

D. Tomás López Fernebrand, Secretario del Consejo de Administración de "AMADEUS IT GROUP, S.A.", con domicilio social en Madrid, Salvador de Madariaga, 1, con CIF A- 84236934

### **CERTIFICA**

Que las cuentas anuales individuales y consolidadas y respectivos informes de gestión individual y consolidado en idioma inglés adjuntos y referidos al ejercicio cerrado a 31 de diciembre de 2016, son una fiel traducción de las cuentas anuales individuales y consolidadas e informes de gestión individual y consolidado formulados por el Consejo de Administración el 23 de febrero de 2017, en idioma español, bajo principios y criterios contables españoles y Normas Internacionales de Información Financiera adoptadas por la Unión Europea, respectivamente.

En caso de discrepancia entre la versión española y la inglesa prevalecerá la versión española.

Y para que conste a los efectos oportunos, expido la presente Certificación con el Visto Bueno del Presidente, en Madrid, a 23 de febrero de 2017.

VºBº

El Presidente

D. José Antonio Tazón García

El Secretario

Tomás López Fernebrand

Amadeus IT Group, S.A.

---

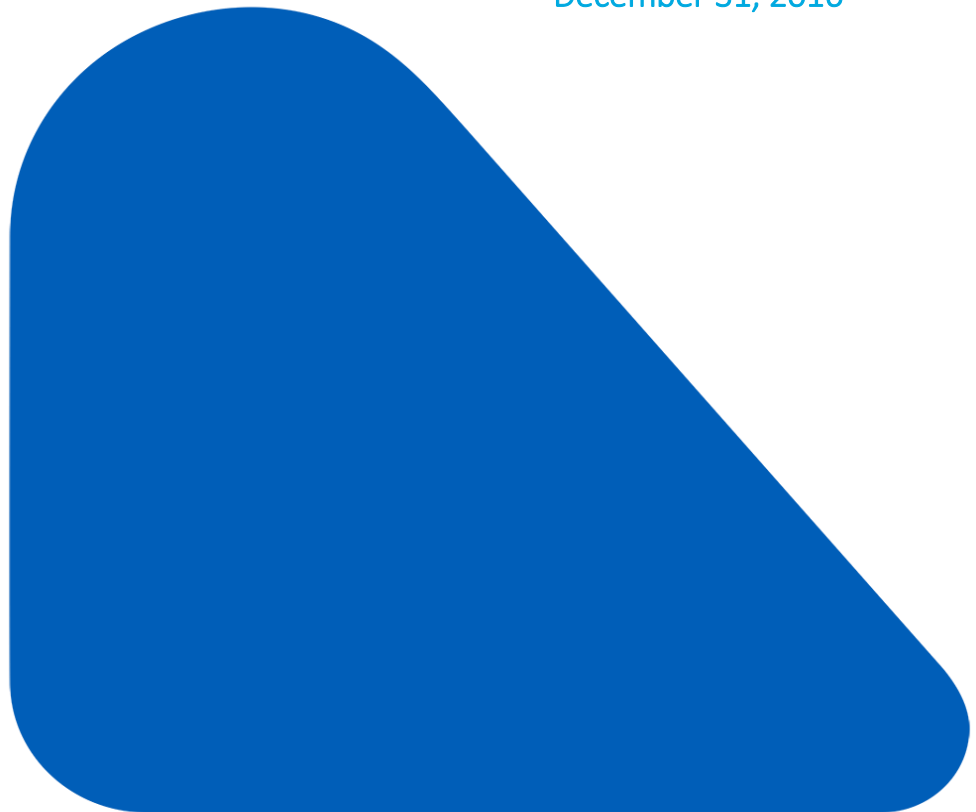
Auditors' Report,  
Annual Accounts and  
Directors' Report  
for the year ended  
December 31, 2016



Amadeus IT Group, S.A.

---

Auditors' Report  
for the year ended  
December 31, 2016



*Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain. In the event of a discrepancy, the Spanish-language version prevails*

## INDEPENDENT AUDITORS' REPORT ON ANNUAL ACCOUNTS

To the Shareholders of  
Amadeus IT Group, S.A.:

### **Report on the Annual Accounts**

We have audited the accompanying annual accounts of Amadeus IT Group, S.A., which comprise the balance sheet as at 31 December 2016, and the income statement, statement of changes in equity, statement of cash flows and notes to the annual accounts for the year then ended.

#### *Directors' Responsibility for the Annual Accounts*

The directors are responsible for preparing the accompanying annual accounts so that they present fairly the equity, financial position and results of Amadeus IT Group, S.A. in accordance with the regulatory financial reporting framework applicable to the Company in Spain (identified in Note 2 to the accompanying annual accounts) and for such internal control as the directors determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with the audit regulations in force in Spain. Those regulations require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation by the directors of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

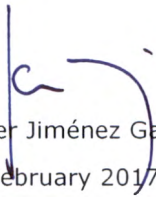
#### *Opinion*

In our opinion, the accompanying annual accounts present fairly, in all material respects, the equity and financial position of Amadeus IT Group, S.A. as at 31 December 2016, and its results and its cash flows for the year then ended in accordance with the regulatory financial reporting framework applicable to the Company and, in particular, with the accounting principles and rules contained therein.

### **Report on Other Legal and Regulatory Requirements**

The accompanying directors' report for 2016 contains the explanations which the directors consider appropriate about the Company's situation, the evolution of its business and other matters, but is not an integral part of the annual accounts. We have checked that the accounting information in the directors' report is consistent with that contained in the annual accounts for 2016. Our work as auditors was confined to checking the directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the Company's accounting records.

DELOITTE, S.L.  
Registered in ROAC under no. S0692



Javier Jiménez García  
23 February 2017

Amadeus IT Group, S.A.

---

Annual Accounts  
for the year ended  
December 31, 2016



Amadeus IT Group, S.A.  
Annual Accounts for the year ended December 31, 2016  
Balance sheet (millions of euros)

ASSETS	Note	31/12/2016	31/12/2015
<b>NON-CURRENT ASSETS</b>		<b>4,652.3</b>	<b>508.5</b>
<b>Intangible assets</b>	6	<b>1,876.2</b>	-
Brands & trademarks		230.9	-
Goodwill		1,249.4	-
Software		31.0	-
Development costs		41.6	-
Intangible rights		323.3	-
<b>Tangible assets</b>	7	<b>6.3</b>	-
Furniture, office, equipment and other tangible assets		6.3	-
<b>Long-term investments in Group companies and joint ventures</b>		<b>2,615.0</b>	<b>507.8</b>
Equity instruments	9.2 & 19.2	2,199.7	507.8
Loans to companies	19.2	415.3	-
<b>Long-term financial investments</b>	9.1	<b>33.9</b>	-
Equity instruments		7.6	-
Derivatives	11	2.5	-
Other financial assets		23.8	-
<b>Deferred tax assets</b>	16.1	<b>120.4</b>	<b>0.7</b>
<b>Long-term prepaid expenses</b>		<b>0.5</b>	-
<b>CURRENT ASSETS</b>		<b>984.7</b>	<b>947.9</b>
<b>Trade debtors and other accounts receivable</b>		<b>365.4</b>	<b>18.9</b>
Trade accounts receivable	10	192.1	-
Accounts receivable- Group companies and joint ventures	19.2	54.5	3.1
Other accounts receivable		79.1	-
Deferred tax assets	16.1	38.1	15.8
Employee receivable		1.0	-
Other accounts receivable from Public Administrations	16.1	0.6	-
<b>Short-term investments in Group companies and joint ventures</b>		<b>257.4</b>	<b>928.7</b>
Loans to companies	19.2	22.0	766.3
Other financial assets	19.2	235.4	162.4
<b>Short-term financial investments</b>	9.1	<b>16.8</b>	-
Derivatives	11	5.5	-
Other financial assets		11.3	-
<b>Short-term prepaid expenses</b>		<b>8.8</b>	<b>0.1</b>
<b>Cash and cash equivalents</b>		<b>336.3</b>	<b>0.2</b>
Cash		186.3	0.2
Cash equivalents		150.0	-
<b>TOTAL ASSETS</b>		<b>5,637.0</b>	<b>1,456.4</b>

	Note	31/12/2016	31/12/2015
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>	12	<b>1,459.5</b>	<b>380.7</b>
<b>Shareholders' equity</b>		<b>1,482.8</b>	<b>380.7</b>
Share capital		4.4	4.4
Additional paid-in capital		754.5	754.5
Reserves		211.4	(552.9)
Legal reserves		556.3	0.9
Other reserves		(344.9)	(553.8)
Treasury shares		(25.6)	(32.1)
Retained earnings		11.9	10.4
Net profit/(loss) for the year		701.1	344.8
Interim dividend		(174.9)	(148.4)
<b>Other comprehensive income</b>		<b>(23.3)</b>	<b>-</b>
Available-for-sale financial assets		0.1	-
Hedges		(24.1)	-
Cumulative translation adjustments		0.7	-
<b>NON-CURRENT LIABILITIES</b>		<b>1,893.7</b>	<b>-</b>
<b>Long-term provisions</b>	13	<b>116.5</b>	<b>-</b>
Long-term employee benefit obligations		0.1	-
Other provisions		116.4	-
<b>Long-term liabilities</b>		<b>381.9</b>	<b>-</b>
Long-term debts with financial institutions and third parties	14	353.8	-
Obligations under finance leases	8	1.0	-
Derivatives	11	8.9	-
Other financial liabilities		18.2	-
<b>Long-term debts with Group companies and joint ventures</b>	19.2	<b>991.6</b>	<b>-</b>
<b>Deferred tax liabilities</b>	16.1	<b>95.6</b>	<b>-</b>
<b>Long-term deferred income</b>	15	<b>308.1</b>	<b>-</b>
<b>CURRENT LIABILITIES</b>		<b>2,283.8</b>	<b>1,075.7</b>
<b>Short-term provisions</b>	13	<b>3.3</b>	<b>-</b>
<b>Short-term liabilities</b>		<b>242.2</b>	<b>148.5</b>
Short-term debts with financial institutions and third parties	14	51.3	-
Obligations under finance leases	8	0.4	-
Derivatives	11	14.9	-
Other financial liabilities		175.6	148.5
<b>Short-term debts with Group companies and joint ventures</b>	19.2	<b>1,080.1</b>	<b>909.6</b>
<b>Trade creditors and other accounts payable</b>		<b>897.0</b>	<b>17.6</b>
Trade accounts payable	10	363.5	0.7
Accounts payable – Group companies and joint ventures	19.2	508.9	14.9
Other accounts payable		2.1	-
Personnel related liabilities		17.0	1.6
Other accounts payable to Public Administrations	16.1	4.5	0.4
Advances received		1.0	-
<b>Short-term deferred income</b>	15	<b>61.2</b>	<b>-</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,637.0</b>	<b>1,456.4</b>



Amadeus IT Group, S.A.  
Annual Accounts for the year ended December 31, 2016  
Income statement (millions of euros)

	Note	Year 2016	Year 2015
<b>CONTINUING OPERATIONS</b>			
<b>Trade revenue</b>	18.1	<b>3,955.8</b>	<b>402.4</b>
Services rendered		3,955.8	1.5
Dividend and Financial income from Group Companies		-	400.9
<b>Less charges to fixed assets</b>		<b>55.3</b>	<b>-</b>
<b>Other operating income</b>		<b>17.3</b>	<b>-</b>
<b>Personnel expenses</b>	18.2	<b>(103.7)</b>	<b>(5.3)</b>
Salaries, wages and similar		(79.9)	(4.8)
Social benefits		(23.8)	(0.5)
<b>Other operating expenses</b>		<b>(3,326.9)</b>	<b>(5.3)</b>
External services		(49.9)	(3.0)
Taxes		(0.5)	(0.6)
Losses, impairment and variations in trading provisions		(8.4)	-
Other operating expenses	18.3	(3,268.1)	(1.7)
<b>Depreciation and amortisation of non-current assets</b>	6 & 7	<b>(257.4)</b>	<b>-</b>
<b>Impairment and gains/(losses) on disposal of non-current assets</b>		<b>(0.2)</b>	<b>-</b>
Impairment and losses	6	(0.1)	-
Gains/(losses) on disposal of financial instruments	7	(0.1)	-
<b>OPERATING PROFIT/(LOSS)</b>		<b>340.2</b>	<b>391.8</b>
<b>Financial income</b>	18.4	<b>523.6</b>	<b>-</b>
From equity instruments		515.0	-
Group companies and joint ventures		514.5	-
Third parties		0.5	-
From other financial instruments		8.6	-
Group companies and joint ventures		8.3	-
Third parties		0.3	-
<b>Financial expenses</b>	18.4	<b>(70.1)</b>	<b>(42.2)</b>
Debts with Group companies and joint ventures		(34.8)	(39.5)
Debts with third parties		(35.3)	(2.7)
<b>Exchange rate differences</b>	17	<b>10.3</b>	<b>-</b>
<b>Impairment and gains/(losses) on disposal of financial instruments</b>		<b>36.4</b>	<b>-</b>
Impairment and losses	9.2	33.7	-
Gains/(losses) on disposal of financial instruments		2.7	-
<b>FINANCIAL PROFIT/(LOSS)</b>	18.4	<b>500.2</b>	<b>(42.2)</b>
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>840.4</b>	<b>349.6</b>
<b>Corporate Income Tax</b>	16.4	<b>(139.3)</b>	<b>(4.8)</b>
<b>NET PROFIT/(LOSS) FOR THE YEAR</b>		<b>701.1</b>	<b>344.8</b>

Notes 1 to 22 and the appendix described in the attached notes to the annual accounts are part of the income statement for the year ended December 31, 2016

**A) STATEMENT OF RECOGNISED INCOME AND EXPENSES**

	Note	Year 2016	Year 2015
<b>NET PROFIT/(LOSS) FOR THE YEAR</b>		<b>701.1</b>	<b>344.8</b>
<b>Income and expenses directly recognised in equity</b>			
Merger		(0.9)	-
Cash flow hedge	12.5	(51.0)	-
Cumulative translation adjustments	12.5	0.1	-
Tax impact	12.5	12.8	-
<b>TOTAL INCOME AND EXPENSES DIRECTLY RECOGNISED IN EQUITY</b>		<b>(39.0)</b>	<b>-</b>
<b>Transfers to the income statement</b>			
Cash flow hedge	12.5	20.9	-
Tax impact	12.5	(5.2)	-
<b>TOTAL TRANSFERS TO THE INCOME STATEMENT</b>		<b>15.7</b>	<b>-</b>
<b>TOTAL RECOGNISED INCOME AND EXPENSES</b>		<b>677.8</b>	<b>344.8</b>

Notes 1 to 22 and the appendix described in the attached annual accounts are part of the statements of changes in equity for the year ended December 31, 2016

Amadeus IT Group, S.A.  
Annual Accounts for the year ended December 31, 2016  
Statements of changes in equity (millions of euros)

## B) STATEMENT OF TOTAL CHANGES IN EQUITY

	Share capital	Additional paid-in capital	Legal reserves	Other reserves	Merge reserve	Treasury Shares	Net profit/(loss) for the year	Interim dividend	Other comprehensive income	Total
<b>BALANCE AT DECEMBER 31, 2014</b>	<b>4.5</b>	<b>1,074.1</b>	<b>0.9</b>	<b>(565.7)</b>	<b>-</b>	<b>(352.1)</b>	<b>324.9</b>	<b>(142.1)</b>	<b>-</b>	<b>344.5</b>
<b>Total recognised income/(expenses) for the year</b>	-	-	-	-	-	-	344.8	-	-	344.8
<b>Transactions with shareholders</b>										
Dividends distribution (Note 12.3)	-	-	-	-	-	-	(165.2)	(148.4)	-	(313.6)
Treasury shares transactions	-	-	-	2.7	-	-	-	-	-	2.7
Share Buy-back programme	(0.1)	(320.0)	-	0.1	-	320.0	-	-	-	-
<b>Other variation in equity</b>										
Appropriation of results	-	-	-	17.6	-	-	(159.7)	142.1	-	-
Deferred tax reversal	-	0.4	-	-	-	-	-	-	-	0.4
Share-based payments	-	-	-	1.9	-	-	-	-	-	1.9
<b>BALANCE AT DECEMBER 31, 2015</b>	<b>4.4</b>	<b>754.5</b>	<b>0.9</b>	<b>(543.4)</b>	<b>-</b>	<b>(32.1)</b>	<b>344.8</b>	<b>(148.4)</b>	<b>-</b>	<b>380.7</b>
<b>Merger</b>	-	-	486.0	-	190.7	-	-	-	(0.9)	675.8
<b>Total recognised income/(expenses) for the year</b>	-	-	-	-	-	-	701.1	-	(22.4)	678.7
<b>Transactions with shareholders</b>										
Dividends distribution (Note 12.3)	-	-	-	-	-	-	(190.1)	(174.9)	-	(365.0)
Other transactions with shareholders	-	-	-	16.3	-	9.7	-	-	-	26.0
Merger Exchange-Ratio	-	-	-	-	(12.3)	(3.2)	-	-	-	(15.5)
<b>Other variations in equity</b>										
Appropriation of results	-	-	69.4	6.3	-	-	(154.7)	148.4	-	69.4
Share-based payments	-	-	-	8.6	0.8	-	-	-	-	9.4
<b>BALANCE AT DECEMBER 31, 2016</b>	<b>4.4</b>	<b>754.5</b>	<b>556.3</b>	<b>(512.2)</b>	<b>179.2</b>	<b>(25.6)</b>	<b>701.1</b>	<b>(174.9)</b>	<b>(23.3)</b>	<b>1,459.5</b>

Notes 1 to 22 and the appendix described in the attached annual accounts are part of the statements of changes in equity for the year ended December 31, 2016

	Year 2016	Year 2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>848.0</b>	<b>286.1</b>
<b>Profit/(loss) before income tax</b>	<b>840.4</b>	<b>349.6</b>
<b>Adjustments for profit/(loss)</b>		
Asset amortisation	257.4	-
Impairment losses	8.4	-
Variation of provisions	3.5	-
Impairment and gains/losses from financial instruments	(33.7)	-
Impairment and gains/losses on disposal of non-current assets	0.2	-
Gains/(losses) on disposal of financial instruments	(2.7)	-
Financial income	(523.6)	-
Financial expenses	70.1	42.2
Exchange rate differences	(10.3)	-
Dividends and financial incomes from Group companies	-	(400.9)
Other revenue and expenses	8.2	1.9
<b>Changes in working capital</b>		
Trade debtors and other receivables	(22.9)	(0.5)
Other current assets	(0.7)	-
Trade creditors and other payables	118.7	0.9
Other current liabilities	41.7	-
Other non-current assets and liabilities	(46.3)	-
<b>Other cash flows from operating activities</b>		
Interests paid	(63.8)	(40.4)
Dividends received	318.0	305.3
Interest received	8.9	36.8
Corporate Income Tax paid to Group companies	-	100.8
Corporate Income Tax paid to Public Administrations	(123.4)	(109.6)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(886.5)</b>	<b>125.3</b>
<b>Payments due to investments</b>		
Group companies and joint ventures	(766.2)	-
Fixed assets	(105.1)	-
<b>Proceeds from disposals</b>		
Group companies and joint ventures	-	125.3
Other financial assets	(15.2)	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>(253.4)</b>	<b>(449.8)</b>
<b>Receipts and payments relating to equity instruments</b>		
Acquisition of treasury shares	(15.5)	(288.8)
Transfer of treasury shares	26.0	3.0
<b>Receipts and payments relating to liability instruments</b>		
Issue of debts with financial institutions	860.0	-
Issue of debts with Group companies and joint ventures	1,533.6	143.3
Repayment of debts with financial institutions	(790.0)	-
Repayment of debts with Group companies and joint ventures	(1,506.4)	-
Repayment of other financial liabilities	(22.4)	-
<b>Dividends and equity instruments' payments</b>		
Dividends	(338.7)	(307.3)
<b>NET INCREASE/ DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(291.9)</b>	<b>(38.4)</b>
Cash and cash equivalents at the beginning of year	0.2	38.6
Merge	628.0	-
Cash and cash equivalents at the beginning of year after merge	<b>628.2</b>	<b>38.6</b>
Cash and cash equivalents at year end	<b>336.3</b>	<b>0.2</b>

**CONTENTS**

<b>Note</b>		<b>Page</b>
1	General information and activity	1
2	Basis of presentation of the annual accounts	
	2.1 Regulatory financial reporting framework applicable to the Company	2
	2.2 True and fair view	3
	2.3 Non-obligatory accounting principles	3
	2.4 Critical aspects for the measurement and estimation of uncertainty	3
	2.5 Business combinations	3
	2.6 Changes in accounting principles	6
	2.7 Comparative information	7
	2.8 Aggregated captions	7
	2.9 Working capital	7
	2.10 Correction of errors	8
3	Proposed appropriation of results	8
4	Recognition and measurement standards	
	4.1 Intangible assets	9
	4.2 Tangible assets	11
	4.3 Impairment of non-current assets	11
	4.4 Leases	11
	4.5 Financial instruments	11
	4.6 Foreign currency transactions	15
	4.7 Income taxes	15
	4.8 Revenue and expenses recognition	16
	4.9 Provisions and contingencies	17
	4.10 Equity elements of an environmental nature	17
	4.11 Pension plans and other related obligations	17
	4.12 Share-based payments	17
	4.13 Transactions with related parties	18
	4.14 Current non-current items	18
5	Financial risk and capital management	
	5.1 Foreign exchange rate risk	18
	5.2 Interest rate risk	19
	5.3 Own shares price evolution risk	19
	5.4 Credit risk	19
	5.5 Liquidity risk	20
	5.6 Capital management	20
6	Intangible assets	21
7	Tangible assets	25
8	Leases	
	8.1 Financial lease	25
	8.2 Operating lease	26
9	Financial investments	
	9.1 Financial investments	27
	9.2 Financial investments in Group companies and joint ventures	28
10	Trade accounts receivable and payable	
	10.1 Doubtful debt provision, factoring and cancellation reserve	37
	10.2 Information regarding the average payment term to trade payables. Additional Third Clause. ‘Information requirements’ according to Law 15/2010, dated on July, 5	37
11	Derivative financial instruments	
	11.1 Exchange rate derivatives	38
	11.2 Natural hedge	39
	11.3 Interest rate derivatives	40
12	Equity and shareholders’ equity	
	12.1 Legal reserve	42

<b>Note</b>		<b>Page</b>
	12.2 Goodwill reserve	42
	12.3 Dividends distribution	43
	12.4 Treasury shares	43
	12.5 Other comprehensive income	44
13	Provisions	45
14	Financial debt	46
15	Deferred income	50
16	Public Administrations and taxation	
	16.1 Deferred tax assets and liabilities and current balances with Public Administrations	51
	16.2 Reconciliation between the net result before tax and Corporate Income Tax base	52
	16.3 Tax recognised in equity	54
	16.4 Reconciliation between the net result before tax and Corporate Income Tax expense	54
	16.5 Periods open for tax audit and tax audit procedures	54
17	Foreign currencies	56
18	Revenue and expenses	
	18.1 Trade revenue	57
	18.2 Personnel expenses	58
	18.3 Other operating expenses	58
	18.4 Financial results	59
	18.5 Share-based payments	60
19	Transactions and balances with related parties	
	19.1 Transactions with related parties	61
	19.2 Balances with related parties	62
	19.3 Board of Directors and Key Management remuneration	66
	19.4 Directors' information regarding situations of conflict of interest	68
	19.5 Other information related to the Board of Directors and Key Management	68
	19.6 Financial structure	68
20	Other information	
	20.1 Auditors' fees	69
	20.2 Number of employees	69
	20.3 Off-balance sheet commitments	70
21	Environmental information	70
22	Subsequent events	71
	Appendix	72

## 1. GENERAL INFORMATION AND ACTIVITY

Amadeus IT Group, S.A. (hereinafter, 'the Company') was incorporated and registered at the Commercial Registry of Madrid on February 4, 2005. Its registered office is in Madrid, Salvador de Madariaga, 1.

As a consequence of the merger registered in the Commercial Registry on August 2, 2016, mentioned in Note 2.5, the Company, formerly known as Amadeus IT Holding, S.A. (Absorbing Company) took over Amadeus IT Group, S.A. (Absorbed Company), subsequently, adopting the Absorbed Company's registered name.

The Company's corporate purpose, as set out in article 2 of its corporate Bylaws, is the following:

(a) Transfer of data from and/or through computer reservation systems, including offers, reservations, tariffs, transport tickets and/or similar, as well as any other services, including information technology services, all of them mainly related to the transport and tourism industry, provision of computer services and data processing systems, management and consultancy related to information systems;

(b) Provision of services related to the supply and distribution of any type of product through computer means, including manufacture, sale and distribution of software, hardware and accessories of any type;

(c) Organisation and participation as partner or shareholder in associations, companies, entities and enterprises active in the development, marketing, commercialisation and distribution of services and products through computer reservation systems for, mainly, the transport or tourism industry, in any of its forms, in any country worldwide, as well as the subscription, administration, sale, assignment, disposal or transfer of participations, shares or interests in other companies or entities;

(d) Preparation of any type of economic, financial and commercial studies, as well as reports on real estate issues, including those related to management, administration, acquisition, merger and corporate concentration, as well as the provision of services related to the administration and processing of documentation; and

(e) Acting as a holding company, for which purpose it may (i) incorporate or take holdings in other companies, as a partner or shareholder, whatever their nature or object, including associations and partnerships, by subscribing to or acquiring and holding shares or stock, without impinging upon the activities of collective investment schemes, securities dealers and brokers, or other companies governed by special laws, as well as (ii) establishing its objectives, strategies and priorities, coordinating subsidiaries' activities, defining financial objectives, controlling financial conduct and effectiveness and, in general, managing and controlling them.

The direct or, when applicable, indirect performance of all business activities that are reserved by Spanish law is excluded. If professional titles, prior administrative authorisations, entries with public registers or other requirements are required by legal dispositions to perform an activity embraced in the corporate object, such activity shall not commence until the required professional or administrative requirements have been fulfilled. On the Company website, corporate Bylaws and other public information about the Company can be consulted ([www.amadeus.com](http://www.amadeus.com)).

Amadeus IT Group, S.A. is the parent company of the Amadeus Group ('the Group'). The Group is a leading transaction processor for the global travel and tourism industry, and provides advanced technology solutions to travel providers and travel agency customers worldwide. The Group acts as an international network for the products and travel services distribution, providing to its customers comprehensive real-time search, pricing, booking and ticketing through its Distribution services, and offer travel providers (principally airlines) an extensive portfolio of technology solutions which automate certain mission-critical business processes and strategic operations, such as sales and reservations, inventory management and other operational processes, through its IT solutions services.

Customers include providers of travel products and services such as airlines (network, domestic, low-cost and charter carriers), airports, hotels (independent properties and chains), tour operators (mainstream, specialist and vertically integrated players), insurance companies, land and sea transport companies (car rental companies, railway companies, cruise lines and ferry lines), travel sellers and brokers (offline and online travel agencies) and travel buyers (corporations and individual travellers).

In accordance with the regulatory financial reporting framework applicable, this document only refers to the separate annual accounts of Amadeus IT Group, S.A. and does not represent the Group consolidated annual accounts. The Company is under an obligation to prepare consolidated annual accounts, which are presented separately in accordance with International Financial Reporting Standards as adopted by the European Union. The consolidated annual accounts of the Group for the year 2016 have been prepared by the Board of Directors at the meeting held on February 23, 2017. The consolidated annual accounts of the Group for the year 2015 were approved at the Ordinary General Shareholders' Meeting held on June 24, 2016, and registered at the Commercial Registry of Madrid.

The equity of the consolidated Group as of December 31, 2016 and 2015 amounts to €2,761.5 million and €2,297.5 million, respectively. The profit for the years 2016 and 2015 of the consolidated Group amounts to €826.4 million and €685.9 million, respectively.

## **2. BASIS OF PRESENTATION OF THE ANNUAL ACCOUNTS**

### **2.1 Regulatory financial reporting framework applicable to the Company**

These annual accounts have been prepared by the Directors according to the legal framework of financial information applicable to the Company, which is established in:

- Commercial Code and the rest of the commercial law.
- Generally Accepted Accounting Principles in Spain approved by the Royal Decree 1514/2007 and their sectorial adaptations.
- The mandatory rules approved by the Accounting and Auditing Institute in Spain (ICAC) in order to implement the Generally Accepted Accounting Principles in Spain and the relevant secondary legislation, including the mandatory rules approved by the National Commission of the Stock Exchange (CNMV).
- The rest of the applicable Spanish accounting standards.



## 2.2 True and fair view

The accompanying annual accounts were obtained from the accounting records of the Company, and prepared in accordance with the regulatory financial reporting framework that results from the application described above and in particular, the principles and accounting criteria. Accordingly, these annual accounts show a true and fair view of the Company's equity, financial situation, results and cash flows for the year. These annual accounts, which were prepared by the Directors of the Company, are subject to the approval of the Ordinary General Shareholders' Meeting, and are expected to be approved as they stand. The annual accounts for the year 2015 were approved at the Ordinary General Shareholders' Meeting held on June 24, 2016.

The balance sheet and the income statement of both Dubai and Cuba branches are fully consolidated in these annual accounts.

## 2.3 Non-obligatory accounting principles

For the preparation of these annual accounts, the Directors took into consideration all the mandatory accounting principles and standards with a significant impact on the annual accounts. Additionally, non-obligatory accounting principles have not been applied.

## 2.4 Critical aspects for the measurement and estimation of uncertainty

When preparing the accompanying annual accounts, estimates and assumptions, as made by the Directors of the Company, have been applied in order to measure certain assets, liabilities, expenses and income, and commitments as recognised therein. Those with a significant impact on the annual accounts are:

- Estimation of impairment losses.
- Useful life of tangible and intangible assets and goodwill.
- Market value of derivative financial instruments.
- Provisions valuation.
- Valuation of employee's remuneration schemes.

Despite the fact that these estimates were prepared based on the most accurate available information at 2016 year-end, it is possible that future events may lead to a change in estimates for subsequent years. Under such circumstances, any changes will be made prospectively.

## 2.5 Business combinations

In the year ended on July 31, 2006, the Company, formerly known as WAM Portfolio, S.A. Sociedad Unipersonal, took over Amadeus IT Group, S.A., subsequently adopting its company's corporate purpose and registered name. The equity elements of the companies involved in the merger process were measured by applying the market value thereto. All the information required by the Spanish legislation in force was included in the notes to the annual accounts for the year ended on July 31, 2006.

On the other hand, on March 11, 2016, the Board of Directors of Amadeus IT Holding, S.A. and Amadeus IT Group, S.A. approved the merger plan of both companies, making Amadeus IT Group, S.A. the Absorbed Company and Amadeus IT Holding, S.A. the Absorbing Company, and survivor after the merger process, subject to the approval of their respective Ordinary General Shareholder's Meeting, held on the 23 and 24 of June 2016, where the merger was approved.

The merger consisted in absorbing and integrating the Absorbed Company into the Absorbing Company, where all of its equity elements will be passed on to the Absorbing Company, therefore the Absorbed Company disappeared without liquidating and all of its shares were transferred to the shareholders of the Absorbing Company.

The merger was registered in the Commercial Registry of Madrid on August 2, 2016. As a consequence of the merger and at the date of the registration in the Commercial Registry, the Absorbing Company Amadeus IT Holding, S.A. changed its corporate name to the Absorbed Company's name, Amadeus IT Group, S.A. Therefore, the annual accounts for the year ended on December 31, 2016, are referred to Amadeus IT Group S.A., the survivor company from the merger process.

As it is described on public record, presented at the Commercial Registry of Madrid on August 1, 2016, the general characteristics of the merger by absorption are the following:

1. As a consequence of the merger, the shareholders of the Absorbed Company which are different to the ones of the Absorbing Company have received an exchange of shares from the Absorbing Company, and, in some cases, a cash compensation under the terms of the article 25 Law 3/2009, of April 3, regarding structural modifications of commercial companies, with the purpose to attend certain demands.
2. The exchange ratio between the two companies shares involved in the merger process, determined by the market value of the equity elements of both companies, has been established in 1 share of Amadeus IT Holding, S.A. (Absorbing Company) per every 11.31 shares of Amadeus IT Group, S.A. (Absorbed Company), taking into account the amount of shares in which the capital stock of both companies was divided and the discount applied for the valuation of Amadeus IT Group, S.A. (Absorbed Company) due to the illiquidity of its shares. For attending the exchange ratio, the Absorbing Company used own treasury shares. The acquisitions of Amadeus IT Holding, S.A. (Absorbing Company) own shares in order to attend this exchange ratio started on April 7, 2016, and ended on May 17, 2016, reaching the top of foreseen shares, 393,748 (Note 12.4). Once the merger's public record was registered at the Commercial Registry of Madrid and all legal proceedings met, these shares have been given in exchange of Amadeus IT Group, S.A. (Absorbed Company) shares, in accordance with the exchange ratio aforementioned.
3. In accordance with the legislation in force and the announcement of the exchange ratio, the shares of the Absorbed Company not presented in the exchange before the deadline, will be substituted by shares of the Absorbing Company and will be deposited for a 3 year period starting from the day of the deposit's constitution, all aforementioned complies with the exchange ratio foreseen in the article 117 of the Royal Decree 1/2010, July 2, by which the wording of the Spanish Capital Companies Act is approved and should act as proceeds.
4. As a consequence of the merger, all shares of the Absorbed Company have been extinguished.
5. Since January 1, 2016, all the operations accomplished by the Absorbed Company are considered as performed by the Absorbing Company.

The values of the equity elements of the Absorbed Company are those included in the consolidated annual accounts of the Group following the annual accounts consolidation principles, resulting in a merger reserve of €190.7 million.

The Balance Sheet at December 31, 2015 of the Absorbed Company, which annual accounts and unqualified audit report were prepared on February 25, 2016, is as follows:

ASSETS	Millions of euros	EQUITY AND LIABILITIES	Millions of euros
<b>NON-CURRENT ASSETS</b>	<b>4,008.5</b>	<b>EQUITY</b>	<b>1,251.4</b>
Intangible fixed assets	2,028.3	<b>Shareholders' equity</b>	<b>1,252.3</b>
Tangible fixed assets	6.7	Share capital	42.2
Long-term investments in Group companies	1,806.7	Additional paid-in capital	40.9
Long-term financial investments	29.2	Reserves	807.1
Deferred tax assets	133.8	Retained earnings	0.7
Long-term prepaid expenses	3.8	Net profit/(loss) for the year	523.9
		Interim dividend	(162.5)
<b>CURRENT ASSETS</b>	<b>1,168.0</b>	<b>Cumulative translation adjustments</b>	<b>(0.9)</b>
Trade debtors and other accounts receivable	324.2		
Short-term investments in Group companies	191.4		<b>1,744.8</b>
Short-term financial investments	16.4	<b>NON-CURRENT LIABILITIES</b>	
Short-term prepaid expenses	8.0	Long-term provisions	46.3
Cash and cash equivalents	628.0	Long-term liabilities	337.9
		Long-term debts with Group companies	892.6
		Deferred tax liabilities	159.0
		Long-term deferred income	309.0
		<b>CURRENT LIABILITIES</b>	<b>2,180.3</b>
		Short-term provisions	11.5
		Short-term liabilities	40.2
		Short-term debts with Group companies	1,303.0
		Trade creditors and other accounts payable	772.7
		Short-term deferred income	52.9
<b>TOTAL ASSETS</b>	<b>5,176.5</b>	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,176.5</b>

In accordance with the article 86 of the Corporate Income Tax Act., the detail of the periods in which tangible and intangible assets were acquired by the Absorbed Company and transmitted to the Absorbing Company is as follows:

	Intangible assets		Tangible assets		Total
	Cost	Accumulated amortisation	Cost	Accumulated amortisation	
2006	3,253.9	(1,310.6)	1.3	(1.1)	1,943.5
2007	0.4	(0.4)	0.6	(0.6)	0.0
2008	5.2	(4.5)	1.2	(0.9)	1.0
2009	43.8	(42.8)	0.8	(0.6)	1.2
2010	5.6	(5.0)	1.0	(0.5)	1.1
2011	53.0	(25.6)	0.5	(0.5)	27.4
2012	16.0	(10.6)	1.7	(0.7)	6.4
2013	17.1	(7.5)	1.5	(0.5)	10.6
2014	17.7	(4.7)	2.9	(1.2)	14.7
2015	29.3	(2.0)	2.1	(0.3)	29.1
<b>Total</b>	<b>3,442.0</b>	<b>(1,413.7)</b>	<b>13.6</b>	<b>(6.9)</b>	<b>2,035.0</b>

## 2.6 Changes in accounting principles

During 2016, the following change in the accounting principles applied by the Company has become effective:

The Law 22/2015, July 20, on Accounts Auditing, introduced several modifications to the Commercial Code (art. 39.4) affecting the intangible assets and goodwill. The new wording establishes that all intangible assets are defined as assets with definite useful life. When the useful life of these assets could not be reliably estimated, they will be amortised in ten years, unless any other regulatory change establishes a different period. Although the Company considers that the registered goodwill and brands have indefinite useful life, since January 1, 2016, it has begun to amortise them applying the straight-line method over a period of 10 years.

The impact of the change in this accounting principle in the income statement during 2016 as amortization expense of goodwill and brands has been €138.8 million and €25.7 million, respectively. The amount of goodwill and brands pending to be amortised in the following years is €1,249.4 and €230.9 million respectively.

In December 2016, the Accounting and Auditing Institute in Spain (ICAC) published a Draft Royal Decree 602/2016 to modify the Generally Accepted Accounting Principles in Spain approved by the Royal Decree 1514/2007, November 16, incorporating the aforementioned modifications and the transition period rules.

## 2.7 Comparative information

For comparative information purposes, the Company prepared together the balance sheet, the income statement, the statements of changes in equity, the statement of cash flows and the notes, for the years ended on December 31, of 2016 and 2015.

As a consequence of the merge described in the Note 2.5, it is worth to be considered that the information for the years 2015 and 2016 is not comparable.

The financial statements and the notes for the year ended on December 31, 2016, are expressed in million euros (except the information which specifies a different unit). Therefore, the comparable information has been converted accordingly.

The preparation and classification of certain line items in the annual accounts has been revised and reclassified accordingly so that the information can be comparable with the previous year. The review meets the materiality and aggregation criteria which improves the comprehension of the annual accounts.

Additionally, the enquiry 2, BOICAC 79, of the ICAC establishes that the holding companies which its main ordinary activity is the holding of shares in the capital of Group companies and the financing of the activities of its subsidiaries, as the Company used to be until December 31, 2015, the dividends obtained from the share capital, and in such case, the interests obtained from loans granted by the holding company will be classified as trade revenues.

Therefore, it is worth to consider that, the trade revenue for the year 2015 of the Company contained the dividends and interests obtained from the Group Companies. However, in the year 2016 these dividends and financial income have been accounted as financial results, as the main ordinary activity of the entity resulting after the merger process does not maintain the nature and characteristics of a holding company.

## 2.8 Aggregated captions

Certain items are presented in an aggregated format on the balance sheet, the income statement, the statement of changes in equity and the statement of cash flows, in order to facilitate their understanding. However, itemised information, when significant, has been included in the relevant notes.

## 2.9 Working capital

The Company presents negative working capital, which is a usual circumstance in the industry which the Company operates in and its financial structure. Such a situation does not present an obstacle for the normal development of its business.

## 2.10 Correction of errors

No significant errors have been detected during the preparation of the accompanying annual accounts, therefore, it has not been necessary to restate the amounts included in the annual accounts for the year 2015.

### 3. PROPOSED APPROPRIATION OF RESULTS

The Board of Directors will submit to the Ordinary General Shareholders' Meeting for approval, a final gross dividend of €0.94 per share carrying dividend rights, against 2016 profit for the year. Based on the above, the proposed appropriation of the results for the year ended December 31, 2016, is as follows:

	Euros
<u>Amount for appropriation:</u>	
Net profit for the year	701,063,429.58
	<b>701,063,429.58</b>
<u>Appropriation to:</u>	
Other reserves	288,570,273.94
Dividends	412,493,155.64
	<b>701,063,429.58</b>

On December 15, 2016, the Board of Directors of the Company has agreed to distribute an interim dividend of €0.40 per existing share with dividend rights against profit for the year 2016. The dividend has been paid in full on February 1, 2017, and therefore the complementary dividend to achieve the proposed final gross dividend amounts to €0.54 per share with dividends rights.

In accordance with article 277 of the Spanish Capital Companies Act, the following table shows the provisional statement issued by the Directors to substantiate the Company has sufficient liquidity at that time to distribute the interim dividend:

	Millions of euros
<b>Net Income after tax from January 1, through December 31, 2016</b>	<b>419.8</b>
Mandatory appropriation to reserves for period 2016	-
<b>Distributable income</b>	<b>419.8</b>
<b>Cash and cash equivalents at October 31, 2016</b>	<b>357.3</b>
Net cash generated until December 2016	16.3
Unused credit facilities	809.0
Net cash generated from January 2017 until December 2017	(58.7)
<b>Net cash surplus at December 31, 2017</b>	<b>1,123.9</b>
Proposed interim dividend (maximum amount)	(175.5)
<b>Net cash surplus after interim dividend distribution</b>	<b>948.4</b>

## 4 RECOGNITION AND MEASUREMENT STANDARDS

The main recognition and measurement accounting standards applied by the Company in the preparation of the annual accounts are as follows:

### 4.1 Intangible assets

Intangible assets are initially measured at their acquisition or production cost, which is subsequently adjusted by the related accumulated amortisation and, if applicable, by any impairment losses. The carrying amount is periodically reviewed and adjusted for any decrease in value, as described in Note 4.3. These assets are amortised during the course of their useful life. The assets included under this caption are the following:

- **Brands and trademarks:** This caption includes brands and trademarks acquired by means of either a business combination (Note 2.5) or in separate acquisitions, valued at their acquisition cost. They are tested for impairment on an annual basis, or when signs of impairment occur.

The Law 22/2015, dated July 20, on Accounts Auditing, establishes that intangible assets have a definite useful life, and when the useful life of these assets could not be reliably estimated, they will be amortized over a 10 years period, unless any other regulatory change establishes a different period. Accordingly, although the Company considers that the registered brands and trademarks have indefinite useful life, since January 1, 2016, it has begun to amortise them applying the straight-line method over a period of 10 years.

- **Goodwill:** The goodwill is recognised as an asset when an onerous acquisition takes place within a business combination context. Goodwill is assigned to the cash generating unit to which the expected profit of the business combination will be allocated, and it is not amortised. Instead, at least once per year, an impairment test is done on these cash generating units according to the methodology described in Note 4.3 and the relevant value adjustment is recognised, if applicable.

The Law 22/2015, dated July 20, on Accounts Auditing, establishes that intangible assets, and therefore the goodwill, have a definite useful life and when the useful life of these assets could not be reliably estimated, they will be amortized over a 10 years period, unless any other regulatory change establishes a different period. Accordingly, although the Company considers that the registered goodwill has indefinite useful life, since January 1, 2016, it has begun to amortise it applying the straight-line method over a period of 10 years.

Impairment losses included in the carrying amount of goodwill are not reversed in subsequent years.

- **Software:** This caption includes the acquisition cost or cost of the rights to use software, as well as the cost of developing software applications, as incurred by the Company. These assets are capitalised once technical feasibility is established, where it is reasonably anticipated that the cost will be recovered through future benefits and when the cost of the assets can be reliably measured. Software is amortised by applying the straight-line method over 3 to 5 years. Software maintenance costs are charged to expense as incurred and recognised in the income statement.

- **Research and Development:** Research expenditure, mainly related to research in connection with the evaluation and adoption of new technology, is recognised as an expense as incurred. Costs incurred on development projects, relating to the design and testing of new or improved products, are recognised as intangible assets when it is probable that the project will be a success, its commercial and technological feasibility being taken into consideration, and cost can be measured reliably and individually by project. Development costs that have been capitalised are amortised from the commencement of the commercial production of the product on a straight-line basis over the period of its expected benefit for the Company.

- **Intangible rights:** Assets as included under this caption are as follows:

- **Contractual relationships** - This caption includes the contractual relationships with travel agencies and Amadeus system's users, as acquired through a business combination (Note 2.5), as well as capitalisable amounts related to travel agency incentives that can be recognised as an asset. These latter assets relate mainly to upfront payments made with the objective of increasing the number of clients, or to improve the loyalty of the customer portfolio. They are instrumented through agreements with a term that is always over a year, in which they commit to achieve certain economic objectives. The agreements include penalty clauses applicable if those objectives are not met.

Their useful life is determined by taking into consideration the contractual-legal rights, the renewal period and the technological lock-in period for these intangible assets. They are amortised against the income statement by applying the straight-line method over an estimated useful life, between 2 and 15 years, and tested for impairment to adjust the carrying amount to the achievement of the committed objectives and within this category, those assets that were acquired through the business combination are amortised using a straight-line method over a period of between 8 and 15 years.

The incentives, services or discounts paid to travel agencies or airlines, that do not meet the proper requirements to be recognised as intangible fixed assets, are considered as prepaid expenses recognised in the income statement according to the length of the contract.

- **Technology and content** - This caption includes assets which are a combination of software elements and travel content, the latter obtained by the Company through its relationship with travel providers acquired either through a business combination (Note 2.5) or in separate acquisitions, measured at their acquisition cost. This combination allows to process travel transactions (bookings) between supply (travel providers) and demand (travel agencies) and make travel information available to both users through the Amadeus system.

These assets are amortised against the income statement by applying the straight-line method over an estimated useful life from 5 to 20 years. IT Solution technology and content assets are amortised over an estimated useful life of 20 years considering that the IT Solution industry model is for the very long run. The estimated useful life of the main components of the Distribution technology is 15 years, considering the status of the Amadeus reservation system, and the technological gap perceived by the Company over its main competitors.



## 4.2 Tangible assets

Tangible assets are initially measured at their acquisition value or production cost and subsequently adjusted by the related accumulated amortisation and, if any, by impairment losses. Their carrying amount is periodically reviewed and adjusted for any decrease in value as described in Note 4.3.

Repair and maintenance expenses concerning the different tangible fixed asset elements are recognised in the income statement for the year in which they are incurred. However, amounts invested to improve their capacity or efficiency or to increase their useful life are added to the asset's value.

The Company amortises the tangible assets by applying the straight-line method over the estimated useful life of the assets, as shown below:

	Years
Furniture and office equipment	5 – 10
Other tangible assets	2 – 15

## 4.3 Impairment of non-current assets

The carrying amount of significant non-current assets is reviewed periodically, to determine if there is any indication of impairment. If, as a result of this evaluation, the recoverable amount is lower than the net carrying amount, an impairment loss is recognised in the income statement, by reducing the carrying amount of the asset to its recoverable amount. The recoverable amount is the higher of the fair value less cost to sell and the value in use. In assessing the value in use, the estimated future cash flows are discounted at their present value using an appropriate risk adjusted discount rate.

## 4.4 Leases

Leases which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. The assets are capitalised and a liability is recognised for an amount equivalent to the lower of their fair value and the present value of the minimum lease payments at the inception of the lease. The capitalised leased assets are amortised by applying the straight-line method over the aforementioned periods of useful life.

Operating lease payments are recognised in the income statement as incurred throughout the term of the lease.

## 4.5 Financial instruments

### 4.5.1 Financial assets

Financial assets are initially measured at the fair value of the consideration given plus the directly attributable transaction costs.

Financial assets are classified in the balance sheet as current or non-current, depending on whether their maturity is less than, equal to or greater than twelve months.

The Company derecognises a financial asset when it expires or when the rights to receive the cash flows associated with the asset have been transferred, and under the terms of an agreement, the risks and rewards associated with the asset have also been substantially transferred. Examples of the latter are commercial credits in factoring transactions where the Company has not retained any significant credit or interest risk.

On the other hand, the Company does not derecognise a financial asset, and recognises a financial liability in the amount of the consideration received, when a financial asset is transferred that substantially retains the risks and rewards associated with the property of the asset.

Since January 1, 2016, interest and dividends received from financial assets, as accrued subsequently to the date of acquisition, are recognised as financial income in the income statement. Interests are recognised by applying the effective interest method and dividends are recognised once it is announced that the shareholder has the right to receive them. If distributed, dividends related to earnings generated prior to the date of acquisition are recognised by reducing the carrying amount of the investment.

Until December 31, 2015, given the activity of the Company before the merger process described in the Note 2.5 as holding of the Group, the dividends and interests were recognised as revenues in the income statement in the caption 'trade revenue' if they come from Group Companies or associates, or in the caption 'Financial income from securities and other financial instruments from third parties' if they come from other investments.

Financial assets as held by the Company are classified as follows:

#### - Loans and accounts receivable

Financial assets from the sale of goods and services within the Company's trade or those that, lacking a commercial substance, are not equity instruments or derivatives, their payment is a fixed or determinable amount, and they are not quoted on an active market. After initial recognition, they are measured at amortised cost by applying the effective interest method.

Amortised cost is the acquisition cost of the financial asset or financial liability less principal repayments, as adjusted by the portion of the difference between the initial cost and the relevant repayment value at the due date as systematically charged to the income statement, following the effective interest method. In the case of financial assets, amortised cost also includes impairment value adjustments.

The effective interest method is the discount rate, which equals the value of a financial instrument to its total estimated cash flows for any concept throughout the remaining life of the asset.

Deposits and bonds are initially recognised at the amount paid to meet all contractual obligations.

If the maturity of these loans and accounts receivable is less than twelve months, these assets are recognised at their face value when the effect of not discounting the cash flows is not significant.

Impairment losses are allocated when, as a result of events occurred after initial recognition, a reduction or a delay in the estimated future cash flows could happen because of bad debt.

#### **- Held to maturity investments**

They are non-derivative financial assets with determinable payments and fixed maturity, traded on an active market, which the Company has the intention and capacity to hold to maturity. Upon initial recognition, they are also measured at amortised cost.

Impairment losses are allocated when, as a result of events occurred after its initial recognition, a reduction or a delay in the estimated future cash flows could happen because of bad debt.

