Management Review January-June 2017

July 28, 2017

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Index

1 Summary

1.1 Introduction

Highlights for the first six months, ended June 30, 2017

- In Distribution, our travel agency air bookings grew 5.7%, to 295.2 million
- In IT Solutions, our passengers boarded increased 19.8%[1], to 753.4 million
- Revenue expanded by 9.5%, to €2,490.7 million
- EBITDA increased by 10.1%, to €998.9 million
- Adjusted profit[2] grew 16.1%, to €574.0 million
- Free Cash Flow amounted to €449.1 million, representing growth of 7.6%
- Covenant net financial debt was €1,975.1 million at June 30, 2017 (1.10 times last-twelve-month covenant EBITDA)

Amadeus continued to progress positively through the first half of 2017, posting Revenue, EBITDA and Adjusted Profit growth of 9.5%, 10.1% and 16.1%, respectively. These results were driven by strong operating performances in both Distribution and IT Solutions, a Navitaire consolidation effect (acquired late January 2016) and foreign exchange impacts (positive on revenues and EBITDA, although negative on costs, diluting margins).

In Distribution, we signed or renewed content agreements with 9 carriers in the quarter, including Westjet Airlines and Korean Air, representing a total of 21 in the first half of 2017. In the first six months of the year, our air volumes increased 5.7%, outpacing industry growth, and leading to a 0.5 p.p. enhancement of our competitive position[3]. Latin America and Asia and Pacific continued to be our fastest-growing regions, increasing at a double-digit growth rate. Average revenue per booking expansion also contributed to a 7.6% Distribution Revenue increase.

During the first half of the year, 70% of air bookings processed through Amadeus could carry an attached ancillary service. As of June 30, 2017, 130 airlines had contracted Amadeus Airline Ancillary Services for the indirect channel, including Malaysia Airlines and Middle East Airlines, in the second quarter of 2017. Additionally, Amadeus Fare Families had 54 contracted customers at the end of the first half.

IT Solutions revenue grew 13.3% in the first half of the year. This expansion was driven by (i) underlying growth in Airline IT solutions, (ii) the consolidation of Navitaire and (iii) continued expansion in our new businesses. During the first six months of the year, we experienced 19.8% Passengers Boarded growth in Airline IT, from (i) organic Passengers Boarded growth of 8.1%, (ii) the latest migrations we have undertaken in 2017 and in 2016, and (iii) the full year impact from Navitaire's Passengers Boarded (since late January 2016). In the second quarter of 2017, we migrated Southwest Airlines, Malaysia Airlines and Kuwait Airways to Altéa. Viva Air Peru,

1. Navitaire New Skies passengers boarded for the first half of 2016 were restated retroactively in our September YTD 2016 results, adding 6.3 million passengers boarded in H1 2016 (no impact on revenue).
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. Competitive position as defined in section 3.

Andes Líneas Aéreas, JetSMART and GoAir were among the airlines which implemented New Skies.

During the second quarter, Air Algérie contracted the full Altéa Suite, as well as Revenue Management and e-Commerce. Our Airline IT upselling activity progressed well in the quarter, with new customers for Revenue Management, Standalone Solutions, Amadeus Airline Cloud Availability and Amadeus Anytime Merchandising. We had new implementations in the quarter across our upselling portfolio and growth in this space was also supported by underlying organic growth.

We continued to advance in our new businesses. In Hospitality IT, InterContinental Hotels Group and Amadeus continued to work together to plan for the Amadeus Guest Reservation System roll-out in Q4 2017. The roll-out will be progressive with the aim for it to be completed by the end of 2018. We are also making progress in the development of a next-generation Property Management System and related commercial activity to bring it forward.

In June 2017, Amadeus and Ingenico launched Amadeus Airport Pay with Lufthansa Group. This is a payment solution that accepting EMV (Europay, MasterCard and Visa) chip card payments, can be used by multiple airlines, ground handlers and multiple banks. Carriers and ground handlers can take payments anywhere in the airport and the solution is independent from airport technology. Lufthansa Group, as the launch partner, has started the roll-out, to be deployed at check-in desks and ticket offices in over 170 airports.

A consistent and focused investment in technology has been key to our success. Our investment in R&D represented 14.5% of revenue in the first half of 2017. It was dedicated to support mid to long-term growth through new customer implementations, product evolution, portfolio expansion, investment in new businesses and our continued shift to open systems and cloud services, as well as system performance optimisation.

In June 2017, we retired our last TPF mainframe and our core systems are now run exclusively on open systems. In 2006, we decided to start a project to decommission our Transaction Processing Facility operating system for mainframes and since then, many Amadeus teams have worked on completely rewriting our core systems. Running in open systems allows us to drive further evolution in specific areas such as cloud, NDC, merchandising, ticketing or data analytics. These are areas in which we plan to accelerate our investments in the coming years.

Our free cash-flow grew 7.6% over the first half of 2017, to €449.1 million and our consolidated covenant net financial debt stood at €1,975.1 million at second quarter-end, representing 1.10 times last-twelve-month covenant EBITDA.

1.2 Summary of operating and financial information

	Summary of KPI (figures in million euros)		
	Jan-Jun 2017	Jan-Jun 2016	% Change
Operating KPI			
TA air competitive position[1]	**43.6%**	**43.2%**	**0.5 p.p.**
TA air bookings (m)	295.2	279.3	5.7%
Non air bookings (m)	33.2	31.2	6.3%
Total bookings (m)	**328.4**	**310.5**	**5.8%**
Passengers boarded (m)[2]	**753.4**	**628.7**	**19.8%**
Financial results			
Distribution Revenue	1,635.5	1,520.5	7.6%
IT Solutions Revenue	855.2	754.9	13.3%
Revenue	**2,490.7**	**2,275.5**	**9.5%**
Distribution Contribution	707.5	677.2	4.5%
IT Solutions Contribution	588.5	499.3	17.9%
Contribution	**1,296.0**	**1,176.5**	**10.2%**
EBITDA	**998.9**	**907.1**	**10.1%**
EBITDA margin (%)	40.1%	39.9%	0.2 p.p.
Adjusted profit[3]	**574.0**	**494.5**	**16.1%**
Adjusted EPS (euros)[4]	**1.31**	**1.13**	**15.9%**
Cash flow			
Capital expenditure	290.8	288.4	0.8%
Free cash-flow[5]	449.1	417.3	7.6%
	30/06/2017	31/12/2016	% Change
Indebtedness[6]			
Covenant Net Financial Debt	**1,975.1**	**1,957.5**	**0.9%**
Covenant Net Financial Debt / LTM Covenant EBITDA	1.10x	1.14x	

1. Competitive position as defined in section 3.
2. Navitaire New Skies passengers boarded for the first half of 2016 were restated retroactively in our September YTD 2016 results, adding 6.3 million passengers boarded in H1 2016 (no impact on revenue).
3. Excluding after-tax impact of the following items: (i) accounting effects derived from PPA exercises and impairment losses, (ii) non-operating exchange gains (losses) and (iii) other non-recurring items.
4. EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.
5. Calculated as EBITDA minus capital expenditure plus changes in our operating working capital minus taxes paid minus interests and financial fees paid.
6. Based on the definition included in the senior credit agreement covenants.

