Management Review
H1 2014

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1 Summary

1.1 Introduction

Highlights for first six months, ended June 30, 2014

- **Our air travel agency bookings increased by 3.8%, to 241.8 million**
- **In our IT Solutions business line, total Passengers Boarded increased by 15.6%, to 328.5 million**
- **Revenue increased by 8.5%, to €1,730.9 million[1]. Excluding the acquisitions of Newmarket International ("Newmarket") and UFIS Airport Solutions ("UFIS"), comparable growth stood at 6.3%**
- **EBITDA increased by 8.8%, to €702.6 million[1]. Excluding the acquisitions of Newmarket and UFIS, comparable growth stood at 6.9%**
- **Adjusted profit[2] increased to €380.6 million[1], up 8.9%. Excluding the acquisitions of Newmarket and UFIS, comparable growth stood at 7.4%**
- **Covenant net financial debt stood at €1,501.3 million (1.18 times to covenant last twelve months' EBITDA) at June 30, 2014**

Amadeus continued delivering positive results throughout the first half of 2014, posting an 8.5% revenue growth and an 8.8% EBITDA increase over prior year for the period. This performance was driven by the positive contributions of our two businesses and the consolidation of Newmarket and UFIS[1], acquired during the first half of 2014. The quality and strength of our businesses coupled with our focus on technology, allows Amadeus to continue to generate revenue growth and expand profitability in the context of a sound financial structure.

While the air travel agency booking industry continued to progress positively during the first half of 2014, posting a 2.6% increase over 2013, Amadeus' competitive positioning allowed for further market share gains, with a 0.3 p.p. gain to date (on the back of a 0.5 p.p. market share gain in the second quarter). This positive result was achieved in the context of a slower air travel agency booking industry growth during the second quarter (0.7%) than in the first quarter (4.4%), marked by seasonality effects. The underlying industry growth coupled with our market share gains in the first half of 2014, drove distribution volume and revenue growth by 3.8% and 4.6%, respectively. In turn, growth in our IT Solutions business was fuelled by our airline IT Altéa PB growth, driven by the large migrations in 2013 and by organic growth of our customer base. Passengers boarded processed by Altéa grew 15.6%, driving double-digit revenue growth in the IT solutions segment to 11.6% (excluding the consolidated results of Newmarket and UFIS).

While we continue to drive our existing businesses forward, we are also working hard to shape the future of travel, our fundamental commitment. We are also progressing on the execution of our diversification strategy. All our hotel, airport and rail initiatives are in strategic relationships with key industry players to drive innovation in these adjacent sectors. Our investment in R&D reached 15.1% of our revenue in the first half of 2014 and was dedicated to supporting long term growth through customer implementations, product evolution, portfolio expansion, investment in new opportunities and further TPF decommissioning.

As of June 30, 2014 our consolidated net financial debt was €1,501.3 million (based on covenants' definition in our senior credit agreement), representing 1.18x net debt / LTM EBITDA. The increase from 1.01x at year-end

1. Newmarket and UFIS are consolidated by Amadeus with effect from February 5, 2014 and February 1, 2014, respectively.
2. Excluding after-tax impact of the following items: (i) amortisation of PPA and impairment losses, (ii) changes in fair value of financial instruments and non-operating foreign exchange gains (losses) and (iii) other non-recurring items. See note on Adjusted Profit in section 5.1.6.

2013 is due primarily to the acquisitions during the first half of 2014 (Newmarket, UFIS and i:FAO) and our interim dividend payment in January.

In June 2014, our shareholders approved a gross dividend of €0.625 per share for the year 2013, representing a 50% pay-out ratio which is equal to a total dividend of €279.7 million and represents a 25% increase over prior year. An interim dividend of €0.30 was paid on January 31, 2014 and the complementary dividend of €0.325 was paid on July 29, 2014.

1.2 Summary of operating and financial information

Summary of KPI *Figures in million euros*	Jan-Jun 2014	Jan-Jun 2014 (excl. M&A)[1]	Jan-Jun 2013	% Change[1]
Operating KPI				
Air TA Market Share	**40.3%**	**40.3%**	**40.0%**	**0.3 p.p.**
Air TA bookings (m)	241.8	241.8	233.1	3.8%
Non air bookings (m)	30.3	30.3	31.0	(2.4%)
Total bookings (m)	**272.1**	**272.1**	**264.1**	**3.0%**
Passengers Boarded (m)	**328.5**	**328.5**	**284.1**	**15.6%**
Financial results				
Distribution Revenue	1,271.5	1,271.5	1,215.6	4.6%
IT Solutions Revenue	459.4	423.5	379.5	11.6%
Revenue	**1,730.9**	**1,695.0**	**1,595.1**	**6.3%**
Distribution Contribution	583.6	583.6	565.3	3.2%
IT Solutions Contribution	315.7	303.2	266.2	13.9%
Contribution	**899.3**	**886.8**	**831.5**	**6.7%**
EBITDA[2]	**702.6**	**690.2**	**645.9**	**6.9%**
EBITDA margin (%)[2]	40.6%	40.7%	40.5%	0.2 p.p.
Adjusted profit[3]	**380.6**	**375.5**	**349.6**	**7.4%**
Adjusted EPS (euros)[4]	**0.86**	**0.84**	**0.79**	**7.3%**
Cash flow				
Capital expenditure	198.4	195.6	207.1	(5.5%)
Pre-tax operating cash flow[5]	446.6	n.a.	402.2	n.a.
	30/06/2014		**31/12/2013**	**% Change**
Indebtedness[6]				
Covenant Net Financial Debt	**1,501.3**		**1,210.7**	**24.0%**
Covenant Net Financial Debt / LTM Covenant EBITDA	1.18x		1.01x	

1. For comparability purposes, we have excluded the Newmarket and UFIS consolidated results, which are consolidated for the first time in the first half of 2014. The "% Change" column above shows the comparable growth, excluding the impact of the recent acquisitions, as explained in this note.
2. Our EBITDA and EBITDA margin were negatively impacted by extraordinary costs amounting to €1.5 million related to the acquisition of i:FAO and incurred in the first quarter of 2014. Excluding these costs, our reported EBITDA margin would be 40.7%, 0.2 p.p. higher than in the first half of 2013, and our EBITDA margin excluding Newmarket and UFIS' results would be 40.8%, 0.3 p.p. higher than the first half of 2013.
3. Excluding after-tax impact of the following items: (i) amortisation of PPA and impairment losses, (ii) changes in fair value of financial instruments and non-operating exchange gains (losses) and (iii) other non-recurring items. Our adjusted profit was negatively impacted by extraordinary (non-deductible) costs amounting to €1.5 million related to the acquisition of i:FAO and incurred in the first quarter of 2014.
4. EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period. Our adjusted EPS was negatively impacted by extraordinary (non-deductible) costs amounting to €1.5 million related to the acquisition of i:FAO incurred in the first quarter of 2014.
5. Calculated as EBITDA less capital expenditure plus changes in our operating working capital.
6. 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 include selected business highlights for the second quarter of 2014:

Distribution

Airlines

_ During the second quarter we have signed or renewed 14 content agreements with airlines. We signed a new agreement with Germanwings which will enable Germanwings to distribute all of its published fares and the most demanded ancillary services in the travel agency channel. The Lufthansa subsidiary previously sold a limited range of its fares via Amadeus' travel agency partners, using full e-ticketing. Now, in addition, through this industry-first agreement, the airline will become the first in the world to also make its full range of published fares bookable using light ticketing[3] functionalities, making Germanwings the first carrier to offer both full and light ticketing to travel sellers.

_ As part of the 14 signed or renewed agreements during the quarter, Amadeus reached a number of agreements in the Asia Pacific region. New distribution agreements were signed with Garuda Indonesia, the national airline of Indonesia; and the distribution agreement with Cathay Pacific, the international flag carrier of Hong Kong, was extended.

_ Amadeus´ merchandising suite continued to gain momentum in the second quarter with 4 new airline signatures for the Amadeus Ancillary Services solution and 2 new airline signatures for the Amadeus Fare Family Solution, both in the indirect channel. In total, 58 airlines have already signed for the Amadeus Ancillary Services solutions, and 12 for the Amadeus Fare Family solution.

_ Low-cost carriers and hybrids continued to be an area of growth for Amadeus, and distribution agreements were signed with 4 new airlines, including Malindo Air, a joint venture between National Aerospace and Defence Industries of Malaysia and Lion Air of Indonesia. Travel agency bookings for low-cost carriers increased 11.8% YoY during the quarter and we now have a total of 71 low-cost carriers distributed through Amadeus.

Rail and others

_ In June, Amadeus announced the new Amadeus Rail Display, developed in collaboration with SCNF, the French national rail company, which allows for distribution of the French national rail company offer through the travel agency channel. The new Amadeus Rail Display is an ergonomic and intuitive solution that frees agents from traditional formats while maintaining their expert rail service, and provides travel agents with new tools to enhance their role in advising their clients.

Travel agencies

_ During the second quarter, Amadeus made great strides in its strategy of growth in the Corporate Travel IT segment. During this period, Amadeus completed the acquisition of i:FAO through a tender offer process. Amadeus has acquired 69.11% of i:FAO's share capital. i:FAO Group is a leading provider of travel management technology solutions for corporations in Germany.

_ Amadeus also announced an industry first strategic technological agreement with SAP, to deliver to the market a cloud-based corporate travel solution, including online booking, expense and mobile capabilities.

[3] 'Light ticketing' is an evolution of the ticketless access level offered to low-cost and hybrid carriers to help to standardise the travel agency work flow (availability/pricing/booking/end of transaction/reporting) via the introduction of a virtual ticket number.

Amadeus will integrate the SAP Cloud for Travel and Expense solution with Amadeus e-Travel Management, creating an innovative unified user interface and a common workflow with a single end-to-end offering for corporate direct clients and resellers. The new offering, which is available to customers on a global scale, is sold under Amadeus' brand and delivers a unique end-to-end on demand solution from one single provider in the travel industry.