#### **- Financial assets held for trading**

Financial assets held for trading are assets acquired to be sold in the short-term, or assets included in a portfolio with recent evidence of them being used for this purpose. This category includes financial derivatives which have not been designated as hedge. Financial assets held for trading are measured at fair value and the result of changes in fair value is recognised in the income statement.

#### **- Investments in Group companies, associates and joint ventures**

Group companies are the companies under the Company's control, and associates are the companies over which the Company has a significant influence. Additionally, joint ventures are the companies over which the control is shared between one or more partners.

Investments in Group companies, associates and joint ventures are measured at cost less any accumulated impairment losses, if applicable. These value adjustments are the differences between the carrying amount of the investment and the recoverable amount, which is the higher of the fair value less the cost to sell, and the discounted value of the estimated future cash flows of the investment.

Since January 1, 2010, all the costs, such as legal or other professional fees, associated to the acquisition of a Group company implying the control over the company, are registered as an expense in the income statement.

Value adjustments for impairment and, as the case may be, their reversal are registered as expense or income, respectively, in the income statement. The limit of impairment reversal is the initial book value of the investment.

#### **- Available-for-sale financial assets**

They are non-derivative financial assets or investments in equity instruments of other companies which have not been initially included in the previous categories. They are measured at fair value with gains and losses resulting from changes in the fair value recognised directly in equity, until the asset is derecognised or its value is impaired according to the Generally Accepted Accounting Principles in Spain. In such a case, any accumulated amounts registered in equity are then registered in the income statement. The financial assets available for sale for which fair value cannot be determined with reliability are measured at cost less any accumulated impairment losses, if applicable.

#### 4.5.2 Financial liabilities

The Company classifies its financial liabilities according to the agreed contractual obligations, provided that, according to their economic substance, they represent a direct or indirect contractual obligation for the Company.

The Company derecognises financial liabilities when the obligations which generated them cease to exist.

The financial liabilities are classified in the balance sheet as current or non-current, depending on whether their maturity is less than, equal to or greater than twelve months.

##### - Debits and accounts payable

The Company's debits and accounts payable from the purchase of goods and services within trade operations are considered financial liabilities, as well as those that lacking a commercial substance cannot be considered financial derivatives.

Debits and accounts payable are initially recognised at the fair value of the consideration received, adjusted by directly attributable transaction costs. Subsequently, these liabilities are measured at their amortised cost.

Notwithstanding the above, debits generated by trade operations with maturity within one year and without a contractual interest rate are measured at nominal value, provided that the effect of not discounting the cash flows is not significant.

In the case of the loans whose maturity is short-term, but whose long-term refinancing is assured if the Company decides so, and it is likely to happen through loan agreements available in the long-term, are classified as non-current liabilities.

#### 4.5.3 Shareholders' equity instruments

A shareholders' equity instrument is any contract that evidences a residual share in the assets of the Company after all liabilities are deducted.

Equity instruments issued by the Company are recognised in equity by the amount received, net of transaction costs.

The shares and equity instruments are registered by reducing shareholders' equity for the value in consideration received in exchange, as well as the actual value of certain future commitments agreed during the current period. The result of buying, selling, issuing and cancelling shareholders' equity, is recognized directly in the caption 'Other reserves' in the equity, resulting in no effect, in the income statement, in any case.

#### 4.5.4 Financial derivatives and hedge accounting

The Company uses derivative financial instruments to cover the risks derived from its activity, transactions and future cash flows. These risks are mainly linked to interest and exchange rate fluctuations.

For these financial instruments to be classified as hedge accounting, there is a formal designation and documentation of the hedging relationship. Likewise, the Company has to verify initially and periodically throughout their life, that the hedge relationship is highly effective in offsetting changes in the fair value or in the cash flows of the hedged amount (attributable to the hedged risk). That is, prospectively, an almost complete hedge and, retrospectively, a variation between 80% and 125% of the hedged item.

Derivatives are initially measured at their acquisition cost in the balance sheet and, subsequently, the necessary value adjustments are made so as to show their fair value each time. If the value adjustment is positive, it is registered under the caption 'Derivatives' in assets in the balance sheet, or in liabilities if it is negative. Gains or losses are recognised according to the type of hedge, as follows:

- **Fair value hedges:** changes in the fair value of the hedging instrument and of the hedged asset or liability, as attributable to the hedged risk, are recognised in the income statement.

- **Cash flow hedges:** the effective portion of changes in the fair value of the hedging instrument is temporarily recognised in equity, in the income statement for the period in which the hedged element affects the result (profit or loss), except if the hedge relates to an expected transaction which leads to the recognition of a non-financial asset or liability, as well as equity instruments, in which case the amounts registered in equity will be included in the cost of the asset or liability at the time it is acquired or assumed. The portion considered ineffective is directly recognised in the income statement.

Hedge accounting is discontinued when the hedging instrument is due, sold, finished, exercised, or when it ceases to meet the conditions for hedge accounting. Then, any accrued gains or losses related to the hedging instrument and recognised in equity are held there until the expected transaction takes place. When the hedged transaction is not expected to take place, the accumulated net gains or losses recognised in equity are transferred to the income statement of the year.

The Company uses the discount of the expected cash flows as the fair value of the registered derivative financial instruments, on both spot and forward market conditions at year-end.

#### 4.6 Foreign currency transactions

The Company uses the euro as its functional currency. Foreign currency transactions are accounted for at the exchange rate prevailing at the transaction's date. Gains and losses resulting from the settlement of said transactions and from the valuation at year-end of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

#### 4.7 Income taxes

Expense or income for Corporate Income Tax includes current tax expense or income and deferred tax expense or income.

Current tax is the amount that the Company satisfies as the result of profit tax settlements for a fiscal year. Tax liability deductions and other tax benefits, excluding withholding tax and payments on account, and previous years' tax losses which can be offset against the current fiscal year, reduce the total amount of current tax.

Deferred tax expense or income relates to the recognition and cancelation of deferred tax assets and liabilities. These include temporary differences which are the amounts expected to be paid or recovered, as generated by the differences between the tax and book values of assets and liabilities, and the tax losses carried forward and the credits for tax deductions not fiscally applied. These amounts are recorded by applying to the temporary difference or tax credit, the tax rate at which they are expected to be recovered or settled.

As a general rule, deferred tax liabilities are recognised for all the taxable temporary differences. However, deferred tax assets are only registered if it is considered probable that the Company will obtain future tax profit to make them effective. At year-end, the deferred tax assets not registered in the balance sheet are measured, and they are recognised if they are likely to be recovered through future tax benefits. Likewise, deferred tax assets registered are reviewed, making the appropriate adjustments when there are doubts about their future recovery.

Deferred tax assets and liabilities, resulting from the transactions registered directly in equity, are also registered in equity. Value adjustments to deferred tax assets and liabilities due to changes in the tax rate are recognised according to their origin in the income statement or in equity.

#### **4.8 Revenue and expenses recognition**

Revenue and expenses are recognised according to the vesting principle, when the real flow of goods and services occurs, regardless of the time when the monetary or financial flow arising from them takes place. Income is measured at the fair value of the consideration received, less discounts and taxes.

The Company obtains Distribution revenue for providing reservation services through its Amadeus system. Revenue from airline bookings is recognised in the basis of the number of bookings done when the booking is made, net of cancellations made and provisions for future cancellations. Revenue from non-air bookings, mainly related to hotels and car rental, is recognised when the bookings are used by the final customer.

The Company generates, among others, revenue from direct sales made through certain airlines' direct sales offices, or web pages ('system users') connected to the Amadeus system. When the airlines receive payments related to their own inventory sales, they are registered as less revenue.

Additionally, the Company has certain content agreements and other marketing agreements with the airlines. As a result, the latter allow the Company to obtain information of routes, seats inventory and fares for flights that are sold within the territory covered by the agreements. The payments made to the airlines under these agreements are registered as less revenue.

Revenue derived from charges to customers on a transactional basis for the use of the IT Solutions is recognised when the services are provided to the customers over the terms of the agreement. Users of these services have access to business services such as inventory management and passengers boarding.

Revenue obtained from customisation and implementation of IT Solutions is recognised when the services are provided to the customers over the terms of the agreement.

Revenue for sales where the Company acts as an agent is recognised on a net basis, representing the amount of the commission received.

Until December 31, 2015, given the activity of the Company before the merger process described in the Note 2.5 as holding of the Group, the dividends and interests obtained from Group Companies or associates were recognised as revenues in the income statement in the caption 'trade revenue'. Since January 1, 2016, dividends and interests obtained from Group Companies or associates are recognised as financial income in the income statement.

#### **4.9 Provisions and contingencies**

Provisions are recognised when there is a legal or implicit present obligation arising as a result of a past event, when the Company is likely to be required to settle the obligation, and the amount of the obligation can be reliably estimated.

Contingent liabilities are possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the Company's control.

Amounts recognised as a provision relate to the best estimate of the non-settled obligation at the date of the balance sheet, with the risks and uncertainties related to the obligation being taken into account. Contingent liabilities are not recognised in the financial statements, but rather are disclosed, unless the possibility of an outflow in settlement is considered to be remote.

#### **4.10 Equity elements of an environmental nature**

Elements used permanently by the Company to minimise the impact on the environment and for environmental protection and improvement, including reduction and elimination of future pollution, are registered under this caption.

Due to its activity, the Company does not have a significant environmental impact.

#### **4.11 Pension plans and other related obligations**

The Company has pension commitments with its employees. These commitments are fulfilled through an external pension plan, defined contribution employment system, and collective life insurance contracts, for all of the Company's employees.

Contributions made to defined contribution plans are registered in the income statement for the year, as incurred.

#### **4.12 Share-based payments**

The Company has certain share-based reward schemes in place for employees, as consideration for services rendered by them. Compensation expenses for services received are calculated as the fair value of the parent company's shares and are registered in the income statement during the vesting period against the corresponding provision. The settlement of these equity settled share-based payments is accounted for as the purchase of an equity instrument. When the Company decides to settle the plans in cash or acquires the parent company shares, no additional compensation expense is recognised if the consideration paid equals the fair value of the instrument measured at the repurchase date.

#### **4.13 Transactions with related parties**

The Company considers as related parties subsidiaries, associates and joint ventures, key management personnel and members of the Board of Directors as well as their close family members.

The Company carries out all its operations with related parties at market value. Additionally, transfer prices are adequately supported, so the Directors of the Company believe that there is no significant risk on this matter that may lead into future liabilities.

#### **4.14 Current and non-current items**

Current assets are those related to the operating cycle of the Company, that usually is considered a year, and also other assets which maturity, disposal or realization is expected to occur in the short-term since the year closing date, the available-for-sale financial assets except the financial derivatives which maturity date is over a year, and the cash or other cash equivalents. The assets that do not meet these requirements are classified as non-current assets.

Similarly, current liabilities are those related to the operating cycle of the Company, and also the available-for-sale financial liabilities, except the financial derivatives which maturity date is over a year, and, in general every liability which maturity or extinction will take place in the short-term. Otherwise, they are classified as non-current liabilities.

### **5. FINANCIAL RISK AND CAPITAL MANAGEMENT**

The Company has exposure, as a result of the normal course of its business activities, to foreign exchange, interest rate, own shares price evolution, credit and liquidity risk. The goal of the Company is to identify, measure and minimise these risks using the most effective and efficient methods to eliminate, reduce, or transfer such exposures. With the purpose of managing these risks, in some occasions, the Company enters into hedging activities with derivatives and non-derivative instruments.

#### **5.1 Foreign exchange rate risk**

The Company uses the Euro as its functional currency. As a result of the multinational orientation of its business, the Company is subject to foreign exchange rate risk derived from the fluctuations of different currencies. The Company's exchange rate hedging strategy aims to protect the EUR value of cash flows denominated in foreign currency. The instruments used to achieve this goal depend on the currency in which the operating cash flow to be hedged is denominated:

- The strategy used to cover US Dollar (USD) exposures is based on the use of a natural hedge and of derivatives. This strategy aims at reducing the exposure created by the USD denominated net operating cash inflows of the Company with the USD payment of principal of the USD denominated debt and with derivatives, although as of December 31, 2016, there is no USD denominated debt.



- Aside from the USD, the main foreign currency exposures are expenditures denominated in a variety of foreign currencies. The most significant of these exposures are denominated in Sterling Pounds (GBP), Indian Rupees (INR), Australian Dollars (AUD) and Swedish Kronas (SEK). For these exposures, a natural hedge strategy is not possible. In order to hedge a portion of the aforementioned exposures, the Company enters into derivative contracts with financial entities, basically currency forwards, currency options and combinations of currency options.

## 5.2 Interest rate risk

The objective of the Company in terms of interest rate risk management is to reduce the volatility of the net interest flows payable by the Company. At December 31, 2016, approximately 70.8% of the Company's borrowings are at fixed interest rate. Given the high proportion of fixed rate debt as of December 2016, no interest rate hedges were hedging this debt as of this date.

At December 31, 2016 the two outstanding interest rate derivatives are hedging future debt that it is expected to be contracted during 2017 as part of new financing activity of the Company during that year.

Although the interest rate swaps which hedge the Company's debt fix the amount of interests to be paid in the coming years, their fair values are sensitive to changes in interest rates.

During 2016 there has been an increase in the sensitivity of the EUR denominated debt to the movements of the interest rate curve with respect to the previous year. This increase is due to the increment in the duration of the outstanding fixed rate debt portfolio due to the issuance of a new 4 year Eurobond, by the Group company Amadeus Capital Markets, S.A., Sociedad Unipersonal, whose funds were completely transferred to the Company. Although the future flows of this instrument are not sensitive to the changes in the level of interest rates, the fair value of the instrument is sensitive to these changes.

In the case of the floating interest rate debt, the spread payable on this debt is fixed and therefore its fair value is sensitive to changes in the level of interest rates.

## 5.3 Own shares price evolution risk

The Company has three different remuneration schemes for managers and employees which are referenced to Company's shares: the Performance Share Plan (PSP), the Restricted Share Plan (RSP) and the Share Match Plan (SMP).

According to the conditions of these plans, at their maturity, the beneficiaries will receive a number of shares, that for the plans granted, will depend on the evolution of certain performance conditions.

## 5.4 Credit risk

Credit risk is the risk that a counterparty to a financial asset will cause a loss for the Company by failing to discharge an obligation.

The cash and cash equivalents of the Company are deposited in major banks based on the diversification and the credit risk offered by the different available investment options.

The credit risk of the customer accounts receivable of the Company is mitigated by the fact that the majority are settled through the clearing houses operated by International Air Transport Association ('IATA') and Airlines Clearing House, Inc. ('ACH'). These systems guarantee that the cash inflows from customers will be settled at a certain fixed date, and partially mitigate the credit risk by the fact that the members of the clearing houses are required to make deposits that would be used in the event of default. Moreover, the customer base of the Company is large and unrelated which results in a low concentration of the credit risk.

## 5.5 Liquidity risk

The Company is responsible for providing the cash needed by all the companies of the Group. In order to perform this task more efficiently the Company concentrates the excess of liquidity from the subsidiaries with excess cash and channels it to the companies with cash needs.

This allocation of the cash position among the companies of the Group is mainly made through the following agreements:

- Cash pooling agreements with most of the subsidiaries located in the Euro area.
- Through bilateral treasury optimisation agreements between the Company and its subsidiaries.

The Company monitors the Group's cash position through rolling forecasts of expected cash flows. These forecasts are performed by all the companies of the Group and consolidated in order to examine both the liquidity situation and prospects of the Group.

Additionally, as described in Note 14, the Company has access to two 'Revolving Credit Facility'. Each of these two facilities has a notional of €500 million and can be used to cover working capital needs and general corporate purposes.

At December 31, 2016, €100 million of the outstanding Revolving Credit facilities were used and thus the unused part of these facilities amounted to €900 million.

## 5.6 Capital management

The Company manages its capital to ensure that the Group companies will be able to continue as a going concern while continuing to generate returns to shareholders and to benefit other stakeholders through the optimisation of the leverage ratio.

The Company bases its capital management decisions on the relationship between the earnings and free cash flows and its debt amount and debt service payments.

The credit rating granted by the agency Standard & Poor's Credit Market Service Europe Limited to the Company is 'BBB/A-2', during 2016 it was raised from stable to positive outlook. The credit rating granted to the Company by the agency Moody's Investors Service España S.A. is 'Baa2', with stable outlook. The Company considers that the ratings awarded, would allow access to the markets, if necessary, on reasonable terms.

## 6. INTANGIBLE ASSETS

Balances and movements of the items included under the 'Intangible assets' caption, for the year 2016, are as follows:

	31/12/2014	31/12/2015	Merger	Additions	Disposals	31/12/2016
<b>Cost</b>						
Brands and trademarks	-	-	318.3	-	-	318.3
Goodwill	-	-	1,388.2	-	-	1,388.2
Software	-	-	30.0	16.6	-	46.6
Development costs	-	-	2.3	40.0	-	42.3
Intangible rights	-	-	1,703.2	47.2	(21.7)	1,728.7
<b>Total</b>	-	-	<b>3,442.0</b>	<b>103.8</b>	<b>(21.7)</b>	<b>3,524.1</b>
<b>Accumulated amortisation</b>						
Brands and trademarks	-	-	(61.7)	(25.7)	-	(87.4)
Goodwill	-	-	-	(138.8)	-	(138.8)
Software	-	-	(9.4)	(6.2)	-	(15.6)
Development Cost	-	-	-	(0.7)	-	(0.7)
Intangible rights	-	-	(1,342.6)	(84.4)	21.7	(1,405.3)
<b>Total</b>	-	-	<b>(1,413.7)</b>	<b>(255.8)</b>	<b>21.7</b>	<b>(1,647.8)</b>
<b>Impairments</b>						
Intangible rights	-	-	-	(0.1)	-	(0.1)
<b>Total</b>	-	-	-	<b>(0.1)</b>	-	<b>(0.1)</b>
<b>Net</b>						
Brands and trademarks	-	-	256.6	(25.7)	-	230.9
Goodwill	-	-	1,388.2	(138.8)	-	1,249.4
Software	-	-	20.6	10.4	-	31.0
Development costs	-	-	2.3	39.3	-	41.6
Intangible rights	-	-	360.6	(37.3)	-	323.3
<b>Total net intangible asset</b>	-	-	<b>2,028.3</b>	<b>(152.1)</b>	-	<b>1,876.2</b>

The main intangible asset included under the ‘Brands and Trademarks’ caption is the ‘Amadeus’ brand. According to the Law 22/2015, July 20, all intangible assets are defined as assets with definite useful life. When the useful life of these assets could not be reliably estimated, they will be amortised over a period of 10 years, unless any other regulatory change establishes a different period. Although the Company considers that the ‘Amadeus’ brand has indefinite useful life, since January 1, 2016, it has begun to amortise applying the straight-line method over a period of 10 years.

Among others, the Company has considered the following relevant factors when determining its useful life:

- There are no expectations of the ‘Amadeus’ brand to be abandoned.
- There is certain stability within the Distribution industry since it is composed of few players worldwide and Amadeus has a solid market position.

The brand is allocated for the purpose of impairment testing, based on Amadeus’ organizational structure and operations, to the cash-generating units that is expected to benefit from the brand. The net book value of goodwill per reportable segment is set forth in the table below:

	Distribution	IT Solutions	Total
<b>Balance at 31/12/2014</b>	-	-	-
<b>Balance at 31/12/2015</b>	-	-	-
Merger additions	225.6	31.0	256.6
Amortisation	(22.4)	(3.3)	(25.7)
<b>Balance at 31/12/2016</b>	<b>203.2</b>	<b>27.7</b>	<b>230.9</b>

This intangible asset does not generate cash inflows that are independent from other assets, and it is therefore tested for impairment as part of the cash-generating units to which it is allocated. The main assumptions used for the impairment tests as well as the methodology followed are described in Note 4.3 and in the goodwill impairment tests described below.

Under the ‘Intangible assets - Goodwill’ caption, the Company recognised the goodwill generated by the merger dated in July 31, 2006 described in Note 2.5, related to the excess value registered by the absorbing company at equity value of the absorbed company, once the values assigned to the identified assets had been deducted. According to the Law 22/2015, July 20, all intangible assets are defined as assets with definite useful life. When the useful life of these assets could not be reliably estimated, they will be amortised in 10 years, unless any other regulatory change establishes a different period. Although the Company considers that the registered goodwill has indefinite useful life, since January 1, 2016, it has begun to amortise it applying the straight-line method over a period of 10 years.

The goodwill is allocated for the purpose of impairment testing, based on Amadeus' organizational structure and operations, to the cash-generating unit that is expected to benefit from the goodwill. The net book value of goodwill per reportable segment is set forth in the table below:

	Distribution	IT Solutions	Total
<b>Balance at 31/12/2014</b>	-	-	-
<b>Balance at 31/12/2015</b>	-	-	-
Merger additions	1,302.3	85.9	1,388.2
Amortisation	(127.9)	(10.9)	(138.8)
<b>Balance at 31/12/2016</b>	<b>1,174.4</b>	<b>75.0</b>	<b>1,249.4</b>

The Company tests the net book value of goodwill for impairment annually or more frequently if there is any indicator that suggests that the net book value of the goodwill might be impaired. The goodwill is tested for impairment together with the assets that can be reasonably allocated to the cash-generating unit to which the goodwill has been allocated to.

During the year, neither the composition of these cash-generating units, nor the impairment testing methodology, has been modified.

Those assets include intangible assets with indefinite useful life, such as the 'Amadeus' brand, to the extent that they do not generate cash inflows that are separate from those of the cash-generating unit to which they have been allocated. The corporate assets that the Company operates are also taken into consideration when testing for impairment the cash-generating units.

Whenever the net book value of an asset exceeds its recoverable amount, an impairment loss is recognized. This implies reducing the net book value of the asset to its recoverable amount, with the corresponding charge to the income statement in the 'Impairment and gains/(losses) on disposal of non-current assets' caption.

The goodwill recoverable amounts for the Distribution and IT Solutions cash-generating units are based on a 'value in use' assessment. In order to determine the 'value in use' of each cash-generating unit the following steps are followed:

- Individual forecast are developed for each cash-generating unit, performing a cost allocation exercise for some cost items. These forecasts are based in the available financial budgets and financial projections approved by the Management. The forecasts take into account the market environment, the market growth forecasts as well as the Company' market position.
- Cash-flow forecasts based on the above and discount rates are calculated after tax.
- The present value is obtained using specific discount rates that take into account the appropriate risk adjustment factors.

Regarding the 2016 impairment test exercise, the forecasts considered have been based on the Company' 2017-2019 Long Term Plan (LTP). Unallocated costs have been allocated between the two cash-generating units (Distribution and IT Solutions) and additional forecasts have been developed for 2020-2021. These internal forecasts are based on external assumptions such as Growth Domestic Product published by the International Monetary Fund or air traffic growth published by IATA, among others. The Company uses past experience average contribution margin for the estimation of the Company' internal forecasts. For both cash-generating units, the forecasted revenues compound annual growth rate (CAGR) used for the impairment exercise, which did not result in impairment in any case, are set forth in the table below:

	31/12/2016
	2017 - 2021 period
Base case	4.01% - 9.42%
Optimistic case	5.01% - 10.43%
Pessimistic case	3.01% - 8.42%

Management considers that any reasonable deterioration of the key assumptions considered, which are the bases to calculate the value in use, would not result in the recoverable amount being lower than the respective unit's net book value amount.

For both cash-generating unit, Distribution and IT Solutions, the value in use exceeds the net book value of goodwill and assets allocated to the cash-generating unit in all the scenarios of the sensitivity analysis performed, considering a growth rate to perpetuity in the range between (1.0)% and 2.5%, and with a discount rate of 7.5%, with different scenarios that go from 6.5% to 9.5%, in line with market consensus, and not resulting in any case of impairment.

The Company has carried out a review of the recoverable amount of the significant intangible assets, resulting an impairment amounting to €0.1 million.

At December 31, 2016, there are fully amortised assets and still in use, amounting to €52.1 million. Likewise, at December 31, 2016 there are no significant intangible assets outside Spain.

## 7. TANGIBLE ASSETS

Balances and movements of the items included under the 'Tangible assets' caption, for year 2016, are as follows:

	31/12/2014	31/12/2015	Merger	Additions	Disposals	31/12/2016
<b>Cost</b>						
Furniture and office equipment	-	-	1.5	-	(0.3)	1.2
Other tangible fixed assets	-	-	12.1	1.3	(0.5)	12.9
<b>Total</b>	-	-	<b>13.6</b>	<b>1.3</b>	<b>(0.8)</b>	<b>14.1</b>
<b>Accumulated amortisation</b>						
Furniture and office equipment	-	-	(0.7)	(0.1)	0.3	(0.5)
Other tangible fixed assets	-	-	(6.2)	(1.5)	0.4	(7.3)
<b>Total</b>	-	-	<b>(6.9)</b>	<b>(1.6)</b>	<b>0.7</b>	<b>(7.8)</b>
<b>Net</b>						
Furniture and office equipment	-	-	0.8	(0.1)	-	0.7
Other tangible fixed assets	-	-	5.9	(0.2)	(0.1)	5.6
<b>Total net tangible asset</b>	-	-	<b>6.7</b>	<b>(0.3)</b>	<b>(0.1)</b>	<b>6.3</b>

At December 31, 2016 there are fully amortised assets and still in use, amounting to €3.4 million. Likewise, at December 31, 2016, total tangible assets outside Spain amounts to €2 million, with an accumulated amortisation of €1.1 million.

## 8. LEASES

### 8.1 Finance lease

The Company has entered into several finance lease contracts, mainly hardware equipment, through which it uses the assets and it has contracted the obligations detailed below. The contracts in force do not take into account the impact of common expenses, increases by CPI nor future updates of rents contractually agreed.

The fees paid during 2016 corresponding to these contracts amounts to €0.4 million. At December 31, 2016, the financial lease fees, in accordance with the contracts in force, are the following:

	Year 2016	
	Gross	Fair Value
Less than a year	0.4	0.4
Between one and five years		
2018	0.4	0.4
2019	0.4	0.4
2020	0.2	0.2
<b>Total</b>	<b>1.4</b>	<b>1.4</b>

At December 31, 2015, the Company did not have any financial lease contract in force.

## 8.2 Operating lease

The Company has entered into some operating lease contracts, mainly corresponding to its facilities in the Madrid offices. At December 31, 2016, the operating lease fees, in accordance with the contracts in force, are the following:

	Year 2016
Less than a year	3.3
Between one and five years	13.3
More than five years	28.0
<b>Total</b>	<b>44.6</b>

At December 31, 2015, the Company did not have any operating lease contract in force.



## 9. FINANCIAL INVESTMENTS

### 9.1 Financial investments

The detail of the items included under the 'Financial investments' caption, at December 31, 2016, is as follows:

	Available- for- sale financial assets	Hedge		Loans and accounts receivable		Total
	Non- current	Current	Non- current	Current	Non- current	
Equity instruments	7.6	-	-	-	-	7.6
Derivatives (Note 11)	-	5.5	2.5	-	-	8.0
Other financial assets	-	-	-	11.3	23.8	35.1
<b>Total</b>	<b>7.6</b>	<b>5.5</b>	<b>2.5</b>	<b>11.3</b>	<b>23.8</b>	<b>50.7</b>

At December 31, 2015, the Company did not have any financial investment different from the ones included in the caption 'Financial investments in Group companies and joint ventures' (Note 9.2).

The variations of the assets included under the 'Available-for-sale financial assets' caption during the years 2016 and 2015, are as follows:

	Valued at cost		
	Investments with a shareholding less of 20%	Certificates of deposits	Total
Balance at 31/12/2014	-	-	-
Balance at 31/12/2015	-	-	-
Merger	3.7	3.9	7.6
<b>Balance at 31/12/2016</b>	<b>3.7</b>	<b>3.9</b>	<b>7.6</b>

At December 31, 2016, included under the 'Available-for-sale financial assets' caption, the Company held 3,579,518 certificates of deposit in SITA Inc N.V., as issued by Sticing, 'SITA Information Networking Computing Foundation,' and representing 3,579,518 shares in SITA Inc. N.V., amounting to €3.9 million.

The breakdown by due date of the assets under the 'Loans and accounts receivable' caption, at December 31, 2016, is as follows:

	2017	2018	2019	2020	2021 and subsequent years	Total
Loans and accounts receivable	11.3	1.0	2.7	1.0	19.1	35.1
<b>Total</b>	<b>11.3</b>	<b>1.0</b>	<b>2.7</b>	<b>1.0</b>	<b>19.1</b>	<b>35.1</b>

The assets included under the caption 'Loans and accounts receivable' have not suffered any impairment during the year 2016.

## 9.2 Financial investments in Group companies and joint ventures

The balances and movements of the financial instruments in Group companies and joint ventures for the years 2016 and 2015 are as follows:

	31/12/2014	31/12/2015	Merger	Additions	Retirements	31/12/2016
Equity instruments	507.8	507.8	801.3	936.7	-	2,245.8
Accumulated impairment losses	-	-	(79.8)	-	33.7	(46.1)
<b>Total</b>	<b>507.8</b>	<b>507.8</b>	<b>721.5</b>	<b>936.7</b>	<b>33.7</b>	<b>2,199.7</b>

The Group companies and joint ventures' shares do not quote on the stock market, except for i:FAO AG, whose shares at December 31, 2016 are quoted on the Frankfurt stock market. The share percentage in this company is held through the Group company Amadeus Corporate Business, AG.

On January 26, 2016, the Company acquired 100% of the share capital of Navitaire LLC and Navitaire Philippines, Inc. Their main activity consists of developing and commercializing IT and corporate solutions for airlines. The total consideration paid for both entities after considering the impact of the cash-flow hedge instruments (Note 11) is €763.1 million.

On April 15, 2016, the Company acquired 100% of the share capital of Amadeus Slovenija, d.o.o. and NMC Tirana sh.p.k. and 51% of the share capital of NMC d.o.o. Skopje. Their main activity consists of marketing, sale and distribution of all products and information technology of Amadeus serving the travel and tourism industry, on the Slovene, Albanian and Macedonian market, respectively. The total consideration paid for these entities is €1 million.

On June 21, 2016, the Company acquired 35% of the share capital of Amadeus Eesti AS, obtaining 100% of shareholding of its social capital. Its main activity consists of marketing, sale and distribution of all products and information technology of Amadeus serving the travel and tourism industry, on the Estonian market. The total consideration paid for this entity is €0.8 million.

On October 1, 2016, the companies NMC Eastern European Computerised Reservation Services B.V. and Pyton Communication Services B.V. were merged. The resulting company has been named Pyton Communication Services B.V. Its main activity consists of offering IT Solutions to the travel industry.

At December 31, 2016 and 2015, the Company performed an analysis of all the investments in the equity of Group companies and joint ventures in order to ascertain whether the recoverable amount of such investments is higher than the book value. For those investments where the fair value is below the net carrying amount, an impairment has been made in order to adjust the book value to its recoverable value.

To calculate the recoverable value of the Group companies and joint ventures, two different approaches have been considered, according to size and relevance of the companies subject to this analysis:

- a) A detailed discounted cash flow analysis was performed for the main companies, based in detailed forecasts developed for each of them.
- b) A multiple-based valuation was performed for all the other companies:
  - Valuation multiples are derived from the separate valuation of the company taken as reference and then are applied to the other companies.
  - In the cases where the value obtained for each company does not exceed 10% of the carrying amount, or if any contingency is detected, detailed forecasts are developed and discounted cash flow valuation is performed for such company.

At December 31, 2016, the Company registered accumulated value adjustments for impairment in investments in Group companies and joint ventures, amounting to €46.1 million.

Amadeus IT Group, S.A.  
Annual Accounts for the year ended December 31, 2016  
Notes to the annual accounts (millions of euros)

The main information related to the investments in the Group companies and joint ventures at December 31, 2016, is as follows:

	% Shareholding		Share Capital	Net profit/ (loss) for the year	Rest of the equity	Total equity	Dividends received	Book value		
	Direct	Indirect						Cost	Impairment for the year	Accumulated impairment
<u>Group companies</u>										
Amadeus Airport IT GmbH	100%	-	-	0.8	(2.1)	(1.3)	-	4.7	-	-
Amadeus América S.A.	95%	5%	0.1	0.4	0.9	1.4	-	0.4	-	-
Amadeus Americas, Inc.	100%	-	33.3	27.6	396.1	457.0	-	405.5	35.4	(22.7)
Amadeus Argentina S.A.	95.50%	-	2.6	(0.6)	(1.8)	0.2	-	10.7	-	-
Amadeus Asia Limited	100%	-	1.0	0.9	13.0	14.9	-	1.0	-	-
Amadeus Austria Marketing GmbH	100%	-	2.8	0.4	(0.1)	3.1	-	3.0	-	-
Amadeus Benelux N.V.	100%	-	0.1	1.1	3.9	5.1	-	2.1	-	-
Amadeus Bilgi Teknolojisi Hizmetleri A.Ş.	100%	-	-	2.5	7.4	9.9	-	9.7	-	-
Amadeus Bolivia S.R.L	100%	-	0.2	-	0.3	0.5	-	0.3	-	-
Amadeus Bosna d.o.o. za marketing Sarajevo D.o.o.	100%	-	-	0.1	0.6	0.7	0.1	0.3	-	-
Amadeus Brasil Ltda.	83.51%	-	21.9	(0.2)	(22.2)	(0.5)	-	18.6	-	(18.6)
Amadeus Bulgaria EOOD	55.01%	-	0.1	-	-	0.1	0.1	0.4	-	-
Amadeus Capital Markets, S.A.U.	100%	-	0.2	-	-	0.2	-	0.2	-	-

Amadeus IT Group, S.A.  
Annual Accounts for the year ended December 31, 2016  
Notes to the annual accounts (millions of euros)

	% Shareholding		Share Capital	Net profit/ (loss) for the year	Rest of the equity	Total equity	Dividends received	Book value		
	Direct	Indirect						Cost	Impairment for the year	Accumulated impairment
Amadeus Central and West Africa S.A.	100%	-	1.6	(0.1)	(0.4)	1.1	-	2.4	-	-
Amadeus Content Sourcing S.A.U.	100%	-	1.0	(0.1)	(0.2)	0.7	-	1.0	-	-
Amadeus Corporate Business AG.	100%	-	0.1	(1.2)	(6.8)	(7.9)	-	0.1	-	-
Amadeus Customer Center Americas S.A.	100%	-	0.4	0.1	0.6	1.1	-	0.3	-	-
Amadeus Czech Republic and Slovakia s.r.o.	100%	-	-	0.5	0.8	1.3	0.2	0.6	-	-
Amadeus Eesti AS	100%	-	-	0.2	0.5	0.7	-	1.1	-	-
Amadeus Finance B.V.	100%	-	2.0	0.5	0.3	2.8	-	2.0	-	-
Amadeus France, S.A.	100%	-	-	2.2	0.4	2.6	11.3	134.1	-	-
Amadeus GDS LLP	100%	-	0.1	0.3	(1.9)	(1.5)	-	0.2	-	-
Amadeus GDS (Malaysia) Sdn. Bhd.	100%	-	0.2	0.1	1.0	1.3	-	0.2	-	-
Amadeus GDS Singapore Pte. Ltd.	100%	-	0.2	3.2	6.0	9.4	-	0.2	-	-
Amadeus Germany GmbH	100%	-	9.3	6.7	71.5	87.5	6.2	198.2	-	-
AMADEUSGLOBAL Ecuador S.A.	100%	-	0.3	-	0.3	0.6	-	-	-	-
Amadeus Global Travel Distribution Ltd.	100%	-	0.6	0.2	1.7	2.5	-	0.7	-	-

Amadeus IT Group, S.A.  
Annual Accounts for the year ended December 31, 2016  
Notes to the annual accounts (millions of euros)

	% Shareholding		Share Capital	Net profit/ (loss) for the year	Rest of the equity	Total equity	Dividends received	Book value		
	Direct	Indirect						Cost	Impairment for the year	Accumulated impairment
Amadeus Global Travel Israel Ltd.	100%	-	2.5	0.2	0.9	3.6	-	1.9	-	-
Amadeus GTD (Malta) Limited	100%	-	0.1	-	0.1	0.2	-	0.1	-	-
Amadeus GTD Southern Africa Pty. Ltd.	100%	-	0.4	2.0	0.5	2.9	-	0.6	-	-
Amadeus Hellas, S.A.	100%	-	6.1	(0.2)	-	5.9	-	7.1	-	-
Amadeus Hong Kong Ltd.	100%	-	0.5	(1.3)	4.3	3.5	0.4	0.5	-	-
Amadeus Information Technology LLC	100%	-	0.4	(0.2)	2.0	2.2	-	0.6	-	-
Amadeus Integrated Solutions Pty Ltd.	100%	-	0.4	0.4	(0.3)	0.5	-	0.4	-	-
Amadeus IT Group Colombia S.A.S.	100%	-	0.3	0.1	2.3	2.7	-	2.6	-	-
Amadeus IT Pacific Pty. Ltd.	100%	-	30.0	6.6	4.6	41.2	-	18.8	-	-
Amadeus Italia S.p.A.	100%	-	2.0	0.8	0.6	3.4	1.0	3.7	-	-
Amadeus Japan K.K.	100%	-	2.7	(0.3)	1.9	4.3	-	2.5	-	-
Amadeus Korea, Ltd.	100%	-	0.1	0.1	0.5	0.7	-	0.1	-	-
Amadeus Lebanon S.A.R.L.	100%	-	0.1	0.1	0.2	0.4	-	0.1	-	-
Amadeus Magyarorszag Kft	100%	-	-	0.2	0.4	0.6	-	0.5	-	-

Amadeus IT Group, S.A.

Annual Accounts for the year ended December 31, 2016

Notes to the annual accounts (millions of euros)

	% Shareholding		Share Capital	Net profit/ (loss) for the year	Rest of the equity	Total equity	Dividends received	Book value		
	Direct	Indirect						Cost	Impairment for the year	Accumulated impairment
Amadeus Marketing (Ghana) Ltd.	100%	-	-	-	(0.1)	(0.1)	-	0.3	-	-
Amadeus Marketing Ireland Ltd.	100%	-	0.4	0.2	0.3	0.9	-	0.4	-	-
Amadeus Marketing Nigeria Ltd.	100%	-	0.3	(0.5)	-	(0.2)	-	0.6	-	-
Amadeus Marketing Phils Inc.	100%	-	2.5	0.4	0.3	3.2	-	1.9	-	-
Amadeus Marketing Romania S.R.L.	100%	-	0.4	0.1	0.4	0.9	-	0.5	-	-
Amadeus Marketing (Schweiz) A.G.	100%	-	0.1	0.6	0.4	1.1	0.5	0.1	-	-
Amadeus Marketing (UK) Ltd.	100%	-	1.5	1.0	0.9	3.4	1.6	5.5	-	-
Amadeus México, S.A. de C.V.	98%	2%	-	0.4	1.7	2.1	-	3.6	-	-
Amadeus Paraguay S.R.L.	100%	-	-	-	0.4	0.4	-	0.1	-	-
Amadeus Perú, S.A.	100%	-	5.9	(0.8)	(1.0)	4.1	-	7.2	-	-
Amadeus Polska Sp. z o.o.	100%	-	5.5	0.3	(3.5)	2.3	-	5.5	-	-
Amadeus Rezervasyon Dağıtım Sistemleri A.Ş.	100%	-	0.3	0.1	0.9	1.3	-	2.1	-	-
Amadeus S.A.S.	100%	-	23.0	314.7	821.3	1,159.0	196.9	7.7	-	-
Amadeus Scandinavia AB	100%	-	2.2	2.8	60.1	65.1	2.3	132.6	-	-
Amadeus Services Ltd.	100%	-	0.1	5.2	(1.3)	4.0	3.5	0.1	-	-
Amadeus Slovenija, d.o.o.	100%	-	0.3	(0.1)	0.8	1.0	-	0.7	-	-

Amadeus IT Group, S.A.

Annual Accounts for the year ended December 31, 2016

Notes to the annual accounts (millions of euros)

	% Shareholding		Share Capital	Net profit/ (loss) for the year	Rest of the equity	Total equity	Dividends received	Book value		
	Direct	Indirect						Cost	Impairment for the year	Accumulated impairment
Amadeus Soluciones Tecnológicas, S.A., Sociedad Unipersonal	100%	-	0.3	4.8	3.3	8.4	1.4	102.1	-	-
Amadeus Taiwan Co. Ltd.	100%	-	0.4	0.2	0.9	1.5	-	0.3	-	-
Amadeus Verwaltungs GmbH	100%	-	-	109.3	(164.9)	(55.6)	289.1	217.2	-	-
Content Hellas Electronic Tourism Services S.A.	100%	-	0.4	-	(0.3)	0.1	-	0.4	-	(0.4)
CRS Amadeus America S.A.	100%	-	0.9	-	(0.2)	0.7	-	0.8	-	(0.1)
Enterprise Amadeus Ukraine	100%	-	0.5	1.4	0.6	2.5	-	0.5	-	-
Gestour S.A.S.	100%	-	0.1	0.7	1.2	2.0	-	4.8	-	-
iTesso B.V.	100%	-	-	(1.2)	1.2	-	-	50.2	-	-
Navitaire LLC	100%	-	-	31.0	456.4	487.4	-	760.3	-	-
Navitaire Philippines Inc.	100%	-	2.7	-	-	2.7	-	2.7	-	-
NMC d.o.o. Skopje	51%	-	-	-	0.1	0.1	-	-	-	-
NMC Tirana sh.p.k.	100%	-	-	-	0.3	0.3	-	0.2	-	-
Pyton Communication Services B.V.	100%	-	-	-	1.3	1.3	-	8.5	-	-
SIA Amadeus Latvija	100%	-	-	0.8	0.3	1.1	-	0.9	-	-
Sistemas de Distribución Amadeus Chile, S.A.	100%	-	0.6	0.2	1.2	2.0	-	1.1	-	-



Amadeus IT Group, S.A.  
Annual Accounts for the year ended December 31, 2016  
Notes to the annual accounts (millions of euros)

	% Shareholding		Share Capital	Net profit/ (loss) for the year	Rest of the equity	Total equity	Dividends received	Book value		
	Direct	Indirect						Cost	Impairment for the year	Accumulated impairment
Sistemas de Reservasiones CRS de Venezuela C.A.	100%	-	-	1.8	1.0	2.8	-	0.9	-	-
Traveltainment GmbH.	100%	-	0.1	(2.0)	14.3	12.4	-	61.9	-	-
UAB Amadeus Lietuva	100%	-	-	0.1	0.2	0.3	-	1.3	-	-
UFIS Airport Solutions AS	100%	-	1.9	9.4	5.8	17.1	-	18.8	(1.7)	(1.7)
							514.6	2,239.3	33.7	(43.5)
<u>Joint ventures and associates</u>										
Amadeus Algerie S.A.R.L.	40%	-	0.2	0.1	3.3	3.6	(1.4)	0.1	-	-
Amadeus Egypt Computerized Reservation Services S.A.E.	100%	-	0.1	1.7	-	1.8	-	0.3	-	-
Amadeus Gulf L.L.C.	49%	-	0.2	0.6	4.1	4.9	-	0.1	-	-
Amadeus Libya Technical Services JV	25%	-	0.7	0.1	0.2	1.0	-	0,1	-	-
Amadeus Maroc S.A.S.	30%	-	0.7	-	0.3	1.0	-	0.2	-	-
Amadeus Qatar W.L.L.	40%	-	0.3	0.6	1.8	2.7	-	0.1	-	-
Amadeus Saudi Arabia Limited	95%	5%	0.5	0.9	4.8	6.2	-	0.4	-	-
Amadeus Sudani co. Ltd.	40%	-	0.1	0.3	0.6	1.0	-	0.1	-	-
Amadeus Syria Limited Liability	100%	-	-	0.1	0.1	0.2	-	0.2	-	-

Amadeus IT Group, S.A.  
Annual Accounts for the year ended December 31, 2016  
Notes to the annual accounts (millions of euros)

	% Shareholding		Share Capital	Net profit/ (loss) for the year	Rest of the equity	Total equity	Dividends received	Book value		
	Direct	Indirect						Cost	Impairment for the year	Accumulated impairment
Amadeus Tunisie S.A.	30%	-	0.2	4.8	0.3	5.3	1.1	0.1	-	-
Amadeus Yemen Limited	100%	-	-	(0.2)	0.2	-	-	-	-	-
Hiberus Travel IO Solutions, S.L.	24.88%	-	1.2	1.1	1.1	3.4	-	2.0	-	-
Jordanian National Touristic Marketing Private Shareholding Company	50%	-	0.4	0.3	0.1	0.8	0.2	0.2	-	-
Moneydirect Limited	50%	-	0.1	-	(7.5)	(7.4)	-	2.6	-	(2.6)
							(0.1)	6.5	-	(2.6)
<b>Total</b>							<b>514.5</b>	<b>2,245.8</b>	<b>33.7</b>	<b>(46.1)</b>

## 10. TRADE ACCOUNTS RECEIVABLE AND PAYABLE

### 10.1 Doubtful debt provision, factoring and cancellation reserve

The Company has several agreements signed with financial institutions to carry out factoring non-recourse transactions over a part of the accounts receivable resulting from its business. At December 31, 2016 and 2015 the Company has not transferred any amount to the financial institutions under these agreements.

At December 31, 2016, the Company has a registered provision against accounts receivable, for future estimated cancellations of airline bookings, amounting to €35.7 million. As well as, at December 31, 2016, the Company has registered a provision reducing the accounts payable for distribution costs associated with cancellations, amounting to €15.7 million.

Additionally, at December 31, 2016, the Company has a registered value adjustment for possible impairment in accounts receivable from customers based on the risk involved in these receivables, amounting to €51.6 million.

As for credit risk, there is no significant concentration of this kind of risk related to customers.

Among other factors, the above mentioned credit risk is mitigated by the fact that most of the customers' accounts receivables and payables are settled through the clearing houses operated by International Air Transport Association (IATA) and Airlines Clearing House, Inc. (ACH). These two settlement systems ensure that cash inflows from customers will be settled at a certain fixed date, as well as credit risk is partially mitigated due to the fact that the members of the clearing houses are required to make deposits that would be used in the event of default.

### 10.2 Information regarding the average payment term to trade payables. Additional Third Clause. 'Information requirements' according to Law 15/2010, dated on July, 5

The information required by the Additional Third Clause according to Law 15/2010, dated on July, 5 (modified by the final Second Clause according to Law 31/2014, dated on December 3) prepared according to the Resolution of the Accounting and Auditing Institute in Spain (ICAC) dated on January 29, 2016, regarding the information to be included within the notes to the annual accounts in relation to the average payment term to trade payables, is as follows:

	Year 2016	Year 2015
	Days	Days
Average payment term to trade payables	21	33
Ratio of operations paid	22	33
Ratio of outstanding payments	27	32
	Million of euros	Million of euros
Total payments	1,091	7
Total outstanding payments	73	0.8

According to the same aforementioned Resolution, trade operations with suppliers of goods and services received since the initial date of the Law 31/2014, December 3, have been taken into consideration to calculate the average payment term to trade payables.

With the aim of presenting the information required by this Resolution it has been considered as accounts payable, those which by nature are trade payables with suppliers of goods and services and, therefore, are included under the 'Trade payables' caption in the current liabilities in the balance sheet and excluding trade payables with Group companies.

## 11. DERIVATIVE FINANCIAL INSTRUMENTS

The balances of derivatives financial instruments at December 31, 2016 are as follows. At December 31, 2015, the Company did not have any financial instrument contract in force.

Type of derivative	31/12/2016			
	Financial assets		Financial liabilities	
	Current	Non-current	Current	Non-current
Exchange rate (11.1)	5.5	2.5	(14.9)	(5.9)
Interest rate (11.3)	-	-	-	(3.0)
<b>Total</b>	<b>5.5</b>	<b>2.5</b>	<b>(14.9)</b>	<b>(8.9)</b>

### 11.1 Exchange rate derivatives

The detail of the open foreign currency contracts held by the Company with financial institutions at December 31, 2016, is as follows:

#### Financial assets

Type	Financial instrument	Currency	Due date	Notional	Fair value		
					Income statement	Equity	Total
Cash flow	Forward	Other non USD	< 1 year	51.0	0.5	1.8	2.3
			> 1 year	62.0	-	2.0	2.0
Fair value	Forward	Other non USD	< 1 year	47.9	3.2	-	3.2
			> 1 year	6.1	0.5	-	0.5
<b>Total</b>					<b>4.2</b>	<b>3.8</b>	<b>8.0</b>
<b>Total non-current</b>					<b>0.5</b>	<b>2.0</b>	<b>2.5</b>
<b>Total current</b>					<b>3.7</b>	<b>1.8</b>	<b>5.5</b>

## Financial liabilities

Type	Financial instrument	Currency	Due date	Notional	Fair value		
					Income statement	Equity	Total
Cash Flow	Forward	USD	< 1 year	108.3	0.4	4.4	4.8
			> 1 year	16.6	-	0.2	0.2
		Other	< 1 year	126.5	1.2	8.9	10.1
		non USD	> 1 year	73.1	0.3	5.4	5.7
Fair Value	Forward	Other non USD	< 1 year	0.5	-	-	-
<b>Total</b>					<b>1.9</b>	<b>18.9</b>	<b>20.8</b>
<b>Total non-current</b>					<b>0.3</b>	<b>5.6</b>	<b>5.9</b>
<b>Total current</b>					<b>1.6</b>	<b>13.3</b>	<b>14.9</b>

During 2015, the Absorbed Company entered into certain derivative financial instruments to hedge the cash flows for the acquisition of Navitaire, LLC, by a total notional amount of \$830 million. The acquisition was finally completed on January 26, 2016. The gains obtained by these derivatives, amounting to €12.7 million, were registered against the hedged element, the investment in Navitaire, LLC.

### 11.2 Natural hedge

The debt that the Absorbed Company had with financial institutions (Note 14) was partially denominated in USD. In order to provide the Absorbed Company with a protection against foreign currency fluctuations, the aforementioned debt designated to hedge the cash flows obtained from the revenue in the aforementioned currency, until May 2016.