2 Operating Review

2.1 Key recent business highlights

Airline Distribution

- During the second quarter of 2017, we signed 9 new agreements or renewals of content agreements with airlines, a total of 21 in the first half of 2017, including Westjet Airlines and Korean Air.
- Subscribers to Amadeus' inventory can seamlessly access over 100 low cost carriers (LCC) and hybrid carriers' content worldwide. LCC and hybrid carriers' bookings grew 10% in the first half of 2017 vs. prior year.
- Our customers continued to contract our merchandising solutions. At the end of the second quarter, 130 airlines had signed up to Amadeus Airline Ancillary Services for the indirect channel, including Malaysia Airlines and Middle East Airlines in the second quarter of 2017, with 101 of them already implemented. Also, Amadeus Fare Families, which allows airlines to distribute branded fares, had 54 contracts in place, out of which 46 had implemented the solution. During the first half of the year, 70% of the global air bookings processed through the Amadeus system were eligible to carry an attached ancillary service.
- In July, we announced a customised solution for the online travel agency Kiwi.com relying on a combination of our solutions including Instant Search technology. The tailor-made solution will complement Kiwi.com's unique search algorithms, which combine flight segments from low cost carriers with travel content available in the Amadeus distribution channel, in order to create unique itineraries. This requires massive search capacity and data processing power, also resulting in potential savings for travellers on some routes. Additionally, this solution ensures a response time of just milliseconds and no compromise to accuracy.

Corporate IT

- During the second quarter, we continued to strengthen our corporate customer portfolio. In April, we announced a partnership with Daimler to redefine and simplify Daimler's business travel process. Amadeus delivers the search, booking engine and user interface through i:FAO cytric technology. During the search process, the company's travellers now receive only the most relevant air, hotel and car rental offers based on their historical behaviour, Daimler's corporate policy and their preferences: the "one best fit" option. This standardises the booking process for all employees worldwide, saving Daimler time and resources.
- In July, we launched a new mobile application for Salesforce. Amadeus cytric Travel Connect will now be available to all corporations using Salesforce and will allow them to calculate the return on investment of every business trip, as the solution provides a complete view of travel spend by connecting Salesforce opportunities and activities, with the cost of each business trip. It will also offer a smooth and personalised travel booking experience for frequent business travellers.

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Airline IT

- At the close of the second quarter of 2017, 199 customers had contracted either of the Amadeus Passenger Service Systems (Altéa or New Skies) and 189 had implemented either of Altéa or New Skies.
- As part of its ambitious transformation plan, Air Algérie contracted the Altéa Suite including reservation, ticketing, inventory management, revenue management, DCS and e-commerce.
- Southwest Airlines migrated its domestic flights to Altéa in May. Southwest's new reservation system brings an array of features designed to allow Southwest to: optimise its flight schedule, including improved connection times; more easily manage inventory between any given origin and destination; govern the value of potential ancillary services; and automate rebookings during flight disruptions.
- Malaysia Airlines and Kuwait Airways were also among the carriers that implemented Altéa during the second quarter of the year. GoAir, Viva Air Peru, Andes Líneas Aéreas and JetSMART were among the airlines which implemented New Skies.
- Air Dolomiti, part of the Lufthansa Group, renewed in May its contract for Amadeus e-Retail, the world's most widely-used airline internet booking engine, helping airlines maximise online sales. The airline also signed up for Amadeus Airline Ancillary Services, increasing the airline's merchandising options.
- Existing customers continued to show their confidence in our airline IT portfolio. We strengthened our partnership with FlyDubai with the launch of OPEN, the airline's unique loyalty programme. Using Amadeus Loyalty Management, FlyDubai now offers its customers an innovative and flexible loyalty programme that truly meets their needs: travellers can for example team up with family and friends to pool points.

Payments

- In an effort to simplify ancillary payments, Amadeus and Ingenico launched Amadeus Airport Pay with Lufthansa Group in June. This is a payment solution that accepting EMV (Europay, MasterCard and Visa) chip card payments (including contactless and EMV compliant mobile wallets), can be used by multiple airlines and ground handlers and multiple banks. Carriers and ground handlers can take payments anywhere in the airport and the solution is independent from airport technology. Lufthansa Group, as the launch partner, has already started the roll-out of the solution, to be deployed at check-in desks and ticket offices in over 170 airports around the globe.

Travel Intelligence

- Amadeus Destination Insight was launched in May, using advanced data analytics to offer Destination Marketing Organisations (DMOs) timely insights into traveller intentions and competing destinations. By analysing up-to-date global air travel transactions in near real time, the suite can reveal hidden opportunities for DMOs to boost their growth. They can for example gain insights into searches and bookings, to measure, adjust and build more effective campaigns.

Technology

- In June 2017, we retired our last TPF mainframe and our core systems are now run exclusively on open systems. In 2006, we decided to start a project to decommission our Transaction Processing Facility operating system for mainframes and since then, many Amadeus teams have worked on completely rewriting our core systems. This achievement allows us to drive further evolution in specific areas such as cloud, NDC, merchandising, ticketing or data analytics.

Additional news

- In June 2017, Decius Valmorbida was appointed Senior Vice President, Travel Channels, and will become a member of Amadeus' Executive Committee. Decius will lead Distribution and succeeds Laurens Leurink, who resigned for personal family reasons. Decius is a 13-year veteran at Amadeus and brings to this role a deep understanding of the industry and the needs of travel subscribers as well as experience of negotiating with travel providers.
- Amadeus´ Shareholders' Annual General Meeting held on June 15, 2017 approved the appointment of Mr. Nicolas Huss as independent Director to the Board for a term of three years. Mr. Huss holds a degree in Law and MA in Political Science and Government, both from the University of Toulouse, and has over twenty years' experience in the financial service industry.
- In July, Standard and Poor's confirmed its "BBB/A-2" Credit Rating for Amadeus, with positive outlook.
- Also in July, Amadeus launched the whitepaper "What if? Imagining the future of the travel industry". The study, commissioned to AT Kearney, identifies the key trends that could disrupt the travel industry over the next five to seven years (seamless travel and personalization) and presents four future scenarios and their implications for the global travel ecosystem.

2.2 Key ongoing R&D projects

As a leading and differentiated technology provider for the travel industry, Amadeus undertakes significant R&D activities. In the first half of 2017, these were mainly linked to:

- Ongoing efforts related to our Distribution and Airline IT businesses:
  - Customer implementations and services:
    - Implementation efforts related to recently completed or future PSS implementations (including Southwest Airlines, Japan Airlines and Malaysia Airlines on Altéa).
    - Implementation costs linked to our upselling activity (such as Revenue Management, e-Commerce or Standalone solutions).
    - Implementation of Distribution solutions for airlines, travel agencies, and corporations, including the migration 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 and travel expense management tool.
    - Additionally, resources allocated to client specific bespoke developments or e-commerce services.

  - Product evolution and portfolio expansion:

    - For airlines: solutions related to cloud availability, NDC compliant XML connectivity, our revenue optimisation and financial suites, as well as disruption management solutions.
    - Investment focused on merchandising solutions (including Amadeus Anytime Merchandising and Customer Experience Management), Amadeus Ancillary Services and Amadeus Fare Families, as well as enhanced shopping and booking solutions.
    - 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 tool.