- On top of that, May saw the launch of Amadeus Corporate Suite, aimed at optimising business meeting planning. The new solution is a one-stop shop for corporate travel related services that will allow travellers to choose the most cost effective meeting prior to incurring costs. Amadeus Corporate Suite is a highly flexible, modular solution that can be adapted to different market requirements and integrated with the corporate travel IT platform of the customer's preferred local provider. While other self-booking solutions or open booking initiatives are purely focused on travel, Corporate Suite will provide users with the total cost of meetings – comparing travel and other alternatives such as videoconferencing – upfront and in just a few seconds.

IT Solutions

Airline IT

- On July 1, the first-ever scheduled international flight flown by Southwest Airlines took off heading to the Caribbean. It also marked the successful full implementation of Amadeus' Altéa Suite, the next generation passenger services system for airlines. Southwest began selling seats on its inaugural international flights in January using the Altéa Reservation and Inventory modules. The first flight departed from Baltimore, Maryland for Aruba, with customer management powered by Altéa Departure Control. This marks the culmination of two years of behind-the-scenes IT collaboration and systems re-engineering by the Southwest and Amadeus teams.
- The commencement of international flying by Southwest follows the news announcing that the carrier had contracted Altéa's three core modules to support their domestic flying activity. Amadeus currently provides Altéa technology and services to 119 airlines around the world.
- In July, Japan Airlines (JAL), one of the leading Asia-Pacific carriers which operates more than 200 aircraft domestically and overseas and which carries over 40m passengers per year, reached an agreement for Amadeus to provide the airline with its full Altéa suite of IT solutions for both its domestic and international routes. The agreement, which sees JAL become the latest Oneworld airline to adopt Amadeus' Altéa, will allow the airline to replace its existing passenger service system, which was originally launched back in 1969. Under the terms of the contract, JAL will also manage its international websites by using Amadeus' suite of e-Commerce solutions.
- In May, Amadeus and Swiss International Air Lines, Switzerland's flag carrier, announced a long-term strategic agreement that will see the airline adopt the core modules of the Amadeus Altéa Suite, in order to enhance its reservation, inventory and departure control processes. By migrating to Amadeus' fully integrated PSS solution, Swiss will also benefit from more streamlined access to accurate passenger and flight data, as other Group member carriers like Lufthansa, Air Dolomiti and Austrian Airlines have already implemented Amadeus' Altéa technology.
- In April, Amadeus was chosen by Lufthansa, Europe's largest airline and Germany's flag carrier, to power the airline's brand new shopping, booking and re-booking webpages with its suite of next generation e-Commerce solutions. Lufthansa.com, which receives over 210 million visitors per annum, now has a completely revamped shopping and booking flow that will streamline the purchasing experience for travellers by improved navigation and transparent pricing information. The new site has been designed to significantly enhance the airline's merchandising capabilities across both its domestic and international business.

Airport IT

- In May, Amadeus published an insight paper – IT makes sense to share: making the case for the cloud in Common Use airport technology – which highlighted that the industry is now ready to adopt next generation Common Use solutions to maximise the operational and commercial performance of the sector. According to the paper, rising business pressures from stakeholders and competitors mean airports must make the most efficient use of IT resources to operate effectively and work more collaboratively with airlines, whilst looking for alternative revenue streams to remain competitive. The paper indicates that modernising approaches to Common Use systems is one route to alleviate these challenges in a world that has access to the latest models of cloud computing.
- During the second quarter Amadeus has signed 5 new ground handlers increasing the total figure to 75. These ground handlers across the world, have found in Amadeus Altéa Ground Handler the answer to overcoming many operational challenges. This achievement today means that Amadeus has the leading portfolio of ground handlers signed to its Departure Control System across all continents.

Hotel

- In April, Amadeus launched a new-generation hotel distribution marketplace for the travel industry that will bring buyers and sellers of hotel reservations together more efficiently. The marketplace can be accessed via Amadeus' travel agency retail platform (Amadeus Selling Platform), our corporate online booking tool (Amadeus e-Travel Management) and by any third party through our web services. The 'multisource' marketplace now provides seamlessly integrated content from all hotel sources into one format within the platform, so bookers can access all their favourite providers through a single interface.

Payments

- CyberSource, a Visa Inc. company (NYSE:V), and one of the world's leading providers of e-Commerce payment management services, has formed a strategic global partnership with Amadeus to bring an integrated travel reservation and fraud management solution to airlines, travel agencies and other travel organizations worldwide. The combined solution will help travel businesses worldwide maximize revenue, reduce costs and improve the customer payment experience across multiple channels, such as online, mobile, face-to-face and call centre.

Rail IT

- In May, BeNe Rail International (BeNe RI), an international distribution technology joint venture set up by NS and SNCB/NMBS[4], agreed to enter into a long-term strategic IT partnership with Amadeus to create a new rail community IT platform as part of Amadeus' Total Rail solution. This unique platform is based on the concept of a community model whereby a third party IT expert, Amadeus, develops and hosts applications for several rail companies to share in common and benefit from synergies.
- The platform proposes a solution to cover all end-to-end processes for rail travel in Europe. Hosted and run from Amadeus' Data Centre in Erding (Germany), the solution enables BeNe RI to remain in control of its individual distribution strategies and channels. Amadeus will bring BeNe RI numerous advantages including increased flexibility and performance, with the aim of enhancing customer satisfaction. The platform will be rolled out across BeNe RI over several phases during the next few years.

[4] NS: Nederlandse Spoorwegen (Dutch Railways), SNCB/NMBS:Société Nationale des Chemins de fer Belges/Nationale Maatschappij der Belgische Spoorwegen (Belgian Railways), CFL: Société Nationale des Chemins de fer Luxembourgeois (Luxembourg Railways)

Additional news from the second quarter

- In June, Amadeus gained approval from IATA for Billing and Settlement Plan (BSP) certification within mainland China. With this, Amadeus already has approval for BSP certification within greater China (including Taiwan, Hong Kong and Macau). Amadeus is thus one step closer to allowing authorised travel agents to fulfil the entire billing and ticketing process of travel products offered by foreign BSP airlines in China.

2.2 Key ongoing R&D projects

R&D investment in the first half of 2014 relates primarily to:

- Customer implementation efforts:
    - Migration development work in relation to Altéa implementations carried out in the first half of the year (namely Southwest –the international passengers business- and a large number of migrations to the DCS module). Also, the contracted pipeline scheduled for migration in the second half of this year (notably Korean Air) and the coming years (such as Southwest –the domestic passengers business-, Alitalia and Swiss Air). Additionally, implementation costs in relation to new customers adopting e-commerce and standalone solutions.
    - Implementation of our new Revenue Accounting module in our launch customer British Airways.
    - Implementation efforts in relation to our DCS solution for ground handlers, including those implemented in the first half of the year as well as those scheduled to be implemented in the second half of this year and in the coming years.
    - Preparation work to migrate travel agencies in Korea from the local reservation system, Topas, to the Amadeus platform.
    - Implementation of customers to our portfolio of solutions for airlines and travel agencies, including the addition of low cost carriers to the platform and the expansion of our customer base in ancillary services products.
- Expansion of the airline IT portfolio, including revenue management, and the evolution of our existing portfolio (ancillary services, payment services, new or improved functionalities such as enhanced shopping solutions).
- Increased investment in new initiatives (hotel, rail, airport IT, payments, mobile and travel intelligence) to expand our current portfolio of solutions:
    - Development of new modules of our airport IT suite of products, including those contracted by the Copenhagen and Munich airports.
    - Initial costs associated with our recently announced agreements with IHG and BeneRail within the scopes of our hotel and rail businesses, respectively.
    - Investment in mobile, payments and travel intelligence, where we continue to work with different industry partners.
- Expansion of the Distribution business IT portfolio:
    - Solutions for travel agencies, such as a new generation front office, search engines, shopping and booking solutions or ancillary services, specific tools for Travel Management companies and corporations, including mobile tools, and the creation of the Total Travel Record (the future evolution of the PNR, containing all traveller information with cross-sell, cross-channel, multi-GDS data and related customer management functionalities).

- Solutions for airlines, such as availability, schedules, ancillary services, merchandising capabilities, mobile functionality and XML development in compliance with NDC standards.
- Regionalisation investment, with the aim to better adapt part of our product portfolio to specific regions.

_ Ongoing TPF decommissioning, which implies the progressive migration of the company's platform to next-generation technologies such as Linux and Unix (today, close to 90% of Amadeus' software is supported by next-generation open systems, which allow for improved efficiency, greater flexibility in terms of the architecture and scalability of the platform), other cross-area technologies such as the Amadeus Collaborative Technology (a corporate program built to enhance the Amadeus system and which will bring a new technical platform and architecture for a new selling platform, shared by our two businesses) and system performance projects aiming to maximise service levels and system reliability.

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.

- **Acquisition of Newmarket**

On February 5, 2014 Amadeus acquired, 100% of the voting rights of NMTI Holdings, Inc. and its group of companies ("Newmarket”). The purchase consideration was €332.7 million. The transaction was fully financed by a new bank loan facility, which was drawn down on February 4, 2014. Newmarket was consolidated into Amadeus’ books from February 5, 2014, following the approval of the acquisition by the US Federal Trade Commission in January 2014.

Newmarket continued its positive performance in the second quarter of 2014 with reported high-single digit revenue growth and double-digit EBITDA growth, driving revenue and EBITDA growth to high-single digit and double-digit, respectively, in the first half of 2014.

- **Acquisition of UFIS**

In addition, Amadeus acquired 100% of the voting rights of UFIS Airport Solutions AS, and its group of companies (“UFIS”) on January 24, 2014. The purchase consideration was €18.8 million. The transaction was fully financed with cash. UFIS was consolidated into Amadeus’ books from February 1, 2014.

UFIS delivered sound results in the first half of 2014 vs. the first half of 2013, with double-digit revenue and EBITDA growth.