In some cases, the hedged revenue denominated in USD has longer maturity than the debt principals in USD used as hedging instrument. As this fact could produce ineffectiveness in the hedge when the debt principals mature, the Company designates foreign exchange derivatives in order to extend the maturity of the debt in USD, up to the date in which the hedged revenue denominated in USD takes place.

In May 2011, the Absorbed Company cancelled the existing hedging relationship when fully repaid \$553.2 million from the previous Senior Phase Two Credit Agreement. The changes in the fair value of the hedging instruments were fixed and temporarily recognized in equity, until they are recognized in the income statement in the period in which the hedged element affects the results. Additionally, the natural hedge relationship had been previously affected by the other transactions. During 2016, the Company has concluded the recognition of this natural hedge relationship in the income statement.

Additionally, in May 2011, the Absorbed Company designated a new natural hedge relationship when the Term A loan of the new unsecured Senior Credit Agreement denominated in USD was designated as hedging instrument to hedge cash flows obtained in the aforementioned currency. During 2016, the Company has recognized in the income statement the changes in fair value of the hedging instrument which were temporarily recognized in the equity in the same period which the hedging instrument affected the result.

On December 31, 2016, the Company has no other debts with financial institutions denominated in USD, and therefore, there is no natural hedge.

### 11.3 Interest rate derivatives

At December 31, 2015, the Absorbed Company had an outstanding interest rate derivative with the purpose of hedging the risk of an increase in the interest rates of the future debt that was expected to be contracted during 2016 as part of the refinancing of the Eurobond issued by the Group company Amadeus Capital Markets, S.A.U., with an amount of €750 million and due date in July 2016, which funds were fully transferred to the Company. The notional amount of this interest rate derivative was €300 million and would be reduced according to the future debt amortization schedule.

On March 10, 2016, the Company cancelled this interest rate swap (IRS) contract and discontinued the hedging relationship for a total amount of €16.1 million, which was recognized temporarily in the equity and is charged to the income statement according to the hedged debt amortization schedule.

The calendar of the realized effects in the income statement by the discontinued hedge instrument is as follows:

2016	2017	2018	2019	2020	2021	Total
2.0	3.9	3.7	3.0	2.5	1.0	16.1

Additionally, as of December 31, 2016, the company has subscribed two IRS, for a total notional amount of €250 million each. The purpose of these agreements is to manage the risk that the Company could be exposed to under an eventual increase in the interest rates of the debt denominated in euros which will be issued in 2017.

In order to qualify this financial instrument for hedge accounting, there is a formal designation and documentation of the hedging relationship. Furthermore, the Company verifies, initially and periodically, that the hedge relationship is effective. When a derivative is considered a hedging instrument but the hedge is not effective, the gains and losses from variations in the fair value of the derivative are registered in the income statement since the last time it was effective.

The maturity of the notional amount of the interest rate derivative at December 31, 2016, is as follows:

Type	Currency	Notional due date (in million euros)		Interest payable	Interest receivable
		2017	2018-2022		
Cash flow	EUR	-	500.0	0.223%	EURIBOR 6M
		-	500.0		

The detail of the liabilities generated by the fair value, as well as its accumulated impact before tax in the income statement and equity, of not accrued future cash flows arising from the interest rate derivatives contracted by the Company at December 31, 2016, is as follows:

#### Financial liabilities

Financial instrument	Currency	Due date	Notional	Fair value		
				Income statement	Equity	Total
IRS	EUR	> 1 year	500.0	-	3.0	3.0
		<b>Total non-current</b>		-	<b>3.0</b>	<b>3.0</b>
		<b>Total</b>		-	<b>3.0</b>	<b>3.0</b>

## 12. EQUITY AND SHAREHOLDER'S EQUITY

At December 31, 2016 and 2015, the Company's share capital amounts to €4.4 million respectively, as represented by 438,822,506 ordinary shares with a nominal value of €0.01 per share, all of them of one single class; totally subscribed and paid.

On June 25, 2015, the Ordinary General Shareholders' Meeting agreed to reduce the share capital of the company in €87,594.44, through the redemption of 8,759,444 of its treasury shares, with a nominal value of €0.01 per share, which were acquired for redemption under the Share Buy-back program approved by the Board of Directors on December 11, 2014. This capital reduction was registered at the Commercial Registry of Madrid on August 4, 2015.

The company recognized a reserve for capital reduction against unrestricted reserves for an amount of €0.1 million, equivalent to the amortized shares nominal value. This reserve is only distributable under the same requirements as for the reduction of share capital established the article 335 of the Spanish Capital Companies Act.

Since April 29, 2010, the Company's shares are traded on the Spanish electronic trading system ('Continuous Market') on the four Spanish Stock Exchanges (Madrid, Barcelona, Bilbao and Valencia). Since January, 2011, the Company shares form part of the IBEX 35 index [AMS].

At December 31, 2016 and 2015, the Company's shares are distributed as follows:

Shareholder	31/12/2016		31/12/2015	
	Shares	Voting rights	Shares	Voting rights
Free float (1)	436,858,714	99.55%	436,201,936	99.41%
Treasury shares (2)	1,521,273	0.35%	2,214,916	0.50%
Board of Directors (3)	442,519	0.10%	405,654	0.09%
<b>Total</b>	<b>438,822,506</b>	<b>100.00%</b>	<b>438,822,506</b>	<b>100.00%</b>

(1) Includes shareholders with significant equity stake on December 31, 2016 and 2015 reported to the National Commission of the Stock Exchange CNMV.

(2) Voting rights remain ineffective given they are treasury shares.

(3) It does not include voting rights that could be acquired through financial instruments.

## 12.1 Legal reserve

According to the Spanish Capital Companies Act, 10% of the annual profit has to be transferred to a legal reserve until this reserve reaches no less than 20% of the share capital. The legal reserve can be used to increase the share capital of the Company, but the value remaining in the reserve must not be lower than 10% of the increased capital. Except for the aforementioned purpose, and as long as it does not exceed 20% of the share capital, this reserve will only be used to offset losses, provided that no other reserves are available for this purpose.

At December 31, 2016 and 2015, the legal reserve is fully established, amounting to €0.9 million.

## 12.2 Goodwill reserve

Until January 1, 2016, when the Law 22/2015, on July 20, of Accounts Auditing, was approved, every year's appropriation of results must include an addition to an unavailable reserve, as a result of the goodwill shown in the assets on the balance sheet. Therefore, a portion of the profit, equivalent to no less than 5% of the goodwill amount, was allocated for this purpose. In the event of lack of profit, or if the profit were insufficient, free distributable reserves could be applied.

Additionally, the Final Clause 13 of the law 22/2015, establishes that for the periods beginning on January 1, 2016, the goodwill reserve will be reclassified as a voluntary reserve of the Company and will be distributable in the amount that surpasses the value accounted for goodwill in the balance sheet. As of December 31, 2016, the company has not yet reclassified any amount of the goodwill reserve to the other reserves.

On December 31, 2016, the goodwill reserve registered by the Company amounts to €555.4 million.



## 12.3 Dividends distribution

The Company's dividend policy is to reach a dividend pay-out up to a range of 40% to 50% of the consolidated net profit of the year. The amount of dividends the Company decides to pay, if any, and the future dividend policy will however depend on a number of factors, including earnings, financial conditions, debt service obligations, cash requirements, prospects or market conditions. The amount of dividends is proposed by the Board of Directors and determined by the shareholders at General Shareholders' Meeting.

On June 24, 2016, the Ordinary General Shareholders' Meeting of the Company approved the distribution of a final dividend against 2015 profit of the year, amounting to €0.775 per share, out of which an interim dividend of €0.34 per share was paid on January 28, 2016, for a total amount of €148.4 million. The total dividend amounts to €338.1 million.

Additionally, on December 15, 2016, the Company's Board of Directors proposed a fixed dividend distribution of 2016 profit for the year of an equivalent 50% of the consolidated net profit, this way reaching the maximum percentage of the dividend distribution policy of the Company. Consequently, a dividend distribution was approved against 2016 profit of the year, amounting to €0.40 per share with dividend rights, effective on February 1, 2017, for a total amount of €174.9 million.

## 12.4 Treasury shares

Balances and movements during the years 2016 and 2015, are as follows:

	Treasury shares	Million of euros
<b>As of December 31, 2014</b>	<b>3,605,477</b>	<b>352.1</b>
Additions	7,443,033	-
Disposals	(74,150)	-
Redemption of shares	(8,759,444)	(320.0)
<b>As of December 31, 2015</b>	<b>2,214,916</b>	<b>32.1</b>
Additions for exchange ratio – merger	393,748	15.5
Disposals for exchange ratio – merger	(312,519)	(12.3)
Disposals	(774,872)	(9.7)
<b>As of December 31, 2016</b>	<b>1,521,273</b>	<b>25.6</b>

During 2016, the Company acquired 393,748 shares to comply with the exchange ratio agreed in the merger of the Company with Amadeus IT Group, S.A. (Note 2.5).

As of December, 2016, 312,519 shares have been exchanged. Therefore, at 2016 year-end, 81,229 shares have not been exchanged by the former minority shareholders of the Absorbed Company, Amadeus IT Group, S.A.

In accordance with the legislation in force and the announcement of the exchange ratio, the shares of the Absorbed Company not presented in the exchange before the deadline, will be substituted by shares of the Absorbing Company and will be deposited for a 3 year period starting from the day of the deposit's constitution, all aforementioned complies with the exchange ratio foreseen in the article 117 of the Royal Decree 1/2010, July 2, by which the wording of the Spanish Capital Companies Act is approved and should act as proceeds.

Additionally, the Company has used the treasury shares portfolio held at December 31, 2015, to cover the remuneration schemes consisting in the delivery of shares to employees and/or managers, and also the other Group companies remuneration programmes (Note 18.5). During 2016, the Company delivered 774,872 shares to cover the remuneration schemes aforementioned.

## 12.5 Other comprehensive income

The balances and movements of the items included under the caption 'Other comprehensive income' for the years 2016 and 2015, are as follows:

	Available-for-sale financial instruments	Cash flow hedge		Cumulative translation adjustments	Total
		Interest rate	Exchange rate		
<b>Balance at 31/12/2014</b>	-	-	-	-	-
<b>Balance at 31/12/2015</b>	-	-	-	-	-
<b>Merger</b>	<b>0.1</b>	<b>(8.0)</b>	<b>6.4</b>	<b>0.6</b>	<b>(0.9)</b>
Valuation	-	(8.4)	(29.9)	0.1	(38.2)
Valuation tax impact	-	2.1	7.5	-	9.6
Transfers to balance sheet	-	-	(12.7)	-	(12.7)
Transfers to balance sheet tax impact	-	-	3.2	-	3.2
Transfers to income statement	-	2.0	18.9	-	20.9
Transfers to income statement tax impact	-	(0.5)	(4.7)	-	(5.2)
<b>Balance at 31/12/2016</b>	<b>0.1</b>	<b>(12.8)</b>	<b>(11.3)</b>	<b>0.7</b>	<b>(23.3)</b>

## 13. PROVISIONS

Balances and movements of the items included under the 'Long-term provisions and Short-term provisions' captions, for the years 2016 and 2015, are as follows:

	Employees benefit obligations	Investments	Claims and litigations		Total
	Long-term	Long-term	Short-term	Long-term	
<b>Balance at 31/12/2014</b>	-	-	-	0.8	0.8
Additions and disposals	-	-	-	(0.8)	(0.8)
<b>Balance at 31/12/2015</b>	-	-	-	-	-
<b>Merger additions</b>	0.3	0.6	11.5	41.4	53.8
Additions and disposals	(0.2)	-	(8.2)	74.4	66.0
<b>Balance at 31/12/2016</b>	0.1	0.6	3.3	115.8	119.8

The caption 'Employees benefit obligations' includes different remuneration schemes granted to employees by the Company.

The caption 'Investments' mainly includes restoration obligations of the office buildings under operating leases where the Company carries out its operations.

The caption 'Claims and litigations' includes the provision to comply with the offsetting fiscal obligations to operate in certain territories which at the year-end are undetermined regarding their amount and settlement date.

## 14. FINANCIAL DEBT

The detail of the captions 'Debts with financial institutions' at December 31, 2016 and 2015, is as follows:

	31/12/2016	31/12/2015
Long-term debts with financial institutions denominated in EUR	357.5	-
Deferred arrangement fees	(3.7)	-
<b>Total long-term debts with financial institutions</b>	<b>353.8</b>	<b>-</b>
Short-term debts with financial institutions denominated in EUR	50.0	-
Deferred arrangement fees	(0.1)	-
Interest payable, financial institutions	1.2	-
Interest payable, other financial expenses	0.2	-
<b>Total short-term debts with financial institutions</b>	<b>51.3</b>	<b>-</b>
<b>Total debts with financial institutions</b>	<b>405.1</b>	<b>-</b>

The breakdown of the debts with financial institutions at December 31, 2016 is as follows:

Loans	Maturity	31/12/2016	
		Interest rate	Amount used
<b>Senior Credit Facility 2015</b>			
Credit facility (1)	October 2016	-	-
<b>Revolving Loan 2015</b>			
Term A	March 2020	EURIBOR+0.55%	-
Term B (2)	April 2016	-	-
<b>Revolving Loan 2016</b>			
Revolving Loan	July 2021	EURIBOR+0.60%	100.0
			100.0
<b>European Investment Bank (EIB)</b>			
Tranche A 2012	May 2021	2.936%	112.5
Tranche B 2012	May 2021	3.237%	45.0
Tranche A 2013	May 2022	2.038%	150.0
			307.5
<b>Total</b>			<b>407.5</b>

(1) In October 2016, the Revolving Credit Facility 2015 was cancelled.

(2) The Term B has been fully repaid in April 2016.

The credit rating granted by the agency Standard & Poor's Credit Market Service Europe Limited to the Company is 'BBB/A-2', during 2016 it was raised from stable to positive outlook. The credit rating granted to the Company by the agency Moody's Investors Service España S.A. is 'Baa2', with stable outlook. Both agencies maintain the Company credit rating of 'Investment Grade'.

At December 31, 2016, including the loans with Group companies, approximately 70.8% of the Company's outstanding debt is at fixed interest rate.

The Company is obliged to meet certain financial covenants, such as the ratio of total net debt to Group EBITDA and the ratio of Group EBITDA to the total net payable interest. At December 31, 2016, the Company is in compliance with the aforementioned financial covenants.

## a) Senior Credit Facility 2015

On July 3, 2015, the Absorbed Company, Amadeus IT Group, S.A., signed a new credit facility amounting to €500 million, with a maturity period of five years. This facility was structured under a 'club deal' with several financial institutions with The Royal Bank of Scotland PLC as agent.

In January, 2016, this credit facility was used for partially finance the acquisition of Navitaire, LLC. On October 6, 2016, the Company fully repaid this credit facility with the funds obtained from the loan granted by the Group Company, Amadeus Capital Markets, S.A.U. (Note 19.2).

## b) Revolving Loans Facilities

### • Revolving Loan Facility 2015

On March 5, 2015, the Absorbed Company, Amadeus IT Group, S.A., signed a revolving loan facility amounting to €1,000 million in a single currency with two terms of €500 million each, with due date in March 2020 the Term A and in August 2017 the Term B. This facility was structured under a 'club deal' with several financial institutions with The Royal Bank of Scotland PLC as agent.

The Term A is used as working capital and the Term B was kept as a support for the refinancing of the bonds amounting to €750 million, issued by the Group company, Amadeus Capital Markets, S.A.U., due on July 15, 2016. Finally, no amount was used and Term B was fully cancelled on April 25, 2016.

At December 31, 2016, the Company has not disposed any amount from the aforementioned revolving loan facility.

### • Revolving Loan Facility 2016

On April 26, 2016, the Company signed a revolving loan facility for a total amount of €500 million, with a five year maturity date. This facility was structured under a 'club deal' with several financial institutions with The Royal Bank of Scotland PLC as agent. This revolving loan facility is used as working capital and for other corporate purposes, and substitutes Term B of the Revolving Loan 2015. On July 14, 2016, the Company used an amount of €360 million of this revolving loan facility to repay the loan granted by the Group Company, Amadeus Capital Markets, S.A.U. (Note 19.2). The Company has repaid €260 million from the initial amount disposed. At December 31, 2016, the total amount used from the revolving loan facility was €100 million.

## c) European Investment Bank

On May 14, 2012, the European Investment Bank (EIB) granted to the Absorbed Company, Amadeus IT Group, S.A., with an unsecured senior loan amounting to €200 million, with a nine years maturity since May 24, 2012.

The principal from this loan was used to finance the Research & Development investment activities for a variety of projects in the IT Solutions area between 2012 and 2014.

This loan from the EIB has two tranches; a first tranche with a notional value of €150 million with repayments every six months starting in 2015 and a second tranche with a notional value of €50 million with repayments every six months starting in 2016. During the year 2016, €25 million have been repaid of the first tranche and €5 million of the second tranche.

On April 29, 2013, the European Investment Bank (EIB) granted to the Absorbed Company Amadeus IT Group, S.A., with a second unsecured senior loan amounting to €150 million, with a nine years maturity since May 17, 2013.

The principal from this loan was used to finance the Research & Development investment activities for a variety of projects in the Distribution area between 2013 and 2015.

This second loan from the EIB has a single tranche with a notional value of €150 million with repayments every six months starting in 2017.

The breakdown by due date of the debt with the European Investment Bank at December 31, 2016, is as follows:

Loans	2017	2018	2019	2020	2021	2022	Total
Term A 2012	25.0	25.0	25.0	25.0	12.5	-	112.5
Term B 2012	10.0	10.0	10.0	10.0	5.0	-	45.0
Term A 2013	15.0	30.0	30.0	30.0	30.0	15.0	150.0
<b>Total</b>	<b>50.0</b>	<b>65.0</b>	<b>65.0</b>	<b>65.0</b>	<b>47.5</b>	<b>15.0</b>	<b>307.5</b>

## d) Debt guaranteed by the Company

- Euro Medium Term Note Programme

The Group company, Amadeus Capital Markets, S.A.U., under the terms of the debt issuance programme called 'Euro Medium Term Note Programm', issued on July 2011 bonds in the Euromarket, for a total amount of €750 million, which were fully repaid on July 2016, in accordance with its maturity date .

In 2014, the Group company, Amadeus Finance B.V., signed up a debt instruments issuance programme, the 'Euro Medium Term Note Programme', by a maximum nominal amount of €2,400 million that can be issued in euros or any other currency. In 2015, the Group company, Amadeus Capital Markets, S.A.U., joined this programme.

The Base Prospectus of the programme was registered in the Financial Authority of Luxembourg, 'Luxembourg Commission de Surveillance du Secteur Financier', as the Luxembourg authority for admission to trading. Also, trading admission of the securities issuance under the Official List programme was requested and the quoting in the Luxembourg's Stock Exchange.

- **Euro-Commercial Paper Programme – ECP**

Additionally, Amadeus Finance B.V., signed up in the year 2014 a short-term commercial paper issuance programme called 'Euro-Commercial Paper Programme – ECP'. The programme was agreed by a maximum nominal amount of €500 million, on August 16, 2016 the programme was extended up to €750 million, it can be issued in euros or any other currency, with different maturity dates, always less than 364 days.

The commercial paper issued under this programme, will not be quoted in any securities market and will have 'STEP label', under the 'STEP Convention'.

Amadeus IT Group, S.A., as Parent Company of the Group, has subscribed, as guarantor the commercial paper and debt instruments programmes. The structure of the securities listed on the secondary market guaranteed by the Company at December 31, 2016 and 2015, is as follows:

Debt	Value at issuance	Maturity	31/12/2016		31/12/2015	
			Interest rate	Amount used	Interest rate	Amount used
<b>Bond issue</b>						
July 2011 (1)	99.493%	July 2016	-	-	4.875%	750.0
December 2014 (2)	99.707%	December 2017	0.625%	400.0	0.625%	400.0
November 2015 (1)	99.260%	November 2021	1.625%	500.0	1.625%	500.0
October 2016 (1)	99.785%	October 2020	0.125%	500.0	-	-
<b>Total value of securities</b>				<b>1,400.0</b>	<b>1,650.0</b>	
<b>Commercial paper issue</b>						
Commercial paper (2)		Under 364 days	(0.250-0.050%)	485.0	0.135-0.470%	196.5
<b>Total Commercial paper</b>				<b>485.0</b>	<b>196.5</b>	
<b>Total</b>				<b>1,885.0</b>	<b>1,846.5</b>	

(1) Debt issued by Amadeus Capital Markets, S.A.U.

(2) Debt issued by Amadeus Finance B.V.

The amounts obtained from these programmes, net of fees, were transferred to the Company through several loans contracts and were used to partially finance the acquisition of Navitaire LLC. and to early repay other financial loans.

## 15. DEFERRED INCOME

Balances and movements of the 'Deferred income' captions during the years 2016 and 2015, are as follows:

	Current	Non-current	Total
<b>Balance at 31/12/2014</b>	-	-	-
<b>Balance at 31/12/2015</b>	-	-	-
Merger additions	52.9	308.9	361.8
Additions	10.2	67.8	78.0
Transfers to the income statement	(70.5)	-	(70.5)
Transfers	68.6	(68.6)	-
<b>Balance at 31/12/2016</b>	<b>61.2</b>	<b>308.1</b>	<b>369.3</b>

The deferred income includes the portion of the cash received from customers for the implementation of 'Altéa Reservation', 'Altéa Departure Control' and 'e-commerce' units, which has not been recognised as ordinary income during the period.

The Company starts the recognition of revenue in the income statement when the migration has been completed (cut-over) and recognises the revenue for these services during the period of the agreement.

## 16. PUBLIC ADMINISTRATIONS AND TAXATION

The Company pays Corporate Income Tax via the tax consolidation Regime (Tax Group 256/05), from which it is the parent company.

The Tax Consolidation Group is comprised of the following companies:

Parent company:

Amadeus IT Group, S.A.

Subsidiaries:

Amadeus Soluciones Tecnológicas, S.A., Sociedad Unipersonal

Amadeus Capital Markets, S.A., Sociedad Unipersonal

Amadeus Content Sourcing, S.A., Sociedad Unipersonal



The merger described in the Note 2.5 is under the Chapter VII of Special Regime, Law 27/2014, November 27, for Corporate Income Tax.

## 16.1 Deferred tax assets and liabilities and current balances with Public Administrations

The breakdown of the deferred tax assets and the current debtor balances with Public Administrations, at December 31, 2016 and 2015, is as follows:

	31/12/2016	Merger additions	31/12/2015
Deferred tax assets			
Temporary differences			
Share-based payments	2.1	3.9	0.6
Non-current asset amortisation	4.2	5.0	-
Doubtful debt provision	4.6	8.3	-
Cancellations provision	5.0	4.4	-
Cash flows hedge	9.0	10.9	-
Investment impairment adjustments	8.3	15.6	-
Other non-deductible expenses	6.1	5.9	0.1
Withholding tax and outstanding tax credits	81.1	79.8	-
<b>Total deferred tax assets</b>	<b>120.4</b>	<b>133.8</b>	<b>0.7</b>
Current debtors balances			
Tax Authorities, debtor for Corporate Income Tax	38.1	-	15.8
Tax Authorities of other countries, debtor for V.A.T.	0.6	0.7	-
<b>Total current debtor balances</b>	<b>38.7</b>	<b>0.7</b>	<b>15.8</b>
<b>Total</b>	<b>159.1</b>	<b>134.5</b>	<b>16.5</b>

The above mentioned deferred tax assets have been recognised in the balance sheet. The Directors of the Company consider that based on the estimated future benefits of the Tax Consolidation Group it is probable that these assets will be recovered.

The breakdown of the deferred tax liabilities and the current creditor balances with Public Administrations, at December 31, 2016 and 2015, is as follows:

	31/12/2016	Merger additions	31/12/2015
Deferred tax liabilities			
Purchase price allocation, amortisation	85.4	140.6	-
Cash flows hedge	1.0	10.4	-
Amortisation of goodwill from investments	9.1	7.9	-
Other deferred taxes liabilities	0.1	0.1	-
<b>Total deferred tax liabilities</b>	<b>95.6</b>	<b>159.0</b>	<b>-</b>
Current creditor balances			
Tax Authorities, creditor for V.A.T.	2.3	2.4	0.3
Tax Authorities, creditor for other concepts	1.2	1.1	0.1
Social Security Authorities, creditors	1.0	0.9	-
<b>Total current creditor balances</b>	<b>4.5</b>	<b>4.4</b>	<b>0.4</b>
<b>Total</b>	<b>100.1</b>	<b>163.4</b>	<b>0.4</b>

## 16.2 Reconciliation between the net result before tax and Corporate Income Tax base

The reconciliation between the net result before tax registered in the income statement and the Corporate Income Tax base for the year 2016, is as follows:

	Income statement		
	Increases	Decreases	Total
Net result before tax			840.4
Permanent differences	1.3	(519.6)	(518.3)
Exempt dividends received and other income	-	(515.0)	(515.0)
Amortisation of goodwill from investments	-	(4.6)	(4.6)
Others	1.3	-	1.3
Temporary differences	223.3	(56.5)	166.8
Arising in current year			
Doubtful debt provision	-	(14.8)	(14.8)
Share-based payments	-	(9.1)	(9.1)
Others	2.7	-	2.7
Arising in previous years			
Purchase price allocation amortisation	220.6	-	220.6
Investment impairment adjustments	-	(29.3)	(29.3)
Others	-	(3.3)	(3.3)
Tax base before compensations			488.9
Tax Consolidation Group negative tax base compensation			(0.1)
Amadeus Capital Markets, S.A.U.			-
Amadeus Content Sourcing, S.A.U.			(0.1)
Amadeus Soluciones Tecnológicas, S.A.U.			-
Negative tax base from previous years			(21.2)
<b>Company tax base</b>			<b>467.6</b>

In accordance with the Royal Decree 3/2016, of December 2, the temporary difference corresponding to the investment's impairment adjustments include the reversal of the losses from impairments that were tax deductible in previous years, without any significant impact.

The reconciliation between the net result before tax registered in the income statement and the Corporate Income Tax base for the year 2015, was as follows:

	Income statement		
	Increases	Decreases	Total
Net result before tax			349.6
Permanent differences	-	(363.1)	(363.1)
Exempt dividends received and other income	-	(363.1)	(363.1)
Temporary differences	2.0	-	2.0
Arising in current year			
Share-based payments	1.8	-	1.8
Others	0.2	-	0.2
Tax base before compensations			(11.5)
Tax Consolidation Group negative tax base compensation in the year			11.5
Amadeus Capital Markets, S.A.U.			-
Amadeus Content Sourcing, S.A.U.			(0.2)
Amadeus IT Group, S.A., Absorbed Company (Note 2.5)			11.7
Amadeus Soluciones Tecnológicas, S.A.U.			-
<b>Company tax base</b>			<b>-</b>

The reconciliation between the income and expenses directly recognised in equity and the Corporate Income Tax base, for the years 2016 and 2015, is as follows:

	Income and expenses directly recognised in equity			
	Year 2016		Year 2015	
	Decreases	Total	Decreases	Total
Income and expenses recognised in equity		(30.1)		-
Temporary differences	30.1	30.1	-	-
Arising in current year				
Cash flows hedge	30.1	30.1	-	-
<b>Corporate Income Tax Base in equity</b>		<b>-</b>		<b>-</b>

## 16.3 Tax recognised in equity

The detail of taxes directly recognised in equity at December 31, 2016, is as follows:

	Increases	Decreases	Total
Deferred tax			
Arising in current year			
Cash flows hedge	12.8	(5.2)	7.6
Total deferred tax	12.8	(5.2)	7.6
<b>Total tax recognised in equity</b>			<b>7.6</b>

As of December 31, 2015, there were not taxes directly recognized in equity.

## 16.4 Reconciliation between the net result before tax and Corporate Income Tax expense

Reconciliation between the net result before tax and the Corporate Income Tax expense, for the years 2016 and 2015, is as follows:

	Year 2016	Year 2015
Net result before tax	840.4	349.6
Tax rate 25% (1)	(210.1)	(97.9)
Temporary differences	65.2	93.1
Tax credits	5.6	-
<b>Total Corporate Income Tax expense recognised in the income statement</b>	<b>(139.3)</b>	<b>(4.8)</b>
Current tax	(111.3)	3.2
Deferred tax	(28.0)	(8.0)

(1) Tax rate applicable during 2015 was 28%.

## 16.5 Periods open for tax audit and tax audit procedures

According to the current legislation, taxes cannot be considered definitively settled until the filed tax forms are audited by the Tax Authorities, or until the four year statute of limitations ends.

At the year-end 2016, the Company has opened for tax audit (including those of the Absorbed Company, that, as a consequence of the merger described in the Note 2.5, all rights and obligations have been transferred to the Absorbing Company) the last four years except for those taxes that have been subject to a partial or full audit which have concluded by signing the tax assessment under protest. The judicial appeal process has been initiated to the National Appellate Court.

The Directors of the Company consider that the mentioned taxes were properly settled, therefore, in the event of differences in the interpretation of the current tax regulations, regarding the fiscal treatment of the transactions, the potential resulting liabilities, should they materialise, will not significantly impact the accompanying annual accounts.

On December 2016, a statement of claim has been registered in the National Appellate Court, related to the tax assessments signed under protest, for the Corporate Tax Income of the years from 2005 to 2007 and from 2008 to 2010.

On June 2015, the Company received a final decision from the Central Administrative Court (TEAC) rejecting cumulatively the appeals with regards to the tax assessment signed under protest relating to the Non-residents Income Tax for the year 2007. In July 2015, judicial appeal process had been initiated in the same court considering the resolution was not in line with the Law, insomuch as the allegations and/or proof (evidence) presented before the court in November 2013 were declared inexistent by omission that could turn out to be essential for the resolution of the claim. At the year-end, no notification has been received.

On January 2017, the Company received a final decision from the Central Administrative Court (TEAC) rejecting the appeal with regard to the tax assessment signed under protest related to the Non-residents Income Tax for the year 2007. The Company will proceed to legal Administrative-Contentious appeal at the National Appellate Court, understanding that there are substantial grounds for a favorable ruling.

In any case, the resolution of this matter should not have any significant impact on the Company's financial situation.

In July 2014, French, German and Spanish Tax Authorities signed an Advanced Pricing Agreement (APA), applicable to the Group companies Amadeus S.A.S., Amadeus Data Processing GmbH and Amadeus IT Group, S.A., for the years from 2010 to 2015, both inclusive.

Although the fiscal legislation in France and Germany allows the retroactive application of the APA to closed periods, the Spanish legislation, does not allow this option, resulting in a double taxation to Amadeus IT Group, S.A. To solve this double taxation for the years from 2010 to 2012, and with regards to France, the mutual agreement procedure was started within the context of the Double Taxation Agreement between France and Spain, which finished with an agreement between the Tax Authorities of both countries, effective in 2015.

The mutual agreement procedure between Spain and Germany, within the context of the APA for the year 2010, has started in February 2015. On December 2016, a notification in relation with the execution of the mutual agreement procedure has been received, pending execution at the year-end.

## 17. FOREIGN CURRENCIES

The detail of the main balances and transactions in foreign currency, valued at the year-end exchange rate and at the average exchange rate, respectively, as of December 31, 2016, is as follows. At December 31, 2015 the Company did not have any balances, nor carried out any transaction during 2015, in foreign currencies.

	31/12/2016
<b>Assets</b>	
Accounts receivable	184.8
Loans given	149.5
Other assets	106.3
Cash and cash equivalents	9.3
<b>Liabilities</b>	
Accounts payable	(281.0)
Loans received	(99.3)
Other liabilities	(12.8)
	<b>2016</b>
<b>Income statement</b>	
Services rendered	1,144.3
Services received	(767.5)

The amount of exchange rate differences by financial instrument recognised in the income statement for the year 2016 is as follows:

	Transactions settled in the year	Outstanding balances	Total
<b>Financial assets</b>			
Loans to Group companies and joint ventures	(4.1)	10.8	6.7
Derivatives	2.7	2.7	5.4
Other financial assets	(3.1)	2.8	(0.3)
<b>Total financial assets</b>	<b>(4.5)</b>	<b>16.3</b>	<b>11.8</b>
<b>Financial liabilities</b>			
Debts with financial institutions	12.1	(12.1)	-
Debts with Group companies and joint ventures	1.6	(2.1)	(0.5)
Derivatives	(1.2)	(0.1)	(1.3)
Other financial liabilities	-	0.3	0.3
<b>Total financial liabilities</b>	<b>12.5</b>	<b>(14.0)</b>	<b>(1.5)</b>
<b>Total</b>	<b>8.0</b>	<b>2.3</b>	<b>10.3</b>

## 18. REVENUES AND EXPENSES

### 18.1 Trade revenue

The Company operates in the travel industry and thus, events that may affect the industry could also have an impact on both the Company's operations and its financial position. Information regarding the operating segments during 2016 and 2015, is as follows:

Operating segments	Year 2016	Year 2015
Operating services		
IT Solutions	1,050.3	-
Distribution	2,905.5	-
Other operating revenues	-	1.5
Dividends and financial income from Group companies (Note 2.7)	-	400.9
<b>Total</b>	<b>3,955.8</b>	<b>402.4</b>

It is worth to consider that, the trade revenue for the year 2015 of the Company contained the dividends and interests obtained from the Group Companies. However, in the year 2016 these dividends and financial income have been accounted as financial results, as the main ordinary activity of the entity resulting after the merger process does not maintain the nature and characteristics of a holding company.

The following geographical distribution of the services provided during the year 2016, is primarily based on the country where bookings were made. Regarding those bookings directly made by the offices and the airline websites that are directly connected to the Amadeus system, as well as the IT Solutions services, the home country of the customers is the criterion applied.

Geographical market	Year 2016	Year 2015
Spain	197.0	1.5
European Union	1,491.1	-
O.E.C.D.	1,127.6	-
Rest of the world	1,140.1	-
<b>Total</b>	<b>3,955.8</b>	<b>1.5</b>

## 18.2 Personnel expenses

The breakdown of the 'Personnel expenses' caption for the years 2016 y 2015, is as follows:

	Year 2016	Year 2015
Salaries, wages and similar	79.9	4.8
Social benefits		
Pension plan contributions	2.3	0.2
Other social costs	21.5	0.3
<b>Total</b>	<b>103.7</b>	<b>5.3</b>

## 18.3 Other operating expenses

The breakdown of the 'Other operating expenses' caption includes distribution, product development, data processing, communications and administration expenses. The detail for the years 2016 y 2015, is as follows:

	Year 2016	Year 2015
Group companies	2,512.8	1
Joint ventures	123.9	-
Third parties	631.4	0.7
<b>Total</b>	<b>3,268.1</b>	<b>1.7</b>



## 18.4 Financial results

The detail of the financial income and expenses for the years 2016 and 2015, is as follows:

	Note	Year 2016	Year 2015
<b>Financial income</b>		<b>523.6</b>	<b>-</b>
From equity instruments		515.0	-
Dividends received from Group companies and joint ventures	9.2 & 19.1	514.5	-
Dividends received from third parties		0.5	-
From securities and other financial instruments		8.6	-
Loans to Group companies and joint ventures	19.1	8.3	-
Other financial income		0.3	-
<b>Financial expenses</b>		<b>(70.1)</b>	<b>(42.2)</b>
Debts with Group companies and joint ventures	19.1	(34.8)	(39.5)
Debts with third parties		(35.3)	(2.7)
Interest from debts with financial institutions		(11.9)	-
Interest from derivatives financial instruments – hedge		(2.0)	-
Arrangement fees amortisation		(3.8)	-
Other financial expenses		(17.6)	(2.7)
<b>Exchange rate differences</b>	17	<b>10.3</b>	<b>-</b>
<b>Impairment and gains / (losses) on disposal of financial instruments</b>		<b>36.4</b>	<b>-</b>
Impairment and losses	9.2	33.7	-
Gains / (losses) on disposal of financial instruments		2.7	-
<b>Financial profit / (loss)</b>		<b>500.2</b>	<b>(42.2)</b>

The financial income and expenses measured in application of the effective interest method, mainly relate to the financial income from securities and other financial instruments and to the financial expenses from debts with Group companies and joint ventures and financial institutions.

## 18.5 Share-based payments

The Company has the following reward schemes in place for managers and employees:

### 18.5.1 Performance Share Plan

The Performance Share Plan (PSP) consists of a contingent award of shares of the Company to certain management. The final delivery of the shares at the end of the vesting period depends on the achievement of predetermined performance objectives that relate to value creation in Amadeus as well as employee service requirements. The performance objectives relate to the relative shareholder return (TSR) and the adjusted basic earnings per share (EPS) growth. The vesting period of each independent cycle is three years and no holding period applies.

This plan is considered as equity-settled and, accordingly, the fair value of the services received during the years ended as of December 31, 2016 and 2015, as consideration for the equity instruments granted, is presented in the income statement under the 'Personnel and related expenses' caption by an amount of €8.3 million and €1.9 million, respectively.

The detail of the shares allotted and fair value at grant date of the last four cycles of the PSP is set forth in the table below:

	PSP 2013	PSP 2014	PSP 2015	PSP 2016
Total shares allotted at grant date (1)	250,003	121,342	98,579	113,820
Fair value of those instruments at grant date (€)	22.87	30.45	34.74	37.73
Dividend yield	1.60%	1.55%	1.41%	1.59%
Expected volatility	23.40%	23.00%	20.06%	22.37%
Risk free interest rate	2.75%	1.00%	0.56%	0.00%

(1) This number of shares could increase up to double if all performance objectives are extraordinary.

During the year 2016, the PSP 2013 was settled at the vesting date, implying that the Company transferred to the eligible employees 477,020 shares, due to the achievement of the performance objectives (200%), at a weighted average price of €38.10 per share. The Company used treasury shares to settle this share-based payments (Note 12.4).

### 18.5.2 Restricted Share Plan

The Restricted Share Plan (RSP) consists on the delivery of a given number of shares of the Company to certain employees on a non-recurring basis, after predetermined services requirements are met. The RSP beneficiaries must remain employed in a Group company during a determined period of time, which oscillates between two and five years.

This plan is considered as equity-settled. The fair value of the services received as consideration for the equity instruments granted, 15,107 and 955 shares during the years 2016 and 2015 is presented in the income statement under the 'Personnel and related expenses' caption by an amount of €0.1 million and €0 million, respectively.

During the year 2016, certain RSP awards were settled at vesting date, implying that the Company transferred to the eligible employees 237 shares in April at a weighted average price of €38.32 per share and 2,204 shares in November at a weighted average price of €40.3 per share. The Company used treasury shares to settle these share-based payments (Note 12.4).

### 18.5.3 Share Match Plan

The Share Match Plan (SMP) consists of a contingent award of shares of the Company to employees that voluntarily decided to participate in the plan. The final delivery of the shares at the end of the vesting period depends on the achievement of predetermined vesting conditions that relate to the purchase and holding of the shares, as well as the participant must remain employed in a Group company until the end of the cycle.

Under the terms of the Share Match Plan, the Company will grant the participants an additional share for every two purchased, provided if they hold the shares for a year after the purchase period has ended. Extraordinarily, for the first cycle, the Company transferred 25 shares to each participant after the end of the purchase period.

This plan is considered as equity-settled. The fair value of the services received during the year 2016, as consideration for the equity instruments granted, 19,132 shares, is presented in the income statement under the 'Personnel and related expenses' caption by an amount of €0.3 million, nil in 2015.

During the year 2016, the Share Match Plan 2014 was settled according to the terms of the plan, implying that the Company transferred to the participants 7,586 shares, at a weighted average price of €39.07 per share. The Company used treasury shares to settle this share-based payments (Note 12.4).

During the year 2015, the Share Match Plan 2013 was settled according to the terms of the plan, implying that the Company transferred to the participants 21 shares, at a weighted average price of €36.53 per share. The Company used treasury shares to settle this share-based payments.

## 19. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

### 19.1 Transactions with related parties

The breakdown of transactions with related parties for the year 2016, is as follows:

	Group companies	Joint ventures	Other related parties	Total
Services rendered	188.3	16.7	-	205.0
Services received	(2,515.1)	(123.9)	-	(2,639.0)
Interests from loans	8.3	-	-	8.3
Debt expenses	(34.8)	-	-	(34.8)
Dividends received	514.6	(0.1)	-	514.5
Dividends distributed	-	-	(0.5)	(0.5)
Remuneration	-	-	(21.8)	(21.8)
<b>Total</b>	<b>(1,838.7)</b>	<b>(107.3)</b>	<b>(22.3)</b>	<b>(1,968.3)</b>

The breakdown of transactions with related parties for the year 2015, was as follows:

	Group companies	Other related parties	Total
Services rendered	1.5	-	1.5
Services received	(0.9)	-	(0.9)
Interests from loans	37.8	-	37.8
Debt expenses	(39.5)	-	(39.5)
Dividends received	363.1	-	363.1
Dividends distributed	-	(0.3)	(0.3)
Remuneration	-	(3.7)	(3.7)
<b>Total</b>	<b>362.0</b>	<b>(4.0)</b>	<b>358.0</b>

## 19.2 Balances with related parties

The breakdown of balances with related parties at December 31, 2016, is as follows:

	Group companies	Joint ventures	Other related parties	Total
Long-term investments				
Equity instruments (Note 9.2)	2,195.8	3.9	-	2,199.7
Loans to companies	415.3	-	-	415.3
Trade debtors	48.1	6.4	-	54.5
Short-term investments				
Loans to companies	5.5	0.2	-	5.7
Interests from loans to companies	1.4	-	-	1.4
Cash-pooling	14.9	-	-	14.9
Dividends	235.2	0.2	-	235.4
Long-term debts	(991.6)	-	-	(991.6)
Short-term debts				
Debts with companies	(1,000.7)	-	-	(1,000.7)
Interests from debts with companies	(1.9)	-	-	(1.9)
Cash-pooling	(77.5)	-	-	(77.5)
Dividends	-	-	(0.3)	(0.3)
Trade creditors	(476.3)	(32.6)	-	(508.9)
<b>Total</b>	<b>368.2</b>	<b>(21.9)</b>	<b>(0.3)</b>	<b>346.0</b>

The breakdown of balances with related parties at December 31, 2015, was as follows:

	Group companies	Other related parties	Total
Long-term investments			
Equity instruments (Note 9.2)	507.8	-	507.8
Trade debtors	3.1	-	3.1
Short-term investments			
Loans to companies	748.7	-	748.7
Interests from loans to companies	17.6	-	17.6
Dividends	162.4	-	162.4
Short-term debts			
Debts with companies	(748.7)	-	(748.7)
Interests from debts with companies	(17.6)	-	(17.6)
Cash-pooling	(143.3)	-	(143.3)
Dividends	-	(0.1)	(0.1)
Trade creditors	(14.9)	-	(14.9)
<b>Total</b>	<b>515.1</b>	<b>(0.1)</b>	<b>515.0</b>

## 19.2.1 Trade debtors and creditors

The breakdown of the Trade debtors and Trade creditors as of December 31, 2016 and 2015, is as follows:

	31/12/2016	31/12/2015
Debtors		
For taxes	3.9	1.9
For other concepts	50.6	1.2
<b>Total</b>	<b>54.5</b>	<b>3.1</b>
Creditors		
For taxes	(0.1)	(14.0)
For other concepts	(508.8)	(0.9)
<b>Total</b>	<b>(508.9)</b>	<b>(14.9)</b>

At December 31, 2016 and 2015, the captions 'Group companies, debtor for taxes' and 'Group companies, creditors for taxes' include the estimated credit and debit that the Company has with the companies included in the Tax Consolidation Group, related to the Corporate Income Tax.

## 19.2.2 Loans to Group companies

The detail of loans to Group companies at December 31, 2016, is as follows:

Group companies	Currency	Millions of euros	Reference interest	Due date
Amadeus Verwaltungs GmbH	EUR	168.3	1.13%	11/11/2019
Amadeus Hellas S.A.	EUR	33.0	0.73%	15/10/2019
Amadeus Central and West Africa S.A.	EUR	0.9	1.77%	20/06/2017
Amadeus Rezervasyon Dağıtım Sistemleri A.Ş.	EUR	2.0	1.71%	03/06/2017
Content Hellas Electronic Tourism Services S.A.	EUR	0.2	0.73%	05/11/2019
Amadeus Italia S.p.A.	EUR	3.2	1.34%	01/11/2018
Amadeus Corporate Business, AG	EUR	60.7	1.71%	08/04/2019
Amadeus Polska Sp. z o.o.	EUR	1.7	1.98%	05/10/2018
iTesso B.V.	EUR	1.0	1.98%	22/07/2018
Amadeus Airport IT GmbH	EUR	1.2	1.67%	24/01/2017
UFIS Airport Solutions (Thailand) Ltd.	USD	2.2	2.88%	14/04/2018
Amadeus Lebanon S.A.R.L.	USD	0.2	2.68%	02/03/2017
Amadeus GDS Singapore Pte. Ltd.	USD	10.5	2.49%	01/02/2019
Amadeus Americas, Inc.	USD	119.2	2.21%	05/02/2019
Amadeus Argentina S.A., Sucursal Uruguay	USD	0.5	3.30%	06/05/2017
Amadeus Perú S.A.	USD	1.1	3.63%	14/12/2018
Amadeus Marketing (Ghana) Ltd.	USD	0.5	2.74%	21/01/2019
Amadeus Marketing Nigeria Ltd.	USD	1.2	2.89%	28/11/2019
Amadeus Global Travel Distribution Ltd.	USD	0.9	2.41%	11/11/2019
Amadeus Marketing Phils Inc.	USD	2.4	2.47%	01/11/2018
Amadeus GTD Southern Africa Pty. Ltd.	USD	1.5	2.62%	20/07/2019
Amadeus Global Ecuador S.A.	USD	0.1	2.02%	19/07/2019
Amadeus Integrated Solutions Pty Ltd.	USD	0.7	1.90%	01/03/2017
Amadeus Global Travel Israel Ltd.	USD	5.0	3.17%	05/05/2018
Amadeus Bolivia S.R.L.	USD	1.5	2.97%	18/04/2019
Amadeus GDS LLP	USD	1.1	2.60%	01/03/2019
<b>Total</b>		<b>420.8</b>		

## 19.2.3 Debts with Group companies

The detail of debts with Group companies at December 31, 2016, is as follows:

Group companies	Currency	Millions of euros	Reference interest	Due date
Amadeus Finance B.V.	EUR	399.5	0.86%	02/12/2017
Amadeus Finance B.V.	EUR	485.2	0.45%	30/01/2017
Amadeus Capital Markets, S.A.U.	EUR	494.8	1.81%	17/11/2021
Amadeus Capital Markets, S.A.U.	EUR	496.8	0.25%	06/10/2020
Amadeus Capital Markets, S.A.U.	EUR	0.2	0.00%	15/01/2017
UFIS Airport Solutions AS	EUR	16.7	0.00%	29/06/2017
UFIS Airport Solutions Pte Ltd	EUR	0.2	0.00%	24/01/2017
Amadeus North America Inc.	USD	14.0	0.64%	04/01/2017
Navitaire LLC	USD	50.1	0.68%	26/01/2017
Amadeus IT Pacific Pty. Ltd.	AUD	24.0	1.69%	20/01/2017
Amadeus Scandinavia AB	SEK	8.4	0.00%	05/01/2017
Amadeus Norway AS	NOK	0.8	0.65%	05/01/2017
Amadeus Denmark A/S	DKK	1.6	0.00%	05/01/2017
<b>Total</b>		<b>1,992.3</b>		

On December 2, 2014, the Group company, Amadeus Finance B.V., under the fix rate securities issuance program Euro Medium Term Note Programme, issued bonds in the Euromarket for an amount of €400 million. The Company signed the agreement as the guarantor. Additionally, Amadeus Finance B.V. transferred the amount received in the issuance, net of related expenses, to the Absorbed Company through a loan contract. The contract is registered under the 'Short-term debts with Group companies' caption.

As of December 31, 2016, the amortised cost of this loan amounts to €399.5 million, including the €400 million of principal and the arrangement fees amounting to €0.5 million.

On February 16, 2015, an additional disposition of €2 million was signed. During 2015, the Group Company Amadeus Finance B.V., under the short-term commercial paper issuance program 'Euro-Commercial Paper Programme - ECP', made several issuances of commercial paper in the Euromarket. At December 31, 2016 and 2015, Amadeus Finance B.V. had outstanding commercial paper by an amount of €485.2 million and €196 million respectively. The Absorbed Company subscribed that agreement as guarantor. Amadeus Finance B.V. transferred the amount received in the issuance, net of related expenses, to the Company through a loan contract. The contract is registered under the 'Short-term debts with Group companies' caption.

On November 10, 2015, the Group company Amadeus Capital Markets, S.A.U., under the debt issuance Euro Medium Term Note Programme, issued bonds in the Euromarket for a total of €500 million. This company transferred the amount received, net of related expenses, to the Absorbed Company, through a loan contract.

As of December 31, 2016, the amortised cost of this loan amounts €494.8 million, including the initial principal of €495.7 million and the arrangement fees of €0.9 million. This loan has a yearly interest rate of 1.64187% payable annually. Additionally, it includes an implicit interest rate of 0.17228% to be capitalised annually. This loan is registered under the 'Long-term debts with Group companies' caption.

On October 6, 2016, the Group company Amadeus Capital Markets, S.A.U., under the debt issuance Euro Medium Term Note Programme, issued bonds in the Euromarket for a total of €500 million. This company transferred the amount received, net of related expenses, to the Company, through a loan contract.

As of December 31, 2016, the amortised cost of this loan amounts €496.8 million, including the initial principal of €497.6 million and the arrangement fees of €0.8 million. This loan has a yearly interest rate of 0.12559% payable annually. Additionally, it includes an implicit interest rate of 0.11973% to be capitalised annually. This loan is registered under the 'Long-term debts with Group companies' caption.

Financial expenses for the year 2016 derived from the aforementioned loans, amounting to €34.3 million are registered in the income statement under the 'Debt expenses with Group companies' caption.