- Resources dedicated to our new businesses (Hospitality, Rail, Airport IT, Payments and Travel Intelligence):

  - Investment to develop and implement the next-generation Guest Reservation System for the hospitality industry under our partnership with InterContinental Hotels Group and developments related to a next-generation Property Management System.
  - Continued development and evolution of our Airport IT, Payments and Travel Intelligence portfolios, as well as investment to implement new customers in these businesses.
  - Resources devoted to enhance distribution capabilities for Hospitality and Rail.
  - Efforts dedicated to our partnership with Bene Rail to create a new rail community IT platform.

- Cross-area technology investment:

  - The completion of the full decommissioning of our TPF-based operating systems and 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.
  - 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 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 EBITDA, operating income, 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 regulated information published on or after July 3, 2016.

- EBITDA corresponds to segment contributions less net indirect costs as defined in note 4 'Segment Reporting' of the Consolidated and condensed interim financial statements for the six months' period ended June 30, 2017.
- Covenant net financial debt is defined as current and non-current debt, 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.
- 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.

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 TA air bookings in relation to the TA air 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 and single country operators (primarily in China, Japan and Russia), which together combined represent an important part of the industry.

3.1 2016 corporate transactions

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. 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 €760.1 million. The acquisition was 100% debt-financed, partially through the drawing of a €500 million bank loan facility executed on July 3, 2015 (though cancelled and replaced in October 2016 by a four-year bond), and partially through €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 was carried out in the fourth quarter of 2016.

Meeting Intelligence business

On July 21, 2016, Amadeus Hospitality US (formerly Newmarket International) divested its non-core Meeting Intelligence business, which provides meetings market intelligence for the hospitality industry. The total net consideration of the transaction was €11.3 million.

3.2 2017 corporate transactions

i:FAO

On January 13, 2017, Amadeus announced the closing of the acceptance period for the tender offer it had launched on October 21, 2016 for outstanding i:FAO shares Amadeus did not already own (29.74%). i:FAO was acquired on June 23, 2014, indirectly through Amadeus Corporate Business AG and, as of December 31, 2016 the Group owned 70.72% of the shares of i:FAO. As of June 30, 2017, Amadeus has increased its shareholding in i:FAO to 88.81%. The total amount paid for the 959,094 shares acquired in the past months was €28.8 million (€30.0 per share). i:FAO was delisted from the Frankfurt Stock Exchange on December 23, 2016.

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

In turn, 40%-50% of our operating costs[4] 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, 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.

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

When the hedges in place 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 2017, foreign exchange fluctuations had a positive impact on revenue and EBITDA, a negative impact on costs and a dilutive impact on EBITDA margin. Excluding foreign exchange effects, both revenue and EBITDA increased at a high single-digit growth rate and EBITDA margin expanded.

4. Including Cost of revenue, Personnel expenses and Other operating expenses. Excludes Depreciation and amortisation.

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, 2017, 11.5% of our total covenant financial debt (related to the European Commercial Paper Programme) 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 251,000 shares and a maximum of 1,747,000 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

	Segment Reporting (figures in million euros)		
	Jan-Jun 2017	Jan-Jun 2016	% Change
Distribution revenue	1,635.5	1,520.5	7.6%
IT Solutions revenue	855.2	754.9	13.3%
Group Revenue	**2,490.7**	**2,275.5**	**9.5%**
Distribution contribution	707.5	677.2	4.5%
IT Solutions contribution	588.5	499.3	17.9%
Total Contribution	**1,296.0**	**1,176.5**	**10.2%**
Net indirect costs	(297.1)	(269.4)	10.3%
EBITDA	**998.9**	**907.1**	**10.1%**
EBITDA Margin (%)	40.1%	39.9%	0.2p.p.

In the second quarter of 2017, revenue increased by 7.3%, slower than the 11.7% growth rate reported in the first quarter of 2017, which was favoured by the timing of Easter and the consolidation of Navitaire from January 26, 2016. Revenue growth for the first half of the year, amounting to 9.5%, which also included a 2016 leap-year effect, was driven by the positive evolution of our segments:

- In Distribution, revenue grew by 7.6%, positively supported by a 0.5 p.p. enhancement in our competitive position[5], expansive average pricing and an increase in non-booking revenue.
- In IT Solutions, revenue increased by 13.3% driven by the positive evolution of Airline IT and our new businesses, as well as the aforementioned Navitaire consolidation impact.

EBITDA expanded 10.1% in the first half of 2017, as a result of growing contributions in both Distribution (4.5%) and IT Solutions (17.9%), partly offset by an increase in net indirect costs (10.3%). EBITDA margin expanded 0.2 p.p. to 40.1% of revenue. Excluding foreign exchange effects, both revenue and EBITDA increased at a high single-digit growth rate and EBITDA margin expanded.

5. Competitive position as defined in Section 3.

5.1 Distribution

	Distribution (figures in million euros)		
	Jan-Jun 2017	Jan-Jun 2016	% Change
Operating KPI			
TA air competitive position[1]	43.6%	43.2%	0.5 p.p.
Total bookings (m)	328.4	310.5	5.8%
Financial results			
Revenue	1,635.5	1,520.5	7.6%
Net operating costs	(928.0)	(843.3)	10.0%
Contribution	**707.5**	**677.2**	**4.5%**
As % of Revenue	**43.3%**	**44.5%**	**(1.3 p.p.)**

1. Competitive position as defined in section 3.

Distribution revenue increased 7.6% in the first half of 2017, supported by volume growth, expansive average pricing and growing non-booking revenue. Contribution grew by 4.5%, to €707.5 million. As a percentage of revenue, Distribution contribution declined by 1.3 p.p. to 43.3%. Margin dilution was negatively impacted by foreign exchange effects.

5.1.1 Evolution of Amadeus bookings

	Operating KPI					
	Apr-Jun 2017	Apr-Jun 2016	% Change	Jan-Jun 2017	Jan-Jun 2016	% Change
TA air booking industry growth	**1.7%**	**3.7%**		**4.3%**	**2.2%**	
TA air competitive position[1]	**43.8%**	**43.8%**	**0.0 p.p.**	**43.6%**	**43.2%**	**0.5 p.p.**
TA air bookings (m)	141.0	138.1	2.1%	295.2	279.3	5.7%
Non air bookings (m)	16.2	15.4	5.1%	33.2	31.2	6.3%
Total bookings (m)	**157.2**	**153.5**	**2.4%**	**328.4**	**310.5**	**5.8%**

1. Competitive position as defined in section 3.

TA air booking Industry

Travel agency air bookings increased by 4.3% in the first half of 2017, with a marked seasonality between the first and second quarter of the year. Growth slowed from 6.7% in the first quarter of 2017, to 1.7% in the second quarter, impacted by the timing of Easter (which in 2017 happened in April and in 2016 took place in March).