- **Acquisition of i:FAO**

On June 23, 2014 Amadeus acquired 69.11% of the voting rights of i:FAO Aktiengesellschaft and its group of companies (“i:FAO”) through a public takeover offer, for a total consideration paid in cash of €54.9 million. i:FAO’s assets and liabilities have been consolidated into the Amadeus’ statement of financial position as of June 30, 2014. The i:FAO results will be consolidated in our income statement starting July 1, 2014.

For purposes of comparability, our financial results are shown as reported (including the Newmarket and UFIS consolidated results with effect from February 5, 2014 and February 1, 2014, respectively) as well as excluding the Newmarket and UFIS consolidated results, in two separate columns, in the tables displayed throughout this report. In addition, the “% Change” column in these tables shows the growth between the periods of 2014 and 2013, excluding the Newmarket and UFIS consolidated results.

The financial statements of Newmarket, UFIS and i:FAO consolidated into Amadeus’ books are provisional and subject to changes in the next quarters. Also, a purchase price allocation exercise will be carried out during 2014. As a consequence, the balances of the consolidated assets and liabilities of Newmarket, UFIS and i:FAO may be adjusted, and income or loss effects may arise.

As a result of the tender offer process launched and its associated costs in relation to the acquisition of i:FAO, we incurred extraordinary (non-deductible) costs amounting to €1.5 million in the first quarter of 2014. These costs have negatively impacted our operating results, in particular our EBITDA, EBITDA margin, Operating income, Profit, Adjusted profit, EPS and adjusted EPS.

Financial KPI excluding the extraordinary costs related to the acquisition of i:FAO

Figures in million euros	Jan-Jun 2014	Jan-Jun 2014 (excl. M&A)[1]	Jan-Jun 2013	% Change[1]
EBITDA	704.1	691.7	645.9	7.1%
EBITDA margin (%)	40.7%	40.8%	40.5%	0.3 p.p.
Operating income	552.7	544.7	511.2	6.6%
Profit	357.8	354.6	326.7	8.5%
Adjusted profit	382.1	377.0	349.6	7.8%
EPS	0.80	0.80	0.73	8.5%
Adjusted EPS	0.86	0.85	0.79	7.7%

1. For comparability purposes, we have excluded the Newmarket and UFIS consolidated results, which are consolidated for the first time in the first half of 2014. The "% Change" column above shows the comparable growth, excluding the impact of the recent acquisitions, as explained in this note.

4 Operating and financial performance by business

EBITDA *Figures in million euros*	Jan-Jun 2014	Jan-Jun 2014 (excl. M&A)[1]	Jan-Jun 2013	% Change[1]
Distribution revenue	1,271.5	1,271.5	1,215.6	4.6%
IT Solutions revenue	459.4	423.5	379.5	11.6%
Group Revenue	**1,730.9**	**1,695.0**	**1,595.1**	**6.3%**
Distribution contribution[2]	583.6	583.6	565.3	3.2%
Distribution contribution margin (%)[2]	45.9%	45.9%	46.5%	(0.6 p.p.)
IT Solutions contribution	315.7	303.2	266.2	13.9%
IT Solutions contribution margin (%)	68.7%	71.6%	70.2%	1.4 p.p.
Total Contribution	**899.3**	**886.8**	**831.5**	**6.7%**
Net indirect costs[2]	(195.1)	(195.1)	(185.6)	5.1%
Extraordinary costs associated with M&A[2]	(1.5)	(1.5)	0.0	
EBITDA	**702.6**	**690.2**	**645.9**	**6.9%**
EBITDA Margin (%)	40.6%	40.7%	40.5%	0.2 p.p

1. For comparability purposes, we have excluded the Newmarket and UFIS consolidated results, which are consolidated for the first time in the first half of 2014. The "% Change" column above shows the comparable growth, excluding the impact of the recent acquisitions, as explained in this note.
2. For purposes of comparability, the contribution of the Distribution business and the net indirect costs in the first half of 2014 have been adjusted to exclude extraordinary costs of €1.5 million associated with the acquisition of i:FAO, posted in the first quarter of 2014. The contribution margin, as a percentage of revenue, in the first half of 2014, shown in the table above, is also impacted by this adjustment.

Revenue increased 6.3%, to €1,695.0 million, in the first half of 2014, excluding the consolidated results of Newmarket and UFIS. This increase was driven by the strong performance of both our businesses: (i) growth of €55.9 million, or 4.6%, in our Distribution business, and (ii) an increase of €44.0 million, or 11.6%, in our IT Solutions business.

For the first half period, reported EBITDA amounted to €702.6 million. Excluding the consolidated results of Newmarket and UFIS, our EBITDA amounted to €690.2 million, representing a 6.9% increase vs. the first half of 2013 and an EBITDA margin of 40.7%.

EBITDA was negatively impacted by extraordinary costs amounting to €1.5 million related to the acquisition of i:FAO in the first quarter of 2014. Excluding these costs, our EBITDA (excluding the consolidated results of Newmarket and UFIS) grew by 7.1%, and our EBITDA margin was 40.8%, 0.3 p.p. higher than the first half of 2013.

The increase in EBITDA was supported by growth in the contributions of both our Distribution and IT Solutions businesses, partly offset by an increase in net indirect costs.

4.1 Distribution

Distribution *Figures in million euros*	Jan-Jun 2014	Jan-Jun 2013	% Change
Operating KPI			
Air TA market share	40.3%	40.0%	0.3 p.p.
Total bookings (m)	272.1	264.1	3.0%
Financial results			
Revenue	1,271.5	1,215.6	4.6%
Net operating costs[1]	(687.9)	(650.3)	5.8%
Contribution[1]	**583.6**	**565.3**	**3.2%**
As % of Revenue[1]	**45.9%**	**46.5%**	**(0.6 p.p.)**

1. For purposes of comparability, the contribution of the Distribution business in the first half of 2014 has been adjusted to exclude extraordinary costs associated with the acquisition of i:FAO, posted in the first quarter of 2014. The contribution margin, as a percentage of revenue, in the first half of 2014, shown in the table above, is also impacted by this adjustment.

Our Distribution business continued delivering positive results during the first half of 2014, driven by higher booking volumes, fuelled by market share gains, an improvement in our average pricing and an increase in non-booking revenue.

As a result, our Distribution revenue increased by 4.6% to €1,271.5 million in the first half of 2014. Contribution grew by 3.2% to €583.6 million, and represented 45.9% of revenue.

Our Distribution business is not impacted by the consolidation of Newmarket and UFIS, which are fully consolidated in the IT Solutions business.

4.1.1 Evolution of operating KPI

During the second quarter of 2014, the volume of air bookings processed through travel agencies connected to Amadeus increased by 2.2%. Our market share increased by 0.5 p.p. in the second quarter and reached a global share of 40.7%[5]. The air TA booking industry, negatively impacted by the Easter timing effect, moderated its growth to 0.7%.

For the first half of 2014, our air bookings grew by 3.8% and our market share gain[5] was 0.3 p.p.

[5] Market share is calculated based on the total volume of travel agency air bookings processed by the global or regional CRS. Excludes air bookings made directly through in-house airline systems or single country operators, the latter primarily in China, Japan, South Korea and Russia. Also excludes bookings of other types of travel products, such as hotel rooms, car rentals and train tickets.

Operating KPI	Apr-Jun 2014	Apr-Jun 2013	% Change	Jan-Jun 2014	Jan-Jun 2013	% Change
Air TA booking Industry growth	**0.7%**	**2.9%**		**2.6%**	**0.7%**	
Air TA market share	**40.7%**	**40.2%**	**0.5 p.p.**	**40.3%**	**40.0%**	**0.3 p.p.**
Air TA bookings (m)	116.3	113.8	2.2%	241.8	233.1	3.8%
Non air bookings (m)	14.8	15.5	(4.3%)	30.3	31.0	(2.4%)
Total bookings (m)	**131.1**	**129.3**	**1.4%**	**272.1**	**264.1**	**3.0%**

Air TA booking Industry

Air travel agency bookings grew by 2.6% in the first half of 2014, with a marked seasonality between the first quarter and the second quarter of the year. Growth slowed to 0.7% in the second quarter of 2014, from 4.4% in the first quarter of 2014, impacted by the Easter timing effect. All regions experienced a positive low to mid-single digit performance in the first half of the year, except for Latin America, where the industry declined (mainly dragged by the negative performance of Argentina and Venezuela, both impacted by an unfavourable macro environment). The industry in Western Europe, highly influenced by the Easter timing effect in the second quarter and despite a stronger first quarter, experienced an overall moderate growth in the first half of the year.

Amadeus bookings

Our air TA bookings increased by 2.2% in the second quarter of 2014, driving our first half growth to 3.8%. Amadeus continued outperforming the industry, driven by our market share gains of 0.5 p.p. in the quarter. As of June 30, 2014 our global market share was 40.3%, 0.3 p.p. higher than that of 2013.

Our bookings from Western Europe, which remain the most significant contributor to our total air bookings, were impacted by the Easter timing effect in the second quarter, following the industry trend. In addition, some of the countries in Western Europe in which Amadeus has significant presence reported softer growth rates. In turn, Amadeus' relative exposure to North America continued increasing, as bookings in the region grew significantly, fuelled by market share gains. Our bookings in Middle East and Africa and Asia Pacific were supported by market share gains. In Latin America, our volumes were negatively impacted by the overall underperformance of the industry.

Amadeus Air TA Bookings *Figures in million*	Jan-Jun 2014	% of Total	Jan-Jun 2013	% of Total	% Change
Western Europe	102.1	42.2%	101.1	43.4%	0.9%
North America	33.8	14.0%	29.3	12.6%	15.5%
Asia & Pacific	33.0	13.7%	32.0	13.7%	3.1%
Middle East and Africa	33.2	13.7%	30.3	13.0%	9.5%
Central, Eastern and Southern Europe	23.6	9.8%	23.8	10.2%	(0.6%)
Latin America	16.1	6.7%	16.5	7.1%	(2.6%)
Total Air TA Bookings	**241.8**	**100.0%**	**233.1**	**100.0%**	**3.8%**

With regards to non-air distribution, bookings decreased by 4.3% in the second quarter of 2014 and 2.4% in the first half of 2014, driven by the decrease in rail bookings and despite an increase in hotel bookings, which continue to perform well.

