an impairment of €8.5 million corresponding to the write off of the trademark "Newmarket International" was recognised in the group income statement in the first quarter of 2016.

	Depreciation and Amortisation (figures in million euros)					
	Apr-Jun 2016	*Apr-Jun 2015*	*% Change*	*Jan-Jun 2016*	*Jan-Jun 2015*	*% Change*
Ordinary depreciation and amortisation	(89.6)	(74.1)	21.1%	(174.7)	(145.6)	20.0%
Amortisation derived from PPA	(26.4)	(22.4)	18.0%	(49.4)	(47.2)	4.7%
Impairments	0.0	(0.1)	n.m.	(8.5)	(0.1)	n.m.
Depreciation and amortisation	**(116.0)**	**(96.5)**	**20.2%**	**(232.6)**	**(192.9)**	**20.6%**
Capitalised depreciation and amortisation[1]	2.5	2.2	12.2%	5.3	5.2	2.1%
Depreciation and amortisation post-capitalisations	**(113.5)**	**(94.3)**	**20.4%**	**(227.3)**	**(187.7)**	**21.1%**

1. Included within the other operating expenses caption in the Group Income Statement.

6.3 EBITDA and Operating income

EBITDA increased by 17.8% in the second quarter of 2016 vs. the same period in 2015, and 16.5% in the first half period. This growth was generated by the positive underlying performance of Distribution and IT Solutions as well as by the contribution from our latest acquisitions (mainly Navitaire) and foreign exchange effects (see section 4.1 for details on the exposure of our operating results to foreign exchange fluctuations).

EBITDA margin represented 39.9% of revenues, expanding 0.5 p.p. vs. prior year.

The underlying trend, excluding the positive foreign exchange impact on costs and Navitaire, was positive with double-digit EBITDA growth and broadly stable margins.

Operating Income in the second quarter of 2016 increased by 16.9%, delivering a 15.0% expansion in the first half, driving our operating income to €679.8 million. This increase was driven by EBITDA growth offset by higher D&A charges.

	EBITDA (figures in million euros)					
	Apr-Jun 2016	*Apr-Jun 2015*	*% Change*	*Jan-Jun 2016*	*Jan-Jun 2015*	*% Change*
Operating income	**344.8**	**294.8**	**16.9%**	**679.8**	**591.1**	**15.0%**
Depreciation and amortisation	116.0	96.5	20.2%	232.6	192.9	20.6%
Capitalised depreciation and amortisation	(2.5)	(2.2)	12.2%	(5.3)	(5.2)	2.1%
EBITDA	**458.3**	**389.1**	**17.8%**	**907.1**	**778.8**	**16.5%**
EBITDA margin (%)	39.7%	39.4%	0.3 p.p.	39.9%	39.4%	0.5 p.p.

6.4 Net financial expense

	Net financial expense (figures in million euros)					
	Apr-Jun 2016	*Apr-Jun 2015*	*% Change*	*Jan-Jun 2016*	*Jan-Jun 2015*	*% Change*
Financial income	0.8	0.7	8.0%	1.0	0.7	39.0%
Interest expense	(18.8)	(15.0)	25.4%	(36.7)	(31.8)	15.4%
Other financial expenses	(0.9)	(1.0)	(12.6%)	(1.7)	(1.8)	(0.5%)
Exchange gains (losses)	2.2	(9.0)	n.m.	(7.3)	7.3	n.m.
Net financial expense	**(16.6)**	**(24.2)**	**(31.3%)**	**(44.6)**	**(25.4)**	**75.4%**

Net financial expense decreased by 31.3% in the second quarter of 2016 though increased by 75.4% in the first half of 2016 vs. prior year, largely driven by exchange gains and losses.

The US Dollar depreciated vs. the Euro in the first half of 2016 while it appreciated in the first half of 2015 (though with high volatility between the two quarters in both years), impacting our USD-denominated assets and liabilities on our balance sheet which are not linked to the operating activity of the company. This led to a €7.3 million loss in the first half of 2016 vs. a €7.3 million gain in the first half of 2015.

Interest expense grew by 15.4% in the first half of 2016 vs. the same period of 2015 due to a higher amount of average gross debt outstanding, partly offset by a lower average cost of debt.

6.5 Income taxes

Income taxes for the first half of 2016 amounted to €188.0 million, vs. €175.4 million for the same period in 2015. The income tax rate for the first half of 2016 was 29.5%, lower than the

31.0% rate reported in the first half in 2015. The reduction in the income tax rate was mostly driven by a lower corporate tax rate in Spain.