In the second quarter of 2017, Western Europe was particularly impacted by the Easter timing effect, seeing industry bookings decline vs. prior year, leading to a more moderate regional growth overall for the first half of 2017. Sector volumes in Middle East and Africa posted limited growth in the first half of the year, with a decline in bookings in the second quarter of 2017, negatively impacted by the timing of the end of Ramadan and geopolitical tensions in the region (including the Qatar air space ban). In turn, travel agency air bookings in Latin America and Asia and Pacific showed robust growth in the first half of 2017, on the back of countries recovering from difficulties, such as Brazil, and others continuing their strong growth path, for example India. The positive evolution of bookings in Russia also favoured industry growth in Central, Eastern and Southern Europe. Finally, volumes in North America grew healthily in the first half of 2017.

Amadeus bookings

In the second quarter of 2017, Amadeus travel agency air bookings grew 2.1%, slowing down vs. the 9.3% increase reported in the first quarter of 2017, driven by the market's evolution.

In the first half of 2017, our competitive position improved 0.5 p.p. to 43.6%, leading to a 5.7% increase in Amadeus' travel agency air bookings. Latin America and Asia and Pacific were our best performing regions, benefiting from robust industry growth and enhancements in our competitive position. Volumes in North America grew solidly as well in the first half period on the back of also positive dynamics. The remaining regions evolved positively in the first half of 2017, despite weaker markets in Western Europe and Middle East and Africa in the second quarter.

	Amadeus TA air bookings (figures in million)				
	Jan-Jun 2017	*% of Total*	*Jan-Jun 2016*	*% of Total*	*% Change*
Western Europe	109.5	37.1%	107.0	38.3%	2.4%
Asia & Pacific	54.7	18.5%	49.7	17.8%	10.0%
North America	52.5	17.8%	49.1	17.6%	6.9%
Middle East and Africa	35.8	12.1%	34.2	12.3%	4.6%
Central, Eastern and Southern Europe	23.7	8.0%	22.7	8.1%	4.5%
Latin America	18.9	6.4%	16.5	5.9%	14.7%
Total TA air bookings	**295.2**	**100.0%**	**279.3**	**100.0%**	**5.7%**

Amadeus' non air bookings increased by 5.1% in the second quarter of 2017 vs. prior year, and 6.3% in the first half of 2017, mostly due to the positive performance of rail and hotel bookings.

5.1.2 Revenue

Distribution delivered revenue growth of 3.8% in the second quarter of 2017, driving 7.6% first half growth vs. 2016. This first half performance was the result of an increase in both booking and non-booking revenue, also positively impacted by foreign exchange effects.

Booking revenue growth in the first half resulted from an increase in bookings of 5.8%, coupled with unitary booking revenue expansion. Average revenue per booking expansion was supported by a positive booking mix as the weight of global bookings over our total bookings increased in the period. Non-booking revenue increased in the first half of 2017 mostly due to higher revenue from search solutions provided to metasearch engines and online travel agencies, growth in tools served to corporations as well as growth in our payments offering for travel agencies.

5.1.3 Contribution

Contribution increased by 4.5%, amounting to €707.5 million in the first half of 2017 and representing 43.3% of revenue. Contribution growth was supported by an increase in revenue of 7.6%, as explained in section 5.1.2 above, partly offset by 10.0% growth in net operating costs, led by:

- Higher variable costs, due to a 5.7% increase in travel agency air bookings and a unitary distribution cost expansion, as expected, due to competitive pressure and a negative regional and customer mix impact on incentives paid to travel agencies.
- A contained net fixed costs increase which mainly resulted from (i) annual salary and variable remuneration reviews and (ii) the expansion of our R&D and commercial teams devoted to corporate IT, non-air distribution and Travel Intelligence solutions, partly offset by (iii) higher capitalisations in the first half of 2017 vs. prior year.
- A negative foreign exchange impact.

5.2 IT Solutions

	IT Solutions (figures in million euros)		
	Jan-Jun 2017	*Jan-Jun 2016*	*% Change*
Operating KPI			
Passengers boarded (m)[1]	753.4	628.7	19.8%
Financial results			
Revenue	855.2	754.9	13.3%
Net operating costs	(266.7)	(255.7)	4.3%
Contribution	**588.5**	**499.3**	**17.9%**
As % of Revenue	**68.8%**	**66.1%**	**2.7 p.p.**

1. Navitaire New Skies passengers boarded for the first half of 2016 were restated retroactively in our September YTD 2016 results, adding 6.3 million passengers boarded in H1 2016 (no impact on revenue).

IT Solutions grew solidly in the first half of 2017, posting a 13.3% increase in the period vs. prior year, supported by the performance of our Airline IT business, positively impacted by organic volume growth, airline implementations and the consolidation of Navitaire from January 26, 2016, as well as the positive evolution of our new businesses. Contribution amounted to €588.5 million, growing by 17.9% in the first half of 2017 vs. prior year. As a percentage of revenue, contribution represented 68.8% or 2.7 p.p. higher than prior year.

5.2.1 Evolution of Amadeus passengers boarded

Amadeus passengers boarded grew by 16.1% to 413.7 million in the second quarter of 2017, driving first half growth vs. prior year to 19.8%.

This first half performance was positively impacted by the consolidation of Navitaire New Skies passengers boarded (consolidated since January 26, 2016). Excluding this impact, our volumes grew at a double-digit growth rate, fuelled by (i) 8.1% organic growth and (ii) new carrier implementations on our PSS platforms, including Southwest Airlines, Malaysia Airlines and Kuwait Airways on Altéa and GoAir, Viva Air Peru, Andes Líneas Aéreas and JetSMART on New Skies in the second quarter of 2017, as well as airlines implemented in 2016 (including Swiss International Air Lines, Brussels Airlines, China Airlines and Ukraine International Airlines on Altéa and Viva Group on New Skies).

	Total passengers boarded (figures in million)					
	Apr-Jun 2017	Apr-Jun 2016	% Change	Jan-Jun 2017	Jan-Jun 2016	% Change
Organic growth[1]	364.4	333.8	9.1%	643.4	594.9	8.1%
Non organic growth	49.4	22.4	n.m.	110.0	33.8	n.m.
Total passengers boarded[2]	**413.7**	**356.2**	**16.1%**	**753.4**	**628.7**	**19.8%**

1. Calculated based on passengers boarded adjusted to reflect growth of comparable airlines on the Altéa and New Skies platforms during both periods, excluding Air Berlin and January 2016 and 2017 Navitaire New Skies passengers boarded.
2. Navitaire New Skies passengers boarded for the first half of 2016 were restated retroactively in our September YTD 2016 results, adding 3.3 million passengers boarded in Q2 2016 and 6.3 million in H1 2016 (no impact on revenue).

In the first half of 2017, 56.8% of our passengers boarded were generated outside of Europe. Our international footprint has continued to expand, supported by the acquisition of Navitaire and the implementation of Southwest Airlines and Malaysia Airlines to Altéa in the second quarter of 2017.