4.1.2 Revenue

Distribution revenue was 4.6% higher in the first half of 2014 than in the same period of 2013. This increase was the result of growth in both booking revenue and non-booking revenue:

- Increase in booking revenue, driven by a combination of volume growth (3.0% increase in total bookings) and a positive pricing impact, despite a negative FX impact due to the depreciation of the USD vs. the Euro. Pricing increased vs. 2013, mainly as a consequence of (i) positive booking mix, as the weight of global bookings over our total bookings increased, and (ii) positive product mix in the non-air volumes, as the contribution of rail bookings, with low unit booking fee, to the total non-air volumes decreased in the year in comparison to previous year.
- Non-booking revenue growth, supported by higher revenue from travel agencies (growth in products and services sold to travel agencies, such as solutions for corporations and TMCs), and a positive performance of our subsidiary Traveltainment in the leisure business.

4.1.3 Contribution

The contribution of our Distribution business amounted to €583.6 million in the first half of 2014, an increase of 3.2% vs. the same period in 2013. As a percentage of revenue, this represents a margin of 45.9%.

The increase in the contribution of the business was the result of the combination of 4.6% revenue growth, as explained in section 4.1.2 above, and an increase of 5.8% in our net operating costs. The increase in operating costs was mainly attributable to:

- Higher incentive payments to travel agencies, driven by growth in air TA booking volumes in the period (+3.8%) as well as an increase in unit incentive fees, as expected, as a consequence of the competitive situation and the mix of travel agencies generating our bookings.
- Higher distribution fees, driven by volume growth experienced in countries where we operate through third party distributors.
- An increase of our commercial support, driven by the expansion of our product portfolio (e.g. new solutions for corporations and travel management companies and within the new businesses), customer base and geographic reach. In addition, expenses in relation to local taxes increased.
- An increase in R&D expenditure devoted to new products and solutions for travel agencies, corporations and airlines, including sophisticated booking and search engines, amongst others, most of which is subject to capitalisation. Capitalisations in the period slowed down 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 in which the ongoing projects are.
- The annual salary reviews.

4.2 IT Solutions

IT Solutions ***Figures in millions***	**Jan-Jun 2014**	**Jan-Jun 2014 (excl. M&A)[1]**	**Jan-Jun 2013**	**% Change[1]**
Operating KPI				
Passengers Boarded (PB) (m)	328.5	328.5	284.1	15.6%
Financial results				
Revenue	459.4	423.5	379.5	11.6%
Net operating costs	(143.7)	(120.3)	(113.3)	6.2%
Contribution	**315.7**	**303.2**	**266.2**	**13.9%**
As % of Revenue	**68.7%**	**71.6%**	**70.2%**	**1.4 p.p.**

1. For comparability purposes, we have excluded the Newmarket and UFIS consolidated results, which are consolidated for the first time in the first half of 2014. The "% Change" column above shows the comparable growth, excluding the impact of the recent acquisitions, as explained in this note.

Our IT Solutions business posted significant growth in the first half of 2014. Revenue grew by 11.6% in the first half of the year (excluding the consolidated results of Newmarket and UFIS), supported by the increase in both IT Transactional revenue, in turn fuelled by growth in PB volumes, and non-transactional revenue. Contribution (excluding the consolidated results of Newmarket and UFIS) increased by 13.9% or €37.0 million, to €303.2 million. Margin expanded to 71.6% from 70.2% in the first half of 2013.

4.2.1 Evolution of operating KPI

Total number of passengers boarded increased by 15.5% to 175.9 million in the second quarter of 2014 vs. the second quarter of 2013, driven by the Altéa migrations implemented in the year as well as the full-year impact of those implemented in 2013 (such as Garuda Indonesia, Thai Airways and Sri Lankan Airlines) and organic growth.

During the first half of 2014, the volume of passengers boarded reached 328.5 million, 15.6% higher than the first half of 2013, fuelled by the above mentioned Altéa migrations and organic growth (+4.3%).

Operating KPI	**Apr-Jun 2014**	**Apr-Jun 2013**	**% Change**	**Jan-Jun 2014**	**Jan-Jun 2013**	**% Change**
Passengers Boarded (PB) (m)	175.9	152.4	15.5%	328.5	284.1	15.6%
Airlines migrated (as of June 30)[1]				119	108	

1. Airlines migrated to at least the Altéa Inventory module, in addition to the Reservations module.

As of June 30, 2014, 46.1% of our total PB were generated by Western European airlines, a decrease vs. the same period in 2013, given the increase in the weight of our PB volumes in Asia & Pacific. This increase was driven by the contribution of Asian airlines added to our platform over the last 12 months. This shift towards Asia & Pacific will continue, as we have a number of migrations of Asian carriers scheduled for the coming months (such as Korean Air in the second half of 2014 and Japan Airlines in the coming years). In turn, the Middle East and Africa region was impacted by (i) the slowdown in the passengers processed by some of our customers, and (ii) one airline that is no longer using the Altéa platform.

Amadeus PB ***Figures in million***	**Jan-Jun 2014**	**% of Total**	**Jan-Jun 2013**	**% of Total**	**% Change**
Western Europe	151.4	46.1%	145.4	51.2%	4.1%
Asia & Pacific	77.2	23.5%	43.7	15.4%	76.7%
Middle East and Africa	49.5	15.1%	47.7	16.8%	3.8%
Latin America	34.1	10.4%	32.2	11.3%	6.0%
Central, Eastern and Southern Europe	16.3	5.0%	15.2	5.3%	7.5%
Total PB	**328.5**	**100.0%**	**284.1**	**100.0%**	**15.6%**

4.2.2 Revenue

During the second quarter of 2014, our IT Solutions business continued its growth trend, with a 12.5% increase in revenue (excluding the consolidated results of Newmarket and UFIS). On the same basis, revenue growth was 11.6% in the first half of the year.

Migrations to Altéa continue to represent the main growth driver, mostly driven by the successful migrations that took place during 2013 and the first half of 2014, whilst we continue working on the contracted implementations scheduled for the coming years.

- Our IT transactional revenue continued to show a strong performance, mostly driven by the above mentioned migrations (Altéa PB volume growth of 15.6%), as well as the growth experienced in the e-commerce and standalone solutions revenue lines. Average IT transactional revenue per PB remained broadly stable.
- Revenue from direct distribution slightly declined as expected, as a consequence of the migration of some of our existing users of our Reservations module (notably Thai Airways) to the Inventory module of our Altéa Suite in 2013.
- Non-transactional revenue continued its positive trend, mainly driven by higher revenue from customised development and services.

4.2.3 Contribution

The contribution of our IT Solutions business increased by 13.9%, to €303.2 million in the first half of 2014, excluding the consolidated results of Newmarket and UFIS. On the same basis, as a percentage of revenue, the contribution margin of our IT Solutions business expanded to 71.6%, from 70.2% in the first half of 2013.

The increase in the contribution of our IT Solutions business was driven by revenue growth, as explained in section 4.2.2 above, partially offset by an increase of 6.2% in net operating costs. The increase in operating costs was mainly due to:

- An increase in our R&D expenditure associated with customer implementations and new functionalities (such as revenue accounting, revenue management and portfolio expansion), most of which is subject to capitalisation. Capitalisations in the period slowed down 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 in which the ongoing projects are.
- Contained growth in commercial costs, as a result of the combination of an increase in commercial support in the new businesses, driven by the expansion of the offering and the intense commercial activity undertaken during the period, including the noteworthy signature of agreements with industry partners, and cost efficiencies achieved in our airline IT business.
- The annual salary reviews.

4.3 EBITDA

In the first half of 2014, our EBITDA (excluding the consolidated results of Newmarket and UFIS) grew by 6.9%, to €690.2 million, and EBITDA margin expanded to 40.7%. Excluding the extraordinary costs associated with the acquisition of i:FAO, growth stood at 7.1% and margin was 40.8%, 0.3 p.p. higher than the first half of 2013. Margin expansion was mainly driven by the increasing weight of the IT segment, with a higher contribution margin, which has expanded in the period.

Growth in EBITDA was driven by the increase in the contributions from both Distribution and IT Solutions, partially offset by higher net indirect costs, which grew by 5.1% in the first half of 2014 vs. 2013, mainly due to:

- An increase in computing and data communication expenses, driven by higher volume of transactions and connectivity activity around the globe and an increase in the usage of software licenses to support the development area.
- Higher cross-area R&D expenditure, focused on system performance to sustain the highest possible reliability and service levels to our client base, as well as to maximise the level of efficiency whilst minimising the environmental impact in our development activity.
- Investment in our data centre to ensure the highest possible level of the data security.
- Additional FTEs in the corporate function (finance, HR) to support our business expansion (e.g. new businesses), and geographical expansion (e.g. US and Asia & Pacific).
- Integration costs associated with the intense M&A activity undertaken in the period, as well as the impact of the acquisition of Hitit in 2013.
- The annual salary reviews.