On July 4, 2011, the Group company Amadeus Capital Markets, S.A.U., under the debt issuance Euro Medium Term Note Programme, issued bonds in the Euromarket for a total amount of €750 million. This company handed over the funds obtained in the issuance, net of the related expenses, to the Company through a loan contract, being this loan fully repaid on July 2016 when the debt issued by Amadeus Capital Markets, S.A.U. matured.

At the same time, the Company in turn handed over the funds to the Absorbed Company, through another loan contract with same amount and financial conditions. This loan was cancelled due to the merger between both companies (Note 2.5).

Financial expenses for the year 2016 derived from the aforementioned loans with Amadeus Capital Markets, S.A.U., amounting to €29.8 million is registered in the income statement under the "Financial expense from debts with Group companies" caption.

### 19.3 Board of Directors and Key Management remuneration

The position of Member of the Board of Directors is remunerated in accordance with the Company's Bylaws. The remuneration consists of a fixed remuneration to be determined by the General Shareholders' Meeting before the relevant financial year ends.



The remuneration to which the Executive Director may be entitled despite of their functions as Director, consists of salary (in cash and in kind), yearly and/or multiannual bonus, subject to the objectives fulfilment, share-based plans and any other compensation decided by the General Shareholders' Meeting held on June 25, 2015, for a period of three years.

On June 24, 2016 and June 25, 2015, the Ordinary General Shareholders' Meeting agreed a fixed remuneration for said functions, in cash or in kind, for the period January to December 2016 and 2015, with a limit of €1,405 thousands in each period, and it vested the Board of Directors with the authority to resolve on how said remuneration was to be distributed among the members of the Board, following article 36 of the Company's Bylaws. The Board of Directors of the Company may agree an unequal remuneration scheme distribution. No loans, advances or stock options have been granted to the members of the Board of Directors.

The breakdown by type of payment received by the members of the Board of Directors in 2016 and 2015, is as follows:

In thousands of euros	Year 2016		Year 2015	
	Cash	In kind	Cash	In kind
<b>Board members</b>				
José Antonio Tazón García	299	2	296	4
Guillermo de la Dehesa Romero	147	-	156	-
Luis Maroto Camino	35	-	35	-
Stuart Anderson McAlpine	89	-	89	-
Francesco Loredan	113	-	111	-
Clara Furse	154	-	156	-
David Webster	143	-	134	-
Pierre-Henri Gourgeon	111	-	111	-
Roland Busch	111	-	111	-
Mark Verspyck	111	-	111	-
<b>Total</b>	<b>1,313</b>	<b>2</b>	<b>1,310</b>	<b>4</b>

As of December 31, 2016 and 2015, the Key Management personnel includes 9 and 1 members, respectively.

During the year ended December 31, 2016, the amounts accrued to the Key Management in respect of compensation in cash (base salary and bonus accrued), compensation in kind, contributions to pension plan and collective life insurance policies and share-based payments amounted to €5,254 thousands, €291 thousands, €499 thousands and €9,278 thousands, respectively. Additionally, the amounts accrued to the Executive Director in respect of compensation in cash (base salary and bonus accrued), compensation in kind, contributions to pension plan and collective life insurance policies amounted to €2,033 thousands, €109 thousands, and €173 thousands, respectively (€2,121 thousands, €117 thousands, and €170 thousands, respectively, during the year ended December 31, 2015).

Additionally, during the year ended December 31, 2016, the Chief Executive Officer received 74,865 shares, at a share price of 38.10 EUR (no shares were delivered to him during the year ended December 31, 2015).

## 19.4 Directors' information regarding situations of conflict of interests

At December 31, 2016, neither any of the members of the Board of Directors nor any other person related to them, in accordance with the Spanish Capital Companies Act, have reported to the Board of Directors any direct or indirect conflicting situation with the interests of the Company.

## 19.5 Other information related to the Board of Directors and Key Management

At December 31, 2016 and 2015, investment held by the members of the Board of Directors in the share capital of the Company, is as follows:

Board members	Shares	
	Year 2016	Year 2015
José Antonio Tazón García	255,000	260,000
Luis Maroto Camino	187,018	145,153
David Webster	1	1
Pierre-Henri Gourgeon	400	400
Roland Busch	100	100
<b>Total</b>	<b>442,519</b>	<b>405,654</b>
<b>Voting rights</b>	<b>0.10084%</b>	<b>0.09244%</b>

The number of shares in the capital of the Company held by the members of the Key Management at December 31, 2016, is 266,986.

## 19.6 Financial structure

As mentioned in Note 1, the Company belongs to the Amadeus Group. Companies belonging to the Group, at December 31, 2016 and 2015, are detailed in the appendix attached to these annual accounts.

## 20. OTHER INFORMATION

### 20.1 Auditor's fees

The fees for the annual accounts auditing services in thousands of euros and other services rendered by the auditor's firm Deloitte, S.L. and other firms related thereto, for the years 2016 y 2015, are as follows:

In thousands of euros	Year 2016	Year 2015
Auditing	606	302
Other audit related services	664	157
<b>Total auditing and related services</b>	<b>1,270</b>	<b>459</b>
Tax advice	200	-
Other services	335	-
<b>Total professional services</b>	<b>535</b>	<b>-</b>
<b>Total</b>	<b>1,805</b>	<b>459</b>

### 20.2 Number of employees

The average number of employees and Board of Directors members of the Company during 2016 and 2015, is 855 and 14, respectively. Distribution by category and gender, is as follows:

	Year 2016		Year 2015	
	Female	Male	Female	Male
Board of Directors	1	7	1	9
Key Management and Vice Presidents	3	10	-	-
Directors	10	32	-	3
Managers	170	197	1	-
Disabled Managers	1	-	-	-
Rest of personnel	244	176	-	-
Rest of disabled personnel	3	1	-	-

The number of employees and Board of Directors members of the Company at December 31, 2016 and 2015, is 921 and 14, respectively. Distribution by category and gender, is as follows:

	31/12/16		31/12/15	
	Female	Male	Female	Male
Board of Directors	1	9	1	9
Key Management and Vice Presidents	3	9	-	-
Directors	11	37	-	3
Managers	182	195	1	-
Disabled Managers	1	-	-	-
Rest of personnel	274	193	-	-
Disabled personnel	5	1	-	-

### 20.3 Off-balance sheet commitments

At December 31, 2016 and 2015, the Company has guarantees issued to cover certain obligations entered into by Group companies and received from third parties, as per the following detail:

	31/12/2016	31/12/2015
Office buildings and equipment	74.1	62.0
Guarantees and bank guarantees	5.9	2.5
Bank guarantees on commercial contracts	124.2	42.9
<b>Total</b>	<b>204.2</b>	<b>107.4</b>

At December 31, 2016, the guarantees undertaken by the Company, in the form of comfort letters, amounts to €0.3 million.

## 21. ENVIRONMENTAL INFORMATION

Given its activity, the Company has no responsibilities, expenses, assets, liabilities or contingencies of an environmental nature that may have a significant impact on its equity, financial position or results. Therefore, no specific disclosures relating to environmental issues are included in the current notes to the annual accounts.

## 22. SUBSEQUENT EVENTS

On January 13, 2017, the Company announced the closing of the acceptance period for the tender offer it had launched on October 21, 2016 for outstanding i:FAO AG ('i:FAO') shares not owned by the Company (29.74%). i:FAO was acquired on June 23, 2014, indirectly through the subsidiary Amadeus Corporate Business AG and, as of December 31, 2015 the Company owned 70.26% of the shares of this entity. As a result of the tender offer, the Company has increased its shareholding in i:FAO to 88.725%. The total amount paid for the shares acquired through the tender offer was €28.6 million. i:FAO has now been delisted from the Frankfurt Stock Exchange.

## APPENDIX

The subsidiaries of the Company as of December 31, 2016 are:

Name	Type of company	Country	Registered Address	Activity	Investment 31/12/2016 (%) (1) (2)	Investment 31/12/2015 (%) (1) (2) (3)	Date of acquisition or creation (4)
<u>Group companies</u>							
Air-Transport IT Services, Inc. (5)	Inc.	U.S.A.	5950 Hazeltine National Drive, Suite 210. Orlando, Florida. 32822.	Software development	100%	99.89%	21.04.15
Amadeus Airport IT GmbH	GmbH	Germany	Berghamer Str. 6 85435, Erding-Aufhasen.	Software development	100%	99.89%	11.06.12
Amadeus América S.A. (6)	Sociedad Anónima	Argentina	Av. del Libertador 1068. 4° piso. Buenos Aires C1112ABN.	Regional support	100%	99.89%	28.04.00
Amadeus Americas, Inc.	Inc.	U.S.A.	3470 NW 82nd Avenue Suite 1000 Miami, Florida 33122.	Regional support	100%	99.89%	17.04.95
Amadeus Argentina S.A.	Sociedad Anónima	Argentina	Av. del Libertador 1068. 5º piso. Buenos Aires C1112ABN.	Distribution	95.50%	95.39%	06.10.97
Amadeus Asia Limited	Limited	Thailand	21st, 23rd and 27th Floor, Capital Tower. 87/1 All Season Place. Wireless Road, Lumpini, Pathumwan. 10330 Bangkok.	Regional support	100%	99.89%	24.11.95
Amadeus Austria Marketing GmbH	GmbH	Austria	Dresdnerstrasse 91/C1/4, 1200 Wien.	Distribution	100%	99.89%	13.02.88
Amadeus Benelux N.V.	N.V.	Belgium	Medialaan, 30. Vilvoorde 1800.	Distribution	100%	99.89%	11.07.89
Amadeus Bilgi Teknolojisi Hizmetleri A.Ş.	Anonim Şirketi	Turkey	İstanbul Havalimanı Serbest Bölgesi, Plaza Ofis No: 1401 Kat: 14 34830 Yeşilköy, İstanbul.	Software development	100%	99.89%	03.04.13
Amadeus Bolivia S.R.L.	S.R.L	Bolivia	Av. 6 de Agosto No. 2455 Edificio Hilda piso 12 of. 1201, La Paz.	Distribution	100%	99.89%	14.03.02

Amadeus IT Group, S.A.

Annual Accounts for the year ended December 31, 2016

Notes to the annual accounts (millions of euros)

Name	Type of company	Country	Registered Address	Activity	Investment 31/12/2016 (%) (1) (2)	Investment 31/12/2015 (%) (1) (2) (3)	Date of acquisition or creation (4)
Amadeus Bosna, d.o.o. za marketing Sarajevo	d.o.o.	Bosnia and Herzegovina	Midhat Karic Mitke 1, 71000 Sarajevo.	Distribution	100%	99.89%	01.06.01
Amadeus Brasil Ltda.	Limited	Brazil	Rua das Olimpíadas 205 – 5 andar, Sao Paulo 04551-000.	Distribution	83.51%	75.92%	30.06.99
Amadeus Bulgaria EOOD	Limited	Bulgaria	1, Bulgaria Square, 16th Floor. Triaditza Region. 1463 Sofia.	Distribution	55.01%	54.95%	17.11.98
Amadeus Capital Markets, S.A. Sociedad Unipersonal	Sociedad Anónima Unipersonal	Spain	Calle Salvador de Madariaga 1, 28027, Madrid.	Financial activities	100%	100%	28.04.08
Amadeus Central and West Africa S.A.	S.A.	Ivory Coast	7, Avenue Nogues 08 BPV 228 Abidjan 01.	Distribution	100%	99.89%	03.10.01
Amadeus Content Sourcing, S.A.U.	Sociedad Anónima	Spain	Calle Salvador de Madariaga 1, 28027, Madrid.	Intermediation	100%	99.89%	11.06.14
Amadeus Corporate Business, AG	AG	Germany	Marienbader Platz 1, 61348, Bad Homburg, v.d. Hohe, Frankfurt am Main.	Holding of shares	100%	99.89%	01.04.14
Amadeus Customer Center Americas S.A.	Sociedad Anónima	Costa Rica	Oficentro La Virgen II. Torre Prisma, Piso 5, Pavas, San José.	Regional support	100%	99.89%	29.06.09
Amadeus Czech Republic and Slovakia s.r.o.	s.r.o.	Czech Rep	Meteor Centre Office Park Sokolovská 100 / 94 Praha 8 – Karlín 186 00.	Distribution	100%	99.89%	19.09.97
Amadeus Data Processing GmbH (7)	GmbH	Germany	Berghamer Strasse 6. D-85435. Erding. Munich.	Data processing	100%	99.89%	15.04.88
Amadeus Denmark A/S (8)	A/S	Denmark	Oldenburg Allé 3,1.tv. DK-2630 Taastrup.	Distribution	100%	99.89%	31.08.02
Amadeus Eesti AS	AS	Estonia	Tuukri 19. 10152 Tallinn.	Distribution	100%	64.93%	27.12.13
Amadeus Finance B.V.	B.V.	The Netherlands	De Entrée 99, 1101 HE Amsterdam.	Financial activities	100%	99.89%	23.10.14

Amadeus IT Group, S.A.

Annual Accounts for the year ended December 31, 2016

Notes to the annual accounts (millions of euros)

Name	Type of company	Country	Registered Address	Activity	Investment 31/12/2016 (%) (1) (2)	Investment 31/12/2015 (%) (1) (2) (3)	Date of acquisition or creation (4)
Amadeus France, S.A.	S.A.	France	Le Seine Saint Germain Bâtiment C, 2-8 Ave. Du Bas-Meudon. F-92445 Issy-Les-Moulineaux Cedex.	Distribution	100%	99.89%	27.04.98
Amadeus GDS LLP	LLP	Kazakhstan	48, Auezov Str., 4th floor, 050008, Almaty.	Distribution	100%	99.89%	08.01.02
Amadeus GDS (Malaysia) Sdn. Bhd.	Sdn. Bhd.	Malaysia	Suite 1005, 10th Floor. Wisma Hamzah-kwong Hing. n° 1 Leboh Ampang. Kuala Lumpur 50100.	Distribution	100%	99.89%	02.10.98
Amadeus GDS Singapore Pte. Ltd.	Pte. Ltd.	Singapore	600 North Bridge Road 15-06. Parkview Square. Singapore 188778.	Distribution	100%	99.89%	25.02.98
Amadeus Germany GmbH	GmbH	Germany	Zentrale Finanzen SiemensstaBe 1, 61352. Bad Homburg.	Distribution	100%	99.89%	07.08.99
Amadeus Global Ecuador S.A.	Sociedad Anónima	Ecuador	República del Salvador N35- 126 y Portugal, Edificio Zanté; piso 2 oficina 206, Quito.	Distribution	100%	99.89%	12.01.96
Amadeus Global Operations Americas, Inc. (5)	Inc.	U.S.A.	Corporate creations, Network Inc, 3411 Silverside Road #104 Rodney building, Wilmington, Delaware 19810. New Castle County.	Data processing	100%	99.89%	10.02.15
Amadeus Global Travel Distribution Ltd.	Limited	Kenya	P.O. Box 6680-00100, 14, Riverside off Riverside Drive, Grosvenor suite 4A, 4th Floor, Nairobi.	Distribution	100%	99.89%	03.07.03
Amadeus Global Travel Israel Ltd.	Limited	Israel	14 Ben Yehuda St. 61264, Tel Aviv.	Distribution	100%	99.89%	23.03.00
Amadeus GTD (Malta) Limited	Limited	Malta	Birkirkara Road. San Gwann. SGN 08.	Distribution	100%	99.89%	17.02.04
Amadeus GTD Southern Africa Pty. Ltd.	Pty. Ltd.	South Africa	Turnberry Office Park. 48 Grosvenor Road, Bryanston 2021 Johannesburg.	Distribution	100%	99.89%	01.01.03
Amadeus Hellas S.A.	S.A.	Greece	Syrou Ave. 157. 17121 N. Smyrni -Athens.	Distribution	100%	99.89%	02.02.93



Amadeus IT Group, S.A.

Annual Accounts for the year ended December 31, 2016

Notes to the annual accounts (millions of euros)

Name	Type of company	Country	Registered Address	Activity	Investment 31/12/2016 (%) (1) (2)	Investment 31/12/2015 (%) (1) (2) (3)	Date of acquisition or creation (4)
Amadeus Honduras, S.A. (5)	Sociedad Anónima	Honduras	Edificio El Ahorro Hondureño. Cía. de Seguros, S.A. 4to Nivel - Local B. Av. Circunvalación. San Pedro Sula.	Distribution	100%	99.89%	17.03.98
Amadeus Hong Kong Ltd.	Limited	China	3/F, Henley Building nº 5, Queen's Road. Central Hong Kong.	Distribution	100%	99.89%	21.08.03
Amadeus Hospitality Americas, Inc. (5) (9)	Inc.	U.S.A.	75 New Hampshire Ave, Portsmouth NH 03801.	Distribution and Software development	100%	99.89%	05.02.14
Amadeus Hospitality Asia Pacific Pte. Ltd.(5)	Limited	Singapore	600 North Bridge Road, #14-02 Parkview Square, Singapore 188778.	Distribution and Software development	100%	99,89%	05.02.14
Amadeus Hospitality UK Ltd (5)	Limited	U.K.	Fourth Floor Drapers Court, Kingston Hall Road, Kingston-upon-Thames, Surrey KT1 2BQ.	Distribution and Software development	100%	99,89%	05.02.14
Amadeus Information Technology LLC	Limited Liability	Russia	M. Golovin line 5, 2nd floor, 107045, Moscow.	Distribution	100%	99.89%	28.03.08
Amadeus Integrated Solutions Pty Ltd.	Limited	South Africa	Turnberry Office Park, 48 Grosvenor Road, Bryanston, Johannesburg.	Distribution	100%	99.89%	30.08.11
Amadeus IT Group Colombia S.A.S	Limitada	Colombia	Carrera 11 No. 84 - 09 6° piso Edificio Torre Amadeus, Bogotá.	Distribution	100%	99.89%	25.07.02
Amadeus IT Group, S.A. (10)	Sociedad Anónima	Spain	Calle Salvador de Madariaga 1, 28027, Madrid.	Group management	-	99,89%	14.07.88
Amadeus IT Pacific Pty. Ltd.	Pty. Limited	Australia	Level 7 180 Thomas Street 2000 Haymarket, Sydney.	Distribution	100%	99.89%	18.11.97
Amadeus Italia S.p.A.	Società per Azioni	Italy	Via Morimondo, 26. 20143 Milano.	Distribution	100%	99.89%	18.12.92

Amadeus IT Group, S.A.

Annual Accounts for the year ended December 31, 2016

Notes to the annual accounts (millions of euros)

Name	Type of company	Country	Registered Address	Activity	Investment 31/12/2016 (%) (1) (2)	Investment 31/12/2015 (%) (1) (2) (3)	Date of acquisition or creation (4)
Amadeus Japan K.K.	K.K.	Japan	SPP Ginza Building 5F, 2-4-9 Ginza, Chuo-Ku, Tokio 104-0061.	Distribution	100%	99.89%	01.01.05
Amadeus Korea, Ltd	Limited	Republic of Korea	Kyobo Securities Building-Youldo 10F, Bldg. 26-4 Youido-dong, Yongdungpo-gu, Seoul 150-737.	Software development and software definition	100%	99.89%	14.11.11
Amadeus Lebanon S.A.R.L.	S.A.R.L.	Lebanon	Gefinor Centre P.O. Box 113-5693 Beirut.	Distribution	100%	99.89%	07.05.09
Amadeus Magyaroszag Kft	Korlatolt Felelossegu Tarsasag	Hungary	1075 Budapest. Madách Imre út 13-14. Budapest.	Distribution	100%	99.89%	13.10.93
Amadeus Marketing (Ghana) Ltd.	Limited	Ghana	12 Quarcoo Lane, West Airport Residential Area, Accra.	Distribution	100%	99.89%	14.11.00
Amadeus Marketing Ireland Ltd.	Limited	Ireland	65 Charlemont Street Dublin 2.	Distribution	100%	99.89%	20.06.01
Amadeus Marketing Nigeria Ltd.	Limited	Nigeria	26, Ladipo Bateye Street, G.R.A., Ikeja, Lagos.	Distribution	100%	99.89%	18.05.01
Amadeus Marketing Phils Inc.	Inc.	Philippines	36th Floor, LKG Tower Ayala Avenue, Makati City.	Distribution	100%	99.89%	09.06.97
Amadeus Marketing Romania S.R.L.	S.R.L.	Romania	246C Calea Floreasca, Sky Tower Building, 19th floor, 014476, Bucharest.	Distribution	100%	99.89%	22.01.03
Amadeus Marketing (Schweiz) AG	AG	Switzerland	Pfingstweidstrasse 60. Zurich CH 8005.	Distribution	100%	99.89%	14.06.94
Amadeus Marketing (UK) Ltd.	Limited	U.K.	3rd Floor First Point, Buckingham Gate, Gatwick, West Sussex RH6 ONT.	Distribution	100%	99.89%	13.07.88
Amadeus México, S.A. de C.V. (11)	Sociedad Anónima	Mexico	Pº de la Reforma nº 265, Piso 11. Col. Cuauhtemoc 06500 México D.F.	Distribution	100%	99.89%	13.02.95

Amadeus IT Group, S.A.

Annual Accounts for the year ended December 31, 2016

Notes to the annual accounts (millions of euros)

Name	Type of company	Country	Registered Address	Activity	Investment 31/12/2016 (%) (1) (2)	Investment 31/12/2015 (%) (1) (2) (3)	Date of acquisition or creation (4)
Amadeus North America Inc. (5)	Inc.	U.S.A.	3470 NW 82nd Avenue Suite 1000 Miami, Florida 33122.	Distribution	100%	99.89%	28.04.95
Amadeus Norway AS (8)	AS	Norway	Post boks 6645, St Olavs Plass, NO-0129 Oslo.	Distribution	100%	99.89%	31.08.02
Amadeus Paraguay S.R.L.	S.R.L.	Paraguay	Luis Alberto de Herrera 195 esquina Fulgencio Yegros. Edificio Inter Express - Piso 2, Oficina 202, Asunción.	Distribution	100%	99.89%	13.03.95
Amadeus Perú S.A.	Sociedad Anónima	Peru	Víctor Andrés Belaunde, 147. Edificio Real 5, Oficina 902. San Isidro, Lima.	Distribution	100%	99.89%	12.10.95
Amadeus Polska Sp. z o.o.	Sp. z o.o.	Poland	ul. Domaniewska 49, Warsaw 26-672.	Distribution	100%	99.89%	17.12.92
Amadeus Revenue Integrity Inc. (5)	Inc.	U.S.A.	3530 E. Campo Abierto, Suite 200, Tucson, AZ – 85718.	Information technology	100%	99.89%	07.11.03
Amadeus Rezervasyon Dağıtım Sistemleri A.Ş.	Anonim Şirketi	Turkey	Muallim Naci Caddesi 81 Kat 4. Ortaköy 80840 İstanbul.	Distribution	100%	99.89%	11.05.94
Amadeus S.A.S.	Société par Actions Simplifiée	France	Les Bouillides, 485 Route du Pin Montard. Boite Postale 69. F-06902 Sophia Antipolis Cedex.	Software development and software definition	100%	99.89%	02.05.88
Amadeus Scandinavia AB	Limited	Sweden	Hälsingegatan 49 6tr, Box 6602 SE-113 84 Stockholm.	Distribution	100%	99.89%	31.08.02
Amadeus Services Ltd.	Limited	U.K.	World Business Centre 3. 1208 Newall Road. Heathrow Airport. Hounslow TW6 2RB Middlesex.	Software development	100%	99.89%	20.07.00
Amadeus Slovenija, d.o.o.	D.o.o	Slovenia	Dunajska 122, 1000 Ljubljana.	Distribution	100%	-	15.04.16
Amadeus Software Labs India Private Limited (11)	Limited	India	6th Floor, Etamin Block, Prestige Technology Park-II, Marathahalli-Srajapur Outer Ring Road, 560103 Bangalore.	Software development and software definition	100%	99.89%	21.02.12

Amadeus IT Group, S.A.

Annual Accounts for the year ended December 31, 2016

Notes to the annual accounts (millions of euros)

Name	Type of company	Country	Registered Address	Activity	Investment 31/12/2016 (%) (1) (2)	Investment 31/12/2015 (%) (1) (2) (3)	Date of acquisition or creation (4)
Amadeus Soluciones Tecnológicas, S.A. Sociedad Unipersonal	Sociedad Anónima	Spain	Edificio Iris, Ribera del Loira 4-6, 28042, Madrid.	Distribution	100%	99.89%	23.09.98
Amadeus Taiwan Co. Ltd.	Limited	Taiwan	12F, No. 77 Sec.3, Nan-Jing E. Rd. Taipei City.	Distribution	100%	99.89%	10.07.08
Amadeus Verwaltungs GmbH	GmbH	Germany	Unterreut 6. 76135 Karlsruhe.	Holding of shares	100%	99.89%	21.06.05
Content Hellas Electronic Tourism Services S.A.	Limited Liability Company	Greece	157, Syngrou Av., 3rd floor, N. Smyrni, 17121 Athens.	Distribution	100%	99.89%	14.09.09
CRS Amadeus America S.A. (13)	Sociedad Anónima	Uruguay	Av. 18 de Julio 841. Montevideo 11100.	Regional support	100%	99.89%	22.07.93
Enterprise Amadeus Ukraine	Limited Liability Company	Ukraine	45a, Nyzhnoyurkivska Str, Kyiv, 04080.	Distribution	100%	99.89%	22.10.04
Gestour S.A.S.	Société par Actions Simplifiée	France	16, Avenue de l'Europe, 67300 Schiltigheim.	Software development	100%	99.89%	01.06.10
Hotel Concepts USA LLC (9)	LLC	U.S.A.	1389 Peachtree Street NE Suite 320 Atlanta, GA 30309.	Distribution and Software development	-	99.89%	21.07.15
i:FAO AG (14)	AG	Germany	Clemensstrasse 9 60487 Frankfurt am Main.	Holding of shares	70.72%	70.14%	25.06.14
i:FAO Bulgaria EOOD (14)	EOOD	Bulgaria	Antim Tower, Level 15 2 Kukush Street, 1309 Sofia.	Software development	70.72%	70.14%	25.06.14
i:FAO Group GmbH (14)	GmbH	Germany	Clemensstrasse 9 60487 Frankfurt am Main.	Distribution and Software development	70.72%	70.14%	25.06.14
iTesso B.V.(15)	B.V.	The Netherlands	Chasséveld 15-G 4811 DH Breda.	Distribution and Software development	100%	99.89%	21.07.15

Amadeus IT Group, S.A.

Annual Accounts for the year ended December 31, 2016

Notes to the annual accounts (millions of euros)

Name	Type of company	Country	Registered Address	Activity	Investment 31/12/2016 (%) (1) (2)	Investment 31/12/2015 (%) (1) (2) (3)	Date of acquisition or creation (4)
ITS RezExchange B.V. (15)	B.V.	The Netherlands	Chasséveld 15-G 4811 DH Breda.	Distribution and Software development	-	99.89%	21.07.15
Latinoamérica Soluciones Tecnológicas SPA (16)	SPA	Chile	Isidora Goyenechea 2939 P/10, Las Condes, Santiago.	Distribution	100%	99.89%	21.02.14
Navitaire LLC	LLC	U.S.A.	333 South Seventh Street Suite 1800, 55402 Minneapolis.	Software development	100%	-	26.01.16
Navitaire Philippines Inc.	Inc.	Philippines	8767 Paseo De Roxas, Metro Manila, 16F Philamlife Tower, 1200, Makati City, Manila.	Software development	100%	-	26.01.16
Newmarket International Software (Shanghai) Co.Ltd.. (5)	Limited	China	1709 You You International Plaza, No.76 Pujian Road, Pudong New Area 200127 Shanghai.	Distribution and Software development	100%	99.89%	05.02.14
NMC d.o.o. Skopje	D.o.o	Macedonia	Gradski Zid, Blok 4/8, 1000 Skopje.	Distribution	51%	-	15.04.16
NMC Eastern European CRS B.V. (17)	B.V.	The Netherlands	Westblaak 89, 3012 KG Rotterdam.	Distribution	-	99,89%	30.06.98
NMC Tirana sh.p.k.	Sh.p.k.	Albania	Bulevardi Deshmoret e Kombit, Tirana.	Distribution	100%	-	15.04.16
NMTI Holdings, Inc. (5)	Inc.	U.S.A.	Corporation Trust Center, 1209 Orange Street, Wilmington, County of New Castle, Registry of Delaware 19801 - Delaware 4326008.	Holding of shares	100%	99.89%	05.02.14
Pixell online marketing GmbH (18)	GmbH	Germany	Mozartstr. 4bD-53115 Bonn.	Distribution and Software development	100%	99.89%	09.03.10
Private Enterprise 'Content Ukraine' (19)	Limited Liability Company	Ukraine	45-A Nyzhniourkivska Street, Kyiv 04080.	Distribution	100%	99.89%	23.08.06
Pyton Communication Services B.V. (17)	B.V.	The Netherlands	Schatbeurderlaan 10, Postbus 116 6002 AC Weert.	Distribution	100%	99.89%	21.08.15

Amadeus IT Group, S.A.

Annual Accounts for the year ended December 31, 2016

Notes to the annual accounts (millions of euros)

Name	Type of company	Country	Registered Address	Activity	Investment 31/12/2016 (%) (1) (2)	Investment 31/12/2015 (%) (1) (2) (3)	Date of acquisition or creation (4)
Pyton Communication Services Deutschland GmbH (20)	GmbH	Germany	Kölnher Straße 7A D - 51789 Lindlar.	Distribution	100%	99.89%	21.08.15
SIA Amadeus Latvija	SIA	Latvia	8 Audeju Street, LV-1050 Riga.	Distribution	100%	99.89%	31.08.02
Sistemas de Distribution Amadeus Chile, S.A.	Sociedad Anónima	Chile	Marchant Pereira No 221, piso 11. Comuna de Providencia, Santiago.	Distribution	100%	99.89%	06.05.08
Sistemas de Reservasiones CRS de Venezuela, C.A.	C.A.	Venezuela	Av. Francisco de Miranda, Edif. Parque Cristal, Torre Este, Piso 3, Ofic 3 - 7A, Urb. Los Palos Grandes, Cod. Postal 1060, Caracas.	Distribution	100%	99.89%	14.11.95
Travel Audience, GmbH (18)	GmbH	Germany	Elsenstraße 106 12435 Berlin.	E-Commerce	100%	99.89%	23.11.11
Traveltainment GmbH	GmbH	Germany	Carlo-Schmid-Straße 12 52146 Würselen/Aachen.	Software development	100%	99.89%	27.09.06
Traveltainment UK Ltd. (13) (18)	Limited	U.K.	Unit 102 Culley Court, Orton Southgate, Peterborough, PE2 6WA.	Software development	100%	99.89%	27.09.06
Tshire Travel Solutions and Services (PTY) Ltd. (21)	Pty Ltd.	Sudáfrica	Turnberry Office Park. 48 Grosvenor Road, Bryanston. 2021 Johannesburg.	Distribution	-	-	01.07.11
UAB Amadeus Lietuva	UAB	Lithuania	Olimpieciu 1A-9B, LT-09200, Vilnius.	Distribution	100%	99.89%	31.08.02
UFIS Airport Solutions AS	AS	Norway	Cort Adellers gate 17, 0254 Oslo.	Holding of shares	100%	99.89%	24.01.14
UFIS Airport Solution Holding Ltd. (22) (23)	Limited	Thailand	Suvarnabhumi Airport Operation Building, 999 Moo 1, Suite Z4-007, Bangna-Trad KM 15 Road, Nong Prue, Bang Phli, Samutprakarn 10540.	Holding of shares	49%	48.95%	24.01.14
UFIS Airport Solutions (Thailand) Ltd. (22) (24)	Limited	Thailand	Suvarnabhumi Airport Operation Building, 999 Moo 1, Suite Z4-007, Bangna-Trad KM 15 Road, Nong Prue, Bang Phli, Samutprakarn 10540.	Software development	74%	73.92%	24.01.14

Amadeus IT Group, S.A.

Annual Accounts for the year ended December 31, 2016

Notes to the annual accounts (millions of euros)

Name	Type of company	Country	Registered Address	Activity	Investment 31/12/2016 (%) (1) (2)	Investment 31/12/2015 (%) (1) (2) (3)	Date of acquisition or creation (4)
UFIS Airport Solutions Pte Ltd (13) (25)	Limited	Singapore	300 Beach Road #14-06, The Concourse, Singapore 199555.	Software development	100%	99.89%	24.01.14
<u>Joint ventures and associates</u>							
Amadeus Algeria S.A.R.L.	S.A.R.L.	Algeria	06, Rue Ahcène Outaleb 'les Mimosas' Ben Aknoun.	Distribution	40%	39.96%	27.08.02
Amadeus Egypt Computerized Reservation Services S.A.E. (26)	S.A.E.	Egypt	Units 81/82/83 Tower A2 at Citystars. Cairo.	Distribution	100%	99.89%	28.03.05
Amadeus Gulf L.L.C.	Limited Liability Company	United Arab Emirates	7th Floor, Al Kazna Insurance Building, Banyas Street. P.O. Box 46969. Abu Dhabi.	Distribution	49%	48.95%	27.12.03
Amadeus Libya Technical Services JV	Limited Liability Company	Libya	Abu Kmayshah st. Alnofleen Area, Tripoli.	Distribution	25%	24.97%	08.10.09
Amadeus Maroc S.A.S.	S.A.S.	Morocco	Route du Complexe Administratif. Aéroport Casa Anfa. BP 8929, Hay Oulfa. Casablanca 20202.	Distribution	30%	29.97%	30.06.98
Amadeus Qatar W.L.L.	W.L.L.	Qatar	Al Darwish Engineering W.W.L. Building n° 94 'D' Ring road 250. Hassan Bin Thabit – Street 960. Doha.	Distribution	40%	39.96%	03.07.01
Amadeus Saudi Arabia Limited (26) (27)	Limited	Saudi Arabia	3 <sup>rd</sup> Floor, Diner's Square Center, King Abdulaziz Road P.O. Box no. 16196 Jeddah 21464.	Distribution	100%	99.89%	06.05.04
Amadeus Sudani co. Ltd.	Limited	Sudan	Street 3, House 7, Amarat. Khartoum 11106.	Distribution	40%	39.96%	21.09.02
Amadeus Syria Limited Liability (26)	Limited	Syria	Shakeeb Arslan Street Diab Building, Ground Floor. Abu Roumaneh, Damascus.	Distribution	100%	99.89%	04.12.08
Amadeus Tunisie S.A.	Société Anonyme	Tunisia	41 bis. Avenue Louis Braille. 1002 Tunis – Le Belvedere.	Distribution	30%	29.97%	06.09.99
Amadeus Yemen Limited (26)	Limited	Yemen	3 <sup>rd</sup> Floor, Eastern Tower, Sana'a Trade Center, Algeria Street, PO Box 15585, Sana'a.	Distribution	100%	99.89%	31.10.08

Amadeus IT Group, S.A.

Annual Accounts for the year ended December 31, 2016

Notes to the annual accounts (millions of euros)

Name	Type of company	Country	Registered Address	Activity	Investment 31/12/2016 (%) (1) (2)	Investment 31/12/2015 (%) (1) (2) (3)	Date of acquisition or creation (4)
Hiberus Travel IO Solutions, S.L.	S.L.	Spain	Parque Empresarial Plaza, Calle Bari, 25 Duplicado, 50197, Zaragoza.	Software development	24.88%	24.85%	14.05.15
Jordanian National Touristic Marketing Private Shareholding Company	Limited	Jordan	Second Floor, nº 2155, Abdul Hameed Shraf Street Shmaisani. Amman.	Distribution	50%	49.95%	19.05.04
Moneydirect Americas Inc. (28) (29)	Inc.	U.S.A.	2711 Centerville Road, Suite 400, Wilmington, 19808 Delaware.	Software development	-	49.95%	14.02.08
Moneydirect Limited (13)	Limited Liability Company	Ireland	First Floor, Fitzwilton House, Wilton Place, Dublin.	Electronic payment services	50%	49.95%	20.12.07
Qivive GmbH (13) (30)	GmbH	Germany	c/o Rechtsanwälte Amend Minnholzweg 2b. 61476 Kronberg im Taunus.	Information technology	33.33%	33.29%	26.02.03



- (1) In certain cases, companies are considered to be wholly-owned subsidiaries, even though local statutory obligations require them to have more than one shareholder or a specific percentage of the capital stock owned by citizens and/or legal entities of the country concerned. These shareholders are not entitled to any economic right.
- (2) Unless otherwise stated, all share percentages are direct.
- (3) The share percentage, at December 31, 2015, was held through Amadeus IT Group, S.A., company absorbed in the merger mentioned in the Note 2.5.
- (4) In the case of various investments or capital increases, the date of acquisition or creation refers to the first one.
- (5) The share percentage in these companies is held through Amadeus Americas, Inc.
- (6) The share percentage in this company is 95% direct and 5% indirect, through Amadeus Soluciones Tecnológicas, S.A. Sociedad Unipersonal.
- (7) The share percentage in this company is held through Amadeus Verwaltungs GmbH.
- (8) The share percentage in these companies is held through Amadeus Scandinavia AB.
- (9) On May 31, 2016, the companies Hotel Concepts USA LLC and Newmarket International, Inc. were merged. The resulting company was named Amadeus Hospitality Americas, Inc. Before the merger the participation in this company was indirect through iTesso B.V.
- (10) On August 1, 2016, with retroactive effective since January 1, 2016, the Company and the subsidiary Amadeus IT Group S.A. were merged. The resulting company was named Amadeus IT Group S.A.
- (11) The share percentage in this company is 98% direct and 2% indirect, through Amadeus Soluciones Tecnológicas, S.A. Sociedad Unipersonal.
- (12) The share percentage in this company is 99.99 % indirect, through Amadeus S.A.S. and 0.01% through Amadeus Asia Limited.
- (13) These companies are in the process of being liquidated.
- (14) The share percentage in these companies is held through Amadeus Corporate Business, AG.
- (15) On December 31, 2016, the companies Itesso B.V. and ITS RezExchange B.V. were merged. The resulting company was named Itesso B.V.
- (16) The share percentage in this company is held through Sistemas de Distribution Amadeus Chile, S.A.
- (17) On October 1, 2016, the companies NMC Eastern European Computerised Reservation Services B.V. and Pyton Communication Services B.V. were merged. The resulting company was named Pyton Communication Services B.V.
- (18) The share percentage in these companies is held through Traveltainment AG.
- (19) The share percentage in these companies is held through Enterprise Amadeus Ukraine.
- (20) The share percentage in this company is held through Pyton Communication Services B.V.
- (21) The control of this company is held through Amadeus Integrated Solutions Pty Ltd.
- (22) The control of this company is held through Amadeus Asia Limited.
- (23) The Company controls 79.35% of the voting rights of this company.
- (24) The share percentage in this company is 49% indirect through Amadeus Asia Limited and 25% indirect through UFIS Airport Solutions Holding Ltd. The Company controls 89.47% of the voting rights of this company.
- (25) The share percentage in this company is held through UFIS Airport Solutions AS.
- (26) These companies are considered joint ventures, as the Company does not have control over them according to contractual agreements. There are no restrictions for transferring funds.
- (27) The share percentage in this company is 95% direct and 5% indirect, through Pyton Communication Services, B.V.
- (28) The share percentage in these companies is held through Moneydirect Limited.

Amadeus IT Group, S.A.  
Annual Accounts for the year ended December 31, 2016  
Notes to the annual accounts (millions of euros)

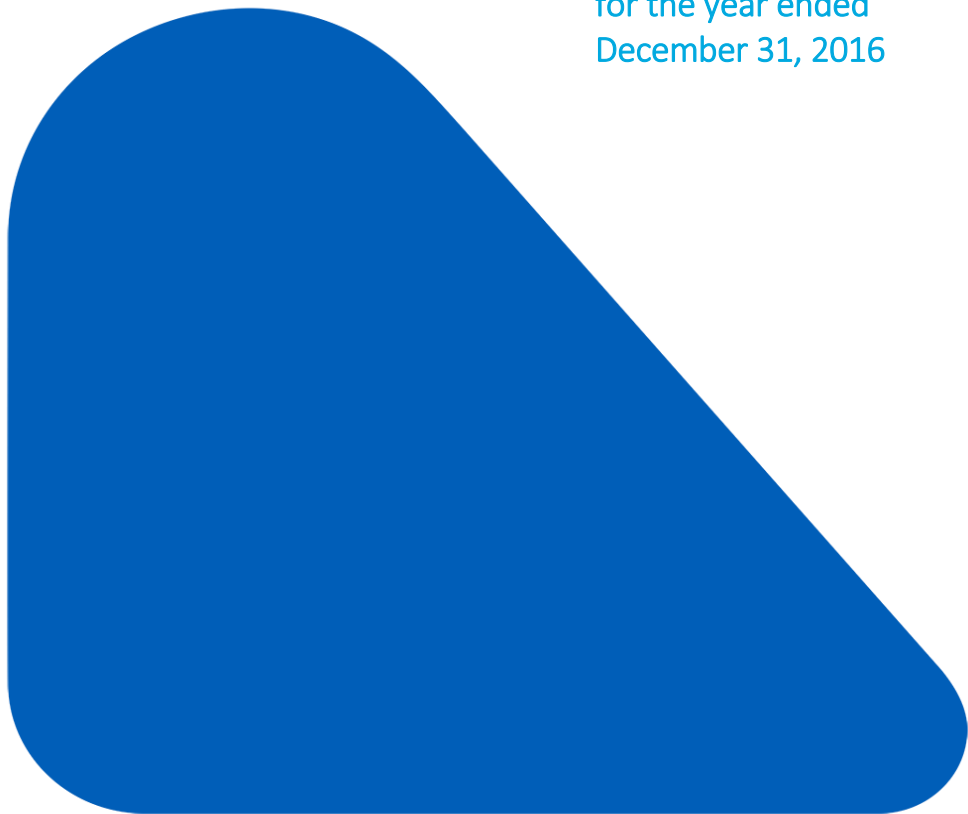
(29) This company has been liquidated during 2016.

(30) The share percentage in this company is held through Amadeus Germany GmbH.

Amadeus IT Group, S.A.

---

Directors' Report  
for the year ended  
December 31, 2016



## DIRECTORS' REPORT OF AMADEUS IT GROUP, S.A.

Given the structure and operative processes of Amadeus Group, the Management considers that the Group Directors' Report shows a more adequate overview of the Group activity than the standalone financial information of Amadeus IT Group, S.A. The aforementioned report is part of the consolidated annual accounts.

### 1. INTRODUCTION

The management team continued its focus on strengthening the value proposition for our clients. On one side, securing the most comprehensive content for our travel agency subscribers and on the other, widening our global reach via market share gains and building our product portfolio and functionalities, both in the Distribution and the IT Solutions businesses. We continue to invest in order to maintain our technology leadership position and our competitive edge, and aim to strengthen our leadership position in all of our businesses whilst expanding our reach, particularly in our new initiatives in the IT Solutions businesses.

The following are some selected business highlights for 2016:

#### Distribution

In 2016, over 70% of airline bookings made through the Amadeus system were with airlines that had content agreements with Amadeus. During this year, new contracts or renewals of existing content agreements were signed with 46 carriers, including Emirates, LATAM Airlines Group, Etihad Airways, easyJet and Kenia Airways.

Low cost content is increasingly demanded among corporate travellers. Subscribers to Amadeus' inventory can now access content of more than 90 low cost and hybrid carriers worldwide, including Chinese low cost carrier Spring Airlines, which signed a content agreement in April, amongst others.

Our customers continued to contract our merchandising solutions. At the end of the year 66% of the bookings made through the Amadeus system were eligible to carry a merchandising item, and more than 40 global online travel agencies (including Fareportal and Ozon, in the fourth quarter), had integrated Amadeus merchandising solutions.

At year-end, 120 airlines had contracted Amadeus Airline Ancillary Services to be able to offer ancillary services in the indirect channel (of which 91 had implemented the solution). At the end of the year, 165 airlines had contracted Amadeus Airline Ancillary Services to be able to offer ancillary services in the indirect or the direct channel or both (of which 125 had been implemented at year-end).

In turn, the Amadeus Fare Families solution, which allows airlines worldwide to distribute branded fares to travellers in the indirect channel, continued its expansion. At the end of the year, 52 airlines had contracted the solution, out of which 33 had implemented it.

KAYAK, the world's leading travel search engine, implemented Amadeus Master Pricer with Instant Search technology in October. This revolutionary solution delivers online search results in milliseconds without compromising accuracy. Every one second of improvement in search response time for consumers can translate into an increase in conversion rates.

In 2016, Amadeus launched two innovative products: Amadeus Ticket Changer Shopper (ATC) and Amadeus Selling Platform Connect. ATC is the world's first self-service online rebooking solution that allows travellers to further personalise their bookings. In turn, Amadeus Selling Platform Connect is the world's first fully cloud-based GDS booking and fulfilment platform, available in any device without the hassle of a complicated installation.

## IT Solutions

### Airline IT:

In January Amadeus announced that, following regulatory approval, it had completed the acquisition of Navitaire, a provider of technology and business solutions to the airline industry, from Accenture, for €766.5 million. The addition of Navitaire's portfolio of products and solutions for the low-cost and hybrid segments complements Amadeus' Altéa Suite of offerings for its largely full-service carrier customer base, giving the company the ability to serve a wider group of airlines.

At the end of 2016, more than 175 airlines had contracted either of the Amadeus Passenger Service Systems (Altéa or New Skies), and more than 165 had implemented them.

In 2016, both Malaysia Airlines and Kuwait Airways selected Amadeus as their new Passenger Services System provider. Swiss International Air Lines, Brussels Airlines, Ukraine International Airlines and China Airlines were among the airlines that implemented the Amadeus Altéa solutions during 2016.

The Lufthansa Group, which was already an Altéa Reservation, Inventory and Departure Control Customer Management user, contracted to complete the full Amadeus Altéa Suite across all its network carriers through the addition of Amadeus Altéa Departure Control Flight Management.

Virgin Australia also implemented Amadeus Altéa Departure Control Flight Management for its aircraft control processes and to benefit from Altéa operational excellence for fuel savings, agent productivity and flight safety.

Avianca renewed its commitment to Amadeus Altéa Suite long term, and also became the launch customer for Amadeus Anytime Merchandising. As such, Avianca will benefit from unique merchandising capabilities including the ability to reach more travellers at any stage of their trip through the Amadeus global travel ecosystem, and advanced segmentation capabilities and support for many different types of ancillary services that will help the airline deliver on travellers' expectations by providing relevant and attractive offers throughout the entire trip cycle. Avianca is also launching Amadeus Customer Experience Management, allowing Avianca to intimately understand its customers and deliver highly personalised offers.

Malaysia Airlines selected, on top of the Amadeus Passenger Service System solution mentioned above, Amadeus Anytime Merchandising and our e-commerce solutions to transform its passenger services, explore and develop new revenue streams and improve the online shopping experience for travellers.

Swiss International Air Lines and Amadeus announced a partnership to develop Amadeus Passenger Recovery, a new tool that will allow the airline to re-accommodate disrupted passengers and which will be integrated with the Altéa Suite.

Eva Air migrated to Amadeus Altéa Revenue Management Suite, which will enable the airline to price airline packages and offers based on travellers' price sensitivity and travel purpose. Singapore Airlines also contracted this solution in addition to Amadeus Dynamic Pricing and Amadeus Group Manager.

TAP Portugal implemented Amadeus Rich Merchandising in the last quarter of 2016. This product allows the airlines' customers and partners to see images of exactly what they're booking.

During the summer, Amadeus became one of the first industry players to receive the highest level (3) of NDC certification from IATA. Airlines using Amadeus' new Altéa NDC solution will have the option to distribute their prices and fares, including ancillary and fare family content, using NDC Offers & Orders.

## Hospitality

During the year, we have continued working with Intercontinental Hotels Group in the development of a new-generation Guest Reservation System for the hospitality industry, and the integration of Itesso and Hotels SystemsPro acquisitions.

In August, Amadeus and Zingle, a leading provider of mobile messaging software platforms, announced a partnership to integrate Zingle's technology with Amadeus' hospitality optimisation solutions. Thanks to this partnership hotels will be able to integrate the mobile texting and messaging technology they need to better service and communicate with their clients.

Amadeus signed a partnership with DerbySoft, a market leader in hospitality distribution technology, to connect hotels of all sizes to metasearch engines and online travel agents.

## Airport IT

Looking for a more efficient passenger departure experience, as well as, substantially reduce costs and energy consumption, in March Quebec City's Jean Lesage International Airport announced that it will implement Amadeus Airport Common Use Service (ACUS). Also ASA, which owns Cape Verde's seven airports and ground handling company Cabo Verde Handling, contracted Amadeus Airport Common Use Service (ACUS) and Altéa Departure Control in four international airports.

At the beginning of the year, Copenhagen Airports and Amadeus announced that the company that owns and operates the Copenhagen airports of Kastrup and Roskilde had chosen to harness the power of the cloud through a ten-year IT partnership with Amadeus, which included Airport Collaborative Decision Making Portal, Airport Operational Database and Baggage Reconciliation System solutions. At the end of the year, Copenhagen Airports had successfully implemented Amadeus Airport Sequence Manager and A-CDM Portal solutions.

## Rail

AccesRail, an IATA travel partner and content aggregator specialising in intermodal travel, strengthened its commitment to a door-to-door travel future through an extended partnership with Amadeus. Using Amadeus' Air-Rail Display, travel agents are now able to book 18 rail and bus operators across 26 countries on the same screen as air travel. This link allows railways to broaden their reach in a key sales channel and increase revenue.

## Travel Intelligence

Amadeus launched two new innovative solutions in 2016: Amadeus Performance Insight, a cloud-based open architecture solution that allows airlines of all sizes to better understand their performance and use that data to take more informed business decisions; and Amadeus Booking Analytics, a solution used by airlines to monitor bookings using different criteria (such as per route, per agency point of sale or per airline) and act upon them.