	Total passengers boarded (figures in million)				
	Jan-Jun 2017	% of Total	Jan-Jun 2016	% of Total	% Change
Western Europe	286.3	38.0%	252.5	40.2%	13.4%
Asia & Pacific	235.8	31.3%	199.3	31.7%	18.4%
Latin America	71.7	9.5%	61.4	9.8%	16.9%
Middle East and Africa	61.2	8.1%	56.7	9.0%	8.0%
North America	58.8	7.8%	28.8	4.6%	104.3%
Central, Eastern and Southern Europe	39.5	5.2%	30.2	4.8%	30.8%
Total passengers boarded[1]	**753.4**	**100.0%**	**628.7**	**100.0%**	**19.8%**

1. Navitaire New Skies passengers boarded for the first half of 2016 were restated retroactively in our September YTD 2016 results, adding 6.3 million passengers boarded in H1 2016 (no impact on revenue).

5.2.2 Revenue

IT Solutions revenue increased 14.2% in the second quarter of 2017 vs. prior year, driving growth for the first half of 2017 to 13.3%. This first half performance resulted from the positive evolution of both Airline IT and our new businesses, positively impacted by foreign exchange effects.

Growth in Airline IT revenue was mostly driven by (i) a 19.8% increase in passengers boarded combined with (ii) dilutive average revenue per passenger boarded as a result of a growing weight of low-cost and hybrid carriers in our customer base, partly mitigated by our successful upselling activity such as e-Commerce, Standalone solutions, Revenue Management and Airline Cloud Availability.

In addition, our new businesses performed well in the first half of 2017, with revenue increasing at a double-digit growth rate vs. prior year.

5.2.3 Contribution

In IT Solutions, contribution amounted to €588.5 million in the first half of 2017, growing by 17.9% vs. the same period in 2016. This positive performance was the combination of 13.3% revenue growth, explained in section 5.2.2 above, and a 4.3% increase in our net operating costs, resulting from:

- Annual salary and variable remuneration reviews.
- The consolidation of Navitaire since January 26, 2016.
- Reinforcement of our commercial teams to better support the expansion of our product offering and customer base.
- Increased R&D expenditure (most of which is capitalised) dedicated to our Airline IT portfolio evolution and expansion (including improved merchandising, personalisation and shopping functionalities) and our new businesses, partly offset by lower resources required to implement new carriers to our core Altéa platform.
- A number of positive non-recurring effects including lower severance payments and M&A fees.

5.3 EBITDA

In the first half of 2017, our EBITDA grew by 10.1% to €998.9 million, positively impacted by foreign exchange effects (see section 4.1 for details on the exposure of our operating results to foreign exchange fluctuations). Excluding foreign exchange impacts, EBITDA grew at a high single-digit growth rate, driven by the positive performances of Distribution and IT Solutions and the contribution of Navitaire, consolidated since January 26, 2016.

EBITDA margin, which represented 40.1% of revenue and expanded 0.2 p.p. vs. prior year, was negatively impacted by foreign exchange fluctuations.

Distribution and IT Solutions contributions were partly offset by higher net indirect costs, which increased by 10.3% in the first half of 2017 vs. the same period of 2016, resulting from:

- Annual salary and variable remuneration reviews.
- The consolidation of Navitaire central costs, from January 26, 2016.
- Increased resources in our corporate functions to support our business expansion.
- A decline in the capitalisation ratio, impacted by the mix of projects undertaken in the period.
- A negative foreign exchange impact.

6 Consolidated financial statements

6.1 Group income statement

	Income Statement (figures in million euros)					
	Apr-Jun 2017	*Apr-Jun 2016*	*% Change*	*Jan-Jun 2017*	*Jan-Jun 2016*	*% Change*
Revenue	**1,239.9**	**1,155.4**	**7.3%**	**2,490.7**	**2,275.5**	**9.5%**
Cost of revenue	(321.1)	(285.6)	12.4%	(655.2)	(580.1)	12.9%
Personnel and related expenses	(336.0)	(328.9)	2.1%	(663.8)	(636.4)	4.3%
Other operating expenses	(83.6)	(80.1)	4.3%	(166.6)	(146.6)	13.6%
Depreciation and amortisation	(131.5)	(116.0)	13.4%	(259.0)	(232.6)	11.4%
Operating income	**367.7**	**344.8**	**6.6%**	**746.1**	**679.8**	**9.8%**
Net financial expense	(18.7)	(16.6)	12.1%	(32.5)	(44.6)	(27.1%)
Other income (expense)	(0.4)	2.2	n.m.	(0.7)	2.1	n.m.
Profit before income taxes	**348.7**	**330.4**	**5.5%**	**712.9**	**637.3**	**11.9%**
Income taxes	(90.7)	(97.5)	(7.0%)	(185.4)	(188.0)	(1.4%)
Profit after taxes	**258.0**	**232.9**	**10.8%**	**527.5**	**449.3**	**17.4%**
Share in profit from associates and JVs	1.3	0.9	54.4%	2.4	1.7	42.8%
Profit for the period	**259.3**	**233.8**	**10.9%**	**530.0**	**451.0**	**17.5%**
Key financial metrics						
EBITDA	**496.1**	**458.3**	**8.2%**	**998.9**	**907.1**	**10.1%**
EBITDA margin (%)	40.0%	39.7%	0.3 p.p.	40.1%	39.9%	0.2 p.p.
Adjusted profit[1]	**280.4**	**248.9**	**12.7%**	**574.0**	**494.5**	**16.1%**
Adjusted EPS (euros)[2]	**0.64**	**0.57**	**12.6%**	**1.31**	**1.13**	**15.9%**

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.

6.1.1 Revenue

In the second quarter of 2017, revenue amounted to €1,239.9 million, growing 7.3% vs. prior year. For the first half of 2017, revenue increased by 9.5% to €2,490.7 million.

This 9.5% increase in the first half period was driven by a positive evolution of Distribution and IT Solutions, as well as the consolidation of Navitaire (since January 26, 2016), a positive foreign exchange impact and a negative 2016 leap-year effect. Overall, revenue growth was a combination of:

- An increase of 3.8% in Distribution in the second quarter of 2017, leading to 7.6% growth for the first half period.
- An increase of 14.2% in IT Solutions in the second quarter of 2017 and 13.3% in the first half of the year.

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 2017	Apr-Jun 2016	% Change	Jan-Jun 2017	Jan-Jun 2016	% Change
Distribution	798.1	768.8	3.8%	1,635.5	1,520.5	7.6%
IT Solutions	441.7	386.6	14.2%	855.2	754.9	13.3%
Revenue	**1,239.9**	**1,155.4**	**7.3%**	**2,490.7**	**2,275.5**	**9.5%**

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 organisations which act as a local distributor (mainly in the Middle East, North Africa, India, and South Korea) and (iii) data communication expenses related to the maintenance of our computer network, including connection charges.

Cost of revenue grew by 12.4% in the second quarter of 2017 or 12.9% to €655.2 million in the first half of 2017 vs. prior year, highly impacted by negative foreign exchange effects. The increase in cost of revenue was driven by higher travel agency air bookings (+5.7%) and a higher unitary distribution cost, resulting from competitive pressure and a negative regional and customer mix impact on incentives paid to travel agencies. Also, data communications costs increased, as a consequence of higher transaction volumes driven by business expansion.

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 its development activity, complementing permanent staff. The overall ratio of permanent staff vs. contractors devoted to R&D may fluctuate depending on business needs and project mix, therefore impacting the evolution of both "Personnel expenses" and "Other operating expenses" captions in our income statement.