6.6 Profit for the period. Adjusted profit

6.6.1 Adjusted profit

Reported profit grew by 23.7% in the second quarter of 2016 vs. the same period of 2015 and by 15.2% in the first half of 2016, amounting to €451.0 million.

	Adjusted profit (figures in million euros)					
	Apr-Jun 2016	*Apr-Jun 2015*	*% Change*	*Jan-Jun 2016*	*Jan-Jun 2015*	*% Change*
Reported profit	**233.8**	**189.0**	**23.7%**	**451.0**	**391.5**	**15.2%**
Adjustments						
Impact of PPA[1]	18.1	15.2	19.2%	34.0	32.1	5.8%
Non-operating FX results[2]	(1.8)	6.2	n.m.	4.9	(5.0)	n.m.
Non-recurring items	(1.2)	(0.7)	57.1%	(1.1)	0.9	n.m.
Impairments	0.0	0.1	n.m.	5.8	0.1	n.m.
Adjusted profit	**248.9**	**209.7**	**18.7%**	**494.5**	**419.6**	**17.9%**

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

After adjusting for (i) accounting effects derived from PPA exercises and impairment losses (related to the Newmarket brand in the first quarter of 2016, as explained in section 6.2.3), (ii) non-operating exchange gains (losses), and (iii) other non-recurring items, adjusted profit increased by 18.7% in the second quarter of 2016 vs. the same period in 2015, and by 17.9% in the first half period.

6.6.2 Earnings per share (EPS)

	Earnings per share					
	Apr-Jun 2016	*Apr-Jun 2015*	*% Change*	*Jan-Jun 2016*	*Jan-Jun 2015*	*% Change*
Weighted average issued shares (m)	438.8	447.6		438.8	447.6	
Weighted average treasury shares(m)	(2.5)	(10.6)		(2.3)	(11.0)	
Outstanding shares (m)	**436.4**	**437.0**		**436.5**	**436.5**	
EPS (euros)[1]	**0.53**	**0.43**	**23.9%**	**1.03**	**0.89**	**15.3%**
Adjusted EPS (euros)[2]	**0.57**	**0.48**	**18.9%**	**1.13**	**0.96**	**17.9%**

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.

The table above 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 half of 2016, our reported EPS grew by 15.3% and our adjusted EPS by 17.9%.

On December 11, 2014 the Board of Directors agreed to undertake a share buy-back programme. The programme was completed on May 12, 2015 as the maximum planned investment of €320 million was reached. A total of 8,759,444 own shares were acquired, representing 1.957% of share capital. The share capital reduction through the amortisation of the repurchased shares was approved by the General Shareholders Meeting on June 25, 2015 and was registered in the Commercial Registry of Madrid on August 4, 2015. The maximum investment under the share buy-back programme (€320 million) was recognised in the statement of financial position as a reduction of equity, as if it had already been carried out on the date of the announcement of the programme. The corresponding treasury shares under the programme were included in the weighted average treasury shares shown in the table above in 2015.

On March 11, 2016 the Board of Directors of Amadeus IT Holding, S.A. and that of Amadeus IT Group, S.A. approved a plan in relation to the merger of both companies (being Amadeus IT Holding, S.A. the surviving entity), subject to the approval by their respective General Shareholders' Meetings, which took place on June 24 and 23, 2016, approving the merger. The exchange ratio for the shares of the companies participating in the merger, determined on the basis of a market valuation of the equity of both companies, will be 1 share of Amadeus IT Holding, S.A. for every 11.31 shares of Amadeus IT Group, S.A. This exchange ratio is driven by the different number of shares of the two companies and a discount for illiquidity of Amadeus IT Group, S.A. shares. The acquisition of treasury shares by Amadeus IT Holding, S.A. to cover the exchange ratio started on April 7, 2016 and finalised on May 17, 2016, achieving the maximum number of shares planned. The corresponding 393,748 shares form part of the 2016 weighted average treasury shares. Upon registration of the merger public deed with the Commercial Registry of Madrid and the fulfilment of legal formalities, those shares will be delivered in exchange of the Amadeus IT Group S.A. shares in accordance with the exchange ratio mentioned above.