## Payments

During the first quarter of 2016 Amadeus launched B2B Wallet Prepaid, a virtual card payment solution which allows travel agencies to improve cash flow management when paying for travel content. Later in 2016 the offering was enhanced through two key partnerships: A partnership with MasterCard, to offer travel agencies payment acceptance and security worldwide, as well as further protection against supplier default in B2B Wallet. A second partnership with Ixaris, allowing travel agencies to easily create and add funds to their virtual payment cards.

## Mobile

Amadeus and The Boston Consulting Group (BCG) launched a new itinerary management app for the consulting firm's entire workforce worldwide. This new app is based on Amadeus Mobile Platform and was personalised for BCG's travel needs.

## Additional news for 2016

For the fifth consecutive year, Amadeus earned the prestigious recognition of being included in the Dow Jones Sustainability Index in the IT & Internet Software and Services sector. The Dow Jones Sustainability Indices (DJSI) are made up of global sustainability leaders based on economic, environmental, and social criteria; and are widely regarded as the most prominent standards for evaluating sustainability performance available to investors.

An independent London School of Economics study commissioned by Amadeus, 'Travel distribution: the end of the world as we know it?', finds that gatekeepers, 'mega meta online travel agencies', and artificial intelligence are changing the future of travel distribution. The paper draws insights from business leader interviews, data analysis and a major sector-specific survey spanning all global markets.

Amadeus also commissioned a new report on Airline Disruption. Written by T2RL, the report finds that incidents such as bad weather, natural disasters and strike action all contribute to air travel disruption, which costs airlines up to \$60 billion annually in lost revenues, equating to 8% of global industry revenues.

On November 2016, Laurens Leurink was appointed Senior Vice President, Distribution, taking over from Holger Taubmann. Laurens brings financial, commercial and strategic acumen as well as deep travel industry knowledge to Amadeus. Laurens is a member of the Executive Committee of Amadeus since January 2017.

## 2. ECONOMIC RESULTS

As a consequence of the merger described in the Note 2.5 of the annual accounts, it is worth to be considered that the information for the years 2015 and 2016 is not comparable. Therefore, for better comprehension of this Directors Report, for comparison purposes the information for the year 2015 corresponds to the Absorbed Company, while the information for the year 2016 corresponds to the resulting company after the merger process.

### 2.1 Results of operations

#### 2.1.1 Operating revenue

Trade revenue for the year ended December 31, 2016 was €3,955.8 million, while for the same twelve-month period ended December 31, 2015 was €3,612.7 million, which represents an increase of 9.5%.

The Company's revenue comes mainly from the Distribution and IT Solutions areas.

Revenue from the Distribution area was €2,905.5 million for the year ended December 31, 2016 which represents a 73.5% of the total trade revenue. The amount of this kind of revenue registered in the same twelve months period ended December 31, 2015 amounted to €2,712.9 million, with an increase of 7.1%.

Revenue from the IT Solutions area was €1,050.3 million for the year ended December 31, 2016 which represents a 26.5% of the total trade revenue. The amount of this kind of revenue registered in the same twelve months period ended December 31, 2015 amounted to €899.7 million, with an increase of 16.7%.

The total air travel agency bookings net of cancellations registered in the year ended December 31, 2016 was 534.9 versus 505 million bookings registered the same twelve-month period ended December 31, 2015, with an increase of 5.9%.

The total passengers boarded in the year ended December 31, 2016 was 838.3 versus 747.3 million registered the same twelve-month period ended December 31, 2015, with an increase of 12.2%.

#### 2.1.2 Operating expenses

Operating expenses for the year ended December 31, 2016 amounted to €3,688 million, while for the same twelve-month period ended December 31, 2015 were €3,196.7 million, which represents an increase of 15.4%.



The most significant operating expenses are the distribution fees paid to Amadeus Commercial Organisations (hereafter ACOs), travel agencies and airlines. During the year ended December 31, 2016 the distribution fees amounted to €912.5 million, whereas for the same period ended December 31, 2015 were €921.4 million.

Operating expenses, other than distribution fees, include mainly the following concepts:

- Data processing fees, which amounted to €455.5 million for the year ended December 31, 2016, registering an increase of 3% in comparison to the same twelve-month period ended December 31, 2015, when these costs amounted to €442.2 million.
- Personnel expenses (salaries and social costs), that for the year ended December 31, 2016 amounted to €103.7 million, whereas for the same twelve-month period ended December 31, 2015 amounted to €95.4 million, registering an increase of 8.7%.
- Amortisation expenses, which passed from €257.4 million for the year ended December 31, 2015 to €88.9 million for the year ended December 31, 2016, registering an increase of 189.5%.
- External services expenses, which include, among others, general and administrative expenses, central activities of publicity, public relations and conventions, as well as consultancy services. External services expenses for the year ended December 31, 2016 amounted to €49.9 million whereas for the same twelve-month period ended December 31, 2015 were €37 million.

### 2.1.3 Operating profits and net results

Operating profit decreased from €424.4 million for the twelve-month period ended December 31, 2015, to €340.2 million for the same period ended December 31, 2016, registering a decrease of 19.8%.

Finally, during financial year ended December 31, 2016 the Company has registered a net profit after taxes amounting to €701.1 million, whereas for same twelve-month period ended December 31, 2015, the net profit after taxes amounted to €523.9 million.

### Headcount

From a year-end perspective, the Amadeus staff as at December 31, 2016 amounted to 921 FTEs, whereas for 2015 amounted to 781 FTEs. The average FTEs during 2016 amounted to 855, while for 2015 amounted to 744, registering an increase of 14.9%.

## 3. FINANCIAL RISK AND CAPITAL MANAGEMENT

The Company has exposure, as a result of the normal course of its business activities, to foreign exchange, interest rate, own shares price evolution, credit and liquidity risk. The goal of the Company is to identify, measure and minimise these risks using the most effective and efficient methods to eliminate, reduce, or transfer such exposures. With the purpose of managing these risks, in some occasions, the Company enters into hedging activities with derivatives and non-derivative instruments.

### 3.1 Foreign exchange rate risk

The Company uses the Euro as its functional currency. As a result of the multinational orientation of its business, the Company is subject to foreign exchange rate risk derived from the fluctuations of different currencies. The Company's exchange rate hedging strategy aims to protect the EUR value of cash flows denominated in foreign currency. The instruments used to achieve this goal depend on the currency in which the operating cash flow to be hedged is denominated:

- The strategy used to cover US Dollar (USD) exposures is based on the use of a natural hedge and of derivatives. This strategy aims at reducing the exposure created by the USD denominated net operating cash inflows of the Company with the USD payments of principals of the USD denominated debt and with derivatives, although as of December 31, 2016, there is no USD denominated debt.
- Aside from the USD, the main foreign currency exposures are expenditures denominated in a variety of foreign currencies. The most significant of these exposures are denominated in Sterling Pounds (GBP), Indian Rupess (INR), Australian Dollars (AUD) and Swedish Kronas (SEK). For these exposures, a natural hedge strategy is not possible. In order to hedge a portion of the aforementioned exposures, the Company enters into derivative contracts with financial entities, basically currency forwards, currency options and combinations of currency options.

### 3.2 Interest rate risk

The objective of the Company in terms of interest rate risk management is to reduce the volatility of the net interest flows payable by the Company. At December 31, 2016, approximately 70.8% of the Company's borrowings are at fixed interest rate. Given the high proportion of fixed rate debt as of December 2016, no interest rate hedges were hedging this debt as of this date.

As of December 2016 the only outstanding interest rate derivative was hedging future debt that it is expected to be contracted during 2017 as part of new financing activity of the Company during that year.

Although the interest rate swaps which hedge the Company's debt fix the amount of interests to be paid in the coming years, their fair values are sensitive to changes in interest rates.

During 2016 there has been an increase in the sensitivity of the EUR denominated debt to the movements of the interest rate curve with respect to the previous year. This increase is due to the increase in the duration of the outstanding fixed rate debt portfolio due to the issuance of a new 4 year Eurobond during 2016, by the Group company Amadeus Capital Markets, S.A.U., whose funds where completely transferred to the Company. Although the future flows of this instrument are not sensitive to the changes in the level of interest rates, the fair value of the instrument is very sensitive to these changes.

In the case of the floating interest rate debt, the spread payable on this debt is fixed and therefore its fair value is sensitive to changes in the level of interest rates.

### 3.3 Own shares price evolution risk

The Company has three different remuneration schemes for managers and employees which are referenced to Company's shares: the Performance Share Plan (PSP), the Restricted Share Plan (RSP) and the Share Match Plan (SMP).

According to the conditions of these plans, at their maturity, the beneficiaries will receive a number of shares, that for the plans granted, will depend on the evolution of certain performance conditions.

### 3.4 Credit risk

Credit risk is the risk that a counterparty to a financial asset will cause a loss for the Company by failing to discharge an obligation.

The cash and cash equivalents of the Company are deposited in major banks based on the diversification and the credit risk offered by the different available investment options.

The credit risk of the customer accounts receivable of the Company is mitigated by the fact that the majority are settled through the clearing houses operated by International Air Transport Association ('IATA') and Airlines Clearing House, Inc. ('ACH'). These systems guarantee that the cash inflows from customers will be settled at a certain fixed date, and partially mitigate the credit risk by the fact that the members of the clearing houses are required to make deposits that would be used in the event of default. Moreover, the customer base of the Company is large and unrelated which results in a low concentration of the credit risk.

### 3.5 Liquidity risk

The Company is responsible for providing the cash needed by all the companies of the Group. In order to perform this task more efficiently the Company concentrates the excess liquidity of the subsidiaries with excess cash and channels it to the companies with cash needs.

This allocation of the cash position among the companies of the Group is mainly made through the following agreements:

- Cash pooling agreements with most of the subsidiaries located in the Euro area.
- Through bilateral treasury optimisation agreements between the Company and its subsidiaries.

The Company monitors the Group's cash position through rolling forecasts of expected cash flows. These forecasts are performed by all the companies of the Group and consolidated in order to examine both the liquidity situation and prospects of the Group.

Additionally, as described in Note 14, the Company has access to two 'Revolving Credit Facility'. Each of these two facilities has a notional of €500 million and can be used to cover working capital needs and general corporate purposes.

As of December 31, 2016, just €100 million of the outstanding Revolving Credit facilities were used and thus the unused part of these facilities amounted to €900 million.

## 3.6 Capital management

The Company manages its capital to ensure that the Group companies will be able to continue as a going concern while continuing to generate returns to shareholders and to benefit other stakeholders through the optimisation of the leverage ratio.

The Company bases its capital management decisions on the relationship between the earnings and free cash flows and its debt amount and debt service payments.

The credit rating granted by the agency Standard & Poor's Credit Market Service Europe Limited to the Company is 'BBB/A-2', during 2016 it was raised from stable to positive outlook. The credit rating granted to the Company by the agency Moody's Investors Service España S.A. is 'Baa2', with stable outlook. The Company considers that the ratings awarded, would allow access to the markets, if necessary, on reasonable terms.

## 4. EXPECTED BUSINESS EVOLUTION

### Macroeconomic backdrop and Amadeus business model

Amadeus is a leading technology provider to the travel industry. We connect the travel ecosystem -travel providers, travel sellers and travellers- at every stage of the journey. Our technology allows travel players to manage their operations with greater efficiency and serve their customers better. We operate stable and highly resilient transaction-based business models linked to global travel volumes (mainly bookings made by travel agencies connected to the Amadeus system, or passengers boarded by airlines using our IT solutions). Our businesses and operations are therefore largely dependent on the worldwide travel and tourism industry, which is sensitive to general economic conditions and trends.

The IMF confirmed in its World Economic Outlook Update in January 2017 that global economic growth should pick up pace in 2017, rising to 3.4% from a rate of 3.1% in 2016.

- Advanced economies are projected to grow 1.9% in 2017, representing a 0.3 p.p. lift vs. 2016 mainly attributable to the United States (2.3% in 2017, vs. 1.6% in 2016) which should benefit from fiscal stimulus, though the policy stance of the incoming administration is still uncertain. The Euro Area, the United Kingdom and Japan should grow 1.6%, 1.5% and 0.8% respectively.
- Emerging markets and developing economies are also expected to accelerate growth, from 4.1% in 2016 to 4.5% in 2017, reflecting normalization in countries which suffered from economic strains (e.g. Russia, Brazil). Projected growth in China stands at 6.5% for 2017.

This global economic uplift, combined with an expected increase in oil prices leads IATA to forecast a 5.1% air traffic increase in 2017 (vs. 5.9% in 2016) as the demand stimulus from lower oil prices and airfares starts to reverse. Middle East and Asia Pacific should remain once again the fastest growing regions (9.0% and 7.0% respectively). Air traffic should grow solidly in Africa (4.5%) and slightly rebound to 4.0% in Europe and Latin America, as terrorist attacks and economic difficulties strained both regions in the past year. Finally, the current forecast for North America, though tainted by uncertainty, is a 2.5% increase.

### Amadeus strategic priorities and expected business evolution in 2017

Amadeus has grown successfully by taking its business far beyond its initial origins as a Distribution system for airlines. We are now a critical technology partner for players right across the travel industry and keep widening the scope of the solutions we provide. In the past, our growth mainly came from expanding our global presence in Distribution and simultaneously building a solid Airline IT Solutions business. In the coming years, growth will come from new ways of enhancing these two businesses with solutions such as digital advertising, Corporate travel IT, merchandising and personalisation tools. This will be accompanied by growth from our new businesses, such as Airports or Hospitality as well as the synergies between the different verticals.

Amadeus sees the Travel and Technology industries as a space of growth, complexity and connectivity with the need to better service the traveller in a far more personalised manner. Our uniquely collaborative and inclusive development model is ideally suited to capture these opportunities. Many of our existing solutions – and all of our developing ones – are designed precisely to deliver this goal, of a more connected and personalised travel experience.

Specifically for 2017, we foresee healthy growth in Distribution driven by air traffic growth and an enhancement of our competitive position. In IT Solutions, we expect robust revenue growth, mainly as a result of organic growth, new implementations and upselling, as well as continued expansion in new business areas. Finally, two important milestones will be achieved during 2017. We will implement our first large US carrier customer, Southwest Airlines (the domestic passengers business), to our Altéa platform. We will also start the progressive roll-out of InterContinental Hotels Group to our new-generation Guest Reservation System platform.

Investing in technology is a key pillar to our success. In 2017, Amadeus will continue to invest in R&D to support long-term growth through new customer implementations, product evolution and portfolio expansion including non-air IT diversification, as well as internal technological projects.

Amadeus has a proven track record of operating a solid and resilient business model that generates strong free cash flow, allowing for continued and sustained investment in R&D and innovation as well as shareholder remuneration, while maintaining a flexible financial capital structure. Ordinary dividends paid have grown consistently every year since our IPO, at an average annual rate of 20%. We have complemented this with share repurchases in the past. We aim to continue to support this growth in the coming years based on our healthy cash generation profile and sound balance sheet.

In particular for the dividend from the profit of the year 2016, the Amadeus Board of Directors on December 15, 2016 (i) proposed a 50% pay-out target ratio for the year 2016 (the maximum percentage within the 40%-50% approved pay-out range) and (ii) approved the distribution of an interim dividend of €0.40 per share (gross), amounting to €174.9 million, effective on February 1, 2017. On June 2017, the Board of directors will submit a final gross dividend for approval to the General Shareholders Meeting of €0.94 per share, representing a 21.3% increase vs. prior year. Based on this, the proposed appropriation of the 2016 results included in the Annual Accounts of Amadeus IT Group, S.A. includes a total amount of €412.5 million corresponding to dividends pertaining to the financial year 2016.

## 5. RESEARCH AND DEVELOPMENT ACTIVITIES

Research and development (R&D) is core to the company's strategy and the key to a sustainable competitive advantage. In addition, R&D activities help increase efficiency and improve the Amadeus System functionality, as well as to reduce maintenance and operating costs.

The Group is continuously investing in its systems, including in the development of new products and functionalities, as well as the evolution of the existing platform, based on the latest state-of-the-art technology available. The Group has 16 development centres, including 3 regional centres and the central development sites in Nice and Bangalore.

Our R&D investment enables us to offer some of the most advanced, integrated and powerful business tools available in the market, in order to deliver a best-in-class service to airlines and travel agencies. Indeed, Amadeus offers enhanced functionalities, such as advanced search and booking engines, both for travel agencies and travel providers. In addition, our product offering addresses the Passenger Service Systems for airlines, enabling processes such as central reservation, inventory management, departure control and e-commerce, as well as providing direct distribution technologies. We are also expanding our airline IT Solutions offering and we are seeking to grow our market share within the non-airline IT Solutions markets, including the hotel, rail and airport IT markets.

## 6. TREASURY SHARES

During 2016, the company acquired 393,748 shares to comply with the exchange ratio agreed in the merger of the Company with the Absorbed Company Amadeus IT Group, S.A.

As of December 2016, 312,519 shares have been exchanged. Therefore, at the 2016 closing period, 81,229 shares have not been exchanged by the previous third party shareholders of the Absorbed company, Amadeus IT Group S.A.

Under the terms of the in force legislation and how was the announcement of the exchange ratio communicated, the shares of the Absorbed Company that were not presented in the exchange before the deadline, will be substituted by shares of the Absorbing Company and will be deposited for a 3 year period starting from the day of the deposit's constitution, all aforementioned complies with the exchange ratio foreseen in the article 117 of the Royal Decree 1/2010, July 2, by which the wording of the Spanish Capital Companies Act is approved and should act as proceeds.

Additionally, the company has allocated treasury shares, on December 31, 2015, to cover the remuneration schemes consisting in the delivery of shares to employees and/or managers. During 2016, the company delivered 774,872 shares to cover the remuneration schemes aforementioned.

## **7. SUBSEQUENT EVENTS**

On January 13, 2017, the Company announced the closing of the acceptance period for the tender offer it had launched on October 21, 2016 for outstanding i:FAO AG ('i:FAO') shares the Company did not already own (29.74%). i:FAO was acquired on June 23, 2014, indirectly through the subsidiary Amadeus Corporate Business AG and, as of December 31, 2015 the Group owned 70.26% of the shares of this entity. As a result of the tender offer, the Company has increased its shareholding in i:FAO to 88.725%. The total amount paid for the shares acquired through the tender offer was €28.6 million. i:FAO has now been delisted from the Frankfurt Stock Exchange.

## **8. CORPORATE GOVERNANCE ANNUAL REPORT AND COMPLEMENTARY INFORMATION**

The Annual Corporate Governance Report is part of the Directors' Report in accordance with the Spanish Capital Companies Act. The aforementioned report is submitted to the CNMV separately and it can be found on the website [www.cnmv.es](http://www.cnmv.es).

## BOARD OF DIRECTORS

Members of the Board of Directors on the date when the annual accounts and the Directors' Report were prepared.

### CHAIRMAN

José Antonio Tazón García

### VICE-CHAIRMAN

Guillermo de la Dehesa Romero

### EXECUTIVE DIRECTOR

Luis Maroto Camino

### DIRECTORS

Stuart Anderson McAlpine

Francesco Loredan

Clara Furse

David Webster

Pierre-Henri Gourgeon

Roland Busch

Mark Verspyck

### SECRETARY (non-Director)

Tomás López Fernebrand

### VICE-SECRETARY (non-Director)

Jacinto Esclapés Díaz

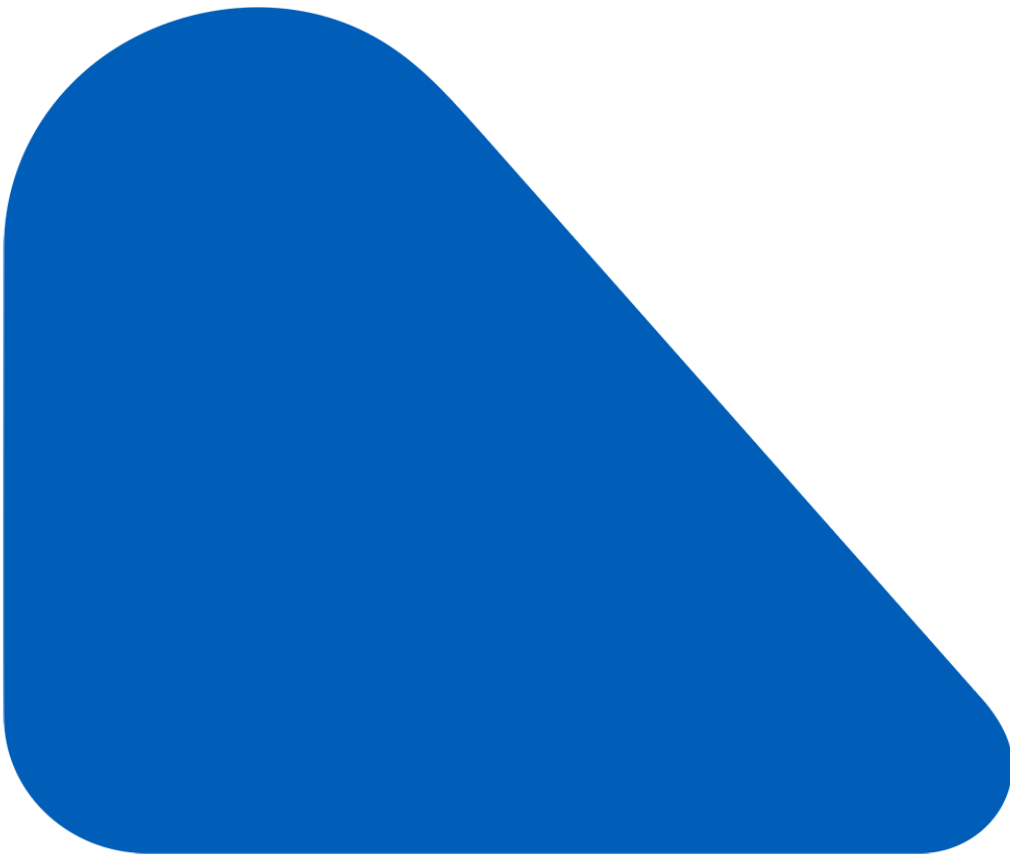
Madrid, February 23, 2017



Amadeus IT Group, S.A. and  
Subsidiaries

---

Consolidated Annual Accounts and Directors'  
Report for the year ended December 31, 2016



*Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain. In the event of a discrepancy, the Spanish-language version prevails.*

## INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED ANNUAL ACCOUNTS

To the Shareholders of  
Amadeus IT Group, S.A.:

### **Report on the Consolidated Annual Accounts**

We have audited the accompanying consolidated annual accounts of Amadeus IT Group, S.A. ("the Parent") and Subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated annual accounts for the year then ended.

#### *Directors' Responsibility for the Consolidated Annual Accounts*

The Parent's directors are responsible for preparing the accompanying consolidated annual accounts so that they present fairly the consolidated equity, consolidated financial position and consolidated results of Amadeus IT Group, S.A. and Subsidiaries in accordance with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain, identified in Note 2 to the accompanying annual accounts, and for such internal control as the directors determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these consolidated annual accounts based on our audit. We conducted our audit in accordance with the audit regulations in force in Spain. Those regulations require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation by the Parent's directors of the consolidated annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

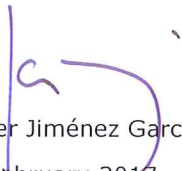
*Opinion*

In our opinion, the accompanying consolidated annual accounts present fairly, in all material respects, the consolidated equity and consolidated financial position of Amadeus IT Group, S.A. and Subsidiaries as at 31 December 2016, and their consolidated results and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain.

**Report on Other Legal and Regulatory Requirements**

The accompanying consolidated directors' report for 2016 contains the explanations which the Parent's directors consider appropriate about the situation of Amadeus IT Group, S.A. and Subsidiaries, the evolution of their business and other matters, but is not an integral part of the consolidated annual accounts. We have checked that the accounting information in the consolidated directors' report is consistent with that contained in the consolidated annual accounts for 2016. Our work as auditors was confined to checking the consolidated directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of Amadeus IT Group, S.A. and Subsidiaries.

DELOITTE, S.L.  
Registered in ROAC under no. S0692



Javier Jiménez García

23 February 2017

ASSETS	Note	31/12/2016	31/12/2015
Goodwill	7	2,793.3	2,478.9
Patents, trademarks, licenses and others		327.9	330.0
Technology and content		2,232.8	1,895.7
Contractual relationships		649.6	386.6
Intangible assets	8	3,210.3	2,612.3
Land and buildings		151.8	155.6
Data processing hardware and software		216.8	204.6
Other property, plant and equipment		91.1	87.8
Property, plant and equipment	9	459.7	448.0
Investments in associates and joint ventures	10	17.9	12.7
Other non-current financial assets	11	38.7	23.6
Non-current derivative financial assets	11 and 20	2.0	3.7
Deferred tax assets	21	21.6	13.2
Other non-current assets	12	138.3	95.2
<b>Total non-current assets</b>		<b>6,681.8</b>	<b>5,687.6</b>
Trade and other receivables		403.8	352.9
Trade accounts receivable	11	349.7	309.7
Income taxes receivable	21	54.1	43.2
Other current financial assets	11	21.6	15.1
Current derivative financial assets	11 and 20	6.3	14.9
Other current assets	12	210.5	222.0
Cash and cash equivalents	11 and 24	450.1	711.7
<b>Total current assets</b>		<b>1,092.3</b>	<b>1,316.6</b>
<b>TOTAL ASSETS</b>		<b>7,774.1</b>	<b>7,004.2</b>

	Note	31/12/2016	31/12/2015
<b>EQUITY AND LIABILITIES</b>			
Share Capital		4.4	4.4
Additional paid-in capital		616.5	615.2
Reserves		1,065.0	992.2
Treasury shares		(23.6)	(29.3)
Retained earnings		229.5	(6.4)
Profit for the year attributable to owners of the parent		825.5	683.9
<b>Total capital and reserves</b>		<b>2,717.3</b>	<b>2,260.0</b>
Cash flow hedges	20	(21.9)	7.2
Exchange differences on translation of foreign operations		71.2	24.5
Unrealised actuarial gains and losses		(30.8)	(20.8)
Unrealised gains reserve		18.5	10.9
Equity attributable to owners of the parent		2,735.8	2,270.9
Non-controlling interests		25.7	26.6
<b>Equity</b>	<b>15</b>	<b>2,761.5</b>	<b>2,297.5</b>
Non-current provisions	17	28.3	27.1
Non-current financial liabilities		1,449.0	1,318.8
Non-current debt	11 and 16	1,422.7	1,289.1
Non-current derivative financial liabilities	11 and 20	8.6	12.2
Other non-current financial liabilities		17.7	17.5
Deferred tax liabilities	21	680.0	725.3
Deferred revenue non-current	12	325.8	310.2
Other non-current liabilities	12	221.6	125.8
<b>Total non-current liabilities</b>		<b>2,704.7</b>	<b>2,507.2</b>
Current provisions	17	16.6	10.9
Current financial liabilities		1,171.1	1,200.6
Current debt	11 and 16	969.5	1,033.8
Other current financial liabilities	11	10.8	15.6
Interim dividend payable	3, 11 and 15	175.3	148.4
Current derivative financial liabilities	11 and 20	15.5	2.8
Trade and other payables		682.7	623.5
Trade accounts payable	11	650.5	601.9
Income taxes payable	21	32.2	21.6
Deferred revenue current	12	138.5	119.2
Other current liabilities	12	299.0	245.3
<b>Total current liabilities</b>		<b>2,307.9</b>	<b>2,199.5</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,774.1</b>	<b>7,004.2</b>

	Note	31/12/2016	31/12/2015
<b>Continuing operations</b>			
Revenue	6	4,472.9	3,912.7
Cost of revenue		(1,150.0)	(1,044.1)
Personnel and related expenses		(1,280.0)	(1,139.9)
Depreciation and amortization		(499.1)	(422.6)
Other operating expenses		(331.5)	(253.1)
Operating income	6	1,212.3	1,053.0
Financial income		1.7	2.6
Interest expense	23	(58.5)	(63.7)
Other financial expenses	23	(18.0)	(5.6)
Exchange gains		3.2	15.8
Financial expense, net		(71.6)	(50.9)
Other income / (expense)		3.1	1.8
Profit before income taxes		1,143.8	1,003.9
Income tax expense	21	(322.9)	(321.4)
Profit after taxes		820.9	682.5
Share in profit of associates and joint ventures accounted for using the equity method	10	5.4	3.4
<b>PROFIT FOR THE YEAR</b>		<b>826.3</b>	<b>685.9</b>
Profit for the year attributable to:			
Non-controlling interests		0.8	2.0
Owners of the parent		825.5	683.9
Earnings per share basic and diluted [in Euros]	22	1.89	1.57
Items that will not be reclassified to profit and loss:			
Actuarial gains and losses		(10.0)	2.2
Items that will be reclassified to profit or loss when specific conditions are met:			
Cash flow hedges		(29.1)	3.5
Exchange differences on translation of foreign operations		46.7	35.8
		17.6	39.3
Other comprehensive Income /(expense) for the year, net of tax		7.6	41.5
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>833.9</b>	<b>727.4</b>
Total comprehensive income for the year attributable to:			
Non-controlling interests		0.8	2.0
Owners of the parent		833.1	725.4

	Note	Share capital	Additional paid-in capital, reserves and retained earnings	Treasury shares	Profit for the year attributable to owners of the parent	Unrealized gains / (losses) reserves	Non-controlling interests	Total
<b>Balance at December 31, 2014</b>		<b>4.5</b>	<b>1,586.0</b>	<b>(349.3)</b>	<b>631.5</b>	<b>(30.6)</b>	<b>25.4</b>	<b>1,867.5</b>
Total Comprehensive income for the year		-	-	-	683.9	41.5	2.0	727.4
Complementary dividend	15	-	(165.9)	-	-	-	-	(165.9)
Interim dividend payable	15	-	(148.4)	-	-	-	-	(148.4)
Share Capital Reduction	15	(0.1)	(319.9)	320.0	-	-	-	-
Treasury shares acquisition	15	-	-	(2.5)	-	-	-	(2.5)
Treasury shares disposal	15	-	(2.5)	2.5	-	-	-	-
Recognition of share-based payment	19	-	18.5	-	-	-	-	18.5
Transfer to retained earnings		-	631.5	-	(631.5)	-	-	-
Other changes in equity		-	1.7	-	-	-	(0.8)	0.9
<b>Balance at December 31, 2015</b>		<b>4.4</b>	<b>1,601.0</b>	<b>(29.3)</b>	<b>683.9</b>	<b>10.9</b>	<b>26.6</b>	<b>2,297.5</b>
Total Comprehensive income for the year		-	-	-	825.5	7.6	0.8	833.9
Complementary dividend	15	-	(190.1)	-	-	-	-	(190.1)
Interim dividend payable	15	-	(174.9)	-	-	-	-	(174.9)
Treasury shares acquisition	15	-	-	(24.0)	-	-	-	(24.0)
Treasury shares disposal	15	-	(27.7)	29.7	-	-	-	2.0
Recognition of share-based payment	19	-	16.3	-	-	-	-	16.3
Transfer to retained earnings		-	683.9	-	(683.9)	-	-	-
Derecognition of non-controlling interest		-	0.7	-	-	-	(1.6)	(0.9)
Other changes in equity		-	1.8	-	-	-	(0.1)	1.7
<b>Balance at December 31, 2016</b>		<b>4.4</b>	<b>1,911.0</b>	<b>(23.6)</b>	<b>825.5</b>	<b>18.5</b>	<b>25.7</b>	<b>2,761.5</b>

	Note	31/12/2016	31/12/2015
<b>Cash flows from operating activities</b>			
Operating income		1,212.3	1,053.0
Adjustments for:			
Depreciation and amortization		499.1	422.6
Depreciation and amortization included in capitalization		(11.3)	(10.2)
Operating income before changes in working capital, net of amounts acquired		1,700.1	1,465.4
Trade accounts receivable		17.7	(21.4)
Other current assets		(96.3)	(19.0)
Trade accounts payable		24.1	39.4
Other current liabilities		60.8	65.3
Other non-current liabilities		87.4	18.9
Cash provided from operating activities		1,793.8	1,548.6
Taxes paid		(300.8)	(275.7)
Net cash provided from operating activities		1,493.0	1,272.9
<b>Cash flows from investing activities</b>			
Additions to property, plant and equipment		(105.1)	(106.3)
Additions to intangible assets		(490.0)	(443.8)
Investment in subsidiaries and associates		(760.8)	(116.9)
Interest received		0.1	0.3
Sundry investments and deposits		(27.4)	(4.3)
Loans to third parties		-	1.5
Cash proceeds collected - derivative agreements		3.6	38.5
Cash proceeds paid - derivative agreements		(4.0)	(35.8)
Disposals of sundry investments and loans		0.9	4.9
Dividends received		1.6	2.3
Proceeds obtained from disposal of non-current assets		10.1	0.2
Net cash used in investing activities		(1,371.0)	(659.4)
<b>Cash flows from financing activities</b>			
Payments for the acquisition of non-controlling interests in subsidiary		(1.1)	-
Proceeds from borrowings		2,388.2	1,338.2
Repayments of borrowings		(2,299.0)	(925.0)
Interest paid		(64.5)	(53.3)
Dividends paid		(338.5)	(307.3)
Acquisition of treasury shares	15	(24.0)	(291.3)
Cash proceeds paid - derivative agreements		(16.1)	(0.2)
Payments of finance lease liabilities and others		(31.8)	(36.1)
Net cash used in financing activities		(386.8)	(275.0)
Effect of exchange rate changes on cash and cash equivalents		2.8	0.3
Net increase/(decrease) in cash and cash equivalents		(262.0)	338.8
Cash and cash equivalents net at the beginning of year	24	711.6	372.8
Cash and cash equivalents net at the end of year	24	449.6	711.6



## Index

— 1 GENERAL INFORMATION AND ACTIVITY .....	9
— 2 BASIS OF PRESENTATION AND COMPARABILITY OF THE INFORMATION.....	10
— 3 PROPOSED APPROPRIATION OF THE PARENT COMPANY’S RESULT .....	11
— 4 ACCOUNTING POLICIES.....	13
— 5 FINANCIAL RISK AND CAPITAL MANAGEMENT .....	16
— 6 SEGMENT REPORTING .....	31
— 7 GOODWILL.....	35
— 8 INTANGIBLE ASSETS .....	38
— 9 PROPERTY, PLANT AND EQUIPMENT .....	40
— 10 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES.....	41
— 11 FINANCIAL ASSETS AND LIABILITIES AND FAIR VALUE MEASUREMENTS.....	41
— 12 DEFERRED REVENUE AND OTHER ASSETS AND LIABILITIES .....	43
— 13 BUSINESS COMBINATIONS.....	55
— 14 COMMITMENTS .....	62
— 15 EQUITY .....	64
— 16 CURRENT AND NON-CURRENT DEBT .....	69
— 17 PROVISIONS .....	72
— 18 RELATED PARTIES BALANCES AND TRANSACTIONS .....	75
— 19 SHARE-BASED PAYMENTS .....	79
— 20 DERIVATIVE FINANCIAL INSTRUMENTS.....	82
— 21 TAXATION.....	85
— 22 EARNINGS PER SHARE .....	91
— 23 ADDITIONAL INFORMATION ON THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME .....	91
— 24 ADDITIONAL CONSOLIDATED STATEMENT OF CASH FLOWS RELATED DISCLOSURE.....	93
— 25 AUDITING SERVICES .....	93
— 26 SUBSEQUENT EVENTS.....	94

## 1 GENERAL INFORMATION AND ACTIVITY

Amadeus IT Group, S.A. (hereinafter, “the Company”) was incorporated and registered at the Companies Register of Madrid on February 4, 2005. Its registered office is in Madrid, Salvador de Madariaga, 1.

As a consequence of the merger registered in the Companies Register on August 2, 2016, as detailed in note 15, the Company, formerly known as Amadeus IT Holding, S.A. (Absorbing Company) took over Amadeus IT Group, S.A. (Absorbed Company), subsequently, adopting the Absorbed Company’s registered name.

The Company’s corporate object, as set out in article 2 of its by-laws, is the following:

- a) transfer of data from and/or through computer reservation systems, including offers, reservations, tariffs, transport tickets and/or similar, as well as any other services, including information technology services, all of them mainly related to the transport and tourism industry, provision of computer services and data processing systems, management and consultancy related to information systems;
- b) provision of services related to the supply and distribution of any type of product through computer means, including manufacture, sale and distribution of software, hardware and accessories of any type;
- c) organization and participation as partner or shareholder in associations, companies, entities and enterprises active in the development, marketing, commercialisation and distribution of services and products through computer reservation systems for, mainly, the transport or tourism industry, in any of its forms, in any country worldwide, as well as the subscription, administration, sale, assignment, disposal or transfer of participations, shares or interests in other companies or entities;
- d) preparation of any type of economic, financial and commercial studies, as well as reports on real estate issues, including those related to management, administration, acquisition, merger and corporate concentration, as well as the provision of services related to the administration and processing of documentation; and
- e) acting as a holding company, for which purpose it may (i) incorporate or take holdings in other companies, as a partner or shareholder, whatever their nature or object, including associations and partnerships, by subscribing to or acquiring and holding shares or stock, without impinging upon the activities of collective investment schemes, securities dealers and brokers, or other companies governed by special laws, as well as (ii) establishing its objectives, strategies and priorities, coordinating subsidiaries’ activities, defining financial objectives, controlling financial conduct and effectiveness and, in general, managing and controlling them.

The direct or, when applicable, indirect performance of all business activities that are reserved by Spanish law is excluded. If professional titles, prior administrative authorizations, entries with public registers or other requirements are required by legal dispositions to perform an activity embraced in the corporate object, such activity shall not commence until the required professional or administrative requirements have been fulfilled. The by-laws and other public information of the Company can be consulted on the website of the Company ([www.amadeus.com](http://www.amadeus.com)).

Amadeus IT Group, S.A. is the parent company of the Amadeus Group (“the Group”). The Group is a leading transaction processor for the global travel and tourism industry, providing advanced technology solutions to our travel provider and travel agency customers worldwide. The Group acts as an international network providing

comprehensive real-time search, pricing, booking, ticketing and other processing solutions to travel providers and travel agencies through our Distribution segment, and we offer other travel providers (today, principally airlines) an extensive portfolio of technology solutions which automate certain mission-critical business processes, such as reservations, inventory management and departure control, through our IT Solutions segment.

Customer groups include providers of travel services and products such as airlines (network, domestic, low-cost and charter carriers), hotels (independent properties and chains), tour operators (mainstream, specialist and vertically integrated players), insurance companies, road and sea transport companies (car rental companies, railway companies, ferry lines, cruise lines), travel sellers and brokers (offline and online travel agencies) and travel buyers (corporations and travellers).

The Company's shares are traded on the Spanish electronic trading system ("Continuous Market") on the four Spanish Stock Exchanges (Madrid, Barcelona, Bilbao and Valencia). The Company's shares form part of the Ibex 35 index [AMS].

## **2 BASIS OF PRESENTATION AND COMPARABILITY OF THE INFORMATION**

### **2.1 Basis of presentation**

#### **2.1.1 General Information**

The consolidated annual accounts have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS-EU"), which are effective as of December 31, 2016, and other provisions of the applicable financial reporting framework. The annual accounts were authorized for issue by the Board of Directors of the Company on February 23, 2017. The Directors expect that these consolidated annual accounts will be approved at the General Shareholders' Meeting without modification. The annual accounts for the year 2015 were approved at the General Shareholders' Meeting held on June 24, 2016.

The accompanying consolidated annual accounts were obtained from the accounting records of the Company and its subsidiaries, and prepared in accordance with the regulatory financial reporting framework that results from the application described above and in particular, the principles and accounting criteria. Accordingly, these consolidated annual accounts show the true and fair view of the Group's equity, financial position, results and cash flows for the year.

The presentation currency of the Group is the Euro. The consolidated statement of financial position is presented with a difference between current and non-current items, and the consolidated statement of comprehensive income is presented by nature of expense. The presentation by nature highlights better the different components of financial performance of the Group and enhances predictability of the business. The Group decided to prepare the consolidated statement of cash flows by applying the indirect method.

The Group presented negative working capital in the years ended as of December 31, 2016 and 2015, which given the industry in which the Group operates and its financial structure, is not an unusual circumstance, and does not present an impediment for the normal development of its business.

#### **2.1.2 Use of estimates**

Use of estimates and assumptions, as determined by Management, is required in the preparation of the consolidated annual accounts in accordance with IFRS-EU. The estimates and assumptions made by management

affect the carrying amount of assets and liabilities. Those with a significant impact in the consolidated annual accounts are discussed in different sections of this document:

- Estimated recoverable amounts used for impairment testing purposes (notes 7, 8 and 9)
- Provisions (note 17)
- Pension and post-retirement benefits (note 12)
- Income tax liabilities (note 21)
- Cancellation reserve (note 11)
- Doubtful debt provision (note 11)
- Share-based payments (note 19)
- Business combinations (note 13)

The estimates and assumptions are based on the information available at the date of issuance of the consolidated annual accounts, past experience and other factors which are believed to be reasonable at that time. The actual results might differ from the estimates.

## 2.2 Comparison of information

For comparison purposes, the Group presents, together with the amounts included in the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows at and for the years ended December 31, 2016 and 2015, comparative information in the notes when it is relevant to understand the consolidated annual accounts for the current year.

Except where indicated otherwise, the figures of the accompanying consolidated annual accounts for the year ended December 31, 2016, are expressed in millions of euros. The comparative information has been converted accordingly, as the previous year was presented in thousands of euros.

The presentation and classification of certain line items in the notes of the consolidated annual accounts have been revised and comparative information has been reclassified accordingly.

## 2.3 Consolidation scope

The Appendix to these consolidated annual accounts lists the subsidiaries, associates and joint-ventures in which the Group has direct or indirect holdings as of December 31, 2016 and 2015, as well as the consolidation method applied in each case.

On January 26, 2016, the Group has acquired 100% of the ownership interest of Navitaire, LLC, 100% of the ownership interest of Navitaire Philippines Inc. and certain assets and assumed certain liabilities primarily related to Navitaire business (“Navitaire”).

On April 15, 2016, the Group has acquired 95% additional interest of the share capital of Amadeus Slovenija, d.o.o. (“Slovenia”). As of December 31, 2016, the Group owned 100% of the shares of this entity.

On April 15, 2016, the Group has acquired 51% of the voting rights of NMC d.o.o. Skopje (“Macedonia”).

On April 15, 2016, the Group has acquired 100% of the voting rights of NMC Tirana sh.p.k. (“Albania”).

On April 21, 2015, the Group acquired, indirectly through its subsidiary Amadeus Americas, Inc., 100% of the voting rights of Air-Transport IT Services, Inc (“Air IT”) (as detailed in note 13).

On May 14, 2015, the Group acquired 24.88% of the voting rights of Hiberus Travel IO Solutions, S.L. (as detailed in note 10).

On July 21, 2015, the Group acquired 100% of the voting rights of Itesso, B.V. and its group of companies (“Itesso”) (as detailed in note 13).

On August 21, 2015, the Group acquired 100% of the voting rights of Pyton Communication Services, B.V. and its subsidiary (“Pyton”) (as detailed in note 13).

During the year ended December 31, 2015, indirectly through its subsidiary Amadeus Americas, Inc., the Group carried out the following equity investments in newly created companies:

- 100% interest in Amadeus Global Operations Americas, Inc.

### 3 PROPOSED APPROPRIATION OF THE PARENT COMPANY’S RESULT

The Board of Directors will submit to the Ordinary General Shareholders’ Meeting for approval, a final gross dividend of €0.94 per share carrying dividend rights, against 2016 profit for the year. Based on the above, the proposed appropriation of the results for the year ended December 31, 2016, is set forth in the table below:

	Euros
<u>Amount for appropriation:</u>	
Net profit for the year	701,063,429.58
	<b>701,063,429.58</b>
<u>Appropriation to:</u>	
Other reserves	288,570,273.94
Dividends	412,493,155.64
	<b>701,063,429.58</b>

On December 15, 2016, the Board of Directors of the Company has agreed to distribute an interim dividend of €0.40 per existing share with dividends rights against profit for the year 2016. The dividend has been paid in full on February 1, 2017, and therefore the complementary dividend to achieve the proposed final gross dividend amounts to €0.54 per share with dividends rights.

In accordance with Article 277 of the Spanish Enterprise Law, the following table shows the provisional statement issued by the Directors to substantiate the Company has sufficient liquidity at that time to distribute the interim dividend.

	Millions of euros
<b>Net income after tax from January 1, through December 31, 2016</b>	<b>419.8</b>
Mandatory appropriation to reserves for period 2016	-
<b>Distributable income</b>	<b>419.8</b>
<b>Cash and cash equivalents at October 31, 2016</b>	<b>357.3</b>
Net cash generated until December 2016	16.3
Unused credit facilities	809.0
Net cash generated from January 2017 until December 2017	(58.7)
<b>Net Cash Surplus at December 31, 2017</b>	<b>1,123.9</b>
Proposed interim dividend (maximum amount)	(175.5)
<b>Net Cash Surplus after interim dividend distribution</b>	<b>948.4</b>

## 4 ACCOUNTING POLICIES

### 4.1 Adoption of new and revised International Financial Reporting Standards (IFRS)

The following amendments and new and revised standards adopted by the European Union, have become effective, and are applicable to the consolidated annual accounts for the year ended December 31, 2016:

- “Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint operations”. The amendments provide guidance on how to account for the acquisition of an interest in a joint operation in which the activities constitute a business as defined in IFRS 3 “Business Combinations”. In addition, the acquirer shall disclose the information required by IFRS 3 and other IFRSs for business combinations. The amendments are effective for annual periods beginning on or after January 1, 2016, with earlier application permitted.
- “Amendments to IAS 1: Disclosure Initiative”. The amendments provide guidance on how to apply the concept of materiality in practice. The amendments are effective for annual periods beginning on or after January 1, 2016, with earlier application permitted.
- “Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortization”. The amendments address the concerns regarding the use of a revenue-based method for depreciating/amortising an asset. The amendments are effective for annual periods beginning on or after January 1, 2016, with earlier application permitted.
- “Amendments to IAS 16 and IAS 41: Agriculture: Bearer Plants”. The amendments are effective for annual periods beginning on or after January 1, 2016. These amendments are not applicable to the Group’s operations.
- “Amendments to IAS 27: Equity Method in Separate Financial Statements”. The amendments focus on separate financial statements and allow the use of the equity method in such statements. The

amendments are effective for annual periods beginning on or after January 1, 2016, with earlier application permitted.

- “Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities - Applying the Consolidation Exception”. The amendments clarify that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with IFRS 10. Consequential amendments have also been made to IAS 28 to clarify that the exemption from applying the equity method is also applicable to an investor in an associate or joint venture if that investor is a subsidiary of an investment entity that measures all its subsidiaries at fair value. The amendments further clarify that the requirement for an investment entity to consolidate a subsidiary providing services related to the former’s investment activities applies only to subsidiaries that are not investment entities themselves. Moreover, the amendments clarify that in applying the equity method of accounting to an associate or a joint venture that is an investment entity, an investor may retain the fair value measurements that the associate or joint venture used for its subsidiaries. Lastly, clarification is also made that an investment entity that measures all its subsidiaries at fair value should provide the disclosures required by IFRS 12 Disclosures of Interests in Other Entities. The amendments are effective for annual periods beginning on or after January 1, 2016, with earlier application permitted and require retrospective application.
- “Amendments to IAS 19: Defined Benefit Plan: Employee Contributions”. The amendments clarify how an entity should account for contributions made by employees or third parties that are linked to services to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee. The amendments are effective for annual periods beginning on or after February 1, 2015, with earlier application permitted, and require retrospective application.
- “Annual Improvements to IFRSs 2010-2012 Cycle”. The annual improvements are effective for annual periods beginning on or after February 1, 2015.
- “Annual Improvements to IFRSs 2012-2014 Cycle”. The annual improvements are effective for annual periods beginning on or on after January 1, 2016.

The adoption of amendments as detailed above did not have any material effect on the consolidated annual accounts of the Group.

The following standards have been adopted by the European Union and are not yet effective nor applicable to the Consolidated Annual Accounts for the annual period ended December 31, 2016:

- “IFRS 9 Financial Instruments”. The standard contains the requirements for i) the classification and measurement of financial assets and liabilities, ii) impairment methodology and iii) general hedge accounting. IFRS 9 will supersede “IAS 39 Financial Instruments: Recognition and Measurement” upon its effective date. The standard is effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.
- “IFRS 15 Revenue from Contracts with Customers” and the related “clarifications”. IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. It will supersede all the previous revenue Standards and Interpretations guidance upon its effective date. The standard is effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.

The Group has not adopted any of the standards issued allowing early adoption listed above.

The Group has completed an initial assessment of the potential impact of the adoption of IFRS 15 on its consolidated financial statements. The Group does not expect significant differences in the timing of revenue recognition for these services.

The Group plans to adopt IFRS 15 in its consolidated financial statements for the year ending December 31, 2018, retrospectively with the cumulative effect of initially applying this Standard recognised at the date of initial application. As a result, the Group will apply all of the requirements of IFRS 15 to each comparative period presented and adjust its consolidated financial statements.

The Group plans to use the practical expedients for completed contracts. This means that completed contracts that began and ended in the same comparative reporting period, as well as the contracts that are completed contracts at the beginning of the earliest period presented, will not be restated.

The impact of IFRS 9 and the extent in which it will affect the Group consolidated annual accounts, is currently under analysis.

The following standard was not yet endorsed by the European Union:

- “IFRS 14 Regulatory Deferral Accounts” is also effective for an entity’s first IFRS financial statements for annual periods beginning on or after January 1, 2016; however, it is not applicable as the Group is not a first-time adopter of IFRSs.

The following standards and amendments were not yet adopted by the European Union and are not yet effective for the annual period ended December 31, 2016:

Standards	Proposed effective date
IFRS 16 “Leases”	January 1, 2019

Amendments	Proposed effective date
“Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses”	January 1, 2017
“Amendments to IAS 7 Disclosure Initiative”	January 1, 2017
“Amendments to IFRS 2 Classification and Measurement of Share-Based payments transactions”	January 1, 2018
“Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts”	January 1, 2018
“Annual Improvements to IFRS Standards 2014-2016 Cycle (issued on 8 December 2016)”	January 1, 2017 and 2018
“IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration”	January 1, 2018
“Amendments to IAS 40: Transfers of Investment Property”	January 1, 2018

The adoption of the new and revised standards and amendments as detailed above are currently under analysis, and it is expected to have no material impact on the consolidated annual accounts of the Group; nevertheless it will result in more extensive disclosure on the consolidated annual accounts.