Our combined operating expenses cost line, including both Personnel expenses and Other operating expenses, increased by 2.6% in the second quarter of 2017 vs. prior year, leading to a 6.1% growth for the first half of 2017.

Growth in fixed operating expenses in the first half of the year resulted from:

- An increase of 4% in average FTEs (permanent staff and contractors), due to:

- Higher headcount in R&D dedicated to ongoing investment in product evolution and portfolio expansion, including the progress achieved in our new businesses (see further details in sections 2.2 and 6.3.2).
- The reinforcement of our corporate, technical and commercial teams reflecting our business growth, to better support and serve our customers, both centrally and locally.
- The consolidation of Navitaire since January 26, 2016.

- Global salary and variable remuneration reviews, partly offset by efficiencies reached due to a positive country mix.
- Growth in non-personnel related expenses, affecting particularly computing expenses (as Navitaire is hosted externally) and to a lesser extent, travel costs, driven by the overall business and geographical expansion. This was partly offset by a decline in M&A fees.
- A decrease in the overall capitalisation ratio, impacted by the mix of projects undertaken.
- A negative foreign exchange impact.

	Personnel expenses + Other operating expenses (figures in million euros)					
	Apr-Jun 2017	*Apr-Jun 2016*	*% Change*	*Jan-Jun 2017*	*Jan-Jun 2016*	*% Change*
Personnel expenses + Other operating expenses	(419.6)	(409.0)	2.6%	(830.4)	(783.0)	6.1%

6.1.4 Depreciation and Amortisation

Depreciation and amortisation (including capitalised D&A) was 13.1% higher in the second quarter of 2017 vs. the same period in 2016, driving growth for the first half of 2017 to 11.2%. This 11.2% increase was mostly due to growth in ordinary depreciation and amortisation, partly offset by lower impairments. In the first half of 2016, we had a €8.5 million impairment to write-off the "Newmarket International" trademark and replace it by the global Amadeus brand.

Ordinary D&A grew by 20.1% in the first half of 2017 vs. prior year, mainly driven by higher amortisation of intangible assets, as capitalised development expenses on our balance sheet started being amortised in parallel with the associated project or contract revenue recognition. The depreciation expense related to hardware and software acquired for our data processing centre in Erding, as well as the consolidation impact of Navitaire, also contributed to the overall increase.

Depreciation and Amortisation (figures in million euros)						
	Apr-Jun 2017	Apr-Jun 2016	% Change	Jan-Jun 2017	Jan-Jun 2016	% Change
Ordinary depreciation and amortisation	(106.7)	(89.6)	19.0%	(209.8)	(174.7)	20.1%
Amortisation derived from PPA	(24.9)	(26.4)	(6.0%)	(49.2)	(49.4)	(0.3%)
Impairments[1]	0.0	0.0	n.m.	0.0	(8.5)	n.m.
Depreciation and amortisation	**(131.5)**	**(116.0)**	**13.4%**	**(259.0)**	**(232.6)**	**11.4%**
Capitalised depreciation and amortisation[2]	3.2	2.5	26.3%	6.3	5.3	18.9%
Depreciation and amortisation post-capitalisations	**(128.4)**	**(113.5)**	**13.1%**	**(252.8)**	**(227.3)**	**11.2%**

1. The impairment of €8.5 million in 2016 was related to the write off of the "Newmarket International" trademark (replaced by the global Amadeus brand).
2. Included within the other operating expenses caption in the Group Income Statement.

6.1.5 EBITDA and Operating income

EBITDA increased by 8.2% in the second quarter of 2017 and by 10.1% to €998.9 million in the first half of 2017 vs. prior year, positively impacted by foreign exchange effects (see section 4.1 for details on the exposure of our operating results to foreign exchange fluctuations). Excluding foreign exchange effects, EBITDA grew at a high single-digit growth rate, supported by the positive performances of Distribution and IT Solutions as well as the contribution of Navitaire, consolidated since January 26, 2016.

Operating Income in the second quarter of 2017 grew by 6.6%, or 9.8% to €746.1 million in the first half of the year, as a result of EBITDA expansion offset by higher D&A charges.

Operating income – EBITDA (figures in million euros)						
	Apr-Jun 2017	Apr-Jun 2016	% Change	Jan-Jun 2017	Jan-Jun 2016	% Change
Operating income	**367.7**	**344.8**	**6.6%**	**746.1**	**679.8**	**9.8%**
Depreciation and amortisation	131.5	116.0	13.4%	259.0	232.6	11.4%
Capitalised depreciation and amortisation	(3.2)	(2.5)	26.3%	(6.3)	(5.3)	18.9%
EBITDA	**496.1**	**458.3**	**8.2%**	**998.9**	**907.1**	**10.1%**
EBITDA margin (%)	40.0%	39.7%	0.3 p.p.	40.1%	39.9%	0.2 p.p.

6.1.6 Net financial expense

Net financial expense increased by 12.1% in the second quarter of 2017 though decreased by 27.1% in the first half of 2017 vs. prior year. Interest expense declined significantly in the first half of 2017, as a consequence of a lower average cost of debt (impacted positively by the refinancing of €750 million notes in July 2016) as well as a lower amount of average gross debt outstanding. This was partly offset by higher exchange losses and other financial expenses in the first half of 2017 compared to the same period in 2016.

	Net financial expense (figures in million euros)					
	Apr-Jun 2017	Apr-Jun 2016	% Change	Jan-Jun 2017	Jan-Jun 2016	% Change
Financial income	0.2	0.8	(74.3%)	0.6	1.0	(43.0%)
Interest expense	(8.5)	(18.8)	(54.8%)	(17.0)	(36.7)	(53.7%)
Other financial expenses	(3.6)	(0.9)	n.m.	(4.5)	(1.7)	n.m.
Exchange gains (losses)	(6.8)	2.2	n.m.	(11.6)	(7.3)	60.3%
Net financial expense	**(18.7)**	**(16.6)**	**12.1%**	**(32.5)**	**(44.6)**	**(27.1%)**

6.1.7 Income taxes

Income taxes for the first half of 2017 amounted to €185.4 million, vs. €188.0 million in the same period of 2016. The income tax rate for the first half of 2017 was 26.0%, lower than the 29.5% rate reported in first half of 2016. The reduction in income tax rate was driven by a number of factors, including (i) a reduction in the corporate tax rate in France in accordance with government regulatory changes, (ii) tax deductions related to non-recurring transactions, as well as (iii) the application of a reduced tax rate regime over certain research and development costs in France.

6.1.8 Profit for the period. Adjusted profit

Reported profit grew by 10.9% in the second quarter of 2017 compared to the same period in 2016, and by 17.5% in the first half of 2017, amounting to €530.0 million. 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 12.7% in the second quarter of 2017 vs. prior year and by 16.1% to €574.0 million in the first half of 2017.