7 Other financial information

7.1 R&D investment

R&D investment (including both capitalised and non-capitalised expense) grew by 11.6% in the second quarter of 2016 vs. the same period in 2015, and by 13.1% in the first half. As a percentage of revenue, R&D investment amounted to 15.3% in the first half of 2016, broadly in line with the same period in 2015.

The growth in R&D is explained by:

_ Increased efforts related to product evolution and portfolio expansion (including merchandising and personalisation solutions), standalone implementations, as well as services (in particular services related to e-commerce).
_ Growing investment to develop a new-generation Guest Reservation System for the hospitality industry together with InterContinental Hotels Group, as well as higher resources devoted to our new businesses such as Airport IT or Travel Intelligence.
_ Increased resources dedicated to shifting the company's platform towards open systems through next-generation technologies, as well as system performance optimisation.
_ The contribution from Navitaire and our 2015 acquisitions.

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

	R&D investment (figures in million euros)					
	Apr-Jun 2016	Apr-Jun 2015	% Change	Jan-Jun 2016	Jan-Jun 2015	% Change
R&D investment[1]	**182.4**	**163.4**	**11.6%**	**349.2**	**308.8**	**13.1%**
As % of Revenue	15.8%	16.5%	(0.8 p.p)	15.3%	15.6%	(0.3 p.p)

1. Net of Research Tax Credit.

7.2 Capital expenditure

The table below details the capital expenditure in the period, both in property, plant and equipment ("PP&E") and 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 capitalised R&D investment may fluctuate depending on the level of capitalisation 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 second quarter of 2016 amounted to €146.1 million, €31.3 million higher than in the second quarter of 2015. For the six month period, capex increased by 14.6% vs. the same period in 2015, amounting to €288.4 million. As a percentage of revenue, capex represented 12.7% in the first half of 2016, in line with prior year.

The increase in capex in the first half was the combination of:

- A €46.2 million increase in capex in intangible assets, driven by (i) higher software capitalisations due to growing R&D investment and (ii) higher signing bonuses in the period.
- A €9.5 million decline in capex in PP&E due to a normalisation of the 2016 investment, compared to an extraordinary high level in 2015, related to purchase of equipment for our new buildings in Nice and Bad Homburg.

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, therefore affecting the capex as a percentage of revenue ratio in the short term. 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 (figures in million euros)					
	Apr-Jun 2016	*Apr-Jun 2015*	*% Change*	*Jan-Jun 2016*	*Jan-Jun 2015*	*% Change*
Capital Expenditure in PP&E	19.9	23.6	(15.6%)	45.3	54.8	(17.4%)
Capital Expenditure in intangible assets	126.2	91.1	38.4%	243.1	196.9	23.5%
Capital Expenditure	**146.1**	**114.7**	**27.3%**	**288.4**	**251.7**	**14.6%**
As % of Revenue	12.6%	11.6%	1.0 p.p.	12.7%	12.7%	(0.1 p.p.)

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8 Investor information

8.1 Capital stock. Share ownership structure

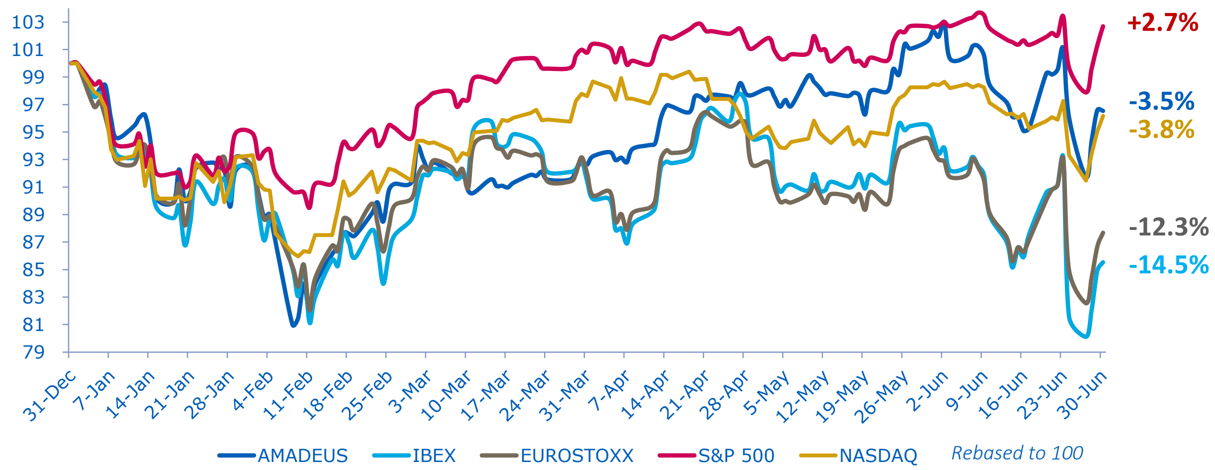
As of June 30, 2016 the capital stock of our company is €4,388,225.06 represented by 438,822,506 shares with a nominal value of €0.01 per share, all belonging to the same class, fully subscribed and paid in.