The impact of IFRS 16 and the extend in which it will affect the Group consolidated annual accounts, is currently under analysis.



## 4.2 Significant accounting policies

The main accounting policies applied in the preparation of the consolidated annual accounts are as follows:

### 4.2.1 Principles of consolidation

The consolidated annual accounts include within the scope of consolidation, all the subsidiaries and the Company. Subsidiaries are those entities over which the Company or one of our subsidiaries has control. Control is achieved when the Group has:

- Power over the investee,
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Subsidiaries are fully consolidated even when acquired with an intention of disposal.

Intercompany balances, transactions and gains and losses of the continuing operations are eliminated during the consolidation process. Transactions between continuing and discontinued operations that are expected to continue post sale are not eliminated from continuing operations in order to present the continuing operations on a basis consistent with the underlying trading.

Investments in associates, being those entities over which the Group has significant influence but which are not subsidiaries, and investments in joint-ventures, being investments jointly controlled with third parties, whereby the ventures have the rights to the net assets of the arrangement, are accounted for by using the equity method except when these investments meet the “held for sale” classification. Gains and losses arising from transactions between the Group, and associates and joint-ventures have been eliminated to the extent of the Group’s interests in the relevant entity. If the Group share of losses of an entity accounted for under the equity method exceeds its interest in the entity, the Group recognizes a provision for its share of the realized losses. The interest in an entity accounted for the equity method is the carrying amount of the investment in the entity together with any long-term interests that, in substance form part of the investor’s net investment in the entity.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the Group derecognizes all assets, liabilities and non-controlling interests at their carrying amount and recognizes the fair value of the consideration received. Any retained interest in the former subsidiary is recognized at its fair value at the date control is lost. The resulting difference is recognized as a gain or loss in the consolidated statement of comprehensive income within the “Other income/ (expense)” caption.

Changes in a parent’s ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary are equity transactions.

The financial statements of all our subsidiaries, associates and joint ventures, are prepared at the same financial year-end as the Company’s, and the same accounting policies (IFRS-EU) are applied thereto.

### 4.2.2 Foreign currency transactions

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation at year-end of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated statement of comprehensive income in the "Exchange gains/ (losses)" caption. All other exchange gains and losses are presented in the consolidated statement of comprehensive income as part of the "Operating income" caption.

The current economic situation of Venezuela and Syria is compliant with the definition of Hyperinflationary Economy stated in IAS 29 Financial Reporting in Hyperinflationary Economies. The Group maintains presence in Venezuela and Syria through its subsidiary Sistemas de Reservas CRS de Venezuela, C.A., and its associate Amadeus Syria Limited Liability respectively, being its remaining balances as of December 31, 2016, and December 31, 2015, and the volume of transactions during the years 2016 and 2015 not material. The rest of subsidiary's functional currencies do not correspond to hyperinflationary economies in accordance with IAS 29, therefore, no restatements have been performed in order to correct the financial statements of any subsidiary from the effects of inflation.

#### **4.2.3 Currency translation**

The stand-alone financial statements of each of the subsidiaries are presented in each subsidiary's functional currency. As the consolidated annual accounts are presented using the Euro, the assets and liabilities for each subsidiary are translated into Euros at year-end closing rates; components of the profit or loss for the year are translated at average exchange rates for the year; and share capital, additional paid-in capital, and reserves are translated at historical rates. Any exchange differences arising as a result of this translation, for subsidiaries and investments in associates and joint-ventures, are shown together as a separate component of equity attributable to owners of the parent in the "Exchange differences on translation of foreign operations" caption. In the case of translation differences related to non-controlling interests, these are included in the "Non-controlling interests" caption within equity.

#### **4.2.4 Related parties**

The Group considers the following as its related parties: its significant shareholders and controlled companies, subsidiaries, associates, joint-ventures and post-employment benefit plans, key management personnel, members of the Board of Directors and their close family members, as well as other entities where the member of the Board of Directors is also a related party, when significant influence exists.

#### **4.2.5 Cash equivalents**

The Group classifies its short-term investments as cash equivalents when held for the purpose of meeting short-term cash commitments, the investments are highly liquid, readily convertible to known amounts of cash and subject only to an insignificant risk of changes in value. These short-term investments generally consist of certificates of deposit, time deposits, commercial paper, short-term government obligations and other money market instruments with maturity of three months or less. Such investments are stated at cost, which approximates fair value.

Bank overdrafts that are repayable on demand are included as a component of cash and cash equivalents for the purposes of presenting the consolidated statement of cash flows.

In the event that cash or cash equivalents were restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period, these assets are classified as non-current on the consolidated statement of financial position.

#### 4.2.6 Goodwill and cash-generating unit impairment testing

Goodwill is measured as the excess of the aggregate of:

- the consideration transferred;
- the amount of any non-controlling interests in the acquiree; and
- the acquisition-date fair value of previously held interests in the acquiree

over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured at fair value.

When settlement of the purchase consideration is deferred, the contingent consideration is measured at fair value at the acquisition date; subsequent adjustments to the consideration are recognised against the cost of the acquisition only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the date of acquisition. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss for the year.

The carrying amount of investments in associates includes the related goodwill on these investments.

The acquisition-related costs are accounted for separately from the business combination, generally leading to those costs being recognized as an expense in profit or loss as incurred.

Negative goodwill is not recognised but charged to the consolidated statement of comprehensive income within the “Other income/ (expense)” caption once the fair value of net assets acquired is reassessed.

When goodwill has been allocated to a cash-generating unit and the Group has disposed of an operation within that unit, goodwill associated with the disposed operation, is measured on the basis of the relative value with regards to the portion of the cash-generating unit retained, unless there is some other method that better reflects the goodwill associated with the operation disposed of. The attributable amount of goodwill is included in the determination of the gain or loss on disposal.

Goodwill is not amortized and is tested for impairment. Impairment testing is performed annually and whenever there is an indication that the carrying amount may not be fully recoverable. Impairment losses relating to goodwill cannot be reversed in future periods.

Goodwill is tested for impairment together with the assets corresponding to the cash-generating unit (or group of cash-generating units) that are expected to benefit from the synergies of the business combination. These assets will also include the intangible assets with indefinite useful life (such as the Amadeus Brand), to the extent that they do not generate separate cash inflows from other assets or group of assets. Thereby the carrying amount of the cash-generating unit is compared with the recoverable amount and any impairment loss is recognised in profit or loss.

The Group operates certain corporate assets, corresponding mainly to property plant and equipment, which do not generate cash inflows that are independent from other assets or groups of assets. Therefore the carrying amount of these assets cannot be allocated on a reasonable basis to the individual cash-generating units to which goodwill is allocated. The carrying amount of the corporate assets is excluded from the impairment test of the separate cash-generating units. As such, the Group reviews that there is no impairment by comparing the recoverable amount of the smallest group of cash-generating units that include the corporate assets (Distribution and IT Solutions), with the carrying amount of those cash-generating units (Distribution and IT Solutions) including the corporate assets.

#### 4.2.7 Impairment of non-current assets

The carrying amounts of significant non-current assets are reviewed at each balance sheet date to determine if there is an indication of impairment. If such indication exists the recoverable amount is estimated. The recoverable amount is the greater of fair value less cost of disposal and the value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value, by applying an appropriate risk adjusted discount rate. As a result of this evaluation, an impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount, by reducing the carrying amount of the asset to its recoverable amount, with the corresponding charge to the consolidated statement of comprehensive income in the “Depreciation and amortization” caption. Future depreciation charges are adjusted for the new carrying amount for the asset’s remaining useful life. A previously recognized impairment loss is reversed when new events or changes in circumstances indicate a change in the estimated recoverable amount. In such cases, the carrying amount of the asset is increased, not exceeding the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Impairment loss reversals are recognized in the consolidated statement of comprehensive income within the “Depreciation and amortization” caption. Future depreciation charges are adjusted to the revised carrying amount over the asset’s remaining useful life.

#### 4.2.8 Intangible assets

Intangible assets are carried at cost less accumulated amortization and impairment losses, and reviewed periodically and adjusted for any decrease in value as noted in paragraph 4.2.7.

These assets include the following:

- Patents, Trademarks, Licenses and Others – This includes the net cost of acquiring brands and trademarks either by means of business combinations or in separate acquisitions. It also includes the net cost of acquiring software licenses developed outside the Group for Distribution and IT Solutions. When a brand is deemed to contribute to Group net cash inflows indefinitely, then it is treated as having an indefinite useful life. As such it would not be amortized until its useful life is determined to be finite. Impairment tests will be performed annually or whenever there are signs that suggest impairment. For the finite useful life of assets, the amortization period will range between 3 to 26 years, applying the straight line method for charging expense to the consolidated statement of comprehensive income within the “Depreciation and amortization” caption.
- Technology and Content – This caption includes the net costs of acquiring technology and content by means of acquisitions through business combinations, through separate acquisitions, or internally generated. These assets are the combination of software elements and travel content, the latter being obtained by Amadeus through its relationships with travel providers. This combination allows the processing of travel transactions (bookings) between supply (travel providers) and demand (travel agencies), and it makes the travel information available to users through the Amadeus System. It also includes the development technology of the IT Solutions. Internally generated Technology and Content includes software applications developed by the Group. These costs are recognized as an asset once technical feasibility is established, it is reasonably anticipated that the costs will be recovered through future activities or benefit in future periods, and the cost of the assets can be measured reliably (as detailed in paragraph 4.2.20).

When the Group receives cash from customers to be used only to develop assets which the Group must then use to provide the customer with ongoing access to certain services, and if the Group determines

that it controls the asset developed, the resulting asset is recognized as “Technology and Content” in the consolidated statement of financial position at cost.

These assets are amortized by applying the straight-line method over an estimated useful life from 3 to 20 years. Those associated to Amadeus IT technology are amortized in 20 years as the IT Industry model is for a very long period, and for the main components of the GDS technology the useful life estimated is 15 years due to the status of Amadeus reservation system and the technological gap perceived by the company over competitors. The customization of the software developed for certain airlines is amortized over an estimated useful life between 3 to 13 years.

- Contractual relationships – This includes the net costs of contractual relationships with travel agencies users and with travel providers, acquired through business combinations. It also includes the capitalizable costs, related to payments made to travel agencies, which can be recognized as an asset. These latter assets relate mainly to upfront payments made with the objective of increasing the number of clients, or to improve the customer loyalty of the customer portfolio. They are instrumented through agreements with a term that is always over a year, in which the customer commits to achieve certain economic objectives. The agreements include short-fall clauses applicable if those objectives are not met. The useful life of contractual relationships has been determined by taking into consideration the contractual-legal rights, the renewal period and the technological lock-in period for these intangible assets. It has been determined to range over a period of 1 to 15 years. A straight-line method of amortization is applied, and tested for impairment to adjust the carrying amount to the achievement of the committed objectives (as indicated in paragraph 4.2.7). And within this category, those assets that were acquired through the business combination are amortized using a straight-line method over a period between 8 and 21 years.

Amortization expenses related to intangible assets are included in the “Depreciation and amortization” caption of the consolidated statement of comprehensive income.

The Group receives tax incentives in the form of reduced liability for taxes in relation to research and development costs incurred by the Group. These incentives are in substance government grants and are recognized when there is reasonable assurance that the Group will comply with the relevant conditions and the grant will be received. The incentives for the year are recognized as a lower research and development expenditure in the consolidated statement of comprehensive income. When the costs incurred first meet the intangible asset recognition criteria the incentive for the year which is attributable from this point onwards is recognized as a lower intangible asset cost.

When the Group receives government loans at a below-market rate of interest, the benefit is treated as a government grant. The benefit of the below-market rate of interest is measured as the difference between the initial carrying value of the loan measured at fair value and the proceeds received. The benefit is accounted as lower research and development expenditure in the consolidated statement of comprehensive income within “Other operating expenses” caption.

Borrowing costs directly attributable to the development of qualifying intangible assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the intangible assets.

#### **4.2.9 Property plant and equipment**

Property plant and equipment assets are recognized at cost less accumulated depreciation and impairment losses. They are depreciated by applying the straight-line method over the estimated useful life of the assets:

	Useful life in years
Buildings	50
Data processing hardware and software	2 - 7
Other property, plant and equipment	3 - 20

Repairs and renewals are charged to the consolidated statement of comprehensive income within the “Other operating expenses” caption when the expenditure is incurred.

The cost of software licences acquired to be used by data processing hardware that needs the software to be capable of operating, are regarded as highly integrated with the data processing hardware and as a property plant and equipment.

The Amadeus Data Centre in Erding provides the systems and infrastructure necessary to conduct the Amadeus business. Both the hardware equipment (including servers and storage equipment) and software products (including operating system software, database software, monitoring software) function as a unit to provide the necessary production platforms to run all of Amadeus products, from flight bookings in the Distribution operating segment, to the IT Solutions operating segment mainly represented by Altéa suite.

#### 4.2.10 Leases

Leases where the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. The assets are capitalized at an amount equal to the lower of their fair value and the present value of the minimum lease payments at the inception of the lease, and a liability is recognised for such amount. Each lease payment is allocated between the liability and interest expense based on a constant rate of interest on the outstanding principal. The capitalized leased assets are depreciated by applying the straight-line method over the above-mentioned useful life.

Operating lease payments are charged to the consolidated statement of comprehensive income within the “Other operating expenses” caption as incurred over the term of the lease.

#### 4.2.11 Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs of disposal.

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is deemed to be met only when the asset or disposal group is available for immediate sale in its present condition and the sale is highly probable. A sale is considered highly probable when the appropriate level of management is committed to a plan to sell, the sale price marketed is reasonable in relation to the asset current fair value, an active program to locate a buyer and complete the sale plan must have been initiated, actions required to complete the plan indicate that it is unlikely that the plan will be significantly changed or withdrawn, and the plan is expected to qualify for recognition as a completed sale within one year from the date of classification except in certain limited circumstances.

Discontinued operations consist of operating segments and, disposal groups if they represent a major line of business or geographical area of operations, which have either been sold during the year or are classified as held for sale at year end. The financial performance and cash flows of discontinued operations shall be separately reported.

#### 4.2.12 Pension and other post-retirement obligations

The Group operates a number of defined benefit and defined contribution pension plans. Liabilities of the Group arising from defined benefit obligations are determined by applying the projected unit credit method. Independent actuarial valuations are carried out annually for the largest plans and on a regular basis for other plans. The actuarial assumptions used to calculate the benefit obligations vary according to the economic conditions of the country in which the plan is located. Such plans are either externally funded, with the assets within the schemes held separately from those of the Group, or unfunded with the related liabilities carried in the consolidated statement of financial position.

For the funded defined benefit plans, the deficit or excess of the fair value of plan assets over the present value of the defined benefit obligation is recognised as a liability or an asset in the consolidated statement of financial position. However, excess assets are recognised only to the extent that they represent a future economic benefit available to the Group, for example in the form of refunds from the plan or reductions in future contributions.

Actuarial gains and losses arise mainly from changes in actuarial assumptions and differences between actuarial assumptions and what has actually occurred. Actuarial gains and losses are recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus, and are not reclassified to profit or loss in subsequent periods.

The defined benefit plans actuarial cost charged to the consolidated statement of comprehensive income within the "Personnel and related expenses" caption, consists of service cost, and within the "Other financial expenses" caption the net interest on the defined benefit liability.

Contributions made to defined contribution plans are charged to the consolidated statement of comprehensive income within the "Personnel and related expenses" caption as incurred. The same accounting policy is applied for defined benefit plans which are funded by multi-employer plans where sufficient information is not available to apply defined benefit plan accounting.

#### 4.2.13 Capital issuance and listing costs

Expenses incurred in connection with the incorporation or increases in capital are applied as a reduction to the proceeds received in the "Additional paid-in capital" caption of the consolidated statement of financial position, net of any related income tax benefit. The portion of listing expenses that can reasonably be allocated to equity are also accounted through the "Additional paid-in capital" caption of the consolidated statement of financial position net of any related income tax benefit.

Expenses incurred in connection with the admission to listing are charged to the consolidated statement of comprehensive income as incurred.

#### 4.2.14 Revenue recognition

In the distribution business (Distribution), the Group charges fees to travel providers for each booking made through our Amadeus GDS platform, and for other services that are closely related to the booking process (ticketing, revenue maximization products and other optional products). The pricing of the fee is dependent upon the usage and the level of functionality at which the provider participates.

Revenue from travel provider bookings is recognized based on the number of bookings and when the booking is made, and for services in the month on which services are rendered. Airline bookings revenue is presented net of cancellations made and an allowance for future cancellations (as detailed in paragraph 4.2.15).

Another component of the distribution revenues are the non-booking revenues. This principally relates to subscriber services agreements entered by the Group, mainly with travel agents, which provide the user the tools and services that permit access to the Amadeus system. The customer is charged a fee and revenue is recognized when services are provided.

Revenue derived from charges to customers on a transactional basis for the use of our IT Solutions is recognised when the reservation is used by the end customer. Users of these services (Altéa suite mainly) have access to a complete portfolio of technology solutions that automate business processes of travel providers (such as reservations, inventory management and operations).

The Group also generates revenues from direct sales offices and web pages of certain airlines (“system users”) which are connected directly to Amadeus system. The airline receives a payment from the group in connection with these own inventory sales, these payments are being accounted for as a deduction of revenue.

The Group has certain content and other agreements with airlines. Pursuant a content agreement the airlines will give the Group access to their schedule information, seat inventory and fares for flights for sale in the territories covered in the respective agreements. Payments made by the Group to airlines in the framework of these agreements are accounted for as a deduction of revenue.

The accounting treatment of content agreements and payments to system users, described above, is in accordance with ASC 605-50-45-2 Revenue Recognition—Customer Payments and Incentives.

Revenues obtained from customization and implementations of IT Solutions are recognised when services are provided to customers over the term of the agreement with those customers.

Revenue for sales where the Group acts as an agent is recognized on a net basis, representing the amount of the commission received.

Other revenues within IT Solutions revenues are derived from licensing its software, from providing related professional services and support and from subscriptions of its offerings. Licensing revenue is recognised upon delivery to the customer. Services revenue consists of installation, training and consulting services, and is recognised as the services are performed. Support and maintenance revenue consists of telephone support and unspecified products and upgrades, and is recognized ratably over the term of the agreement. Revenues from subscriptions are proportionally recognised over the subscription or the agreement term. Revenue for all categories is recognized provided that there is persuasive evidence of an arrangement, delivery has occurred, fees are fixed or determinable and collectability is reasonably assured.

Amounts invoiced to customers in advance of revenue recognition are recorded as deferred revenue.

#### **4.2.15 Cancellation reserve**

Gross revenue from airline reservations, is recorded at the time that the booking is made. However, if the booking is cancelled in a later month, the corresponding booking fee must be refunded to the airline. At the same time the distribution fee and related commercial incentives (“distribution costs”) payable to the third party distributors (travel agencies, airlines and ACOs which are not subsidiaries of the Group) are also cancelled.

Accordingly, revenues are recorded net of the cancellation reserve of booking fees, and costs of revenues are offset by the distribution costs derived from the cancelled booking fee. Accounts receivable are recorded net of a cancellation reserve, and accounts payable are recorded net of the reduction in distribution costs derived from cancellations. This reserve is calculated based on:



- The cancellation rate, which is estimated based on historical cancellation rates, is calculated dividing the number of cancellations net of re-bookings, during the reporting period by the inventory of unused bookings at the end of the previous reporting period. When estimating the cancellation rate, we assume that a significant percentage of cancellations are followed by an immediate re-booking without net loss of revenues; and
- The inventory of open bookings, which is the number of bookings made but not yet used by final customers and which may still be cancelled.

#### 4.2.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event; when it is probable that the Group will be required to settle the obligation; and when a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, and the risks and uncertainties surrounding the obligation are taken into account. Where the effect of the time value of money is material, provisions are discounted.

#### 4.2.17 Doubtful debt provision

As of each balance sheet date, we make an allowance for potentially uncollectible accounts receivable. Our management assesses credit risk for large customers (airlines) on a client-by-client basis taking into consideration, among other factors, that credit risk is mitigated by the fact that the majority of our customers' accounts receivables and payables are settled through the clearing houses operated by the International Air Transport Association ("IATA") and Airlines Clearing House, Inc. ("ACH"). Through this system we guarantee that cash inflows from our customers will be settled at a certain fixed date, and we mitigate the credit risk partially by the fact that the members of the clearing house are required to make deposits that would be used in the event of default. For all other customers, we make a generic provision for credit risk based on the average length of time their total receivables are overdue.

#### 4.2.18 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist when the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received there under. When this is the case, a provision is recognised for the lower cost of exiting the contract or continuing to fulfil it.

#### 4.2.19 Employee share-based payments

The Group accounts for its employee share-based payment obligations as follows:

- Equity settled share-based payments: compensation expense for services received and the corresponding increase in equity are recognised as they are rendered by the employee during the vesting period by reference to the grant date fair value of the equity instruments granted to the employee. The compensation expense is recognised in the consolidated statement of comprehensive income for the year within the "Personnel and related expenses" caption. The settlement of equity settled share-based payments is accounted for as the repurchase of an equity instrument. In the event that the entity elects to settle in cash, no additional compensation expense is recognised if the consideration paid equals the fair value of the equity instrument measured at the repurchase date.
- Cash-settled share-based payments: compensation expense is recognised as it is rendered by the employee during the vesting period based on the fair value of the liability. The fair value of the liability is

remeasured until settled with changes in fair value recognised in the consolidated statement of comprehensive income for the year within the “Personnel and related expenses” caption.

#### 4.2.20 Research and development

Research expenditure (mainly related to research in connection with the evaluation and adoption of new technology) is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be a success, its commercial and technological feasibility being taken into consideration, and cost can be measured reliably. Other development expenditures are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Development costs that have been capitalised are amortised from the commencement of the commercial production of the product on a straight-line basis over the period of its expected benefit for the Group (see note in paragraph 4.2.8). The research and development costs expensed for the years ended December 31, 2016 and 2015, amounted to €291.9 million and €243.6 million, respectively. The development costs that have been capitalized (before deducting any incentives, as detailed in note 8 and 12) for the years ended December 31, 2016 and 2015, amounted to €433.9 million and €417.2 million, respectively.

#### 4.2.21 Financial instruments

Financial assets are classified on initial recognition into the following categories depending on the nature and purpose of the investment: “at fair value through profit or loss”, “held-to-maturity investments”, “available-for-sale financial assets” and “loans and receivables”. Held-to-maturity investments and loans and receivables are measured at amortised cost, by applying the effective interest method less impairment. The remaining categories are measured at fair value. Changes in fair value of available for sale financial assets are explained in b) below.

##### a) Currency, interest rate and own shares price evolution related derivatives

The Group uses derivative financial instruments to hedge certain currency, interest rate and own shares price evolution exposures. All these derivatives, whether designated as hedges or not, are measured at fair value, which is the market value for listed instruments or valuation based on option pricing models and discounted cash flow calculations for unlisted instruments. Net interests accrued for these derivatives which are either payable or receivable at the end of the reporting period, are reported according to their maturity under the current and non-current derivative financial assets captions if they are receivable, or under the current and non-current derivative financial liabilities captions if they are payable.

The accounting treatment of gains or losses resulting from changes in the fair value of the derivatives is as follows:

- Cash flow hedges: the portion of changes in the fair value of derivatives which are effective are accounted for, net of tax, directly through equity until the committed or forecasted transaction occurs, at which point these will be reclassified to the consolidated statement of comprehensive income within the “Financial expense, net” caption. The portion considered ineffective is recognized directly in the consolidated statement of comprehensive income within the “Financial expense, net” caption.
- Hedges of net investment in a foreign entity: the portion of changes in the fair value of derivatives which are effective are included, net of tax, within the “Exchange differences on translation of foreign operations” caption until the disposal of the foreign entity at which time these will be reclassified to the consolidated statement of comprehensive income within the “Exchange gains and losses” caption. The portion considered ineffective is recognized directly in the consolidated statement of comprehensive income within the “Exchange gains and losses” caption.

- No hedge accounting: gains and losses on derivatives neither designated nor qualifying for hedge accounting treatment are accounted for directly in the consolidated statement of comprehensive income within the “Financial expense, net” caption.

The Group also uses non derivative financial liabilities denominated in foreign currency to hedge the cash flow currency risk of its highly forecasted transactions. The functional currency translation difference of these hedging instruments are recognized directly in equity up until the forecasted transaction occurs, at which point these are reclassified to the consolidated statement of comprehensive income. Ineffective gains or losses are recorded directly in the consolidated statement of comprehensive income within the “Exchange gains and losses” caption.

b) Equity investments

Investments in companies over which the Group does not have significant influence, control or joint control are classified as available for sale financial assets and measured at their fair values. Fair value is measured by reference to the market value for the listed instrument or by using techniques such as market value for similar instruments, discounted cash flow analysis and option pricing models for unlisted instruments. Gains and losses arising from changes in fair value are recognised directly in equity, net of tax, up until the asset is derecognised at which point these are reclassified to the consolidated statement of comprehensive income within the “Financial expense, net” caption. When there is objective evidence that the asset is impaired the cumulate loss recognised in equity is removed from equity and recognised in the consolidated statement of comprehensive income. Foreign exchange gains and losses related to these items are recognized directly in the consolidated statement of comprehensive income within the “Financial expense, net” caption. When fair value cannot be reliably determined, these investments are measured at amortized cost.

c) Debt and other financial liabilities

Current and non-current debts are measured at the amount at which they are to be repaid and any implicit interest paid included either in their face value or repayment value is recorded as a direct deduction from the debt face amount. Such interest is expensed applying a financial method over the life of the financial liability. When the debt is extinguished, the relevant liability amount is derecognised. Any difference between the liability carrying amount and the settlement amount is charged to the consolidated statement of comprehensive income within the “Financial expense, net” caption.

d) Derecognition of financial assets

Financial assets are derecognised from the consolidated statement of financial position when the rights to receive the cash flows associated with the asset have expired. When the Group retains the contractual right to receive the cash flows of a financial asset but has assumed a contractual obligation to pay said cash flows to a third party, the financial asset qualifies for derecognition if the assets have been transferred (the Group has an obligation to pay the cash flows only if collected and without material delay and the original asset cannot be sold or pledged) and under the terms of the agreement the Group has transferred substantially all risks and rewards associated with the asset.

#### e) Offsetting

The Group presents the amounts due from and payable to customers by their gross amounts in its consolidated statement of financial position, in the majority of instances. Amounts due from and payable to customers are, in most cases, legally separated in different agreements: i) the participating carrier agreement regulates the terms and conditions applicable to the amounts due from customers and ii) the content agreement or system user agreement, that set the terms and conditions applicable to the amounts payable to customers. Both agreements are independent and, although some exceptions exist, the amounts due cannot compensate the amounts payable because the Group does not have the legal right to set-off.

When the Group enters into agreements that permit offsetting the accounts receivable and accounts payable to customers, presents the net amount in the consolidated statement of financial position. This will be applicable when and only when:

- currently has a legally enforceable right to set-off the recognized amounts. The Group has the legal right to set-off when it can settle or otherwise eliminate all or a portion of an amount due to a creditor by applying against that amount an amount due from the creditor; and
- intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

#### 4.2.22 Income taxes

Current income tax is recognised in the consolidated statement of comprehensive income within the “Income taxes” caption, except to the extent that it relates to items directly taken to equity, in which case it is recognised in equity.

Deferred taxes are determined under the liability method. Under this method, deferred tax assets and liabilities are recognized based on temporary differences between the financial statement and tax bases of assets and liabilities using tax rates that are expected to apply when the assets or liabilities are realized based on tax rates and laws that have been enacted by the balance sheet date.

Deferred taxes arising from movements in equity are charged or credited directly to equity. Deferred tax assets are recognized when the probability of realization is reasonably assured and are adjusted only to the extent that it is no longer probable that a benefit will be realized in the future. Deferred tax assets and liabilities related to the same tax jurisdiction are presented net in the consolidated statement of financial position.

Tax credits for investments in subsidiaries and associates are applied to reduce the amount of the investment when there is an increase in the percentage of ownership. In the case of capital increases that do not represent an increase in the percentage of ownership or for newly created companies, tax credits are recognized at the time that the capital contribution occurs.

#### 4.2.23 Treasury shares

Treasury shares held by the Group are stated at cost and reported as a reduction in equity attributable to owners of the parent. The gain or loss on disposal of these shares is recorded in the “Additional paid-in capital” caption.

When the Group enters into a share buy-back programme, by means of an irrevocable forward contract, then the Group presents within “Treasury shares” caption the commitment to acquire the Company’s shares, together with the corresponding financial liability within “Other current financial liabilities”.

#### 4.2.24 Non-controlling interests

Non-controlling interests represent the share of minority shareholders in the equity and income or loss for the year of fully consolidated Group companies.

The changes in ownership interests in the Group's subsidiaries that do not result in loss of control, are dealt with in equity, with no impact on goodwill or profit or loss for the period.

## 5 FINANCIAL RISK AND CAPITAL MANAGEMENT

The Group has exposure, as a result of the normal course of its business activities, to foreign exchange, interest rate, own shares price evolution, credit and liquidity risk. The goal of the Group is to identify measure and minimize these risks using the most effective and efficient methods to eliminate, reduce, or transfer such exposures. With the purpose of managing these risks, in some occasions, the Group enters into hedging activities with derivatives and non-derivative instruments.

### 5.1 Foreign exchange rate risk

The reporting currency in the Group's consolidated annual accounts is the Euro (EUR). As a result of the multinational orientation of its business, the Group is subject to foreign exchange rate risks derived from the fluctuations of many currencies. The target of the Group's foreign exchange hedging strategy is to reduce the volatility of the Euro value of the consolidated foreign currency denominated cash flows. The instruments used to achieve this goal depend on the denomination currency of the operating cash flow to be hedged:

- The strategy for US Dollar (USD) exposures is based on the use of natural hedges and of derivatives. This strategy aims at reducing the exposure created by the USD denominated operating cash inflows of the Group with the USD payments of principals of the USD denominated debt and with derivatives, although as of December 31, 2016, there is no USD denominated debt.
- Aside from the USD, the foreign currency exposures are expenditures denominated in a variety of foreign currencies. The most significant of these exposures are denominated in Sterling Pounds (GBP), Indian Rupees (INR), Australian Dollars (AUD) and Swedish Kronas (SEK). For these exposures, a natural hedge strategy is not possible. In order to hedge a significant portion of the aforementioned short exposures (net expenditures) the Group can engage into derivative contracts with banks: basically currency forwards, currency options and combinations of currency options.

Provided that the objective in relation with the foreign exchange rate risk is to reduce the volatility of the EUR value of the foreign currency denominated cash flows, the total exposure of the Group to changes in the foreign exchange rates is measured in terms of Cash-flow at Risk (CFaR). This risk measure provides an estimate of the potential EUR loss of the foreign currency denominated cash flows from the moment the estimation is calculated to the moment the cash flow is expected to take place. These estimates are made using a 95% confidence level.

The CFaR methodology is similar in many respects to the Value at Risk (VaR) methodology. However, whereas VaR is generally centred in the changes in the value of a portfolio of exposures in a given future interval of time, CFaR is focused on the changes in the value of the cash-flows of that portfolio from the calculation date to the moment in which these cash-flows effectively take place. CFaR is a more adequate measure of the risk of the Group given that the goal of our risk management strategy with relation to foreign exchange risk is reducing the volatility of the EUR

value of the foreign currency denominated cash-flows. An additional reason for focusing on cash-flows is that, eventually, the cash-flows of a company result in its level of liquidity which in the case of a non-financial corporation it is generally a scarce and valuable element.

The main limitations of the CFaR methodology are very similar to the ones of the VaR methodology:

- Firstly, its results are based on several of hypotheses on the future volatilities of the exchange rates and the future correlation among them which may correspond with the real evolution of the exchange rates or not<sup>1</sup>.
- Additionally, the foreign exchange exposure estimates used as inputs to the model may deviate with respect to the exposures which will finally take place in the future<sup>2</sup>.
- Finally, it is important to mention that given a level of CFaR calculated with a 95% confidence level, the losses which could take place in the remaining 5% of the cases may be significantly greater than the level of risk as measured with the CFaR methodology for a 95% confidence level.

The CFaR of the foreign exchange exposures of the Group calculated with a 95% confidence level is set forth in the table below:

31/12/2016			31/12/2015		
2017 CFaR	2018 CFaR	2019 CFaR	2016 CFaR	2017 CFaR	2018 CFaR
(24.1)	(62.5)	(86.4)	(20.4)	(49.1)	(75.9)

There are two main reasons for the increase in the CFaR levels of the Group for the next three years with respect to the CFaR levels outstanding at the end of 2015. On one side, a greater US Dollar exposure as a consequence of the growth of Amadeus business in the United States. Additionally, the hedges in US Dollars (USD) have been kept at reduced levels for the next three years.

As it can be observed in the table above, the level of risk measured in CFaR terms tends to increase for the periods which are further away. The reasons for this are: (1) the further away the future cash-flows are, more adverse the effect of foreign exchange fluctuations can be potentially; (2) the level of hedging is smaller for the later periods; (3) in the later periods the size of the foreign exchange exposures tends to be greater.

## 5.2 Interest rate risk

The objective of the Group in terms of interest rate risk management is reducing the volatility of the net interest flows payable by the Group. In line with this goal as of December 2016 approximately 76% (92% as of December 2015) of the debt contracted by the Group was fixed rate debt. No interest rate hedges were hedging this debt as of December 2016 (as of December 2015 there was no interest rate hedges hedging floating rate debt either).

As of December 2016 the only outstanding interest rate derivatives were hedging future debt that it is expected to be contracted during 2017 as part of new financing activity of the Company during that year.

<sup>1</sup> The volatilities implicit in the market prices of currency options and the historic correlations among the main currencies in which Amadeus has exposures are used as inputs to the model.

<sup>2</sup> In order to calculate the foreign currency exposures of the Group we take into account the estimated cash flows in each currency according to the last available forecast and the foreign currency hedges contracted as of the CFaR calculation date.

Although the interest rate hedge mentioned above fixes the amount of interests to be paid by Amadeus in future years, its fair value is sensitive to changes in the level of interest rates. The sensitivity of fair value to a 0.1% (10 bps) parallel shift of the interest rate curve as of December 31, 2016 and 2015 is set forth in the table below:

	31/12/2016		31/12/2015	
	+10 bps	-10 bps	+10 bps	-10 bps
EUR denominated debt	5.7	(5.8)	5.3	(5.4)
EUR accounting hedges	2.5	(2.5)	1.5	(1.6)
<b>Total</b>	<b>8.2</b>	<b>(8.3)</b>	<b>6.8</b>	<b>(7.0)</b>

In 2016 there has been an increase in the sensitivity of the EUR denominated debt to the movements of the interest rate curve with respect to the previous year. This increase is due to the issuance of a new 4 year Eurobond in the fourth quarter of 2016. Although the future flows of the fixed rate debt instruments are not sensitive to the changes in the level of interest rates, the fair value of the instruments are sensitive to these changes.

According to the table above a 10 bps drop in the level of interest rates would cause a loss in the fair value of the debt (an increase of the liability) and the derivatives in the Amadeus hedging portfolio amounting to €8.3 million at December 31, 2016, and €7.0 million at December 31, 2015 respectively. However, given that the changes in the fair value of the derivatives that qualify for hedge accounting are recognized directly in equity and the debt is measured at amortized cost, the impact of a 10 bps drop in the level of interest rates would imply no loss recognized in the profit for the year at December 31, 2016 and 2015, since the derivative in the interest rate portfolio of the Group is to be accounted as a cash-flow hedge.

In cash flow terms, in the case of a parallel drop (or rise) in the level of interest rates the lower (or higher) interests payable for the debt which is hedged, would be compensated by a similar amount of higher (or lower) debt interests to be paid during the life of the hedges (cash flow hedge concept).

### 5.3 Own shares price evolution risk

As of December 31, 2016, the Group has three different remuneration schemes outstanding which are settled with Amadeus shares; the Performance Share Plan (PSP), the Restricted Share Plan (RSP) and the Share Match Plan.

According to the rules of these plans, when they mature their beneficiaries will receive a number of Company's shares which for the outstanding plans will be (depending on the evolution of certain performance conditions) between a maximum of 1,817,000 shares and a minimum of 267,000 shares, approximately. It is Amadeus intention to make use of its 1,521,273 treasury shares to settle these plans at their maturity.

### 5.4 Credit risk

Credit risk is the risk that a counterparty to a financial asset will cause a loss for the Group by failing to discharge an obligation.

Amadeus' cash and cash equivalents are deposited in major banks on the basis of diversification and the credit risk of the available investment alternatives.

The credit risk of Amadeus' customer accounts receivable is mitigated by the fact that the majority are settled through the clearing houses operated by the International Air Transport Association ("IATA") and Airlines Clearing House, Inc. ("ACH"). These systems guarantee that the cash inflows from our customers will be settled at a certain

fixed date, and mitigate the credit risk partially by the fact that the members of the clearing house are required to make deposits that would be used in the event of default. Moreover, our customer base is large and unrelated which results in a low concentration of our credit risk.

## 5.5 Liquidity risk

The Corporate Treasury is responsible for providing the cash needed by all the companies of the Group. In order to perform this task more efficiently, the Group concentrates the excess liquidity of the subsidiaries and channel it to the companies with cash needs.

This allocation of the cash position among the companies of the Group is mainly made through:

- A cash pooling agreement with most of the subsidiaries located in the Euro area.
- Through bilateral Treasury Optimization agreements between Amadeus IT Group, S.A. and its subsidiaries.

Corporate Treasury monitors the Group's cash position through rolling forecasts of expected cash flows. These forecasts are performed by the subsidiaries of the Group and later on consolidated in order to examine both the liquidity situation and prospects of the Group and its subsidiaries.

The detail of the contractual maturities of the Group's debt financing as of the end of the financial year 2016 is described in the note 16 "Current and non-current debt".

In addition to other smaller treasury lines agreed with several banks, the Group has access to two Revolving Credit facilities as detailed in note 16. Each of these two facilities has a notional of €500.0 million and can be used to cover working capital needs and general corporate purposes. As of December 31, 2016, €100.0 million of the outstanding Revolving Credit facilities were used and thus the unused part of these facilities amounted to €900.0 million.

Finally, in August 2016, the notional of the Multi-Currency European Commercial Paper (ECP) program was increased from €500.0 million up to €750.0 million. This program can be used for raising short term financing. As of December 31, 2016 €485.0 million of this program are in use.

## 5.6 Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while continuing to generate returns to shareholders and to benefit other stakeholders through the optimization of the leverage ratio.

The Group bases its capital management decisions on the relationship between the Group's earnings and free cash flows and its debt amount and debt service payments. The capital structure of the Group consists of net debt and the equity of the Group.



The net financial debt as of December 31, 2016 and 2015, is set forth in the table below:

	31/12/2016	31/12/2015
Total non-current debt	1,422.7	1,289.1
Total current debt	969.5	1,033.8
<b>Total debt</b>	<b>2,392.2</b>	<b>2,322.9</b>
(-) Cash and cash equivalents	(450.1)	(711.7)
<b>Total net financial debt (non-GAAP)</b>	<b>1,942.1</b>	<b>1,611.2</b>

The Group's debt is rated by Standard & Poor's and Moody's as Investment Grade ("BBB/A-2" and "Baa2", respectively, with positive outlook for Standard & Poor's and stable outlook for Moody's). During the year 2013, Standard & Poor's and Moody's upgraded the rating of our debt and the outlook of the rating of our debt to the current levels. During 2015 and 2014, Standard & Poor's and Moody's did not modified these ratings but in July 2016 Standard & Poor's raised the outlook of our debt from stable to positive. The Group considers that the ratings awarded, would allow access to the markets, if necessary, on reasonable terms.

With regard to the dividend policy, the Board of Directors of Amadeus IT Group, S.A resolved to extend the 2014 dividend policy to the period of 2015 and onwards, which consists on a pay-out ratio of between 40% and 50% of the reported profit for the year (excluding extraordinary items). The amount of future dividends the Company decides to pay, if any, and the future dividend policy will however depend on a number of factors, such as market conditions and prospects, including financial conditions, as well as the evolution of the Company's operations, its cash requirements and debt service obligations, in which case the Company would undertake the appropriate communications to ensure that the change is made public. The amount of dividends is proposed by the Board of Directors and approved by the shareholders at General Shareholders' Meetings.

The dividend policy, also establishes the approval, within the last quarter of the year, of an interim dividend related to the results of each financial period, to be paid in the following months of January or February.

## 6 SEGMENT REPORTING

The segment information has been prepared in accordance with the "management approach", which requires presentation of the segments on the basis of the internal reports about components of the entity which are regularly reviewed by the chief operating decision maker in order to allocate resources to a segment and to assess its performance.

The Group is organized into two operating segments on the basis of the different services offered by the Group:

- Distribution, where the primary offering is our GDS platform. It generates revenues mainly from booking fees the Group charges to travel providers for bookings made, as well as other non-booking revenues; and
- IT Solutions, where we offer a portfolio of technology solutions (primarily Altéa PSS) that automate mission-critical processes for travel providers. This segment generates revenues from the transactions processed in our platform, as well as from other non-transactional services.

The operating segments identified, the composition of those operating segments, and the accounting policies used in the measurement of the operating segments profit or loss, are consistent with those used and applied in the year ended December 31, 2015.

The Group applies the same accounting policies for the measurement of the profit or loss of its operating segments as those described in note 4. However, management when evaluating the performance of each operating segment uses Contribution as a performance measure. Contribution is defined as the revenue for the relevant operating segment less operating direct costs plus direct capitalizations and research incentives. The operating expenses (excluding capitalized expenses and those incentives associated to those capitalizations) of the Group are allocated either to operating direct costs or to indirect costs; operating direct costs are those direct costs that can be assigned to an operating segment.

Additionally, the Group manages its borrowing and tax activities centrally and they are not followed up per segment.

Information regarding the Group's operating segments and the reconciliation of the measure of profit or loss (Contribution) to the consolidated statement of comprehensive income as of December 31, 2016, and 2015, are set forth in the table below:

	31/12/2016			31/12/2015		
	Distribution	IT Solutions	Total	Distribution	IT Solutions	Total
Revenue	2,925.0	1,547.9	4,472.9	2,737.8	1,174.9	3,912.7
Contribution	1,223.0	1,040.7	2,263.7	1,177.0	760.8	1,937.8

The main reconciling items correspond to:

	31/12/2016	31/12/2015
Revenue	4,472.9	3,912.7
Contribution	2,263.7	1,937.8
Net indirect cost <sup>(1)</sup>	(563.6)	(472.4)
Depreciation and amortization <sup>(2)</sup>	(487.8)	(412.4)
<b>Operating income</b>	<b>1,212.3</b>	<b>1,053.0</b>

(1) Principally comprises indirect costs that are shared between the Distribution and IT Solutions operating segments, such as: (i) costs associated with our technology systems, including our processing of multiple transactions, and (ii) corporate support, including various corporate functions such as finance, legal, human resources, internal information systems, etc. Additionally it includes capitalization of expenses and incentives received from the French government in respect of certain IT Solutions / Distribution product development activities in Nice and which have not been allocated to an operating segment.

(2) Includes the capitalization of certain depreciation and amortization costs in the amount of €11.3 million and €10.2 million, in the period ended December 31, 2016 and 2015, respectively.

The Group operates in the travel industry and, accordingly, events that significantly affect the industry could also affect the Group's operations and financial position.

Amadeus IT Group, S.A. is based in Spain and is the counterparty to all key contractual arrangements with airlines and other travel providers for Distribution and IT Solutions operating segments.

The table below represents a good measure of how the revenue of the Group is geographically distributed based on, where the travel agent in which bookings are reserved is located (for the Distribution operating segment), and attending to where the airline receiving the services is registered (for the IT Solutions operating segment):

	31/12/2016	31/12/2015
Western Europe <sup>(1)</sup>	1,893.9	1,695.3
Asia & Pacific	817.7	716.1
Middle East and Africa	525.8	473.9
North America	712.4	438.3
Central, Eastern and Southern Europe	294.6	289.2
Latin America	228.5	299.9
<b>Revenue</b>	<b>4,472.9</b>	<b>3,912.7</b>

(1) Includes Spain revenue by an amount of €223.3 million, and €149.0 million for the periods ended December 31, 2016 and 2015, respectively.

Non-current assets by geographic area for the year ended December 31, 2016 and 2015, are set forth in the table below:

31/12/2016	Europe				Other			Total
	Spain	France	Germany	Other	North America	Rest of the world	PPA Assets	
Intangible Assets	166.3	1,503.1	90.1	5.7	734.8	32.2	678.1	3,210.3
PP&E	13.3	94.3	294.9	7.9	26.6	22.7	-	459.7
Investments in Associates	2.4	-	-	-	-	15.5	-	17.9
<b>Total</b>	<b>182.0</b>	<b>1,597.4</b>	<b>385.0</b>	<b>13.6</b>	<b>761.4</b>	<b>70.4</b>	<b>678.1</b>	<b>3,687.9</b>

31/12/2015	Europe				Other			Total
	Spain	France	Germany	Other	North America	Rest of the world	PPA Assets	
Intangible Assets	84.1	1,366.5	76.5	6.0	335.7	38.5	705.0	2,612.3
PP&E	11.7	94.1	297.6	10.1	20.9	13.5	-	448.0
Investments in Associates	2.1	-	-	-	-	10.6	-	12.7
<b>Total</b>	<b>98.0</b>	<b>1,460.6</b>	<b>374.1</b>	<b>16.1</b>	<b>356.6</b>	<b>62.6</b>	<b>705.0</b>	<b>3,073.0</b>

The PPA Assets caption corresponds to the carrying value of the assets identified during the Purchase Price Allocation exercise (PPA) performed as a result of the business combination between Amadeus Group and Amadeus IT Group, S.A. in July 2005.

The increase in North America intangible assets for the year ended December 31, 2016, is mainly derived from the Purchase Price Allocation exercise of Navitaire acquisition, as detailed in note 13.

## 7 GOODWILL

The reconciliation of the carrying amount of goodwill for the years ended as of December 31, 2016 and 2015, is set forth in the table below:

	31/12/2016	31/12/2015
<b>Carrying amount at the beginning of the year</b>	<b>2,478.9</b>	<b>2,379.1</b>
Additions due to acquisitions of subsidiaries (note 13)	733.0	112.3
Retirements	(5.0)	-
Transfers (notes 8, 12, 13 and 21)	(456.4)	(40.0)
Exchange rate adjustments	42.8	27.5
<b>Carrying amount at the end of the year</b>	<b>2,793.3</b>	<b>2,478.9</b>

For the year ended December 31, 2016, the “Additions due to acquisitions of subsidiaries” caption reflects the acquisitions of: Navitaire, Slovenia, Albania and Macedonia as detailed in note 13.

For the year ended December 31, 2016, the “Retirements” caption reflects the goodwill associated with the divestment of non-core Meeting Intelligence business by Amadeus Hospitality Americas, Inc..

For the year ended December 31, 2015, the “Additions due to acquisitions of subsidiaries” caption reflects the acquisitions of: Air IT, Itesso, Hotel Systems Pro and Pyton as detailed in note 13.

The transfers for the year ended December 31, 2016, mainly relate to the completion of the purchase price allocation exercise for the business combination with Navitaire, Itesso and Pyton as detailed in note 8, 12, 13 and 21.

The transfers for the year ended December 31, 2015, mainly relate to the completion of the purchase price allocation exercise for the business combination with Hotel Systems Pro, Air IT and i:FAO as detailed in note 8, 12, 13 and 21.

The “Exchange rate adjustments” caption for the year ended December 31, 2016 and 2015, mainly relates to the USD/EUR evolution.

Goodwill derived from any acquisition is allocated for the purpose of impairment testing, based on Amadeus’ organizational structure and operations, to the cash-generating unit that is expected to benefit from the acquisition that originated the goodwill.

The following reportable segments are the lowest level within the Group at which goodwill is monitored for internal management purposes. The carrying amount of goodwill per reportable segment is set forth in the table below:

	31/12/2016	31/12/2015
Distribution	1,992.4	1,996.4
IT Solutions	800.9	482.5
<b>Carrying amount</b>	<b>2,793.3</b>	<b>2,478.9</b>

The variations in the carrying amount of goodwill per segment are mainly due to the acquisition and transfers of Slovenia, Albania and Macedonia in Distribution, and the acquisitions of Navitaire in IT Solutions. The “Exchange rate adjustments” caption is assigned to the corresponding segment based on the originating entity. For the years ended December 31, 2016 and 2015, it mainly relates to the acquisition of Navitaire and Air IT, Hotel Systems Pro and Amadeus Hospitality Americas, Inc..

The Group tests the carrying amount of goodwill for impairment annually or more frequently if there is any indicator that suggests that the carrying amount of the goodwill might be impaired. The goodwill is tested for impairment together with the assets that can be reasonably allocated to the cash-generating unit to which the goodwill has been allocated to. During the year, neither the composition of these cash-generating units, nor the impairment testing exercise, has been modified. Those assets include intangible assets with indefinite useful life (such as the Amadeus brand, see note 8), to the extent that they do not generate cash inflows that are separate from those of the cash-generating unit to which they have been allocated. The corporate assets that the Group operates are also taken into consideration when testing for impairment the Group’s cash-generating units.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. This implies reducing the carrying amount of the asset to its recoverable amount, with the corresponding charge to the consolidated statement of comprehensive income in the “Depreciation and Amortization” caption.