5 Consolidated financial statements

5.1 Group income statement

Income Statement *Figures in million euros*	**Apr-Jun 2014**	**Apr-Jun 2014 (excl. M&A)[1]**	**Apr-Jun 2013**	**% Change[1]**	**Jan-Jun 2014**	**Jan-Jun 2014 (excl. M&A)[1]**	**Jan-Jun 2013**	**% Change[1]**
Revenue	**863.3**	**841.0**	**800.1**	**5.1%**	**1,730.9**	**1,695.0**	**1,595.1**	**6.3%**
Cost of revenue	(219.2)	(216.5)	(204.7)	5.8%	(445.9)	(442.0)	(417.9)	5.8%
Personnel and related expenses	(239.4)	(229.8)	(211.1)	8.9%	(464.1)	(449.4)	(411.0)	9.4%
Other operating expenses[2]	(52.0)	(50.1)	(60.3)	(16.9%)	(115.3)	(110.5)	(117.4)	(5.9%)
Depreciation and amortisation	(79.5)	(76.7)	(69.8)	9.9%	(154.4)	(149.9)	(137.6)	9.0%
Operating income	**273.3**	**267.8**	**254.2**	**5.3%**	**551.2**	**543.2**	**511.2**	**6.3%**
Net financial expense	(14.9)	(13.3)	(20.5)	(35.3%)	(32.6)	(29.7)	(37.6)	(21.1%)
Other income (expense)	(1.0)	(1.0)	3.2	n.m.	(0.5)	(0.5)	2.9	n.m.
Profit before income taxes	**257.3**	**253.5**	**236.9**	**7.0%**	**518.1**	**513.1**	**476.5**	**7.7%**
Income taxes	(81.1)	(79.7)	(75.6)	5.4%	(163.2)	(161.3)	(152.1)	6.1%
Profit after taxes	**176.3**	**173.8**	**161.3**	**7.8%**	**354.9**	**351.8**	**324.4**	**8.4%**
Share in profit from associates and JVs	0.9	0.9	1.1	(24.6%)	1.4	1.4	2.3	(40.2%)
Profit for the period	**177.1**	**174.7**	**162.4**	**7.6%**	**356.3**	**353.1**	**326.7**	**8.1%**
Key financial metrics								
EBITDA[2]	**351.3**	**343.0**	**322.5**	**6.3%**	**702.6**	**690.2**	**645.9**	**6.9%**
EBITDA margin (%)[2]	40.7%	40.8%	40.3%	0.5 p.p.	40.6%	40.7%	40.5%	0.2 p.p.
Adjusted profit[3]	**189.2**	**185.6**	**173.4**	**7.1%**	**380.6**	**375.5**	**349.6**	**7.4%**
Adjusted EPS (euros)[4]	**0.43**	**0.42**	**0.39**	**6.9%**	**0.86**	**0.84**	**0.79**	**7.3%**

1. For comparability purposes, we have excluded the Newmarket and UFIS consolidated results, which are consolidated for the first time in the first half of 2014. The "% Change" column above shows the comparable growth, excluding the impact of the recent acquisitions, as explained in this note.
2. We incurred extraordinary, non-deductible, costs amounting to €1.5 million related to the acquisition of i:FAO incurred in the first quarter of 2014. These costs were accounted for in Other operating expenses, and are therefore negatively impacting our EBITDA, EBITDA margin, Profit, Adjusted Profit, EPS and Adjusted EPS. Excluding these costs, our reported EBITDA margin would be 40.7%, 0.2 p.p. higher than the first half of 2013, and our EBITDA margin excluding Newmarket and UFIS' results would be 40.8%, 0.3 p.p. higher than the first half of 2013.
3. Excluding after-tax impact of the following items: (i) amortisation of PPA and impairment losses, (ii) changes in fair value of financial instruments and non-operating exchange gains (losses) and (iii) other non-recurring items. Our adjusted profit was negatively impacted by extraordinary (non-deductible) costs amounting to €1.5 million related to the acquisition of i:FAO incurred in the first quarter of 2014.
4. EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period. Our adjusted EPS was negatively impacted by extraordinary (non-deductible) costs amounting to €1.5 million related to the acquisition of i:FAO incurred in the first quarter of 2014.

5.1.1 Revenue

Revenue in the second quarter of 2014 increased by 5.1%, from €800.1 million in the second quarter of 2013 to €841.0 million, excluding the consolidated results of Newmarket and UFIS. For the first half of 2014, revenue on the same basis increased 6.3%, to €1,695.0 million. Revenue growth was driven by strong underlying growth in both our business lines:

- Growth of €16.3 million, or 2.7%, in our Distribution business in the second quarter of 2014, mainly driven by our air TA bookings increase - which were fuelled by market share gains - and an improvement in our average pricing. For the first half period, Distribution revenue grew by 4.6%.
- An increase of €24.6 million, or 12.5%, in our IT Solutions business in the second quarter of 2014, driven by growth in our IT transactional revenue, supported by significant passengers volume increase, and higher non–transactional revenue. IT Solutions revenue increased by 11.6% in the first half period (on the same basis).

Revenue Figures in million euros	Apr-Jun 2014	Apr-Jun 2014 (excl. M&A)[1]	Apr-Jun 2013	% Change[1]	Jan-Jun 2014	Jan-Jun 2014 (excl. M&A)[1]	Jan-Jun 2013	% Change[1]
Distribution	619.8	619.8	603.4	2.7%	1,271.5	1,271.5	1,215.6	4.6%
IT Solutions	243.5	221.2	196.6	12.5%	459.4	423.5	379.5	11.6%
Revenue	**863.3**	**841.0**	**800.1**	**5.1%**	**1,730.9**	**1,695.0**	**1,595.1**	**6.3%**

1. For comparability purposes, we have excluded the Newmarket and UFIS consolidated results, which are consolidated for the first time in the first half of 2014. The "% Change" column above shows the comparable growth, excluding the impact of the recent acquisitions, as explained in this note.

5.1.2 Group operating costs

5.1.2.1 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, (iii) distribution fees paid to Amadeus Altéa customers for certain types of air bookings made through their direct sales channels, and (iv) data communication expenses relating to the maintenance of our computer network, including connection charges.

Cost of revenue increased by 5.8% from €204.7 million in the second quarter of 2013 to €216.5 million in the second quarter of 2014, excluding the consolidated results of Newmarket and UFIS. For the first half period, cost of revenue amounted to €442.0 million on the same basis, an increase of 5.8% vs. the same period of 2013. As a percentage of revenue, cost of revenue represented 26.1% in the first half 2014, in line with the percentage rate reported in 2013.

This increase was mainly due to (i) higher air booking volumes in the Distribution business, (ii) growth in distribution fees driven by the higher weight over our total volumes of some of the countries where Amadeus has non-fully owned ACOs (third party distribution), in particular in the Middle East and North Africa region, which reported significant air booking volume growth, and (iii) increase in our unit incentive, driven by client mix and competitive pressure.

In turn, data communication costs increased in the period, driven by higher volume of transactions and connectivity activity around the globe.

5.1.2.2 Personnel and related expenses and other operating expenses

Personnel and related expenses increased by 8.9% in the second quarter of 2014 excluding the consolidated results of Newmarket and UFIS, driving growth for the first half of the year to 9.4% on the same basis (from €411.0 million in the first half of 2013 to €449.4 million in the first half of 2014).

During 2013, a large number of employees who were previously working as contractors in our development centres were hired as permanent staff, resulting in a shift of operating costs from Other operating expenses to Personnel expenses.

Our combined operating expenses cost line, including both Personnel expenses and Other operating expenses, increased by 3.2% in the second quarter of 2014 vs. the same quarter of 2013 (excluding the Newmarket and UFIS consolidated results), or 6.0% in the first six months of the year vs. the first half of 2013 (on the same basis).

Personnel expenses + Other operating expenses Figures in million euros	Apr-Jun 2014	Apr-Jun 2014 (excl. M&A)[1]	Apr-Jun 2013	% Change[1]	Jan-Jun 2014	Jan-Jun 2013 (excl. M&A)[1]	Jan-Jun 2013	% Change[1]
Personnel expenses + Other operating expenses	(291.4)	(280.0)	(271.4)	3.2%	(579.4)	(559.9)	(528.4)	6.0%

1. For comparability purposes, we have excluded the Newmarket and UFIS consolidated results, which are consolidated for the first time in the first half of 2014. The "% Change" column above shows the comparable growth, excluding the impact of the recent acquisitions, as explained in this note.

The increase in these cost lines in aggregate at June 30, 2014 was driven by the combination of:

- Extraordinary costs amounting to €1.5 million related to the acquisition of i:FAO in the first quarter of 2014, included in Other operating expenses. Excluding these costs, the combined operating expenses cost line above grew by 5.7% in the first half of 2014 (excluding the Newmarket and UFIS consolidated costs).
- An increase of 6% in average FTEs (permanent staff and contractors) in the first half of 2014 vs. the same period of 2013.
- The annual salary reviews on a global basis.
- The slowdown in capitalised expense in the first half of the year.
- These effects were partially offset by efficiencies reached in our unitary cost, driven by the transfer of part of our development activity to countries with a lower unit cost.

The increase in average FTEs was mainly driven by:

- Higher headcount in R&D across all our development sites, with a significant reinforcement of our teams in Bangalore and US. This increase focused on:
  - Ongoing projects such as Revenue Management, as well as new projects related to functionality enhancements and portfolio expansion, such as ancillary services and enhanced shopping and search solutions. Notably, development efforts in the airport IT and hotel areas, as well as in payments, rail and travel intelligence.
  - Implementation work in all business areas, notably in airport IT, as we work on the implementation of the large number of contracts signed with ground handlers during 2013 and 2014 to our DCS offering for ground handlers, and in airline IT, in relation to our Revenue Accounting solution. Also, sustained level of implementation activity to our Altéa suite, with nine airlines scheduled to be migrated to our DCS module in the second half of 2014, in addition to the contracted pipeline to Reservations and Inventory (e.g. Korean Air and Southwest –the domestic passengers business-).
  - Ongoing TPF decommissioning, which implies the progressive migration of the company's platform to open systems through next-generation technologies, such as Linux and Unix, as well as system performance projects aiming to maximise service levels and system reliability.
- Increase of our commercial and technical support driven by the expansion of our product portfolio, customer base and geographical reach (e.g. the US and Asia & Pacific).

_ The addition of employees from Amadeus IT Services Turkey (former Hitit Loyalty), the market leader in the airline loyalty space, in terms of customers, acquired by Amadeus in 2013.

5.1.2.3 Depreciation and Amortisation

D&A increased by 10.1% in the second quarter of 2014, or 9.1% in the first half period, net of capitalised D&A, and excluding the consolidated results of Newmarket and UFIS.