The shareholding structure as of June 30, 2016 is as described in the table below:

	Shareholders	
	Shares	*% Ownership*
Free float	435,602,899	99.27%
Treasury shares[1]	2,813,953	0.64%
Board members	405,654	0.09%
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.

8.2 Share price performance in 2016



	Key trading data
Number of publicly traded shares (# shares)	438,822,506
Share price at June 30, 2016 (in €)	39.28
Maximum share price in Jan - Jun 2016 (in €) (June 2, 2016)	41.90
Minimum share price in Jan - Jun 2016 (in €) (Feb 8, 2016)	32.96
Market capitalisation at June 30, 2016 (in € million)	17,235
Weighted average share price in Jan – Jun 2016 (in €)[1]	38.41
Average Daily Volume in Jan - Jun 2016 (# shares)	1,920,450

1. Excluding cross trades.

8.3 Dividend payments

At the Shareholders' General Meeting held on June 24, 2016 our shareholders approved the annual gross dividend from the profit of the year 2015. The total value of the dividend was €340.1 million, representing a pay-out of 50% of the 2015 reported profit for the year, or €0.775 per share (gross). Regarding the payment, an interim amount of €0.34 per share (gross) was paid on January 28, 2016 and the complementary dividend of €0.435 per share (gross) was paid on July 28, 2016.

9 Key terms

- "ACO": refers to "Amadeus Commercial Organisation"
- "ACUS": refers to "Amadeus Airport Common Use Service"
- "Air TA bookings": air bookings processed by travel agencies using our distribution platform
- "BCG": The Boston Consulting Group
- "CRS" : refers to "Computerised Reservation System"
- "Distribution industry": defined as the total volume of travel agency air bookings processed by the global CRS. It excludes air bookings made directly through in-house airline systems or single country operators, the latter primarily in China, Japan and Russia, which together combined represent an important part of the industry
- "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 a "global distribution system", i.e. a worldwide computerised reservation system (CRS) used as a single point of access for reserving airline seats, hotel rooms and other travel-related items by travel agencies and large travel management corporations
- "GDP": refers to "Gross Domestic Product"
- "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"
- "n.a.": refers to "not available"
- "NDC": refers to "New Distribution Capability"
- "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"
- "RTC": refers to "Research Tax Credit"
- "TA": refers to "travel agencies"
- "XML": refers to "eXtensible Markup Language"

10 Appendix: Financial tables

10.1 Statement of financial position (condensed)

	Statement of Financial Position (figures in million euros)	
	30/06/2016	31/12/2015
Property, plant and equipment	443.2	448.0
Intangible assets	3,148.8	2,612.3
Goodwill	2,756.8	2,478.9
Other non-current assets	186.7	148.3
Non-current assets	6,535.5	5,687.6
Current assets	678.5	604.9
Cash and equivalents	452.5	711.7
Total assets	**7,666.5**	**7,004.1**
Equity	2,502.8	2,297.5
Non-current debt	1,759.2	1,289.1
Other non-current liabilities	1,247.9	1,218.1
Non-current liabilities	3,007.1	2,507.2
Current debt	866.0	1,033.8
Other current liabilities	1,290.6	1,165.6
Current liabilities	2,156.6	2,199.5
Total liabilities and equity	**7,666.5**	**7,004.1**
Net financial debt (as per financial statements)	**2,172.7**	**1,611.2**

Comparison of balances as of June 30, 2016 vs. December 31, 2015 is highly affected by the consolidation of Navitaire from January 26, 2016. In particular, intangible assets and goodwill increased mainly driven by this acquisition. The final allocation will be determined during the purchase price allocation exercise that will be carried out in the coming quarters.