The goodwill recoverable amounts for the Distribution and IT Solutions cash-generating units are based on a “value in use” assessment. In order to determine the “value in use” of each cash-generating unit the following steps are followed:

- Individual forecast are developed for each cash-generating unit, performing a cost allocation exercise for some cost items. These forecasts are based in the available financial budgets and financial projections approved by the Group management. The forecasts take into account the market environment, the market growth forecasts as well as the Group’s market position.
- Cash-flow forecasts based on the above and discount rates are calculated after tax.
- The present value is obtained, using specific discount rates that take into account the appropriate risk adjustment factors.

Regarding the 2016 Impairment Test exercise, the forecasts considered have been based on the Group’s 2017-2019 Long Term Plan (LTP). Unallocated costs have been allocated between the cash-generating units (Distribution and IT Solutions) and additional forecasts have been developed for 2020-2021. These internal forecasts are based on external assumptions such as Growth Domestic Product published by the International Monetary Fund, air traffic growth published by IATA, among others. The Group uses past experience average contribution margin for the estimation of the Group’s internal forecasts. For both cash-generating units, the forecasted revenues compound annual growth rate (CAGR) used for the impairment exercise, which did not result in any case of impairment, are set forth in the table below:

	31/12/2016	31/12/2015
	2017-2021 period	2016-2020 period
Base case	4.01% - 9.42%	3.98% - 9.66%
Optimistic case	5.01% - 10.43%	4.98% - 10.66%
Pessimistic case	3.01% - 8.42%	2.98% - 8.66%

Management believes that any reasonable deterioration of the key assumptions considered, which are the bases to calculate the value in use, would not result in the recoverable amount being lower than the respective unit's carrying amount.

For Distribution cash-generating unit, the value in use exceeds the carrying amount of goodwill and assets allocated to the cash-generating unit in all the scenarios of the sensitivity analysis performed, considering a growth rate to perpetuity in the range between (1.0)% and 2.5% (same range for the year 2015), and with a discount rate of 7.5% (7.8% in 2015), with different scenarios that go from 6.5% to 9.5%, in line with market consensus, and not resulting in any case of impairment.

For IT Solutions cash-generating unit, the value in use exceeds the carrying amount of goodwill and assets allocated to the cash-generating unit in all the scenarios of the sensitivity analysis performed, considering a growth rate to perpetuity in the range between (1.0)% and 2.5% (same range for the year 2015), and with a discount rate of 7.5% (7.8% in 2015), with different scenarios that go from 6.5% to 9.5%, in line with market consensus and not resulting in any case of impairment.

On February 5, 2014, Amadeus acquired 100% of the voting rights of NMTI Holdings, Inc., and its group of companies ("Newmarket"), now Amadeus Hospitality Americas, Inc., operating in the group and event management segment of the hotel industry, where is a leading provider of cloud-based IT solutions. The acquisition was done through a reverse merger between its indirect subsidiary AMS-NM Acquisition, Inc. and NMTI Holdings, Inc.. After the merger the surviving corporation was NMTI Holdings, Inc..

At the acquisition date, no synergies were identified between the business acquired and other cash-generating units of the Group, expressly Hotel IT. Therefore, in order to comply with IAS 36, a separate impairment test was performed for Newmarket and consequently disclosed in annual accounts for the years ended December 31, 2014 and 2015.

During 2015, Amadeus acquired some companies in order to expand the Group's technology offering to the hotel industry:

- On July 21, 2015, the Group acquired Itesso, B.V. and its group of companies ("Itesso"), a technology company based in Breda, offering cloud-based property management systems.
- On July 31, 2015, the Group acquired certain assets and assumed certain liabilities of Hotel Systems Pro, LLC ("Hotel Systems Pro"), one of the leading providers of sales, catering and maintenance management software to the hospitality industry.

Due to the above, initial Hotel IT business content has evolved, being enlarged to Hospitality Business. At the time of release of 2016 consolidated annual accounts, Amadeus Hospitality Americas, Inc., and the above mentioned acquired companies have been fully integrated, and Amadeus Hospitality businesses is benefiting of the synergies of these acquisitions. Therefore, from the management perspective, Amadeus Hospitality Americas, Inc. is not considered separately anymore, and, its impairment exercise is performed in conjunction with IT Solutions.

## 8 INTANGIBLE ASSETS

The reconciliation of the carrying amounts for the years ended December 31, 2016 and 2015, of the items included under intangible assets caption is set forth in the table below:

	Patents, trademarks, licenses and others	Technology and content	Contractual Relationships	Total
<b>Carrying amount at December 31, 2014</b>	<b>326.7</b>	<b>1,692.9</b>	<b>333.4</b>	<b>2,353.0</b>
Additions	10.1	-	39.0	49.1
Additions of Software internally developed	-	405.3	-	405.3
Retirements and disposals	-	-	(0.3)	(0.3)
Transfers	0.6	39.3	41.2	81.1
Additions due to acquisitions	0.1	1.7	-	1.8
Impairment losses charged to profit or loss	-	(19.0)	(0.3)	(19.3)
Amortization charge	(9.1)	(227.4)	(51.7)	(288.2)
Exchange rate adjustments	1.6	2.9	25.3	29.8
<b>Carrying amount at December 31, 2015</b>	<b>330.0</b>	<b>1,895.7</b>	<b>386.6</b>	<b>2,612.3</b>
Additions	9.5	0.5	65.6	75.6
Additions of Software internally developed	-	422.0	-	422.0
Retirements and disposals	-	(1.2)	(3.1)	(4.3)
Transfers	8.6	198.0	259.0	465.6
Additions due to acquisitions	-	7.0	-	7.0
Impairment losses charged to profit or loss	(8.6)	(18.2)	(0.2)	(27.0)
Amortization charge	(11.7)	(272.1)	(66.5)	(350.3)
Exchange rate adjustments	0.1	1.1	8.2	9.4
<b>Carrying amount at December 31, 2016</b>	<b>327.9</b>	<b>2,232.8</b>	<b>649.6</b>	<b>3,210.3</b>

The carrying amount of intangible assets with indefinite useful life amounts to €293.2 million as of December 31, 2016 and 2015, is classified under the “Patents, trademarks, licenses and others” caption and it relates to the Amadeus brand. The Amadeus brand is estimated that will contribute to the Group net cash inflows indefinitely. Among the different factors considered in reaching this decision, the following matters should be highlighted:

- There are no expectations of the Amadeus brand to be abandoned;
- There is certain stability within the GDS industry since it is composed of few players worldwide and Amadeus has a strong positioning.

Thereby, the Group does not see any fact or circumstance driving it to estimate a definite useful life for the Amadeus brand, thus, qualifying the asset as an indefinite useful life intangible asset. The Amadeus brand carrying amount is allocated to the cash-generating units of Distribution by €257.8 million and IT Solutions by €35.4 million. This intangible asset does not generate cash inflows that are independent from other assets and is, therefore, tested for impairment as part of the cash-generating units to which it is allocated. The key assumptions used for the impairment tests as well as the methodology followed is described in note 7.

During the year ended December 31, 2016, total additions to intangible assets amounted to €497.6 million, of which €75.6 million was acquired separately and €422.0 million was internally developed (€454.4 million, of which

€49.1 million was acquired separately and €405.3 million was internally developed during the year ended December 31, 2015).

Significant additions during the years ended as of December 31, 2016 and 2015, include software internally developed, which consists of expenditure incurred in products, projects and implementation of new customers, that qualifies for recognition as an intangible asset, as well as contractual relationships, which mainly relate to the payments made to travel agents and providers that meet the requirements to be recognised as an intangible asset.

Additions of software internally developed are presented once the portion of government grants received from the French Tax Authorities (Research Tax Credit) that are attributable to these assets is deducted, by an amount of €11.9 million and €12.0 million, for the years ended December 31, 2016 and 2015, respectively. The total amount of government grants received from the French Tax Authorities is €19.4 million and €18.5 million for the years ended December 31, 2016 and 2015, respectively. The portion of the government grant that is not attributable to the software internally developed is reported under the "Other operating expenses" caption on the Consolidated Statement of Comprehensive Income.

The Group has estimated the recoverable amount of the significant intangible assets for which it has been determined that an indication of impairment exists. As a result, the Group has recognised impairment losses of intangible assets by an amount of €27.0 million and €19.3 million, for the years ended December 31, 2016 and 2015, respectively. During 2016 the Group reported certain impairment losses in relation to products that will not deliver the expected economic benefits, due to either unforeseen efforts required to deliver the customer's needs, or a reassessment of the expected demand downwards; additionally the Group recognised an impairment loss related to the write-off of the brand "Newmarket International", amounting to €8.6 million, as it has been abandoned and will be replaced by the global Amadeus brand. From the total impairment expense for the year ended December 31, 2016, €25.5 corresponds to the IT Solutions operating segment and €1.5 million to the Distribution operating segment. For the year ended December 31, 2015 was €11.2 million and €8.1 million, respectively.

The transfers to the "Patents, trademarks, licenses and others", "Technology and Content" and "Contractual Relationships" captions for the year ended December 31, 2016, mainly relate to the completion of the purchase price allocation exercise for the business combination with Navitaire, Itesso and Pyton by an amount of €428.9 million, €32.3 million and €4.4 million respectively, as detailed in notes 7 and 13.

The transfers to the "Patents, trademarks, licenses and others", "Technology and Content" and "Contractual Relationships" captions for the year ended December 31, 2015, mainly relate to completion of the purchase price allocation exercise for the business combination with i:FAO, Hotel Systems Pro and Air IT by an amount of €39.5 million, €27.6 million and €14.1 million respectively, as detailed in notes 7 and 13.

In the year ended December 31, 2016, the additions due to acquisitions mainly relate to the assets of Navitaire, as detailed in note 13.



## 9 PROPERTY, PLANT AND EQUIPMENT

The reconciliation of the carrying amounts for the years ended December 31, 2016 and 2015, of the items included under the caption property, plant and equipment is set forth in the table below:

	Land & buildings	Data processing hardware & software	Other property, plant and equipment	Total
<b>Carrying amount at December 31, 2014</b>	<b>102.2</b>	<b>178.7</b>	<b>78.1</b>	<b>359.0</b>
Additions	57.7	116.0	28.1	201.8
Additions due to acquisitions	-	0.8	0.2	1.0
Retirements and disposals	-	(0.8)	(0.2)	(1.0)
Impairment losses charged to profit or loss	-	(0.7)	-	(0.7)
Transfers	-	-	-	-
Depreciation charge	(4.3)	(90.2)	(19.9)	(114.4)
Exchange rate adjustments	-	0.8	1.5	2.3
<b>Carrying amount at December 31, 2015</b>	<b>155.6</b>	<b>204.6</b>	<b>87.8</b>	<b>448.0</b>
Additions	0.2	109.2	25.3	134.7
Additions due to acquisitions	0.4	0.1	0.3	0.8
Retirements and disposals	-	(0.6)	(2.0)	(2.6)
Impairment losses charged to profit or loss	-	-	-	-
Transfers	0.4	-	(0.4)	-
Depreciation charge	(4.8)	(97.2)	(20.0)	(122.0)
Exchange rate adjustments	-	0.7	0.1	0.8
<b>Carrying amount as of December 31, 2016</b>	<b>151.8</b>	<b>216.8</b>	<b>91.1</b>	<b>459.7</b>

The “Other property, plant and equipment” caption includes building installations, furniture and fittings, and miscellaneous. The additions related to this caption as of December 2016, are related to the renewals that some companies of the Group are doing of furniture and building installations.

During the year ended December 31, 2016, there were not significant additions of “Land & buildings”. During the year ended December 31, 2015, there were additions of “Land & buildings” as Amadeus Germany GmbH entered into a new lease agreement for a new building, as detailed in note 14.

Additions to the “Data processing hardware & software” caption for the years ended December 31, 2016 and 2015, mainly relate to the data processing hardware and software acquired for the data processing center in Erding (Germany) amounting to €69.2 million and €85.2 million, respectively.

During the year ended December 31, 2016, the additions due to acquisitions mainly relate to the assets of Slovenia, Macedonia, Albania and Navitaire, as detailed in note 13.

Retirements during the years ended December 31, 2016 and December 31, 2015, include some write-offs mainly related to the data processing hardware, by a gross amount of €20.4 million and €57.4 million respectively. The

Group has derecognized these assets as they were not expected to generate future economic benefits. The equipment was already fully depreciated at the time it was written off.

The amount of expenditure in assets under construction recognised in the carrying amount of property, plant and equipment for the year ended December 31, 2016, is €4.3 million (€7.8 million for the year ended December 31, 2015).

The Group's contractual commitments for the acquisition of property, plant and equipment as of December 31, 2016, amounts to €12.5 million (€11.6 million as of December 31, 2015).

The carrying amount of property, plant and equipment under finance lease is set forth in the table below:

	31/12/2016	31/12/2015
Land & buildings	76.2	78.1
Data processing hardware & software	19.6	16.3
Other property, plant and equipment	4.5	5.2
<b>Total</b>	<b>100.3</b>	<b>99.6</b>

The depreciation charge related to assets acquired under finance leases, for the year ended December 31, 2016 and 2015, was €12.5 million, and €12.5 million, respectively. The acquisitions of property, plant and equipment under finance leases were €13.0 million for the year ended December 31, 2016, and €67.1 million for the year ended December 31, 2015.

## 10 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The investments in associates and joint ventures are not considered material for the Group as of December 31, 2016 and 2015.

The reconciliation of the carrying amount for the years ended December 31, 2016 and 2015, of the items included under the caption investments in associates and joint ventures is set forth in the table below:

	Investments in associates and joint ventures
<b>Carrying amount as of December 31, 2014</b>	<b>8.7</b>
Additions due to acquisitions	0.5
Share of profit of associates and joint ventures accounted for using the equity method	3.4
Distribution of dividends	(2.0)
Exchange rate adjustments	0.6
Excess Purchase Price	1.5
<b>Carrying amount as of December 31, 2015</b>	<b>12.7</b>
Share of profit of associates and joint ventures accounted for using the equity method	5.4
Distribution of dividends	0.1
Exchange rate adjustments	(0.3)
<b>Carrying amount as of December 31, 2016</b>	<b>17.9</b>

The entities consolidated by the Group under the equity method are not quoted in any organized stock market.

During 2015 the “Additions due to acquisitions” and “Excess Purchase Price” captions were related to the acquisition of 24.88% interest in Hiberus Travel IO Solutions, S.L.

The “Share of profit of associates and joint ventures accounted for using the equity method” caption excludes the impact of tax payable at the respective shareholder level.

The financial information of the Group’s associates and joint ventures is set forth in the table below:

	31/12/2016	31/12/2015
Total assets	98.6	88.8
Total liabilities	66.8	66.2
Net assets	31.8	22.6
<b>Investments in associates and joint ventures</b>	<b>17.9</b>	<b>12.7</b>
Total revenue	125.4	112.4
Profit for the year	10.3	9.9
<b>Share of profit of associates and joint ventures accounted for using the equity method</b>	<b>5.4</b>	<b>3.4</b>

## 11 FINANCIAL ASSETS AND LIABILITIES AND FAIR VALUE MEASUREMENTS

The Group's classification of financial assets and liabilities as of December 31, 2016, is set forth in the table below:

	Held for trading (1)	Available for sale	Loans and Receivables	Amortized Cost	Hedges (2)	Total
Other non-current financial assets	-	7.7	31.0	-	-	38.7
Non-current derivative financial assets (note 20)	-	-	-	-	2.0	2.0
<b>Total non-current financial assets</b>	<b>-</b>	<b>7.7</b>	<b>31.0</b>	<b>-</b>	<b>2.0</b>	<b>40.7</b>
Trade accounts receivable	-	-	349.7	-	-	349.7
Other current financial assets	-	-	21.6	-	-	21.6
Current derivative financial assets (note 20)	0.4	-	-	-	5.9	6.3
Cash and cash equivalents (note 24)	-	-	450.1	-	-	450.1
<b>Total current financial assets</b>	<b>0.4</b>	<b>-</b>	<b>821.4</b>	<b>-</b>	<b>5.9</b>	<b>827.7</b>
Non-current debt (note 16)	-	-	-	1,422.7	-	1,422.7
Non-current derivative financial liabilities (note 20)	-	-	-	-	8.6	8.6
<b>Total non-current financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,422.7</b>	<b>8.6</b>	<b>1,431.3</b>
Current debt (note 16)	-	-	-	969.5	-	969.5
Other current financial liabilities	-	-	-	10.8	-	10.8
Interim dividend payable (note 3 and 15)	-	-	-	175.3	-	175.3
Current derivative financial liabilities (note 20)	-	-	-	-	15.5	15.5
Trade accounts payable	-	-	-	650.5	-	650.5
<b>Total current financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,806.1</b>	<b>15.5</b>	<b>1,821.6</b>

(1) Includes derivatives that are not designated as effective hedging instruments according to IAS 39

(2) Includes derivatives that are designated as effective according to IAS 39

The Group's classification of financial assets and liabilities as of December 31, 2015, is set forth in the table below:

	Held for trading <sup>(1)</sup>	Available for sale	Loans and Receivables	Amortized Cost	Hedges <sup>(2)</sup>	Total
Other non-current financial assets	-	7.7	15.9	-	-	23.6
Non-current derivative financial assets (note 20)	-	-	-	-	3.7	3.7
<b>Total non-current financial assets</b>	<b>-</b>	<b>7.7</b>	<b>15.9</b>	<b>-</b>	<b>3.7</b>	<b>27.3</b>
Trade accounts receivable	-	-	309.7	-	-	309.7
Other current financial assets	-	-	15.1	-	-	15.1
Current derivative financial assets (note 20)	0.1	-	-	-	14.8	14.9
Cash and cash equivalents (note 24)	-	-	711.7	-	-	711.7
<b>Total current financial assets</b>	<b>0.1</b>	<b>-</b>	<b>1,036.5</b>	<b>-</b>	<b>14.8</b>	<b>1,051.4</b>
Non-current debt (note 16)	-	-	-	1,289.1	-	1,289.1
Non-current derivative financial liabilities (note 20)	-	-	-	-	12.2	12.2
<b>Total non-current financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,289.1</b>	<b>12.2</b>	<b>1,301.3</b>
Current debt (note 16)	-	-	-	1,033.8	-	1,033.8
Other current financial liabilities	-	-	-	15.6	-	15.6
Interim dividend payable (note 3 and 15)	-	-	-	148.4	-	148.4
Current derivative financial liabilities (note 20)	-	-	-	-	2.8	2.8
Trade accounts payable	-	-	-	601.9	-	601.9
<b>Total current financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,799.7</b>	<b>2.8</b>	<b>1,802.5</b>

(1) Includes derivatives that are not designated as effective hedging instruments according to IAS 39

(2) Includes derivatives that are designated as effective according to IAS 39

Within the "Other non-current financial assets" caption the Group includes certain loans which are impaired in full because they are deemed irrecoverable as of December 31, 2016 and 2015, by an amount of €11.4 million and €15.8 million, respectively.

Under "Other current financial assets" caption the Group includes loans which are not recoverable by an amount of €2.1 million as of December 31, 2016 and 2015, which are impaired in full.

## 11.1 Fair value measurements disclosures

The assets and liabilities that are measured at fair value on a recurring or non-recurring basis in the consolidated statement of financial position are set forth in the table below. These fair value measurements are categorized into different levels of fair value hierarchy based on the inputs to valuation techniques used.

	31/12/2016	31/12/2015		
	Level 2	Level 2	Level 3	Total
Foreign currency forward	2.0	3.7	-	3.7
<b>Non-current derivative financial assets (note 20)</b>	<b>2.0</b>	<b>3.7</b>	-	<b>3.7</b>
Foreign currency forward	5.9	14.8	-	14.8
Foreign currency forward and options held for trading	0.4	0.1	-	0.1
<b>Current derivative financial assets (note 20)</b>	<b>6.3</b>	<b>14.9</b>	-	<b>14.9</b>
Interest rate swaps	3.0	10.7	-	10.7
Foreign currency forward and options	5.6	1.5	-	1.5
<b>Non-current derivative financial liabilities (note 20)</b>	<b>8.6</b>	<b>12.2</b>	-	<b>12.2</b>
Foreign currency forward and options	15.5	2.8	-	2.8
<b>Current derivative financial liabilities (note 20)</b>	<b>15.5</b>	<b>2.8</b>	-	<b>2.8</b>
<b>Contingent consideration at fair value (note 13)</b>	<b>-</b>	<b>-</b>	<b>18.2</b>	<b>18.2</b>

The fair values of financial assets or liabilities traded on active liquid markets are fixed according to the prices quoted in those markets. If the market for a financial asset is not active or no market price is available, fair values are determined in accordance with generally accepted pricing valuation techniques which include discounted cash flows, standard valuation models based on market parameters, dealer quotes and use of comparable arm's length transactions.

The Group's foreign currency forward contracts are measured using quoted forward exchange rates. Interest rate swaps (IRS) are measured discounting the cash flows estimated based on the applicable interest rate curves derived from quoted interest rates. As such, the financial assets or liabilities in our consolidated statement of financial position resulting from these derivative financial instruments that are measured at fair value, would fall within the level 2 category of the fair value hierarchy. Fair values reflect the credit risk of the instrument and include adjustments to take into account the credit risk of the Group entity and counterparty when appropriate.

The Group recognises transfers between levels of fair value hierarchy as of the end of the reporting period in which the transfer has occurred. There were no transfers between levels of fair value hierarchy during the years ended December 31, 2016 and 2015.

The fair value of the contingent consideration is determined considering the expected payment using probability weighted average of pay-outs associated with each possible scenario. This method requires taking into account the range of possible outcomes, the pay-out associated with each possible outcome and the probability of each outcome arising.

The fair value categorized as level 3 for the year ended December 31, 2015, arose mainly from the consideration transferred in the acquisition of Itesso (as detailed in note 13). This fair value measurement is considered as recurring fair value measurement.

The main unobservable input for Itesso corresponds to the forecasted installed rooms in hotels for the years 2017 to 2020 effectively using the acquiree lodging systems and their average selling price. The estimated fair value of the deferred consideration would increase if the forecasted installed rooms in hotels and/or the average selling price were higher.

Changing the significant unobservable input used to estimate the fair value of the contingent consideration, to reflect reasonably possible alternative assumptions, would have the effects shown in the table below. These effects have been calculated by recalibrating the values from the valuation technique using alternative estimates of unobservable input that might reasonably have been considered by a market participant to price the contingent consideration as of December 31, 2015.

	31/12/2015	
	Increase / (decrease) in unobservable inputs	Favourable / (unfavourable) impact in profit or loss
Forecasted installed rooms in hotels and/or the average selling price	5%	-
	(5%)	€1.5 million

As of December 31, 2015, the Group considered for Pyton an amount of €0.7 million as contingent consideration at fair value. As of December 31, 2016, the Group has made a payment amounting to €0.2 million. The remaining €0.5 million has been deducted from the goodwill during the measurement period.

The Group estimates that the carrying amount of its financial assets and liabilities is a reasonable approximation of their fair value as of December 31, 2016, and 2015, except for the following financial liabilities:

	31/12/2016			31/12/2015		
	Carrying amount	Fair Value	% of face value	Carrying amount	Fair Value	% of face value
Bonds	1,400.0	1,430.7	102.19%	1,650.0	1,671.8	101.32%
European Investment Bank	302.3	325.3	107.60%	330.2	354.4	107.33%

The fair value measurement of the bonds and the European Investment Bank unsecured senior loan are categorised within the level 1 and level 2 in the fair value hierarchy, respectively.

## 11.2 Doubtful debt provision, factoring and cancellation reserve

The Group's doubtful debts provision as of December 31, 2016, amounted to €72.3 million, (€70.7 million for the financial year ended December 31, 2015). The doubtful debt provision is presented as a reduction of the "Trade accounts receivable" caption. The movement in the doubtful debt provision is set forth in the table below:

	31/12/2016	31/12/2015
<b>Carrying amount at the beginning of the year</b>	<b>70.7</b>	<b>72.2</b>
Additions due to acquisitions	0.4	0.3
Additional amounts through income statement	31.5	28.6
Write-off amounts	(15.6)	(14.6)
Unused reversed amounts through income statement	(14.9)	(18.6)
Translation changes	0.2	2.8
<b>Carrying amount at the end of the year</b>	<b>72.3</b>	<b>70.7</b>

Trade receivables of the Group include amounts which were past their due date at 2016 and 2015 year-end, but against which the Group has not recognized doubtful debt provision because there has not been a significant change in credit quality and the amounts are still considered recoverable.

Among other factors, that credit risk is mitigated by the fact that the majority of our customers' accounts receivables and payables are settled through the clearing houses operated by the International Air Transport Association ("IATA") and Airlines Clearing House, Inc. ("ACH"). These systems guarantee that the cash inflows from our customers will be settled at a certain fixed date, and mitigate the credit risk partially by the fact that the members of the clearing house are required to make deposits that would be used in the event of default.

The analysis of the age of amounts to be recovered from customers that are past due but not provisioned, for the years ended December 31, 2016 and 2015, is set forth in the table below:

	31/12/2016	31/12/2015
Up to 3 months	52.6	42.2
From 3 to 6 months	14.8	7.2
From 6 to 12 months	10.5	4.9
Over 12 months	2.9	3.3
<b>Carrying amount at the end of the year</b>	<b>80.8</b>	<b>57.6</b>

The Management estimates that the credit risk arising from its amounts receivable is adequately covered by the existing doubtful debt provision. Moreover, the Group's customer base is large and unrelated which results on a low concentration of the credit risk.

The Group has agreements with financial institutions to carry out factoring transactions over a part of the accounts receivable resulting from its business. As of December 31, 2016, the Group has not transferred any amount to financial institution under these agreements, nor as of December 31, 2015.

The Group recorded a provision against accounts receivable for estimated cancellations of airline bookings for the years ended December 31, 2016 and 2015, of €35.7 million and €31.4 million, respectively; consequently the



Group has reserved for the related reduction in accounts payable for distribution fees €15.7 million and €13.8 million, respectively.

### 11.3 Trade payables Directive

Pursuant to the Spanish legislation in force, the disclosures related to the Directive on trade payables as of December 31, 2016 and 2015, for the Spanish subsidiaries is set forth in the table below:

	31/12/2016	31/12/2015
	Days	Days
Average payment term to trade payables	22	33
Ratio of operations paid	22	33
Ratio of outstanding payments	27	32
	Million of euros	Millions of euros
Total payments	1,114.1	7.0
Total outstanding payments	72.9	0.8

## 12 DEFERRED REVENUE AND OTHER ASSETS AND LIABILITIES

### 12.1 Deferred revenue

The breakdown of the deferred revenue for the years ended December 31, 2016 and 2015, is set forth in the table below:

	Deferred revenue non-current	Deferred revenue current	Total
<b>Carrying amount at December 31, 2014</b>	<b>293.4</b>	<b>86.3</b>	<b>379.7</b>
Additions	72.9	141.4	214.3
Additions due to acquisitions	0.3	8.1	8.4
Retirements through income statement	(0.4)	(176.4)	(176.8)
Transfers	(55.9)	54.9	(1.0)
Translation changes	(0.1)	4.9	4.8
<b>Carrying amount at December 31, 2015</b>	<b>310.2</b>	<b>119.2</b>	<b>429.4</b>
Additions	77.1	172.5	249.6
Additions due to acquisitions	5.6	6.1	11.7
Retirements through income statement	(1.2)	(228.5)	(229.7)
Transfers	(66.4)	66.6	0.2
Translation changes	0.5	2.6	3.1
<b>Carrying amount at December 31, 2016</b>	<b>325.8</b>	<b>138.5</b>	<b>464.3</b>

The deferred revenue includes the portion of the cash received from customers which has not yet been taken to profit or loss at the end of the reporting period by €325.8 million (€310.2 million in 2015) and €138.5 million (€119.2 million in 2015) presented as non-current and current, respectively. The Group receives cash from customers mainly in relation to set-up services of our Altéa IT solution. The costs incurred on the implementation resulted in capitalised software assets which are controlled by the Group but that will be used by that customer to access our platform. The Group recognises the revenue for these services over the term of the agreement with the customer. The Group starts the recognition of revenues when the migration of the customer has been completed (cut-over).

The “Additions due to acquisitions” caption for the year ended December 31, 2016, is mainly due to the acquisition of Navitaire in relation to the amounts invoiced to our customers in advance of the revenue recognition. And for the year ended December 31, 2015, is mainly due to Air IT, Itesso and Hotel Systems Pro in relation to the amounts invoiced to our customers in advance of the revenue recognition.

The increase in both current and non-current deferred revenue is mainly the result of the cash received from customers for the implementation of Altéa IT solution during the years 2016 and 2015, being higher than the revenues recognized corresponding to the customers that are already using the platform. During 2016 there were additions by €249.6 million (€214.3 million in 2015) related to the cash received from customers. The “Additions” are partially offset by the revenues recognized during the year 2016 by an amount of €229.7 million (€176.8 million in 2015).

## 12.2 Other assets and liabilities

The breakdown of other assets as of December 31, 2016 and 2015, is set forth in the table below:

	31/12/2016	31/12/2015
Taxes receivable – non income tax (note 21)	105.4	64.9
Other non-current assets	32.9	30.3
<b>Total other non-current assets</b>	<b>138.3</b>	<b>95.2</b>
Prepaid expenses	75.1	62.4
Taxes receivable – non income tax (note 21)	45.9	84.2
Advance payments to travel agencies	86.2	72.3
Other	3.3	3.1
<b>Total other current assets</b>	<b>210.5</b>	<b>222.0</b>
<b>Total other assets</b>	<b>348.8</b>	<b>317.2</b>

The “Prepaid expenses” caption represents mainly payments made in advance for which services have not been received yet. Within those the most significant amounts are €8.8 million and €8.0 million in 2016 and 2015 respectively, paid by the Group as prepayments to vendors according to the terms of its agreements. Also these prepaid expenses include €23.9 million in 2016 and €18.0 million in 2015 mainly related to prepayments for maintenance contracts, mostly for hardware and software.

The “Taxes receivable – non income tax” caption includes VAT receivable and other taxes receivable (as detailed in note 21).

The Group presents in the “Advance payments to travel agencies” caption mainly payments made in advance for which services have not been received yet.

The breakdown of other liabilities as of December 31, 2016 and 2015, is set forth in the table below:

	31/12/2016	31/12/2015
Defined benefit plan liabilities	86.9	69.4
Other non-current liabilities	134.7	56.4
<b>Total other non-current liabilities</b>	<b>221.6</b>	<b>125.8</b>
Taxes payable – non income tax (note 21)	25.4	27.1
Other public institutions payable	42.1	43.5
Employee related accrual and others	231.5	174.7
<b>Total other current liabilities</b>	<b>299.0</b>	<b>245.3</b>
<b>Total other liabilities</b>	<b>520.6</b>	<b>371.1</b>

The “Taxes payable - non income tax” caption includes VAT payable and other taxes payable (as detailed in note 21). The increase is mainly due to the tax claim of the Group initiated at the Central Administrative Court (TEAC) in relation to the Taxation of Non-Residents for the fiscal year 2007, as detailed in the notes 21 and 26.

The “Other public institutions payable” caption includes mainly social costs payable. The increase in “Employee related accrual and others” caption includes amounts payable to the Group’s employees, mainly for variable remuneration and accruals for holidays, is partly derived from the increase in the number of employees (as detailed in note 23).

### 12.3 Pension and post-retirement benefits

Certain Group companies operate defined benefit plans. Depending on the country, these plans are offered on a voluntary basis or are mandatory as a result of the respective legal or Collective Agreement requirements. The benefits consist mainly of a life-long annuity or lump sum payable at retirement, death, disability or early retirement when certain conditions are met. Some of the plans provide death and retirement benefits to spouses subject to member contributions at higher rates. The Group provides for post-retirement medical plan and post-retirement life insurance benefits to a group of beneficiaries in the U.S.A.. Most of the obligations under defined benefit plans are voluntary based and operate on a funded basis with plan assets covering the obligations whilst mandatory plans are generally unfunded and book reserved.

The amounts related to defined benefit plans recognized in the consolidated statement of financial position as of December 31, 2016 and 2015, are set forth in the table below:

	31/12/2016	31/12/2015
Present value of Funded Defined Benefit Obligation	116.4	98.7
Fair value of plan assets	(77.8)	(67.7)
<b>Funded Status</b>	<b>38.6</b>	<b>31.0</b>
Present value of Unfunded Defined Benefit Obligation	48.3	38.4
<b>Net liability in the consolidated statement of financial position</b>	<b>86.9</b>	<b>69.4</b>

The Group recognises in equity all actuarial gains and losses in the period in which they occur. As a result, actuarial losses of €10.0 million (pre-tax €14.4 million) and gains of €2.2 million (pre-tax €3.5 million) were recognised directly through the consolidated statement of comprehensive income, net of tax as of December 31, 2016 and 2015, respectively (as detailed in note 15).

The defined benefit plan amounts recognized in the consolidated statement of comprehensive income at December 31, 2016 and 2015, are set forth in the table below:

	31/12/2016	31/12/2015
Service cost	6.6	6.5
Net interest on the net defined benefit liability (note 23)	2.3	2.2
Immediate recognition of loss arising during the year	0.3	-
Administration expenses	0.7	0.6
<b>Total charge recognised in profit or loss</b>	<b>9.9</b>	<b>9.3</b>
(Gain) / loss due to demographic assumptions	(0.2)	1.0
(Gain) / loss due to financial assumptions	19.2	(6.7)
(Gain) / loss due to experience	(0.2)	(0.1)
Assets (gain) / losses on plan assets	(4.4)	2.3
<b>Total re-measurements recognised in other comprehensive income</b>	<b>14.4</b>	<b>(3.5)</b>
<b>Total</b>	<b>24.3</b>	<b>5.8</b>

As of December 31, 2016 and 2015, balances and movements of the items included under defined benefit plan liability are set forth in the table below:

	31/12/2016	31/12/2015
<b>Balance at the beginning of the year</b>	<b>69.4</b>	<b>66.5</b>
Total charge recognised in profit and loss	9.9	9.3
Total re-measurements recognised in other comprehensive income	14.4	(3.5)
Other events recognised in other comprehensive income	3.1	-
Transfer from other non-current liabilities	-	0.8
Employer contributions	(10.8)	(6.5)
Exchange rate (gain) / loss	0.9	2.8
<b>Balance at the end of the year</b>	<b>86.9</b>	<b>69.4</b>

The reconciliation of the present value of the defined benefit obligation is set forth in the table below:

	31/12/2016	31/12/2015
<b>Defined benefit obligation, beginning of the year</b>	<b>137.1</b>	<b>126.5</b>
Net current service cost	6.6	6.3
Interest cost	5.0	4.6
Net benefit paid	(4.9)	(3.3)
Actual taxes paid	0.7	(0.3)
(Gain) / loss due to experience	(0.1)	-
(Gain) / loss due to demographic assumptions	(0.2)	1.0
(Gain) / loss due to financial assumptions	19.4	(6.7)
(Gain) / loss due to exchange rate changes	(1.7)	8.0
Transfer from other non-current liabilities	-	0.8
Settlements	(0.3)	0.2
Other restructuring events	3.1	-
<b>Defined benefit obligation, at year end</b>	<b>164.7</b>	<b>137.1</b>

The reconciliation of the fair value of plan assets is set forth in the table below:

	31/12/2016	31/12/2015
<b>Fair value of plan assets, beginning of the year</b>	<b>67.7</b>	<b>60.0</b>
Employer contributions	10.8	6.5
Net benefits paid	(4.9)	(3.3)
Actual administration expenses paid	-	(0.6)
Actuals taxes paid	-	(0.3)
Interest income on plan assets	2.7	2.6
Actuarial gain / (losses) on plan assets	4.4	(2.3)
Gain / (loss) due to exchange rate changes	(2.6)	5.1
Settlements	(0.3)	-
<b>Fair value of plan assets, at year end</b>	<b>77.8</b>	<b>67.7</b>

The best estimate of contributions expected to be paid into the defined benefit plan in the next annual financial year is €4.7 million.

As of December 31, 2016, the weighted average asset allocation per pension plan and by asset category is set forth in the table below:

	France Pension Plan	France Ret. Indemnity	Norway	U.K.	U.S.A.	India Gratuity	Philippines	Navitaire Philippines
Cash and cash equivalents	-	-	-	-	-	-	24%	18%
Equity Securities	-	-	-	27%	35%	-	19%	41%
Debt Securities	-	-	-	36%	41%	100%	54%	41%
Real Estate	-	-	-	-	5%	-	-	-
Asset held by insurance company	100%	100%	100%	-	-	-	-	-
Other	-	-	-	37%	19%	-	2%	-
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

As of December 31, 2015, the weighted average asset allocation per pension plan and by asset category is set forth in the table below:

	France Pension Plan	France Ret. Indemnity	Norway	U.K.	U.S.A.	India Gratuity	Philippines
Cash and cash equivalents	2%	67%	-	-	-	-	5%
Equity Securities	16%	-	-	33%	47%	-	17%
Debt Securities	80%	-	-	67%	46%	-	68%
Real Estate	2%	-	-	-	-	-	-
Asset held by insurance company	-	33%	100%	-	-	100%	-
Other	-	-	-	-	7%	-	10%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

The nature of the benefits provided by the defined benefit plans in the Group varies from pension plans, long service and seniority awards, to gratuity plans, among others. These plans are structured and governed by local legislations (e.g. labour law). There are plans that do not report risks to the Group since are 100% covered by insurance policies, while in others the main risks associated with the plans are fluctuations in the financial and actuarial assumptions (e.g. discount rate, inflation, salary increase, life expectancy, etc.), past experience (in the collective or asset linked to the plans) or legislations evolutions.

The principal actuarial assumptions applied in the preparation of the consolidated statement of financial position are set forth in the table below:

	31/12/2016	31/12/2015
<b>Use to determine the defined benefit obligation at end of the year and profit and loss charge for new financial year:</b>		
Discount rate	3.01%	3.72%
Underlying consumer price inflation	2.11%	2.16%
Rate of future compensation increases	3.19%	2.94%
Rate of pension increases	1.93%	1.29%
<b>Use to determine profit and loss charge for the current financial year:</b>		
Discount rate	3.72%	3.46%
Underlying consumer price inflation	2.03%	2.08%
Rate of future compensation increases	3.02%	2.83%
Rate of pension increases	1.26%	1.21%

The above summary is a weighted average based on the defined benefit obligation of each country.

The sensitivity of the overall pension plan liability as of December 31, 2016, to changes in the weighted principal assumptions is:

	Millions of euros	
	Increase 25bps	Decrease 25bps
Discount rate for Obligations	(6.7)	6.9
Salary rate	2.7	(2.6)

The expense for defined contribution plans amounted to €49.1 million and €44.8 million for the years ended December 31, 2016 and 2015, respectively.

### 13 BUSINESS COMBINATIONS

The main impacts of these transactions on the consolidated statement of financial position as of December 31, 2016 and 2015, are set forth in the table below:

	31/12/2016	31/12/2015
Cash paid	761.2	117.2
Contingent consideration at fair value (note 11)	-	18.2
Non-controlling interests (note 15)	0.1	-
Recognized amounts of identifiable assets acquired and liabilities assumed	(28.3)	(23.1)
<b>Net excess purchase price from current transactions</b>	<b>733.0</b>	<b>112.3</b>
Excess purchase price from current transactions (note 7)	733.0	112.3
Allocation of fair value of net assets acquired (note 7)	(456.4)	(40.0)
<b>Net additions to Goodwill at acquisition date</b>	<b>276.6</b>	<b>72.3</b>



The reconciliation between the cash paid for current acquisitions and the net cash invested in subsidiaries as of December 31, 2016 and 2015, is set forth in the table below:

	31/12/2016	31/12/2015
Cash paid for current transactions	761.2	117.2
Cash paid on deferred consideration from prior period	-	-
Cash acquired as a result of current acquisition	(2.4)	(2.9)
<b>Net cash invested in subsidiaries</b>	<b>758.8</b>	<b>114.3</b>

The acquisition-related costs recognized as an expense under the “Other operating expenses” caption of the consolidated statement of comprehensive income for the year ended December 31, 2016, and 2015, are set forth in the table below:

	31/12/2016		31/12/2015				
	Navitaire	Albania, Macedonia & Slovenia	Navitaire <sup>(1)</sup>	Air IT	Itesso	Hotel Systems Pro	Pyton
Acquisition-related costs	4.6	0.1	6.6	0.3	0.6	0.4	0.3

(1) Navitaire acquisition was effective as of January 26, 2016.

The amount of revenue and profit that the business combinations have contributed to the group since acquisition and is included in the consolidated statement of comprehensive income for the year ended December 31, 2016, is set forth in the table below:

	Navitaire
Revenue	185.3
Profit for the year	29.5

If the business combinations had been consolidated as of January 1, 2016, the pro-forma Group’s consolidated statement of comprehensive income for the reporting period would show additional revenue and profit/(loss) for the period as set forth in the table below:

	Amadeus Pro-forma	Navitaire
Revenue	4,489.8	16.9
Profit net of taxes	829.0	2.7

These amounts are calculated without adjusting the results to reflect additional depreciation and amortization that would have been charged assuming a fair value adjustment to intangible assets, interest expense for the debt levels of the Group after the business combinations, other homogenization adjustments, and any related tax effects.

## 13.1 Business combinations

### 13.1.1 Navitaire

On January 26, 2016, after receiving all the necessary regulatory approvals, the Group has acquired 100% of the ownership interest of Navitaire, LLC and certain assets and assumed certain liabilities primarily related to the Navitaire business, including 100% of the ownership interest of Navitaire Philippines Inc. (“Navitaire”). The transaction was structured as a carve-out from the previous owner as the Navitaire business was embedded within the Accenture Group. About 590 employees, including the senior management team has joined Amadeus.

As of December 31, 2016, the purchase accounting for the business combination of Navitaire is completed. The table below sets forth the assets and liabilities recognized at the acquisition date, and those identified after the measurement period finalized, together with the resulting goodwill. The Group expects that the whole investment amount will be deductible for income tax purposes, and, therefore, no deferred tax liability has been registered.

	Navitaire		
	Carrying amounts at acquisition date	Fair Value adjustments to purchase value	Fair value of net assets acquired
Goodwill	6.9	(6.9)	-
Intangible assets	7.0	410.3	417.3
Property, plant and equipment	0.3	-	0.3
Other non-current assets	0.2	-	0.2
<b>Total non-current assets</b>	<b>14.4</b>	<b>403.4</b>	<b>417.8</b>
Trade and other receivables	36.9	-	36.9
Other current assets	0.3	-	0.3
Cash and cash equivalents	1.6	-	1.6
<b>Total current assets</b>	<b>38.8</b>	<b>-</b>	<b>38.8</b>
Deferred revenue non-current	8.8	(3.2)	5.6
Other non-current liabilities	4.1	-	4.1
<b>Total non-current liabilities</b>	<b>12.9</b>	<b>(3.2)</b>	<b>9.7</b>
Trade and other payables	0.3	-	0.3
Deferred revenue current	6.1	-	6.1
Other current financial liabilities	0.1	-	0.1
Other current liabilities	3.8	-	3.8
<b>Total current liabilities</b>	<b>10.3</b>	<b>-</b>	<b>10.3</b>
<b>Net identifiable assets acquired</b>	<b>30.0</b>	<b>406.6</b>	<b>436.6</b>
Consideration transferred	760.1		760.1
<b>Goodwill resulting from the acquisition</b>	<b>730.1</b>		<b>323.5</b>

The intangible assets identified in the acquisition of Navitaire were customer relationships, technology and trade-name. Navitaire’s Technology integrates internet booking, call center reservation, inter-airline / alliance codeshare itineraries, real-time reporting, ancillary revenue generation and departure control capabilities.

The fair value adjustments linked to the “Deferred revenue non-current” caption derived from the long term contracts signed paid upfront by the customers.

The fair value of trade receivables acquired has been estimated as set forth in the table below:

	Navitaire
Gross carrying amount	38.0
Allowance for doubtful accounts	(1.1)
<b>Fair value of receivables</b>	<b>36.9</b>

### 13.1.2 Itesso

On July 21, 2015, the Group acquired 100% of the voting rights of Itesso, B.V. and its group of companies (“Itesso”). Itesso is based in Breda, The Netherlands, and offers cloud-based property management systems, expanding Amadeus technology offering to the hotel industry.

As of December 31, 2016, the purchase accounting for the business combination of Itesso is completed. The table below sets forth the assets and liabilities recognized at the acquisition date, and those identified after the measurement period finalized, together with the resulting goodwill. The Group did not expect that the goodwill will be deductible for income tax purposes.

	Itesso		
	Carrying amounts at acquisition date	Fair Value adjustments to purchase value	Fair value of net assets acquired
Intangible assets	-	32.3	32.3
Property, plant and equipment	0.2	-	0.2
Other non-current financial assets	0.3	-	0.3
<b>Total non-current assets</b>	<b>0.5</b>	<b>32.3</b>	<b>32.8</b>
Trade and other receivables	1.5	-	1.5
Other current financial assets	0.1	-	0.1
Other current assets	0.1	-	0.1
Cash and cash equivalents	0.4	-	0.4
<b>Total current assets</b>	<b>2.1</b>	<b>-</b>	<b>2.1</b>
Deferred tax liabilities	-	8.1	8.1
<b>Total non-current liabilities</b>	<b>-</b>	<b>8.1</b>	<b>8.1</b>
Trade and other payables	0.8	-	0.8
Deferred revenue current	1.3	-	1.3
Other current liabilities	0.1	-	0.1
<b>Total current liabilities</b>	<b>2.2</b>	<b>-</b>	<b>2.2</b>
<b>Net identifiable assets acquired</b>	<b>0.4</b>	<b>24.2</b>	<b>24.6</b>
Consideration transferred	50.2	(0.1)	50.1
<b>Goodwill resulting from the acquisition</b>	<b>49.8</b>		<b>25.5</b>

The intangible assets identified in the acquisition of Itesso are technology, customer relationships, contracts signed and tangible assets. Technology includes different hotel software solutions:

- ELS: Cloud-native PMS platform operating on the Microsoft Azzure platform.
- PMS: Portfolio of different property management systems.

- ITS Channel Management which offers 40 direct connects to Online Travel Agents, B2B channels, Central Reservation Systems (“CRS”) and the Global Distribution Systems.

The fair value of trade receivables acquired has been estimated as set forth in the table below:

	Itesso
Gross carrying amount	1.8
Allowance for doubtful accounts	(0.3)
<b>Fair value of receivables</b>	<b>1.5</b>

### 13.1.3 Pyton

On August 21, 2015, the Group acquired 100% of the voting rights of Pyton Communication Services B.V. and its subsidiary (“Pyton”). Pyton is based in Weert, The Netherlands, and offers Internet Booking Engine (IBE) and API solutions for online travel agents (OTAs), travel agents, tour operators and travel product suppliers.

As of December 31, 2016, the purchase accounting for the business combination of Pyton is completed. The table below sets forth the assets and liabilities recognized at the acquisition date, and those identified after the measurement period finalized, together with the resulting goodwill. The Group did not expect that the goodwill will be deductible for income tax purposes.

	Pyton		
	Carrying amounts at acquisition date	Fair Value adjustments to purchase value	Fair value of net assets acquired
Intangible assets	0.6	4.4	5.0
Property, plant and equipment	0.8	-	0.8
<b>Total non-current assets</b>	<b>1.4</b>	<b>4.4</b>	<b>5.8</b>
Trade and other receivables	0.5	-	0.5
Cash and cash equivalents	0.4	-	0.4
<b>Total current assets</b>	<b>0.9</b>	<b>-</b>	<b>0.9</b>
Deferred tax liabilities	0.2	1.1	1.3
<b>Total non-current liabilities</b>	<b>0.2</b>	<b>1.1</b>	<b>1.3</b>
Trade and other payables	0.1	-	0.1
Other current liabilities	0.3	-	0.3
<b>Total current liabilities</b>	<b>0.4</b>	<b>-</b>	<b>0.4</b>
<b>Net identifiable assets acquired</b>	<b>1.7</b>	<b>3.3</b>	<b>5.0</b>
Consideration transferred	8.9	(0.5)	8.4
<b>Goodwill resulting from the acquisition</b>	<b>7.2</b>		<b>3.4</b>

The intangible assets identified in the acquisition of Pyton are i) Pyton Flight Portal (PFP): Aggregating Low-cost airline content in a portal (API/xml), ii) Pyton Leisure Portal (PLP): Aggregating leisure content (packages, flight, hotel, transfer content, car hire, etc), and iii) Customer relationships.

The fair value of trade receivables acquired has been estimated as set forth in the table below:

	Pyton
Gross carrying amount	0.6
Allowance for doubtful accounts	(0.1)
<b>Fair value of receivables</b>	<b>0.5</b>

### 13.1.4 Hotel Systems Pro

On July 31, 2015, indirectly through its subsidiary Amadeus Hospitality Americas, Inc., the Group acquired certain assets and assumed certain liabilities of Hotel Systems Pro, LLC (“Hotel Systems Pro”), one of the leading providers of sales, catering and maintenance management software to the hospitality industry. The total consideration paid in cash was €63.3 million.

As of December 31, 2015, the purchase accounting for the business combination of Hotel Systems Pro was completed. The table below sets forth the assets acquired and the liabilities assumed recognized at the acquisition date, and those identified after the measurement period finalized, together with the resulting goodwill. The Group expects that the goodwill will be deductible for income tax purposes.

	Hotel Systems Pro		
	Carrying amounts at acquisition date	Fair Value adjustments to purchase value	Fair value of net assets acquired
Goodwill	17.2	(17.2)	-
Intangible assets	-	27.6	27.6
<b>Total non-current assets</b>	<b>17.2</b>	<b>10.4</b>	<b>27.6</b>
Trade and other receivables	0.2	-	0.2
<b>Total current assets</b>	<b>0.2</b>	<b>-</b>	<b>0.2</b>
Trade and other payables	0.1	-	0.1
Deferred revenue current	5.2	(0.3)	4.9
Other current financial liabilities	0.3	-	0.3
<b>Total current liabilities</b>	<b>5.6</b>	<b>(0.3)</b>	<b>5.3</b>
<b>Net identifiable assets acquired</b>	<b>11.8</b>	<b>10.7</b>	<b>22.5</b>
Consideration transferred	63.3		63.3
<b>Goodwill resulting from the acquisition</b>	<b>51.5</b>		<b>40.8</b>

The intangible assets identified in the acquisition of Hotel Systems Pro are the Trademark, customer relationship, the technology associated with the HSP platform and the non-compete agreements signed by the seller and one former employee.