	Adjusted profit (figures in million euros)					
	Apr-Jun 2017	Apr-Jun 2016	% Change	Jan-Jun 2017	Jan-Jun 2016	% Change
Reported profit	**259.3**	**233.8**	**10.9%**	**530.0**	**451.0**	**17.5%**
Adjustments						
Impact of PPA[1]	17.1	18.1	(5.7%)	34.3	34.0	0.9%
Non-operating FX results[2]	3.7	(1.8)	n.m.	7.3	4.9	48.8%
Non-recurring items	0.3	(1.2)	n.m.	2.5	(1.1)	n.m.
Impairments	0.0	0.0	n.m.	0.0	5.8	n.m.
Adjusted profit	**280.4**	**248.9**	**12.7%**	**574.0**	**494.5**	**16.1%**

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 above). In the first half of 2017, our reported EPS increased by 17.4% to €1.21 and our adjusted EPS by 15.9% to €1.31.

	Earnings per share					
	Apr-Jun 2017	*Apr-Jun 2016*	*% Change*	*Jan-Jun 2017*	*Jan-Jun 2016*	*% Change*
Weighted average issued shares (m)	438.8	438.8		438.8	438.8	
Weighted average treasury shares(m)	(1.5)	(2.5)		(1.5)	(2.3)	
Outstanding shares (m)	**437.3**	**436.4**		**437.3**	**436.5**	
EPS (euros)[1]	0.59	0.53	10.9%	1.21	1.03	17.4%
Adjusted EPS (euros)[2]	0.64	0.57	12.6%	1.31	1.13	15.9%

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.

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). On August 2, 2016, Amadeus IT Group, S.A. was legally dissolved and Amadeus IT Holding, S.A. adopted the name of Amadeus IT Group, S.A. The acquisition of treasury shares to cover the exchange ratio started in April 2016 and as of June 30, 2017, 316,854 shares were delivered in exchange of the Amadeus IT Group, S.A. shares, impacting both the weighted average issued and treasury shares during this period.

6.2 Statement of financial position (condensed)

	Statement of Financial Position (figures in million euros)	
	30/06/2017	*31/12/2016*
Property, plant and equipment	454.1	459.7
Intangible assets	3,208.8	3,210.3
Goodwill	2,743.5	2,793.3
Other non-current assets	270.1	218.4
Non-current assets	6,676.5	6,681.8
Current assets	690.1	642.3
Cash and equivalents	623.7	450.1
Total assets	**7,990.3**	**7,774.1**
Equity	2,942.9	2,761.5
Non-current debt	1,784.1	1,422.7
Other non-current liabilities	1,276.7	1,282.0
Non-current liabilities	3,060.8	2,704.7
Current debt	805.9	969.5
Other current liabilities	1,180.7	1,338.5
Current liabilities	1,986.6	2,308.0
Total liabilities and equity	**7,990.3**	**7,774.1**
Net financial debt (as per financial statements)	**1,966.3**	**1,942.1**

6.2.1 Financial indebtedness

	Indebtedness (figures in million euros)	
	30/06/2017	31/12/2016
Covenants definition[1]		
European Commercial Paper	300.0	485.1
Short term bonds	400.0	400.0
Long term bonds	1,500.0	1,000.0
EIB loan	290.0	307.5
Revolving credit facilities	0.0	100.0
Other debt with financial institutions	19.7	21.0
Obligations under finance leases	89.1	93.9
Covenant Financial Debt	**2,598.8**	**2,407.5**
Cash and cash equivalents	(623.7)	(450.1)
Covenant Net Financial Debt	**1,975.1**	**1,957.5**
Covenant Net Financial Debt / LTM Covenant EBITDA	**1.10x**	**1.14x**
Reconciliation with financial statements		
Net financial debt (as per financial statements)	**1,966.3**	**1,942.1**
Interest payable	(8.0)	(2.5)
Deferred financing fees	12.5	12.6
EIB loan adjustment	4.3	5.2
Covenant Net Financial Debt	**1,975.1**	**1,957.5**

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

Net financial debt as per our financial covenants' terms amounted to €1,975.1 million at June 30, 2017 (1.10 times last-twelve-month covenant EBITDA). The main changes affecting our debt structure in the first half of 2017 were:

- The issuance in May 2017 of Eurobonds (under the Euro Medium Term Note Programme) for a value of €500 million, with a maturity of two years, an annual coupon of 0.0%, and an issue price of 99.932% of their nominal value.
- The net repayment of €185.1 million related to the Multi-Currency European Commercial Paper (ECP) programme, to reach a total nominal amount of €300.0 million at the end of June 2017.
- The full repayment of €100 million related to the Revolving Loan Facility.
- The repayment of €17.5 million related to the European Investment Bank Loan.

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 (€8.0 million at June 30, 2017) 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 mainly correspond to fees paid upfront in connection with the set-up of new credit agreements and amount to €12.5 million at June 30, 2017), 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 (€4.3 million at June 30, 2017).

6.3 Group cash flow

	Consolidated Statement of Cash Flows (figures in million euros)					
	Apr-Jun 2017	*Apr-Jun 2016*	*% Change*	*Jan-Jun 2017*	*Jan-Jun 2016*	*% Change*
EBITDA	496.1	458.3	8.2%	998.9	907.1	10.1%
Change in working capital	(56.0)	(79.6)	(29.7%)	(91.6)	(72.3)	26.8%
Capital expenditure	(135.6)	(146.1)	(7.2%)	(290.8)	(288.4)	0.8%
Pre-tax operating cash-flow	**304.5**	**232.6**	**30.9%**	**616.5**	**546.4**	**12.8%**
Taxes	(136.8)	(74.2)	84.4%	(157.3)	(102.4)	53.6%
Interest and financial fees paid	(4.1)	(5.7)	(27.5%)	(10.1)	(26.8)	(62.4%)
Free cash-flow	**163.6**	**152.7**	**7.1%**	**449.1**	**417.3**	**7.6%**
Equity investment	(0.0)	(3.1)	n.m.	(28.8)	(767.9)	n.m.
Cash-flow from extraordinary items	(9.6)	(1.6)	n.m.	(54.0)	(3.2)	n.m.
Debt payment	192.5	(140.6)	n.m.	180.6	266.8	(32.3%)
Cash to shareholders	(198.5)	(24.1)	n.m.	(374.2)	(172.6)	n.m.
Change in cash	**147.9**	**(16.6)**	**n.m.**	**172.8**	**(259.6)**	**n.m.**
Cash and cash equivalents, net[1]						
Opening balance	474.5	468.6		449.6	711.6	
Closing balance	622.4	451.9		622.4	451.9	

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

6.3.1 Change in working capital

Working capital outflow increased by €19.4 million in the first half of the year, mostly driven by (i) the recognition of previously deferred revenue, with no cash impact in the period (as related collections were received in previous years), (ii) timing differences on advanced payments linked to internal projects, and (iii) higher personnel-related payments.

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 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 2017 declined by 7.2% vs. prior year, mostly due to lower signing bonuses paid in the period.

In the first half of 2017, capex increased by 0.8% vs. 2016, amounting to €290.8 million. As a percentage of revenue, capex represented 11.7%, a decrease of 1.0 p.p. vs. prior year. Capex in intangible assets was 3.0% lower in the first half of the year vs. 2016, due to a decline in signing bonuses paid, partly offset by an increase in software capitalisations. In turn, capex in PP&E increased by 21.1% mostly due to higher hardware and software purchases and equipment for new office buildings in Europe and the Americas.