Ordinary D&A increased by 15.1% in the second quarter of 2014, or 14.0% in the first half (both excluding the consolidated results of Newmarket and UFIS). This increase is mainly driven by higher amortisation of intangible assets, in turn mostly linked to the amortisation of capitalised development expenses on our balance sheet, as the associated product / contract started generating revenues during the year (for example, those costs related to Altéa migrations which were implemented in the period, as well as to certain projects related to product development). Additionally, depreciation expense was also higher in the quarter vs. the second quarter of previous year.

Depreciation and Amortisation Figures in million euros	Apr-Jun 2014	Apr-Jun 2014 (excl. M&A)[1]	Apr-Jun 2013	% Change[1]	Jan-Jun 2014	Jan-Jun 2014 (excl. M&A)[1]	Jan-Jun 2013	% Change[1]
Ordinary depreciation and amortisation	(60.9)	(59.9)	(52.0)	15.1%	(117.9)	(116.3)	(102.1)	14.0%
Amortisation derived from PPA	(18.6)	(16.8)	(17.7)	(5.3%)	(36.6)	(33.6)	(35.5)	(5.5%)
Depreciation and amortisation	**(79.5)**	**(76.7)**	**(69.8)**	**9.9%**	**(154.4)**	**(149.9)**	**(137.6)**	**9.0%**
Capitalised depreciation and amortisation[2]	1.5	1.5	1.4	3.5%	3.0	3.0	2.8	4.1%
Depreciation and amortisation post-capitalisations	**(78.0)**	**(75.2)**	**(68.3)**	**10.1%**	**(151.5)**	**(147.0)**	**(134.7)**	**9.1%**

1. For comparability purposes, we have excluded the Newmarket and UFIS consolidated results, which are consolidated for the first time in the first half of 2014. The "% Change" column above shows the comparable growth, excluding the impact of the recent acquisitions, as explained in this note.
2. Included within the other operating expenses caption in the Group Income Statement.

5.1.3 Operating income

Operating Income for the second quarter of 2014 increased by €13.6 million or 5.3%, driving our Operating Income in the first half to €543.2 million, 6.3% higher than that of 2013, both excluding the consolidated results of Newmarket and UFIS. The increase was driven by growth in our Distribution and IT Solutions business lines, partially offset by an increase in the indirect costs line and higher D&A charges.

EBITDA amounted to €343.0 million in the second quarter of 2014 excluding the consolidated results of Newmarket and UFIS, representing a 6.3% increase vs. the second quarter of 2013 and a 40.8% margin over revenue.

For the first half period, EBITDA amounted to €690.2 million on the same basis, 6.9% higher than that of 2013. EBITDA margin expanded to 40.7%, mainly driven by the increasing weight of the IT segment, with higher margins.

Both EBITDA and Operating income were negatively impacted by extraordinary costs related to the acquisition of i:FAO in the first quarter of 2014. Excluding these costs, our EBITDA and operating income grew by 7.1% and 6.6%, respectively, excluding the consolidated results of Newmarket and UFIS, and our EBITDA margin stood at 40.8%, 0.3 p.p. higher than in the first half of 2013.

The table below shows the reconciliation between Operating income and EBITDA.

EBITDA Figures in million euros	Apr-Jun 2014	Apr-Jun 2014 (excl. M&A)[1]	Apr-Jun 2013	% Change[1]	Jan-Jun 2014	Jan-Jun 2014 (excl. M&A)[1]	Jan-Jun 2013	% Change[1]
Operating income[2]	**273.3**	**267.8**	**254.2**	**5.3%**	**551.2**	**543.2**	**511.2**	**6.3%**
Depreciation and amortisation	79.5	76.7	69.8	9.9%	154.4	149.9	137.6	9.0%
Capitalised depreciation and amortisation	(1.5)	(1.5)	(1.4)	3.5%	(3.0)	(3.0)	(2.8)	4.1%
EBITDA[2]	**351.3**	**343.0**	**322.5**	**6.3%**	**702.6**	**690.2**	**645.9**	**6.9%**
EBITDA margin (%)[2]	40.7%	40.8%	40.3%	0.5 p.p.	40.6%	40.7%	40.5%	0.2 p.p.

1. For comparability purposes, we have excluded the Newmarket and UFIS consolidated results, which are consolidated for the first time in the first half of 2014. The "% Change" column above shows the comparable growth, excluding the impact of the recent acquisitions, as explained in this note.
2. Our EBITDA and EBITDA margin, as well as our Operating income, were negatively impacted by extraordinary costs amounting to €1.5 million related to the acquisition of i:FAO incurred in the first quarter of 2014. Excluding these costs, our EBITDA and Operating income grew by 7.1% and 6.6%, respectively, excluding Newmarket and UFIS' results, and our EBITDA margin would be 40.8%, 0.3 p.p. higher than the first half of 2013.

5.1.4 Net financial expense

Net financial expense Figures in million euros	Apr-Jun 2014	Apr-Jun 2014 (excl. M&A)[1]	Apr-Jun 2013	% Change[1]	Jan-Jun 2014	Jan-Jun 2014 (excl. M&A)[1]	Jan-Jun 2013	% Change[1]
Financial income	0.4	0.4	0.4	4.7%	1.0	1.0	0.6	53.4%
Interest expense	(16.6)	(14.9)	(17.8)	(16.6%)	(33.4)	(30.6)	(35.8)	(14.5%)
Other financial expenses	(0.7)	(0.7)	(2.9)	(74.9%)	(1.5)	(1.5)	(2.9)	(48.9%)
Exchange gains (losses)	1.9	1.9	(0.2)	n.m.	1.4	1.4	0.4	n.m.
Net financial expense	**(14.9)**	**(13.3)**	**(20.5)**	**(35.3%)**	**(32.6)**	**(29.7)**	**(37.6)**	**(21.1%)**

1. For comparability purposes, we have excluded the Newmarket and UFIS consolidated results, which are consolidated for the first time in the first half of 2014. The "% Change" column above shows the comparable growth, excluding the impact of the recent acquisitions, as explained in this note.

Net financial expense decreased by 35.3% in the second quarter of 2014, or 21.1% in the first half of the year, from €37.6 million in the first half of 2013 to €29.7 million in the first half of 2014, excluding the consolidated results of Newmarket and UFIS.

This decrease is mainly explained by a 14.5% lower interest expense (excluding the consolidated results of Newmarket and UFIS), in turn mostly driven by (i) a reduction in the average gross debt outstanding (excluding the new loan signed for the acquisition of Newmarket), (ii) higher capitalised interest on the loans granted by the EIB, and (iii) lower deferred financing fees.

5.1.5 Income taxes

Income taxes for the first half of 2014 amounted to €163.2 million vs. €152.1 million for the first half of 2013 (excluding the consolidated results of Newmarket and UFIS, income taxes amounted to €161.3 million). The income tax rate for the first half of 2014 was 31.5%, below the 31.9% income tax rate in the first half of 2013.

5.1.6 Profit for the period. Adjusted profit

As a result of the above, profit in the first half of 2014 amounted to €356.3 million, an increase of 8.2% vs. a profit of €326.7 million in the first half of 2013. Excluding the consolidated results of Newmarket and UFIS, profit for the period increased by 8.1%.

Excluding the extraordinary (non-deductible) costs related to the acquisition of i:FAO, our profit grew by 8.5%, excluding the consolidated results of Newmarket and UFIS.

5.1.6.1 Adjusted profit

Adjusted profit ***Figures in million euros***	**Apr-Jun 2014**	**Apr-Jun 2014 (excl. M&A)[1]**	**Apr-Jun 2013**	**% Change[1]**	**Jan-Jun 2014**	**Jan-Jun 2014 (excl. M&A)[1]**	**Jan-Jun 2013**	**% Change[1]**
Reported profit	**177.1**	**174.7**	**162.4**	**7.6%**	**356.3**	**353.1**	**326.7**	**8.1%**
Adjustments								
Impact of PPA[2]	12.7	11.5	12.1	(5.3%)	24.9	23.0	24.3	(5.5%)
Non-operating FX results and mark-to-market[3]	(1.3)	(1.2)	1.0	n.m.	(1.0)	(1.0)	0.6	n.m.
Non-recurring items	0.7	0.7	(2.2)	n.m.	0.3	0.3	(2.0)	n.m.
Adjusted profit	**189.2**	**185.6**	**173.4**	**7.1%**	**380.6**	**375.5**	**349.6**	**7.4%**

1. For comparability purposes, we have excluded the Newmarket and UFIS consolidated results, which are consolidated for the first time in the first half of 2014. The "% Change" column above shows the comparable growth, excluding the impact of the recent acquisitions, as explained in this note.
2. After tax impact of amortisation of intangible assets identified in the purchase price allocation exercises.
3. After tax impact of changes in fair value of financial instruments and non-operating exchange gains (losses).

After adjusting for (i) non-recurring items and (ii) accounting charges related to the PPA (purchase price allocation) amortisation and other mark-to-market items, adjusted profit increased by 7.1% in the second quarter of 2014 and by 7.4%, to €375.5 million, in the first half 2014, both excluding the consolidated results of Newmarket and UFIS.

Excluding the extraordinary (non-deductible) costs related to the acquisition of i:FAO, our adjusted profit grew by 7.8% in the first half of 2014, excluding the consolidated results of Newmarket and UFIS.