10.2 Financial indebtedness

	Indebtedness (figures in million euros)	
	30/06/2016	31/12/2015
Covenants definition[1]		
European Commercial Paper	0.0	196.4
Short term bonds	750.0	750.0
Long term bonds	900.0	900.0
EIB loan	325.0	337.5
Term loan (Navitaire)	500.0	0.0
Other debt with financial institutions	32.0	43.0
Obligations under finance leases	93.1	96.3
Covenant Financial Debt	**2,600.0**	**2,323.3**
Cash and cash equivalents	(452.5)	(711.7)
Covenant Net Financial Debt	**2,147.5**	**1,611.6**
Covenant Net Financial Debt / LTM Covenant EBITDA	**1.31x**	**1.09x**
Reconciliation with financial statements		
Net financial debt (as per financial statements)	**2,172.7**	**1,611.2**
Interest payable	(44.7)	(19.4)
Deferred financing fees	13.3	12.5
EIB loan adjustment	6.3	7.3
Covenant Net Financial Debt	**2,147.5**	**1,611.6**

1. Based on the definition included in the senior credit agreement.

Covenant net debt amounted to €2,147.5 million as of June 30, 2016, (1.31 times to covenant last twelve months' EBITDA). The main changes affecting our debt structure in the first half of 2016 were:

- The drawing on January 25, 2016 of the €500 million bank loan facility agreed in July 2015 (structured as a "club deal" financing entered into with twelve banks, with a five-year term and maturity dates in 2019 and 2020), to partially finance the acquisition of Navitaire.
- The drawing on April 26, 2016 of a new €500 million Single Currency Revolving Loan Facility, with a five-year term, to be used for working capital requirements and general corporate purposes, including the refinancing of the €750 million notes (part of the Euro Medium Term Note Programme) maturing in July 2016. The €500 million Facility B of the €1,000 million Revolving Loan Facility executed in March 2015 was cancelled simultaneously.
- The net repayment of €196.4 million related to the Multi-Currency European Commercial Paper (ECP) programme.
- The repayment of €12.5 million related to the European Investment Bank Loan.

Post-closing of the second quarter, we refinanced the €750 million notes (part of the Euro Medium Term Note Programme), which matured on July 15, 2016 with a combination of the Revolving Loan Facility signed in April 2016 (mentioned above), an issuance of European Commercial Paper and cash available.

Reconciliation with net financial debt as per our financial statements

Under the covenant terms, Covenant Financial Debt (i) does not include the accrued interest payable (€44.7 million at June 30, 2016) which is treated as debt in our financial statements, (ii) is calculated based on its nominal value, while in our financial statements our financial debt is measured at amortised cost, i.e., after deducting the deferred financing fees (that correspond mainly to fees paid upfront in connection with the set-up of new credit agreements and amount to €13.3 million at June 30, 2016), and (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 (€6.3 million at June 30, 2016).

10.3 Group cash flow

	Consolidated Statement of Cash Flows (figures in million euros)					
	Apr-Jun 2016	Apr-Jun 2015	% Change	Jan-Jun 2016	Jan-Jun 2015	% Change
EBITDA	458.3	389.1	17.8%	907.1	778.8	16.5%
Change in working capital	(79.6)	(66.8)	19.1%	(72.3)	(76.7)	(5.8%)
Capital expenditure	(146.1)	(114.7)	27.3%	(288.4)	(251.7)	14.6%
Pre-tax operating cash-flow	**232.6**	**207.6**	**12.1%**	**546.4**	**450.4**	**21.3%**
Taxes	(74.2)	(89.9)	(17.5%)	(102.4)	(100.9)	1.5%
Interest and financial fees paid	(5.7)	(3.4)	69.4%	(26.8)	(10.8)	n.m.
Free cash-flow	**152.7**	**114.3**	**33.6%**	**417.3**	**338.7**	**23.2%**
Equity investment	(3.1)	(12.8)	(76.2%)	(767.9)	(12.8)	n.m.
Cash-flow from extraordinary items	(1.6)	(3.7)	(55.3%)	(3.2)	0.8	n.m.
Debt payment	(140.6)	(67.8)	107.2%	266.8	125.4	112.7%
Cash to shareholders	(24.1)	(89.6)	(73.1%)	(172.6)	(431.4)	(60.0%)
Change in cash	**(16.6)**	**(59.6)**	**(72.1%)**	**(259.6)**	**20.7**	**n.m.**
Cash and cash equivalents, net[1]						
Opening balance	468.6	453.0		711.6	372.8	
Closing balance	451.9	393.4		451.9	393.4	

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

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