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

	Capital Expenditure (figures in million euros)					
	Apr-Jun 2017	*Apr-Jun 2016*	*% Change*	*Jan-Jun 2017*	*Jan-Jun 2016*	*% Change*
Capital Expenditure in PP&E	32.0	19.9	60.7%	54.9	45.3	21.1%
Capital Expenditure in intangible assets	103.6	126.2	(17.9%)	235.9	243.1	(3.0%)
Capital Expenditure	**135.6**	**146.1**	**(7.2%)**	**290.8**	**288.4**	**0.8%**
As % of Revenue	10.9%	12.6%	(1.7 p.p.)	11.7%	12.7%	(1.0p.p.)

R&D investment

R&D expenditure (including both capitalised and non-capitalised expense) increased by 2.1% in the second quarter of 2017 and 3.2% in the first half of 2017 vs. prior year. As a percentage of revenue, R&D investment amounted to 14.5% in the first half of the year. Growth in R&D investment in the first half of 2017 resulted from:

- Increased resources to enhance and expand our product portfolio (including corporate IT, NDC compliant connectivity, merchandising, shopping and personalisation solutions) and to implement solutions associated with our Airline IT upselling activity, combined with lower efforts devoted to implementing new carriers to our core Altéa platform.

- Higher efforts dedicated to our new businesses: Hospitality, Airport IT, Payments, Rail and Travel Intelligence.
- A decline in the level of investment devoted to transversal projects driven by the completion of the full decommissioning of our TPF-based operating systems. Now that our systems are run exclusively on open systems, the company's investment will focus on cloud services and continued enhancement of the overall infrastructure and processes to enhance efficiency, flexibility, availability and security.

It should be noted that a significant part of our research and development costs are linked to activities which are subject to 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, thereby impacting the level of operating expenses that are capitalised on our balance sheet.

	R&D investment (figures in million euros)					
	Apr-Jun 2017	Apr-Jun 2016	% Change	Jan-Jun 2017	Jan-Jun 2016	% Change
R&D investment[1]	**186.1**	**182.4**	**2.1%**	**360.6**	**349.2**	**3.2%**
As % of Revenue	15.0%	15.8%	(0.8 p.p)	14.5%	15.3%	(0.9 p.p)

1. Net of Research Tax Credit.

6.3.3 Taxes paid

Cash taxes increased by €54.9 million in the first half of the year, driven by a number of effects including, most importantly, (i) regularisations taking place in the second quarter of 2017 in various regions, due to higher than expected 2016 results, as well as (ii) a regulatory increase in the percentage of corporate taxes to be prepaid in Spain.

7 Investor information

7.1 Capital stock. Share ownership structure

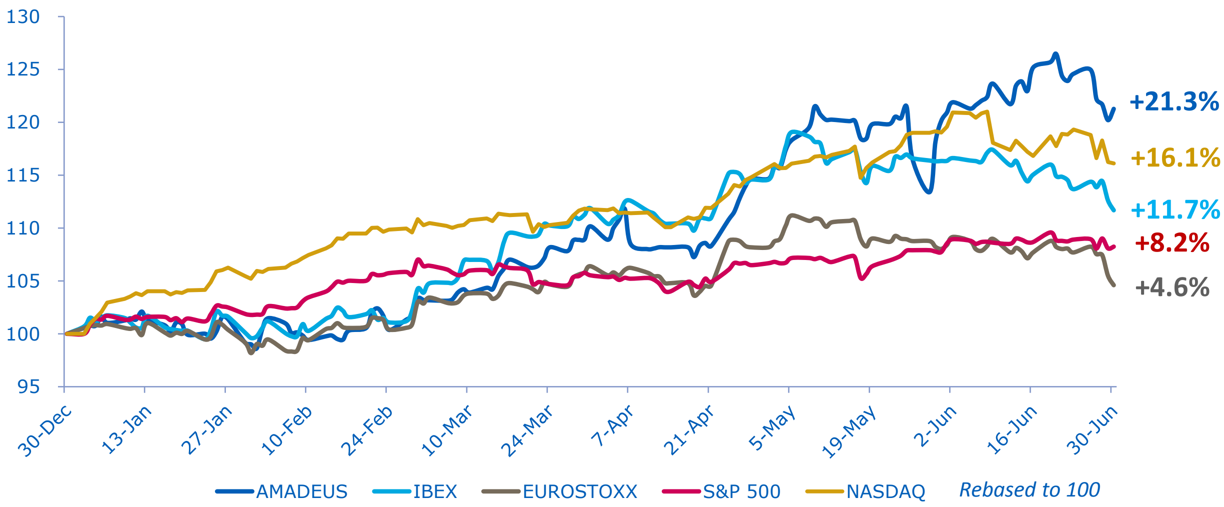
As of June 30, 2017, the capital stock of our company is €4,388,225.06 represented by 438,822,506 shares with a nominal value of €0.01 per share, all belonging to the same class, fully subscribed and paid in.

The shareholding structure as of June 30, 2017 is as described in the table below:

	Shareholders	
	Shares	*% Ownership*
Free float	437,195,234	99.63%
Treasury shares[1]	1,155,291	0.26%
Board members	471,981	0.11%
Total	**438,822,506**	**100.00%**

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

7.2 Share price performance in 2017



	Key trading data
Number of publicly traded shares (# shares)	438,822,506
Share price at June 30, 2017 (in €)	52.35
Maximum share price in Jan - Jun 2017 (in €) (June 20, 2017)	54.59
Minimum share price in Jan - Jun 2017 (in €) (February 1, 2017)	42.58
Market capitalisation at June 30, 2017 (in € million)	22,972
Weighted average share price in Jan - Jun 2017 (in €)[1]	47.42
Average Daily Volume in Jan - Jun 2017 (# shares)	1,924,841

1. Excluding cross trades.

7.3 Dividend payments

At the Shareholders' General Meeting held on June 15, 2017, our shareholders approved the annual gross dividend from the 2016 profit. The total value of the dividend increased 21.3% vs. prior year to €412.5 million, representing a pay-out of 50% of the 2016 reported profit for the year, or €0.94 per share (gross). Regarding the payment, an interim amount of €0.40 per share (gross) was paid on February 1, 2017 and the complementary dividend of €0.54 per share (gross) was paid on June 30, 2017.

8 Key terms

- "CRS": refers to "Computerised Reservation System"
- "D&A": refers to "Depreciation and Amortisation"
- "DCS": refers to "Departure Control System"
- "DMO": refers to "Destination Marketing Organisation"
- "ECP": refers to "European Commercial Paper"
- "EIB": refers to "European Investment Bank"
- "EMV": refers to "Europay, MasterCard and Visa"
- "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
- "IFRS": refers to "International Financial Reporting Standards"
- "JV": refers to "Joint Venture"
- "KPI": refers to "key performance indicators"
- "LCC": refers to "Low-Cost Carrier"
- "LTM": refers to "last twelve months"
- "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"
- "R&D": refers to "Research and Development"
- "RTC": refers to "Research Tax Credit"
- "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 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
- "TPF": refers to Transaction Processing Facility
- "XML": refers to "eXtensible Markup Language"

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