5.1.6.2 Earnings per share (EPS)

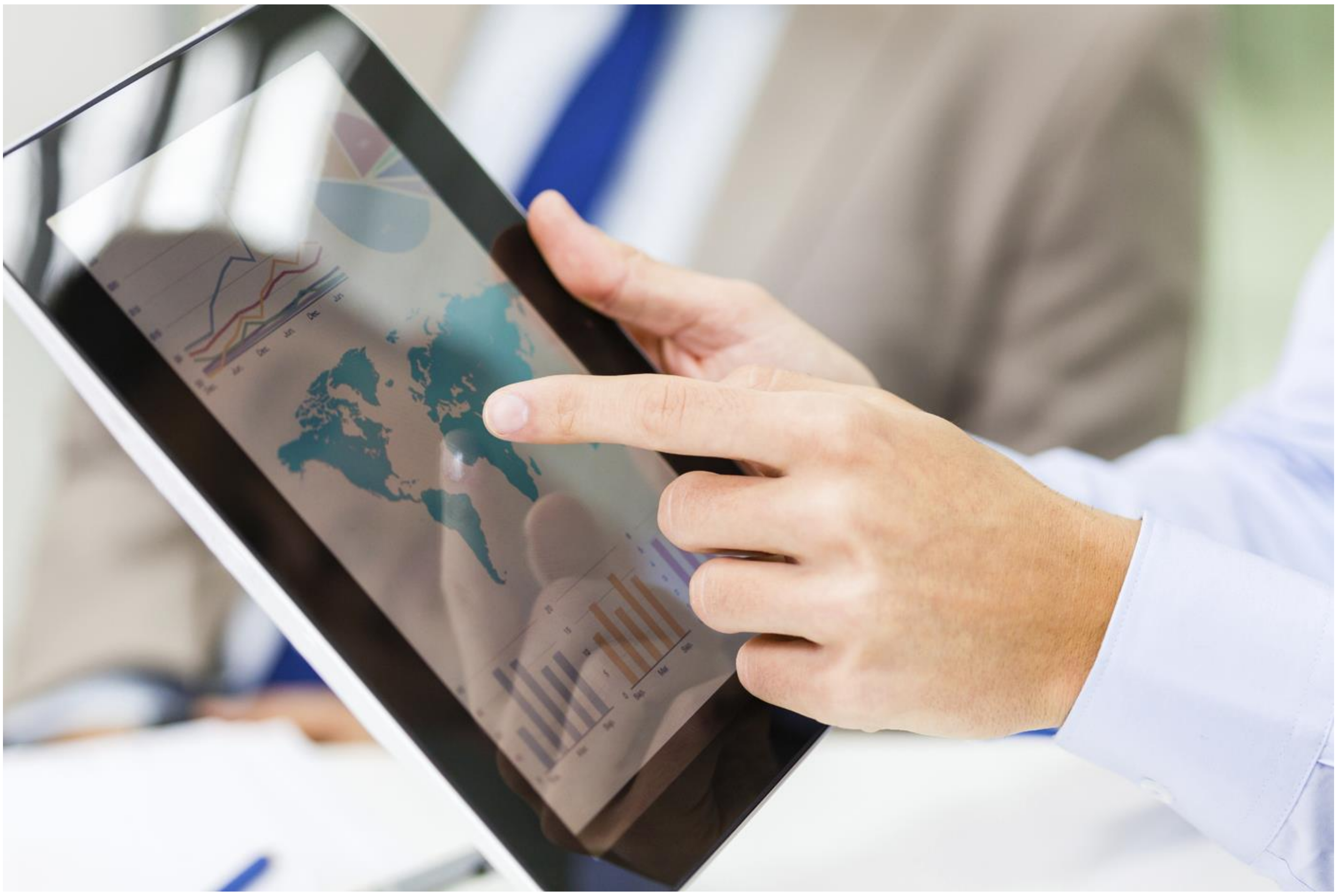
Earnings per share	Apr-Jun 2014	Apr-Jun 2014 (excl. M&A)[1]	Apr-Jun 2013	% Change[1]	Jan-Jun 2014	Jan-Jun 2014 (excl. M&A)[1]	Jan-Jun 2013	% Change[1]
Weighted average issued shares (m)	447.6	447.6	447.6		447.6	447.6	447.6	
Weighted average treasury shares (m)	(2.9)	(2.9)	(3.7)		(2.9)	(2.9)	(3.6)	
Outstanding shares (m)	**444.6**	**444.6**	**443.9**		**444.6**	**444.6**	**444.0**	
EPS (euros)[2]	**0.40**	**0.39**	**0.37**	**7.4%**	**0.80**	**0.79**	**0.73**	**8.0%**
Adjusted EPS (euros)[3]	**0.43**	**0.42**	**0.39**	**6.9%**	**0.86**	**0.84**	**0.79**	**7.3%**

1. For comparability purposes, we have excluded the Newmarket and UFIS consolidated results, which are consolidated for the first time in the first half of 2014. The "% Change" column above shows the comparable growth, excluding the impact of the recent acquisitions, as explained in this note.
2. EPS corresponding to the Profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.
3. 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, which amounted to a profit of €0.2 million in the first half of 2014 vs. €0.4 million in the same period of 2013), both on a reported basis and excluding the consolidated results of Newmarket and UFIS.

Excluding the extraordinary (non-deductible) costs related to the acquisition of i:FAO, our reported EPS grew by 8.5% in the first half of 2014, and our adjusted EPS grew by 7.7%, both excluding the consolidated results of Newmarket and UFIS.

6 Other financial information



6.1 R&D investment

R&D investment (including both capitalised and non-capitalised expenses) increased by 5.1% in the second quarter of 2014 vs. the same period in 2013, excluding the Newmarket and UFIS consolidated investment. R&D investment increased by 4.7% on the same basis in the first six months of 2014 vs. the same period in 2013. As a percentage of revenue, R&D investment amounted to 15.1% as of June 30, 2014.

The increase in R&D is explained by:

- Increased resources devoted to the new businesses, in particular (i) airport IT, linked to the contracts signed in the year as well as to portfolio development, (ii) hotel, including resources dedicated to our agreement with IHG, (iii) rail, with teams dedicated to our partners, such as BeneRail, and (iv) payments, mobile and travel intelligence.
- Higher investment carried out as a result of the high level activity in terms of ongoing projects (portfolio expansion or product evolution initiatives, such as revenue management and search solutions, and implementation activity related to the contracted pipeline to Altéa). Preparation work to migrate travel agencies in Korea from the local reservation system, Topas, to the Amadeus platform.
- Ongoing investment in the TPF decommissioning and increased efforts on system performance to sustain the highest possible reliability and service levels to our client base.

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 2014	Apr-Jun 2014 (excl. M&A)[1]	Apr-Jun 2013[2]	% Change[1]	Jan-Jun 2014	Jan-Jun 2014 (excl. M&A)[1]	Jan-Jun 2013[2]	% Change[1]
R&D investment[3]	**135.9**	**132.4**	**125.9**	**5.1%**	**261.2**	**255.5**	**244.1**	**4.7%**
R&D as of % of Revenue	15.7%	15.7%	15.7%	0.0 p.p.	15.1%	15.1%	15.3%	(0.2 p.p.)

1. For comparability purposes, we have excluded the Newmarket and UFIS consolidated results, which are consolidated for the first time in the first half of 2014. The "% Change" column above shows the comparable growth, excluding the impact of the recent acquisitions, as explained in this note.
2. Following a review of the costs incurred in a number of projects, certain costs which were previously not reported as R&D were identified as such and are reported under the R&D investment figure above since January 2014. For comparability purposes, the 2013 figures have been adjusted to include such costs (which amounted to €9.6 million in the first half of 2013). The change in the category assigned to these costs from non-R&D to R&D does not have any impact on our operating costs, segment contribution margins, EBITDA or Profit in the Income Statement, nor in our cash generation in the Cashflow Statement.
3. Net of Research Tax Credit.

6.2 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 renegotiations. 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 in which the ongoing projects are.

Capex in the second quarter of 2014 amounted to €93.9 million (excluding the consolidated investment of Newmarket and UFIS), 10.7% below that in the same period of 2013. For the six month period, capex (on the same basis) declined by €11.5 million or 5.5% vs. 2013. As a percentage of revenue, capex represented 11.5%, below 13.0% in the first half of 2013.

The decline in capex was driven by a reduction of €13.0 million in capex in intangible assets, partially offset by an increase of €1.5 million in investment in PP&E.

The decrease in capex in intangible assets was driven by:

- A decline in capitalised R&D, due to a reduction in the capitalisation ratio, which fluctuates depending on the intensity of the development activity, the mix of projects undertaken and the different stages in which the ongoing projects are, and
- Lower payments in relation to the purchase of software licenses, mainly due to timing differences in the dates of the payments.

In turn, the increase in capex in PP&E was mostly due to higher payments in relation to the purchase of hardware equipment.

Capital Expenditure ***Figures in million euros***	**Apr-Jun 2014**	**Apr-Jun 2014 (excl. M&A)[1]**	**Apr-Jun 2013**	**% Change[1]**	**Jan-Jun 2014**	**Jan-Jun 2014 (excl. M&A)[1]**	**Jan-Jun 2013**	**% Change[1]**
Capital Expenditure in PP&E	18.8	18.4	16.4	12.2%	30.7	30.0	28.5	5.4%
Capital Expenditure in intangible assets	77.0	75.5	88.8	(15.0%)	167.7	165.6	178.6	(7.3%)
Capital Expenditure	**95.9**	**93.9**	**105.2**	**(10.7%)**	**198.4**	**195.6**	**207.1**	**(5.5%)**
As % of Revenue	11.1%	11.2%	13.2%	(2.0 p.p)	11.5%	11.5%	13.0%	(1.4 p.p)

1. For comparability purposes, we have excluded the Newmarket and UFIS consolidated results, which are consolidated for the first time in the first half of 2014. The "% Change" column above shows the comparable growth, excluding the impact of the recent acquisitions, as explained in this note.

7 Investor information

7.1 Capital stock. Share ownership structure

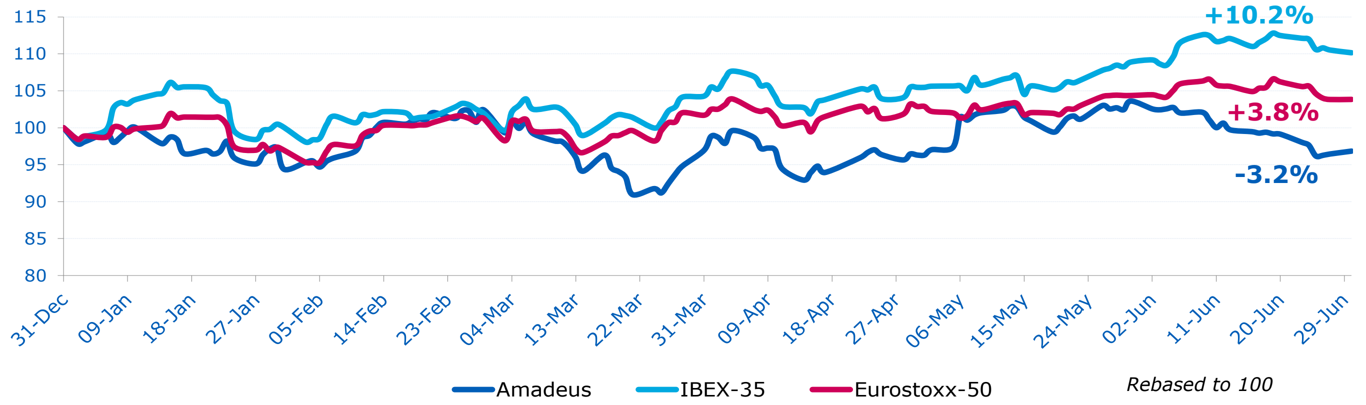
As of June 30, 2014 the capital stock of our company is €4,475,819.5 represented by 447,581,950 shares with a nominal value of €0.01 per share, all belonging to the same class, fully subscribed and paid in.

The shareholding structure as of June 30, 2014 is as described in the table below:

Shareholders	Shares	% Ownership
Air France Finance	22,578,223	5.04%
Malta Pension Investments	17,903,279	4.00%
Free float	404,436,270	90.36%
Treasury shares[1]	2,389,076	0.53%
Board members	275,102	0.06%
Total	**447,581,950**	**100%**

1. Voting rights suspended for as long as the shares are held by our company.

7.2 Share price performance in 2014



Amadeus	
Number of publicly traded shares (# shares)	447,581,950
Share price at June 30, 2014 (in €)	30.12
Maximum share price in Jan - Jun 2014 (in €) (May 30, 2014)	32.23
Minimum share price in Jan - Jun 2014 (in €) (March 21, 2014)	28.29
Market capitalisation at June 30, 2014 (in € million)	13,683
Weighted average share price in Jan – Jun 2014 (in €)[1]	30.61
Average Daily Volume in Jan - Jun 2014 (# shares)	2,877,795

1. Excluding cross trades.

7.3 Dividend payments

At the Shareholders' General Meeting held on June 20, 2014 our shareholders approved the annual gross dividend from the profit of the year 2013. The total value of the dividend was €279.7 million, representing a pay-out of 50% of the 2013 reported profit for the year, or €0.625 per share (gross). Regarding the payment, an interim amount of €0.30 per share (gross) was fully subscribed and paid up on January 31, 2014 and the complementary dividend of €0.325 per share (gross) was fully subscribed and paid up on July 29, 2014.

8 Key terms

- “ACH”: refers to “Airlines Clearing House”
- “ACO”: refers to “Amadeus Commercial Organisation”
- “Air TA bookings”: air bookings processed by travel agencies using our distribution platform
- “CRS” : refers to “ Computerised Reservation System”
- “DCS”: refers to “Departure Control System”
- “EMD”: refers to “electronic miscellaneous document”
- “EPS”: refers to “Earnings Per Share”
- “EIB”: refers to “European Investment Bank”
- “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
- “Distribution industry”: includes the total volume of air bookings processed by GDSs, excluding (i) air bookings processed by the single country operators (primarily in China, Japan, South Korea and Russia) and (ii) bookings of other types of travel products, such as hotel rooms, car rentals and train tickets
- “IATA”: the “International Air Transportation Association”
- “ICH”: the “International Clearing House”
- “IFRIC”: refers to “International Financial Reporting Interpretation Committee”
- “IPO”: refers to “Initial Public Offering”
- “JV”: refers to “Joint Venture”
- “KPI”: refers to “key performance indicators”
- “LATAM”: refers to “Latin America”
- “LTM”: refers to “last twelve months”
- “n.a.”: refers to “not available”
- “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
- “p.p.”: refers to “percentage point”
- “PPA”: refers to “purchase price allocation”
- “PP&E”: refers to “Property, Plant and Equipment”
- “RTC”: refers to “Research Tax Credit”
- “TA”: refers to “travel agencies”
- “TPF”: refers to “Transaction Processing Facility”, a software license from IBM
- “XML”: refers to “eXtensible Markup Language”

9 Appendix: Financial tables

9.1 Statement of financial position (condensed)

Statement of Financial Position *Figures in million euros*	**30/06/2014**	**31/12/2013**
Property, plant and equipment	338.7	304.6
Intangible assets	2,082.8	1,983.9
Goodwill	2,498.2	2,068.3
Other non-current assets	166.0	164.9
Non-current assets	5,085.6	4,521.8
Current assets	511.7	414.5
Cash and equivalents	430.0	490.9
Total assets	**6,027.4**	**5,427.1**
Equity	2,073.0	1,840.1
Non-current debt	1,661.7	1,427.3
Other non-current liabilities	1,002.8	946.7
Non-current liabilities	2,664.4	2,374.0
Current debt	287.6	270.9
Other current liabilities	1,002.3	942.2
Current liabilities	1,289.9	1,213.0
Total liabilities and equity	**6,027.4**	**5,427.1**
Net financial debt (as per financial statements)	**1,519.3**	**1,207.3**

As of June 30, 2014 goodwill amounted €2,498.2 million, an increase of €429.9 million vs. December 31, 2013. This increase was driven by the goodwill generated in the acquisition of Newmarket, UFIS and i:FAO, as explained in section 3 of this report.

9.2 Financial indebtedness

Indebtedness *Figures in million euros*	**30/06/2014**	**31/12/2013**
Covenants definition[1]		
Senior Loan (EUR)	161.4	265.9
Senior Loan (USD)[2]	197.9	253.6
Debt associated with the acquisition of Newmarket[2]	366.1	0.0
Long term bonds	750.0	750.0
EIB loan	350.0	350.0
Other debt with financial institutions	61.6	60.7
Obligations under finance leases	44.4	21.4
Covenant Financial Debt	**1,931.3**	**1,701.6**
Cash and cash equivalents	(430.0)	(490.9)
Covenant Net Financial Debt	**1,501.3**	**1,210.7**
Covenant Net Financial Debt / LTM Covenant EBITDA[3]	**1.18x**	**1.01x**
Reconciliation with financial statements		
Net financial debt (as per financial statements)	**1,519.3**	**1,207.3**
Interest payable	(38.7)	(20.6)
Deferred financing fees	10.0	12.3
EIB loan adjustment	10.7	11.7
Covenant Net Financial Debt	**1,501.3**	**1,210.7**

1. Based on the definition included in the senior credit agreement.
2. The outstanding balances denominated in USD have been converted into EUR using the USD / EUR exchange rate of 1.3658 and 1.3791 (official rate published by the ECB on Jun 30, 2014 and Dec 31, 2013, respectively).
3. LTM' covenant EBITDA as defined in the senior credit agreement.

Amadeus continued deleveraging in the second quarter of 2014, from 1.22x net debt / LTM EBITDA as of March 31, 2014 to 1.18x as of June 30, 2014. By comparison to December 31, 2013, our leverage increased from 1.01x.

As explained in section 3 of this report, Amadeus signed a new bank loan facility amounting to USD 500 million, which was drawn down on February 4, 2014, to finance the acquisition of Newmarket. In addition, net cash generation in the first six months of the year was reduced by the acquisitions of UFIS and i:FAO, which were fully financed with cash.

In May 2014, Amadeus made a voluntary repayment of €67.3 million, corresponding to the portion of the EUR denominated tranche initially scheduled to be paid in November 2014.

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 (€38.7 million at June 30, 2014) 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 €10.0 million at June 30, 2014) 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 (€10.7 million at June 30, 2014).

9.3 Group cash flow

Consolidated Statement of Cash Flows ***Figures in million euros***	**Apr-Jun 2014**	**Apr-Jun 2013**	**% Change**	**Jan-Jun 2014**	**Jan-Jun 2013**	**% Change**
EBITDA	351.3	322.5	8.9%	702.6	645.9	8.8%
Change in working capital	(38.0)	(9.7)	n.m.	(57.7)	(36.6)	57.6%
Capital expenditure	(95.9)	(105.2)	(8.9%)	(198.4)	(207.1)	(4.2%)
Pre-tax operating cash flow	**217.4**	**207.6**	**4.7%**	**446.6**	**402.2**	**11.0%**
Taxes	(103.8)	(66.8)	55.4%	(121.7)	(75.0)	62.3%
Equity investments	(41.1)	(6.7)	n.m.	(386.3)	(6.7)	n.m.
Non-operating cash flows	(9.4)	1.6	n.m.	(10.2)	1.2	n.m.
Cash flow from extraordinary items	0.1	0.5	(76.6%)	0.3	0.8	(58.9%)
Cash flow	**63.1**	**136.2**	**(53.6%)**	**(71.2)**	**322.6**	**n.m.**
Interest and financial fees paid	(6.2)	(8.1)	(23.3%)	(12.5)	(15.3)	(18.5%)
Debt payment	(174.7)	(151.9)	15.0%	157.5	(162.4)	n.m.
Cash to shareholders	(7.2)	(4.7)	52.0%	(140.6)	(115.8)	21.3%
Change in cash	**(124.9)**	**(28.5)**	**n.m.**	**(66.7)**	**29.1**	**n.m.**
Cash and cash equivalents, net[1]						
Opening balance	548.8	457.2	20.0%	490.6	399.6	22.8%
Closing balance	423.9	428.6	(1.1%)	423.9	428.6	(1.1%)

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

Cash generation in the first half of 2014 has been impacted by the acquisition of Newmarket, UFIS and i:FAO, as explained in section 3. The related cash outflow is included in the Cashflow statement above under Equity investments.

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