### 13.1.5 Air IT

On April 21, 2015, the Group acquired, indirectly through its subsidiary Amadeus Americas, Inc., 100% of the voting rights of Air-Transport IT Services, Inc. (“Air IT”) for a total consideration paid in cash of €13.0 million. Air IT is based in Orlando, Florida, and offers integrated solutions which include consulting, software, hardware, network, installation and support services to the air transportation industry. This acquisition accelerates the Group’s expansion in the largest airport IT market globally, North America.

As of December 31, 2015, the purchase accounting for the business combination of Air IT was completed. The table below sets forth the assets and liabilities recognized at the acquisition date, and those identified after the measurement period finalized, together with the resulting goodwill. The Group did not expect that the goodwill will be deductible for income tax purposes.

	Air IT		
	Carrying amounts at acquisition date	Fair Value adjustments to purchase value	Fair value of net assets acquired
Goodwill	7.0	(7.0)	-
Intangible assets	1.1	14.1	15.2
Property, plant and equipment	0.1	-	0.1
Deferred tax assets	0.2	-	0.2
<b>Total non-current assets</b>	<b>8.4</b>	<b>7.1</b>	<b>15.5</b>
Trade and other receivables	4.1	-	4.1
Other current assets	0.3	-	0.3
Cash and cash equivalents	2.2	-	2.2
<b>Total current assets</b>	<b>6.6</b>	<b>-</b>	<b>6.6</b>
Deferred tax liabilities	0.4	5.6	6.0
Deferred revenue non-current	0.3	-	0.3
<b>Total non-current liabilities</b>	<b>0.7</b>	<b>5.6</b>	<b>6.3</b>
Current debt	1.9	-	1.9
Trade accounts payables	0.5	-	0.5
Deferred revenue current	1.6	-	1.6
Other current liabilities	1.0	-	1.0
<b>Total current liabilities</b>	<b>5.0</b>	<b>-</b>	<b>5.0</b>
<b>Net identifiable assets acquired</b>	<b>9.3</b>	<b>1.5</b>	<b>10.8</b>
Consideration transferred	13.0		13.0
<b>Goodwill resulting from the acquisition</b>	<b>3.7</b>		<b>2.2</b>

The intangible assets identified in the acquisition of Air IT are the developed software and client customer relationship. Software developments includes: PROP WORKS, a software solution designed to manage property and revenue management; AODB, an operational system to enhance efficiency and productivity through data collection, integration and distribution; Display systems ADS and FIDS, deliver content Management, dynamic display functionality, and comprehensive brand delivery; and Passenger processing systems, providing secure access to native airline applications while delivering operational flexibility to the airport.

The fair value of trade receivables acquired has been estimated as set forth in the table below:

	Air IT
Gross carrying amount	4.1
Allowance for doubtful accounts	-
<b>Fair value of receivables</b>	<b>4.1</b>

## 13.2 Other equity investments

In the year ended December 31, 2015, the Group carried out the following equity investments:

### Newly created companies:

- 100% interest in Amadeus Global Operations, Inc. through its subsidiary Amadeus Americas, Inc.

### Capital increases:

- Amadeus Global Travel Distribution Ltd.

## 14 COMMITMENTS

### 14.1 Finance and operating leases

The Group leases certain facilities and equipment under operating and finance leases.

Finance lease payments for all the entities within the Group consisted of principal plus interest at an average of 2.2% during the year ended 2016 and 3.2% from January to March and 2.3% from April onwards during the year ended December 31, 2015.

The future minimum lease payments for finance leases as of December 31, 2016 and 2015, are set forth in the table below:

Year(s) due	31/12/2016		31/12/2015	
	Gross value	Net present value	Gross	Net present value
0 – 1	16.4	14.7	15.9	14.0
1 – 2	13.1	11.6	12.4	10.8
2 – 3	9.9	8.5	8.8	7.4
3 – 4	5.6	4.5	6.6	5.2
4 – 5	5.4	4.4	6.0	4.7
5 – 10	21.0	17.5	23.3	19.3
10 – 15	8.4	6.1	9.5	7.1
15 – 20	8.0	6.1	8.0	6.0
20 – 25	8.0	6.5	8.0	6.5
25 – 30	14.0	14.0	15.6	15.3
Total minimum lease payments	109.8	93.9	114.1	96.3
Less amount representing interest	15.9	-	17.8	-
<b>Obligations under finance leases (note 16)</b>	<b>93.9</b>	<b>93.9</b>	<b>96.3</b>	<b>96.3</b>
Current portion (note 16)	14.6		13.6	
Non-current portion (note 16)	79.3		82.7	
	93.9		96.3	

For the years ended December 31, 2016 and 2015, the rental expense for operating leases were €34.5 million and €33.7 million, respectively.

In March 2014, our subsidiary Amadeus S.A.S. entered into a finance lease agreement for an office building in Sophia Antipolis. The lease term is 12 years, with no renewal options, and a EUR 1 purchase option to be executed after the lease term. The cost of the new property lease is €23.3 million.

Additionally, during 2014, most of the operating leases of the Group's subsidiary Amadeus S.A.S. (out of approximately 15 rental properties in different buildings) were not renewed or their termination dates were renegotiated and changed to allow for earlier termination, in consideration of the new office building available and accounted under finance lease according to the agreement signed in March 2014.

During 2012 our subsidiary Amadeus Germany GmbH entered into an operating lease agreement for the use of new building premises at the beginning of 2015. The lease term is 10 years with a renewal option of one additional term of 5 years.

Starting April, 2015, the lease for the office building in Bad Homburg, where Amadeus Germany GmbH is based, has become a finance lease, as the terms renegotiated in 2013 have been met. This implies a decrease in the future minimum lease payments for operating leases amounting to €45.0 million since the beginning of the agreement. The new finance lease agreement amounted to €56.7 million and the lease term is 27 years, until March 2042. There are three purchase options to be executed, and there are monthly payments, as detailed in note 16. The outstanding amount as of December 31, 2016, is €52.0 million (€54.6 million as of December 31, 2015).

During November, 2015, our subsidiary Amadeus Hospitality Americas, Inc. renegotiated a new 6 years' operating lease agreement referred to Portsmouth office. The total minimum lease payments for this operating lease amounts to €13.2 million as of December 31, 2016 (€15.5 million as of December 31, 2015) and there are no renewal options specified. Additionally, there are two leases incorporated to the subsidiary Amadeus Global Operations Americas, Inc., based in California and Virginia. The lease term is 5 years, starting in June, 2015 until June, 2020. The total minimum lease payments for these operating leases amounted to €1.0 million and €0.9 million respectively as of December 31, 2016, with two renewal options of two years each (€1.3 million and €1.2 million respectively as of December 31, 2015).

In January, 2014, our subsidiary Amadeus IT Pacific Pty. Ltd. signed a 10 year operating lease agreement referred to Sydney Office, commencing in January 2015, until December 2024. The total minimum lease payments of this operating lease amounts to €16.8 million as of December 31, 2016 (€ 17.0 million as of December 31, 2015). The old lease contract, previously in force until November, 2014, was not extended.

Finally, the incorporation of new companies within the consolidation scope has also impacted with an increase of operating leases, mainly due to office's rental, partially offsetting by the decrease due to the reclassification of the operating lease into finance lease in Germany during 2015, and the decrease of the outstanding amount during 2016, as mentioned above.



The future minimum lease payments for operating leases as of December 31, 2016, and 2015, are as set forth in the table below:

Year(s) due	31/12/2016	31/12/2015
0 – 1	33.9	33.0
1 – 2	30.0	27.0
2 – 3	24.8	23.8
3 – 4	18.7	19.2
4 – 5	15.2	14.4
5 – 10	28.2	36.1
10 - 15	1.2	1.6
<b>Total payments</b>	<b>152.0</b>	<b>155.1</b>

## 14.2 Guarantees and commitments for the acquisition of property, plant and equipment

The Group guarantees as of December 31, 2016, and December 31, 2015, are set forth in the table below:

	31/12/2016	31/12/2015
Guarantees from Group companies	9.8	10.6
Guarantees from financial institutions	62.9	63.0
<b>Total Guarantees</b>	<b>72.7</b>	<b>73.6</b>

As of December 31, 2016, the Group has short-term commitments to acquire property, plant and equipment for €12.5 million (€11.6 as of December 31, 2015).

## 15 EQUITY

### 15.1 Share Capital

As of December 31, 2016 and 2015, the Company's share capital amounts to €4.4 million respectively, as represented by 438,822,506 ordinary shares with a nominal value of €0.01 per share, all of them of one single class; totally subscribed and paid.

On June 25, 2015, the 'Ordinary General Shareholders' Meeting agreed to reduce the share capital of the company in €87,594.44, through the redemption of 8,759,444 of its treasury shares, with a nominal value of €0.01 per share, which were acquired for redemption under the Share Buy back program approved by the Board of Directors on December 11, 2014. This capital reduction was registered at the Companies Register of Madrid on August 4, 2015.

The company recognized a reserve for capital reduction against unrestricted reserves for an amount of €0.1 million, equivalent to the amortized shares nominal value. This reserve is only distributable under the same requirements as for the reduction of share capital established the article 335 of the Spanish Capital Companies Act.

The Company's shares are traded on the Spanish electronic trading system ("Continuous Market") on the four Spanish Stock Exchanges (Madrid, Barcelona, Bilbao and Valencia). The Company's shares form part of the Ibex 35 index [AMS].

As of December 31, 2016, and 2015, the Company's shares were held as set forth in the table below:

Shareholder	31/12/2016		31/12/2015	
	Shares	%	Shares	%
Free float (1)	436,858,714	99.55%	436,201,936	99.41%
Treasury shares (2)	1,521,273	0.35%	2,214,916	0.50%
Board of Directors (3)	442,519	0.10%	405,654	0.09%
<b>Total</b>	<b>438,822,506</b>	<b>100 %</b>	<b>438,822,506</b>	<b>100%</b>

(1) Includes shareholders with significant equity stake on December 31, 2016 and 2015 reported to the National Commission of the Stock Exchange (CNMV).

(2) Voting rights remain ineffective given they are treasury shares.

(3) It does not include voting rights that could be acquired through financial instruments.

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

## 15.2 Additional paid-in capital

The balance on the "Additional paid-in capital" caption represents the amounts received in excess of the nominal value of the ordinary shares ("share premium"), net of issuance and listing costs and taxes. Within this account the Group also recognizes the cumulative amounts charged to the consolidated statement of comprehensive income in respect to employee share-based payments and the gains or losses resulting from transactions with its own shares.

### 15.3 Treasury shares

The reconciliation of the carrying amounts for the years ended December 31, 2016 and 2015, of the treasury shares is set forth in the table below:

	Treasury Shares	Millions of euros
<b>Carrying amount at December 31, 2014</b>	<b>3,605,477</b>	<b>349.3</b>
Acquisitions	7,508,451	280.1
Retirement	(139,568)	(2.5)
Share buy-back programme	-	(277.6)
Share capital reduction	(8,759,444)	(320.0)
<b>Carrying amount at December 31, 2015</b>	<b>2,214,916</b>	<b>29.3</b>
Acquisitions	616,111	24.0
Retirement	(1,309,754)	(29.7)
<b>Carrying amount at December 31, 2016</b>	<b>1,521,273</b>	<b>23.6</b>

During the year 2016, the Group acquired 616,111 shares from which 393,748 were acquired under the Joint plan for the merger by absorption of Amadeus IT Group, S.A. into Amadeus IT Holding, S.A. (the "Merger Plan"), and the rest 222,363 were acquired to for the settlements of the PSP and Share Match Plan.

The Group settled some employee share-based plans and therefore transferred 997,235 shares to the employees.

The Company delivered 312,519 of its shares to the former Amadeus IT Group, S.A. minority shareholders, in relation to the exchange ratio established for the Merger Plan.

During the year 2015, the Group acquired 7,508,451 shares from which 7,443,033 were acquired under the Share Buy-back and Redemption Programme.

On May 12, 2015, the Share Buy-back and Redemption Programme was terminated. 8,759,444 shares were acquired under this programme by a total amount of €320.0 million (including transaction fees amounting to €3.4 million). These shares were subjected to the reduction in share capital agreed by the General Shareholders' Meeting on June 25, 2015.

The historical cost for treasury shares retired (primarily for the settlement of the RSP and Share Match Plan, as detailed in note 19) is deducted from the "Additional paid-in capital" caption of the consolidated statement of financial position.

The Group holds treasury shares for the future specific share delivery commitments with the Group employees and management.

### 15.4 Dividends

On June 24, 2016, the Ordinary General Shareholders' Meeting of the Company approved the distribution of a final dividend against 2015 profit of the year, amounting to €0.775 per share, out of which an interim dividend of €0.34 per share was paid on January 28, 2016, for a total amount of €148.4 million. The total dividend amounts to €338.1 million.

Additionally, on December 15, 2016, the Company's Board of Directors proposed a fixed dividend distribution of 2016 profit for the year of an equivalent 50% of the consolidated net profit, this way reaching the maximum percentage of the dividend distribution policy of the Company. Consequently, a dividend distribution was approved against 2016 profit of the year, amounting to €0.40 per share with dividend rights, effective on February 1, 2017, for a total amount of €174.9 million.

## 15.5 Retained earnings and reserves

The balance on these accounts represents the accumulated retained earnings of the Group before the profit for the year and after the dividend distribution, as well as reserves that are statutorily required.

## 15.6 Unrealized gains reserve

The consolidated changes in the components of "Other comprehensive income" (or "Unrealized gains reserve" on the Group consolidated statement of financial position) for the years ended as of December 31, 2016 and 2015, are set forth in the table below:

	Cash-flow hedges		Actuarial gains and losses	Exchange differences on translation of foreign operations	Total
	Exchange rates hedges	Interest rate swaps			
<b>Balance at December 31, 2014</b>	<b>9.9</b>	<b>(6.2)</b>	<b>(23.0)</b>	<b>(11.3)</b>	<b>(30.6)</b>
Changes in fair value	3.3	(2.5)	3.5	35.8	40.1
Tax effect of changes in fair value	(0.6)	0.6	(1.3)	-	(1.3)
Transfers to income and expense	3.5	0.2	-	-	3.7
Tax effect of transfers	(1.0)	-	-	-	(1.0)
<b>Balance at December 31, 2015</b>	<b>15.1</b>	<b>(7.9)</b>	<b>(20.8)</b>	<b>24.5</b>	<b>10.9</b>
Changes in fair value	(24.4)	(8.4)	(14.4)	46.7	(0.5)
Tax effect of changes in fair value	6.1	2.1	4.4	-	12.6
Other	(9.5)	-	-	-	(9.5)
Transfers to income and expense	5.0	2.0	-	-	7.0
Tax effect of transfers	(1.5)	(0.5)	-	-	(2.0)
<b>Balance at December 31, 2016</b>	<b>(9.2)</b>	<b>(12.7)</b>	<b>(30.8)</b>	<b>71.2</b>	<b>18.5</b>

The "Cash-flow hedges" component of our "Unrealized gains reserve" corresponds to, as detailed in note 20, a reserve used to recognize the changes in fair value, net of taxes, of certain effective hedge instruments held by the Group in order to cover foreign exchange and interest rate risks.

The "Actuarial gains and losses" corresponds to a reserve used to recognize all of the actuarial gains and losses for the period of all the Group defined benefit plans. The actuarial gains and losses comprise mainly the effects of the changes in actuarial assumptions as detailed in note 12.

The “Exchange differences on translation of foreign operations” corresponds to a reserve used to record the exchange differences arising from the translation of the financial statements of foreign operations, when their currency is different from the Euro.

## **15.7 Non-controlling interests**

As a consequence of the merge plan described above, registered with the Commercial Registry of Madrid on August 2, 2016, and effective retroactively to January 1, 2016, the former minority shareholders of Amadeus IT Group, S.A. were converted into shareholders of the holding company according to an exchange ratio established for the Merger Plan. Consequently the Group derecognised the non-controlling interests by €1.1 million.

As of December 31, 2016, the “Profit of the year attributable to minority interest” derived mainly from i:FAO, amounting to €0.9 million (€0.9 million as of December 31, 2015).

As of December 31, 2016, the main component of the non-controlling interest came from the participation held in i:FAO amounted to €25.5 million. As of December 31, 2016, the closing price of the shares in the stock market was €31.00 (€19.02 as of December 31, 2015).

As of December 31, 2015, the Group owned indirectly through its subsidiary Amadeus Corporate Business AG, 70.26% of the voting rights of i:FAO AG and its group of companies (“i:FAO”). The Group acquired consecutively during the months of November and December 2016 additional 0.46% shares of the company, through a public offer process in accordance with German law. The Group derecognised the non-controlling interest at fair value, based on the price paid for the shares acquired amounting to €0.7 million.

On June 21, 2016, Amadeus IT Group, S.A. acquired the remaining 35% participation in Amadeus Eesti AS. Hence the Group holds 100% of the equity share in this company. The carrying amount of the non-controlling interest on the date of the acquisition was €0.2 million. The Group derecognised the non-controlling interests corresponding to this investment.

On December 2, 2016 Amadeus IT Group, S.A. increased its participation over Amadeus Brasil Ltda. in 7.51%, rising to 83.51% the control of the Group in this company. The Group derecognised the non-controlling interest by €35 thousand.

## 16 CURRENT AND NON-CURRENT DEBT

The breakdown of carrying amounts of debt with financial institutions as of December 31, 2016 and 2015, is set forth in the table below:

	31/12/2016	31/12/2015
Bonds	1,000.0	900.0
Deferred financing fees on Bonds	(7.8)	(8.0)
European Investment Bank	252.3	300.2
Deferred financing fees on European Investment Bank	(0.2)	(0.3)
Revolving loan facility	100.0	-
Deferred financing fees on Revolving loan facility	(3.5)	(2.5)
Other debt with financial institutions	2.6	17.6
Other deferred financing fees	-	(0.6)
Obligations under finance leases	79.3	82.7
<b>Total non-current debt</b>	<b>1,422.7</b>	<b>1,289.1</b>
Bonds	400.0	750.0
European Investment Bank (EIB)	50.0	30.0
European Commercial Paper	485.0	196.4
Other deferred financing fees	(1.0)	(1.0)
Accrued interest	2.5	19.4
Other debt with financial institutions	18.4	25.4
Obligations under finance leases	14.6	13.6
<b>Total current debt</b>	<b>969.5</b>	<b>1,033.8</b>
<b>Total debt</b>	<b>2,392.2</b>	<b>2,322.9</b>

The Group's debt is rated by Standard & Poor's and Moody's as Investment Grade ("BBB/A-2" and "Baa2", respectively, with positive outlook for Standard & Poor's and stable outlook for Moody's). During the year 2013, Standard & Poor's and Moody's upgraded the rating of our debt and the outlook of the rating of our debt to the current levels. During 2014 and 2015, Standard & Poor's and Moody's did not modify these ratings but in July 2016 Standard & Poor's raised the outlook of our debt from stable to positive. The Group considers that the ratings awarded, would allow access to the markets, if necessary, on reasonable terms.

As of December 31, 2016, after taking into account the effect of interest rate swaps, approximately 76% (92% in December 31, 2015) of the Groups' outstanding debt is at fixed rate of interest. The decrease in the ratio of debt at fixed rate compared to previous year, relates both to the disposed revolving loan facility at year end and the higher weight of the Euro Commercial Paper programme (ECP).

The Group is required to meet two financial covenants, for the European Investment Bank senior loans and the Revolving loan facilities, calculated on the basis of (i) the ratio of total Net Debt to EBITDA (Earnings before Interests, Taxes, Depreciation and Amortization), and (ii) the ratio of EBITDA to Net Interest Payable. As of December 31, 2016 and 2015, the Group is compliant with the financial covenants.

## 16.1 Bonds

The movement in the Group issuances for the years ended December 31, 2016 and 2015, is set forth in the table below:

	31/12/2016		31/12/2015	
	Current	Non-current	Current	Non-current
<b>Carrying amount at the beginning of the year</b>	750.0	900.0	-	1,150.0
New issuances	-	500.0	-	500.0
Transfers	400.0	(400.0)	750.0	(750.0)
Reimbursements	(750.0)	-	-	-
<b>Carrying amount at the end of the year</b>	<b>400.0</b>	<b>1,000.0</b>	<b>750.0</b>	<b>900.0</b>

On October 6, 2016, Amadeus Capital Markets, S.A.U. has carried out an issuance of Eurobonds (Euro Medium Term Note Programme) for a value of €500.0 million admitted to trading on the Luxembourg Stock Exchange. The issuance has a maturity of four years (October 2020), an annual coupon of 0.125%, and an issue price of 99.785% of its nominal value. This bond will be used to prepay existing financial indebtedness of the Group.

During the year ended December 31, 2016, the Group has transferred to current debt the carrying amount of the "Senior Fixed Rate Instruments" issued on December 2, 2014 through its subsidiary Amadeus Finance B.V., amounting to €400.0 million, maturing on December 2, 2017.

On July 15, 2016, the Group has repaid the bonds that matured on the same date, issued on June 24, 2011, amounting to €750.0 million.

On November 17, 2015, the Group, through its subsidiary Amadeus Capital Markets, S.A.U., issued new bonds in the Luxembourg Stock Exchange's Regulated Market for a value of €500.0 million. The issuance has a maturity of six years (November 2021), a fixed annual coupon of 1.625% and an issue price of 99.260% of its nominal value. The purpose of this facility was to partially finance the acquisition of Navitaire.

On September 30, 2015, Amadeus Capital Markets, S.A.U. joined Amadeus Finance B.V. into the programme for the issuance of debt securities (Euro Medium Term Note Programme).

## 16.2 Revolving Loan Facility

On April 26, 2016, the Group entered into a €500.0 million Revolving Loan Facility, which had a maturity of 5 years, and paid transaction costs ("Deferred financing fees") related to it by an amount of €2.3 million. During the year the Group has disposed of €360.0 million of this facility, and repaid €260.0 million.

At the same time, on April 26, 2016, Facility B of the Dual Tranche Revolving Loan Facility mentioned below, has been cancelled. The corresponding deferred financing fees of the cancelled revolving credit facility were fully recognized through the Consolidated and condensed statement of comprehensive income by an amount of €0.6 million.

On July 3, 2015, the Group entered into a €500.0 million Term Loan Facility, that were not disposed of during the year and paid transaction costs ("Deferred financing fees") related to it by an amount of €0.6 million. On January 26, 2016, the Group made use of this Term Loan Facility, and paid transaction costs ("Deferred financing fees") related to this disposal by an amount of €1.5 million. The funds borrowed were applied towards the partial

financing of the acquisition of Navitaire. On October 4, 2016, this facility was cancelled and paid back, and the corresponding deferred financing fees were fully recognized through the Consolidated and condensed statement of comprehensive income by an amount of €2.1 million.

On March 5, 2015, the Group entered into the abovementioned €1,000.0 million Dual Tranche Revolving Loan Facility (each facility amounting to €500.0 million), and paid transaction costs ("Deferred financing fees") related to it by an amount of €3.0 million. Facility A has not been disposed of during the year, and Facility B, as mentioned above, has been cancelled on April 26, 2016.

### **16.3 European Investment Bank (EIB)**

On April 29, 2013, the European Investment Bank granted to the Group an unsecured senior loan for an amount of €150.0 million. The loan was drawn on May 17, 2013 and it is structured in a single tranche amounting to €150.0 million with scheduled payments every six months starting on November 2017. The loan proceeds have to be used to undertake investments on research and development activities in the area of Distribution business line.

On May 14, 2012, the European Investment Bank granted to the Group an unsecured senior loan for an amount of €200.0 million. The loan was drawn on May 24, 2012, and it is structured in two separate tranches, a first tranche amounting to €150.0 million with scheduled payments every six months starting on November 2015, and a second tranche amounting to €50.0 million with scheduled payments every six months starting on November 2016. The loan proceeds have to be used to undertake investments on research and development activities in the area of IT Solutions for the Group's passenger service systems.

The difference between the carrying amount of the loans initially measured at fair value and the proceeds received, amounting at inception to €10.8 million (for the first EIB loan) and to €3.8 million (for the second EIB loan), has been accounted for as a government grant under "Deferred revenue non-current" caption. The cash flows resulting from the loans have been discounted at the market interest rate, determined by reference to the market conditions that existed as the origination date of the loans, and interest rates charged for similar debt instruments. This fair value measurement is categorized within level 2.

During 2016, €30.0 million of the EIB loan structured in two separate tranches have been repaid (€25.0 million from the tranche A and €5.0 million from the tranche B). In 2015, €12.5 million were repaid from tranche A.

### **16.4 Euro Commercial Paper programme (ECP)**

On December 17, 2014, the Group, through its subsidiary Amadeus Finance B.V., established a programme for the issuance of short term commercial paper (Euro-Commercial Paper programme -ECP) for a maximum amount of up to €500.0 million. In August 2016, the Group increased the maximum nominal amount from €500.0 million to €750.0 million. The programme is guaranteed by Amadeus IT Group, S.A..

The notes issued under the programme have the following basic characteristics, among others, depending on each issue: a) issued in euro or any other currency and with different maturities (no greater than 364 days), b) interest-bearing at a fixed or variable rate; and c) Governed by English law.

During the year the Group has issued commercial papers by a total amount of €1,035.3 million, net of interests, from which €746.5 million were repaid. The interests pending to be recognized through the statement of comprehensive income amount to €(0.1) million.

The Group has paid transaction costs ("Deferred financing fees") for the commercial papers issued by a total amount of €0.3 million.



## 16.5 Obligations under financial leases

On October 4, 2013, the Group entered through its subsidiary Amadeus Germany GmbH into a finance lease agreement for an office building in Bad Homburg by an amount of €56.7 million. The lease term is 27 years, from March 31, 2015 until March 31, 2042, and includes three purchase options to be executed (the first one after ten years, the second one after fifteen years and the last one after the lease term). The finance lease payments for this transaction consist of principal plus interest at a rate of 1.59%, scheduled as monthly repayments from April, 2015 until the maturity date. The outstanding amount as of December 31, 2016, is €52.0 million (€54.6 million as of December 31, 2015).

## 16.6 Other debt with financial institutions

On August 22, 2012, the Group agreed a mortgage loan amounting to €62.0 million to cancel the outstanding finance lease obligation over its data processing centre in Erding. The mortgage loan is secured by a first-ranking charge on the land and the building facilities of Amadeus Data Processing GmbH in the amount of the nominal of the loan. This loan was contracted by Amadeus Data Processing GmbH and has a 3.04% nominal interest rate and quarterly instalment repayments from March 31, 2013 to December 31, 2017. The outstanding amount as of December 31, 2016, is €12.4 million (€24.8 million as of December 31, 2015).

The Group's debt payable by maturity and currency as of December 31, 2016 is set in the table below:

	31/12/2016	Maturity					Total non-current
		Current	Non-current				
		2017	2018	2019	2020	2021 and beyond	
Bonds	1,400.0	400.0	-	-	500.0	500.0	1,000.0
EIB	307.5	50.0	65.0	65.0	65.0	62.5	257.5
Revolving credit facility	100.0	-	-	-	-	100.0	100.0
ECP	485.0	485.0	-	-	-	-	-
Accrued interests	2.5	2.5	-	-	-	-	-
Other debt with financial institutions	21.0	18.4	2.6	-	-	-	2.6
Leases	93.9	14.6	11.7	8.5	4.5	54.6	79.3
<b>Total Debt payable</b>	<b>2,409.9</b>	<b>970.5</b>	<b>79.3</b>	<b>73.5</b>	<b>569.5</b>	<b>717.1</b>	<b>1,439.4</b>
Non-current Deferred financing fees	(11.5)						
Current Deferred financing fees	(1.0)						
Remaining fair value adjustment on EIB loan	(5.2)						
<b>Total Debt</b>	<b>2,392.2</b>						

The Group's debt payable by maturity and currency as of December 31, 2015 is set in the table below:

	31/12/2015	Maturity					
		Current	Non-current				
		2016	2017	2018	2019	2020 and beyond	Total non-current
Bonds	1,650.0	750.0	400.0	-	-	500.0	900.0
EIB	337.5	30.0	50.0	65.0	65.0	127.5	307.5
ECP	196.4	196.4	-	-	-	-	-
Accrued interests	19.4	19.4	-	-	-	-	-
Other debt with financial institutions	43.0	25.4	15.0	2.6	-	-	17.6
Leases	96.3	13.6	11.2	7.4	5.2	58.9	82.7
<b>Total Debt payable</b>	<b>2,342.6</b>	<b>1,034.8</b>	<b>476.2</b>	<b>75.0</b>	<b>70.2</b>	<b>686.4</b>	<b>1,307.8</b>
Non-current Deferred financing fees	(11.4)						
Current Deferred financing fees	(1.0)						
Remaining fair value adjustment on EIB loan	(7.3)						
<b>Total Debt</b>	<b>2,322.9</b>						

## 17 PROVISIONS

The reconciliation of the carrying amounts for the years ended December 31, 2016 and 2015, of the items included under the "Non-current provisions" caption are set forth in the table below:

	Employee liability	Claims and litigations	Other provisions	Total
<b>Carrying amount at December 31, 2014</b>	<b>1.8</b>	<b>21.9</b>	<b>3.2</b>	<b>26.9</b>
Additional amounts through income statement	0.4	2.5	0.4	3.3
Payments	(0.1)	(0.1)	-	(0.2)
Unused reversed amounts	(0.1)	(0.4)	-	(0.5)
Transfers	-	(0.1)	(1.1)	(1.2)
Translation changes	-	(1.2)	-	(1.2)
<b>Carrying amount at December 31, 2015</b>	<b>2.0</b>	<b>22.6</b>	<b>2.5</b>	<b>27.1</b>
Additional amounts through income statement	0.2	1.3	0.1	1.6
Payments	(0.2)	(0.6)	-	(0.8)
Unused reversed amounts	-	(0.1)	-	(0.1)
Transfers	(1.2)	0.7	-	(0.5)
Translation changes	-	1.0	-	1.0
<b>Carrying amount at December 31, 2016</b>	<b>0.8</b>	<b>24.9</b>	<b>2.6</b>	<b>28.3</b>

The nature of the obligations covered by the provisions for claims and litigations described in the table above principally relates to the best estimate of the final compensation that would be required to settle claims with third parties and provisions to fulfil certain offsetting obligations in territories where the Group operates. The amounts

under other provisions are mainly related to the restoration obligations of office buildings under operating leases where the Group carries out its operations. The timing of the outflows is expected to occur in the long term and up to the amounts the obligations are provided for.

The translation changes during the year ended December 31, 2016 and 2015, correspond to the impact of the exchange rate fluctuation in certain claims with thirds parties recorded in foreign currency.

The reconciliation of the carrying amounts for the years ended December 31, 2016 and 2015, of the items included under the “Current provisions” caption is set in the table below:

<b>Carrying amount at December 31, 2014</b>	<b>14.9</b>
Additional amounts through income statement	1.4
Payments	(2.0)
Unused reversed amounts	(4.0)
Transfers	4.4
Translation changes	-
<b>Carrying amount at December 31, 2015</b>	<b>14.7</b>
Additional amounts through income statement	8.1
Payments	(2.9)
Unused reversed amounts	(2.7)
Transfers	(0.7)
Translation changes	0.1
<b>Carrying amount at December 31, 2016</b>	<b>16.6</b>

Within current provisions caption, it is included a provision for amounts which could become payable to a bank, in accordance with a comfort letter, in connection with loans granted by this bank to Quivive GmbH, an associate company. This provision amounted to €6.8 million in 2016 and 2015.

The additional amounts through income statement during the year ended December 31, 2016, mainly relates to employee compensations. The payments and the unused reversed amounts during the year ended December 31, 2016 corresponds to contingent payments linked to business combinations which settlement took place during 2016.

The transfers during the year ended December 31, 2015, mainly related to the reallocation of contingent payments linked to business combinations (as detailed in note 13) from “Other non-current liabilities”. The unused reversed amounts during the year ended December 31, 2015, mainly correspond to provisions for claims from customers that expired during the year, and payments mainly relate to the settlement of restoration obligations of office buildings where the Group carries out its operations.

## **18 RELATED PARTIES BALANCES AND TRANSACTIONS**

The summary of significant operations and transactions with related parties of the Company and its Group is set forth below. All transactions with related parties are carried out on an arm's length basis.

### **18.1 Subsidiaries**

Transactions between the Group and its subsidiaries, which are related parties of the Company, were eliminated on consolidation. Accordingly they are not disclosed in this note.

### **18.2 Shareholders and significant influence**

As of December 31, 2016 there are neither shareholders nor significant influence considered related parties.

### **18.3 Board of Directors**

The position of Member of the Board of Directors is remunerated in accordance with the Company's by-laws. The remuneration for said functions consists of a fixed remuneration to be determined by the General Shareholders' Meeting before the relevant financial year ends.

The remuneration to which the Executive Director may be entitled despite of his functions as Director, consists of salary (in cash and in kind), yearly and/or multiannual bonus, subject to the objectives fulfilment, share-based plans and any other compensation that the General Shareholders' Meeting held on June 25, 2015, for a period of three years.

At the meetings held on June 24, 2016 and June 25, 2015, the Ordinary General Shareholders' Meeting agreed a fixed remuneration for said functions, in cash or in kind, for the period January to December 2016 and 2015, with a limit of €1,405 thousand in both periods, and it vested the Board of Directors with the authority to resolve on how said remuneration was to be distributed among the members of the Board, following article 36 of the Company's Bylaws. The Board of Directors of the Company may agree an unequal remuneration scheme distribution. No loans, advances or stock options have been granted to the members of the Board of Directors.

The breakdown by type of payment (in thousand of euros) received by the members of the Board of Directors in 2016 and 2015 is set forth in the table below:

		Year 2016		Year 2015	
		Payment in cash	Payment in kind	Payment in cash	Payment in kind
<b>Board Members</b>					
José Antonio Tazón García	President	299	2	296	4
Guillermo de la Dehesa Romero	Vice-Chairman	147	-	156	-
Luis Maroto Camino	Executive Director	35	-	35	-
Clara Furse	Director	154	-	156	-
David Webster	Director	143	-	134	-
Francesco Loredan	Director	113	-	111	-
Roland Busch	Director	111	-	111	-
Pierre-Henri Gourgeon	Director	111	-	111	-
Stuart Anderson McAlpine	Director	89	-	89	-
Marc Verspyck	Director	111	-	111	-
<b>Total</b>		<b>1,313</b>	<b>2</b>	<b>1,310</b>	<b>4</b>

At December 31, 2016 and 2015, investment held by the members of the Board of Directors in the share capital of the Company is set forth in the table below:

Name	31/12/2016	31/12/2015
	Shares	Shares
José Antonio Tazón García	255,000	260,000
Luis Maroto Camino	187,018	145,153
Roland Busch	100	100
Pierre-Henri Gourgeon	400	400
David Webster	1	1

During 2016 and until the preparation date of the annual accounts, no member of the Board of Directors nor any other person related to them in accordance with the Spanish Capital companies Act, held any ownership interest in companies engaged in the same activities as, or similar or additional to, those of the corporate purpose of the company.

During the year ended December 31, 2016, the amounts accrued to the Chief Executive Officer (Consejero Delegado) for his executive functions in respect of compensation in cash (base salary and bonus accrued), compensation in kind, contributions to pension plan and collective life insurance policies amounted to €2,033 thousand, €109 thousand and €173 thousand (€2,121 thousand, €117 thousand and €170 thousand respectively, for the year ended December 31, 2015).

Additionally, during the year ended December 31, 2016, the Chief Executive Officer received 74,865 shares, at a share price of €38.10 (no shares were delivered to him during the year ended December 31, 2015).

## 18.4 Key Management Compensation

During the year ended December 31, 2016, the amounts accrued to the Key Management in respect of compensation in cash (base salary and bonus accrued), compensation in kind, contributions to pension plan and collective life insurance policies and share based payments amounted to €8,442 thousand, €356 thousand, €848 thousand and €12,098 thousand (€6,746 thousand, €352 thousand, €780 thousand and €nil respectively, for the year ended December 31, 2015).

Key management personnel include 10 members for the years ended December 31, 2016 and 2015.

The reconciliation of the number of shares held by the Group Management at December 31, 2016 and 2015, is set forth in the table below:

	Shares
<b>December 31, 2014</b>	<b>273,714</b>
Additions	-
Retirements	(65,443)
<b>December 31, 2015</b>	<b>208,271</b>
Additions	202,018
Retirements	(124,490)
<b>December 31, 2016 (*)</b>	<b>285,799</b>

(\*) Key management personnel include 9 members at December 31, 2016

## 18.5 Other related parties

Other related parties are linked to the transactions between the Group and its associates and joint-ventures.

The Group's transactions with the related parties (in thousand of euros) that are described in sections 18.1 to 18.5 above as of December 31, 2016 is set forth in the table below:

	31/12/2016			
	Shareholders and significant influence	Board members and key management	Other related parties	Total
<u>Consolidated statement of comprehensive income</u>				
Cost of revenue and other operating expenses	-	-	113,041	113,041
Personnel and related expenses	-	25,374	-	25,374
<b>Total expenses</b>	-	<b>25,374</b>	<b>113,041</b>	<b>138,415</b>
Interest income	-	-	4	4
Share in profit from associates and joint ventures accounted for using the equity method	-	-	98	98
Revenue	-	-	16,695	16,695
<b>Total income</b>	-	-	<b>16,797</b>	<b>16,797</b>

	31/12/2016			
	Shareholders and significant influence	Board members and key management	Other related parties	Total
<u>Consolidated statement of financial position</u>				
Dividends Receivable - Other current financial assets	-	-	185	185
Trade accounts receivable	-	-	6,381	6,381
Interim dividend payable <sup>(1)</sup>	-	248	-	248
Trade accounts payable	-	-	32,607	32,607
Loans receivable – Other current/non-current financial assets	-	-	229	229

<sup>(1)</sup> During the year 2016 the dividends paid to Board members and key management amounted to €557 thousand.

The Group's transactions with the related parties (in thousand of euros) that are described in sections 18.1 to 18.5 above as of December 31, 2015, are set forth in the table below:

	31/12/2015			
	Shareholders and significant influence	Board members and key management	Other related parties	Total
<u>Consolidated statement of comprehensive income</u>				
Cost of revenue and other operating expenses	-	-	94,947	94,947
Personnel and related expenses	-	11,599	-	11,599
<b>Total expenses</b>	-	<b>11,599</b>	<b>94,947</b>	<b>106,546</b>
Interest income	-	-	12	12
Share in profit from associates and joint ventures accounted for using the equity method	-	-	2,049	2,049
Revenue	-	-	14,076	14,076
<b>Total income</b>	-	-	<b>16,137</b>	<b>16,137</b>

	31/12/2015			
	Shareholders and significant influence	Board members and key management	Other related parties	Total
<u>Consolidated statement of financial position</u>				
Dividends Receivable - Other current financial assets	-	-	1,460	1,460
Trade accounts receivable	-	-	6,512	6,512
Interim dividend payable <sup>(1)</sup>	-	209	-	209
Trade accounts payable	-	-	21,123	21,123
Loans receivable – Other current/non-current financial assets	-	-	229	229

<sup>(1)</sup> During the year 2015 the dividends paid to Board members and key management amounted to €463 thousand.

## 19 SHARE-BASED PAYMENTS

The Group has the following reward schemes in place for managers and employees:

### 19.1 Performance Share Plan

The Performance Share Plan (PSP) consists of a contingent award of shares to certain members of the Amadeus Group's management. The final delivery of the shares at the end of the vesting period depends on the achievement



of predetermined performance objectives that relate to value creation in Amadeus Group as well as employee service requirements. The performance objectives relate to the relative shareholder return (TSR) and the adjusted basic earnings per share (EPS) growth. The duration (vesting period) of each independent cycle is three years each and no holding period applies except in France.

This plan is considered as equity-settled under IFRS 2 and, accordingly, the fair value of services received during the years ended as of December 31, 2016 and 2015, as consideration for the equity instruments granted, is presented in the consolidated statement of comprehensive income under the “Personnel and related expenses” caption by an amount of €12.5 million and €15.0 million, respectively.

The fair value of the equity instruments granted has been determined using a scholastic valuation model (Monte-Carlo) for the tranche that involves market conditions, and the Black-Scholes model and an estimation of expected performance for the tranche(s) that involve non-market conditions. The fair value of the equity instruments at grant date is adjusted to incorporate the market conditions to which the performance of the plan is linked. The detail of the shares allotted and fair value at grant date in the Group’s PSP, is set forth in the table below:

	PSP 2013	PSP 2014	PSP 2015	PSP 2016
Total shares allotted at grant date <sup>(1)</sup>	496,902	300,726	244,307	277,785
Fair value of those instruments at grant date (€)	22.87	30.45	34.74	37.73
Dividend yield	1.60%	1.55%	1.41%	1.59%
Expected volatility	23.40%	23.00%	20.06%	22.37%
Risk free interest rate	2.75%	1.00%	0.56%	-%

<sup>(1)</sup> This number of shares could increase up to double if Amadeus’ performance in all performance objectives is extraordinary.

During the year 2016, the PSP 2013 was settled after the vesting date, implying that the Group transferred to the eligible employees 881,049 shares, due to the achievement of the performance objectives (200%), at a weighted average price of €38.10 per share, and implying an impact of €12.6 million on the “Additional Paid in capital” caption due to the settlement. The Group used treasury shares to settle this share-based payments (as detailed in note 15).

The detail of the changes in the Group's PSP for the years 2016 and 2015, is set forth in the table below:

	31/12/2016					31/12/2015			
	PSP 2013	PSP 2014	PSP 2015	PSP 2016	Total <sup>(1)</sup>	PSP 2013	PSP 2014	PSP 2015	Total <sup>(1)</sup>
Number of shares allotted at beginning of the year	445,295	285,002	240,927	-	971,224	458,385	297,885	-	756,270
Shares allotted during the period	-	-	-	277,785	277,785	-	-	244,307	244,307
Forfeiture during the period	(4,772)	(11,604)	(14,657)	(2,002)	(33,035)	(13,090)	(12,883)	(3,380)	(29,353)
Settlement of plan at vesting date	(440,523)	(156) <sup>(2)</sup>	-	-	(440,679)	-	-	-	-
Number of shares allotted at end of the year	-	273,242	226,270	275,783	775,295	445,295	285,002	240,927	971,224

<sup>(1)</sup> This number of shares could increase up to double if Amadeus' performance in all performance objectives is extraordinary.

<sup>(2)</sup> Shares settled before the vesting date at Amadeus France.

## 19.2 Restricted Share Plan

The Restricted Share Plan (RSP) consists of the delivery of a given number of Amadeus shares to certain employees on a non-recurring basis, after predetermined services requirements are met. The RSP beneficiaries must remain employed in a Group company during a determined period of time, which oscillates between two and five years.

This plan is considered as equity-settled under IFRS 2. The fair value of services received during the years ended as of December 31, 2016 and 2015, as consideration for the equity instruments granted (amounting to 67,022 in 2016 and 73,763 in 2015 Restricted Share Units awarded), is presented in the consolidated statement of comprehensive income under the "Personnel and related expenses" caption by an amount of €0.6 million and €0.5 million, respectively.

During the year 2016, certain RSP awards were settled at vesting date, implying that the Group transferred to the eligible employees 21,325 shares, at a weighted average price of €38.84 per share, and implying an impact of €(0.7) million on the "Additional Paid in capital" caption due to the settlement. The Group used treasury shares to settle these share-based payments (as detailed in note 15).

During the year 2015, certain RSP awards were settled at vesting date, implying that the Group transferred to the eligible employees 42,269 shares, at a weighted average price of €41.51 per share, and implying an impact of €(1.2) million on the "Additional Paid in capital" caption due to the settlement. The Group used treasury shares to settle these share-based payments (as detailed in note 15).

## 19.3 Share Match Plan

The Share Match Plan consists of a contingent award of shares to Amadeus employees that voluntarily decided to participate in the plan. The final delivery of the shares at the end of the vesting period depends on the achievement of predetermined vesting conditions that relate to the purchase and holding of Amadeus IT Group, S.A. shares, as well as to the participant remaining employed by Amadeus until the end of the cycle.

Under the terms of the Share Match Plan, Amadeus will grant the participants an additional Amadeus IT Group, S.A. share for every two purchased, provided if they hold the shares for a year after the purchase period has ended.

Extraordinarily, only for the Share Match Plan 2013, Amadeus transferred 25 Amadeus IT Group, S.A (former Amadeus IT Holding, S.A.) shares to each participant after the end of the purchase period.

These plans are considered as equity-settled under IFRS 2. The fair value of services received during the year ended as of December 31, 2016 and 2015, as consideration for the equity instruments granted, amounting to 212,465 and 185,659, respectively, is presented in the consolidated statement of comprehensive income under the “Personnel and related expenses” caption by an amount of €3.1 million as of December 31, 2016 and €2.6 million as of December 31, 2015.

During the year 2016, the Share Match Plan 2014 was settled according to the terms of the plan, implying that the Group transferred to the participants 91,721 shares, at a weighted average price of €39.07 per share, and implying an impact of €2.1 million on the “Additional Paid in capital” caption due to the settlement. The Group used treasury shares to settle this share-based payments (as detailed in note 15).

During the year 2015, the Share Match Plan 2013 was settled according to the terms of the plan, implying that the Group transferred to the participants 96,459 shares, at a weighted average price of €36.53 per share, and implying an impact of €(1.0) million on the “Additional Paid in capital” caption due to the settlement. The Group used treasury shares to settle this share-based payments (as detailed in note 15).

## 20 DERIVATIVE FINANCIAL INSTRUMENTS

In the normal course of business the Group enters into derivative financial instruments to manage the financial risks exposures which it is subject to. An outline of the Group’s financial risks, the objectives and policies pursued in relation to those risks are described in note 5.

IAS 39 prescribes strict criteria for hedge accounting. Although all the derivatives we enter into are contracted for hedging purposes in economic terms, there might be instances when a derivative is not an effective hedge from an accounting perspective. In these situations, the derivative is classified as held for trading, and the gains and losses from changes in the fair value are accounted for in profit and loss, and presented in the consolidated statement of comprehensive income within “Financial expense, net”. If the derivative financial instrument is designated as a cash flow hedge for accounting purposes, the changes in the fair value of the instrument are accounted for through other comprehensive income presented within “Cash flow hedges”, and through profit or loss when the hedged flow takes place.

At the inception of a hedge relationship, the Group formally documents the hedge relationship to which the Group wishes to apply hedge accounting. Such hedges are expected to be highly effective in achieving offsetting changes in the fair value and cash flows, and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the reporting period for which they were designated.

The ideal hypothetical derivative method is used to measure ineffectiveness of a hedge relationship in which the hedging instrument is a derivative. The ideal hypothetical derivative method compares the change in fair value of the actual derivative designated as the hedging instrument and the change in fair value of an “ideal hypothetical derivative” that would result in perfect hedge effectiveness for the designated hedged item.

In the case of the foreign exchange natural hedge, as it is explained in the documentation of the hedge relationship, the dual spot method is used. This means that the Group compares the spot-to-spot movement of the hedged item with the spot-to-spot movement of the hedging instrument in order to calculate hedge effectiveness.

As of December 31, 2016 and 2015, the fair values of assets and liabilities of derivative financial instruments are set forth in the table below:

	31/12/2016				31/12/2015			
	Assets		Liabilities		Assets		Liabilities	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Interest rate swaps	-	-	-	3.0	-	-	-	10.7
Cash flow hedges of interest rates	-	-	-	3.0	-	-	-	10.7
Foreign currency forward	5.9	2.0	15.2	4.7	14.8	3.7	2.8	1.5
Foreign currency option	-	-	0.3	0.9	-	-	-	-
Cash flow hedges of exchange rates	5.9	2.0	15.5	5.6	14.8	3.7	2.8	1.5
Total derivative financial instruments designated as hedge	5.9	2.0	15.5	8.6	14.8	3.7	2.8	12.2
Foreign currency forward	0.2	-	-	-	0.1	-	-	-
Foreign currency option	0.2	-	-	-	-	-	-	-
Total derivative instruments held for trading	0.4	-	-	-	0.1	-	-	-
<b>Total</b>	<b>6.3</b>	<b>2.0</b>	<b>15.5</b>	<b>8.6</b>	<b>14.9</b>	<b>3.7</b>	<b>2.8</b>	<b>12.2</b>

As of December 31, 2016 and 2015, the maturity of the notional amount of the Group's derivative financial assets and liabilities is set forth in the table below:

	31/12/2016				31/12/2015			
	2017	2018	2019 and beyond	Total	2016	2017	2018 and beyond	Total
Interest rate swaps	-	-	500.0	500.0	-	300.0	-	300.0
Cash flow hedges of interest rates	-	-	500.0	500.0	-	300.0	-	300.0
Foreign currency forward	285.7	94.3	36.4	416.4	216.0	150.9	18.8	385.7
Foreign currency option	-	21.0	-	21.0	11.0	0.8	-	11.8
Cash flow hedges of exchange rates	285.7	115.3	36.4	437.4	227.0	151.7	18.8	397.5
Total derivative financial instruments designated as hedge	285.7	115.3	536.4	937.4	227.0	451.7	18.8	697.5
Foreign currency forward	9.7	-	-	9.7	14.6	-	-	14.6
Foreign currency option	0.8	-	-	0.8	-	-	-	-
Total derivative instruments held for trading	10.5	-	-	10.5	14.6	-	-	14.6
<b>Total</b>	<b>296.2</b>	<b>115.3</b>	<b>536.4</b>	<b>947.9</b>	<b>241.6</b>	<b>451.7</b>	<b>18.8</b>	<b>712.1</b>

## 20.1 Cash flow hedges of interest rates

As of December 31, 2016 and 2015, the Group has derivatives contracted with external counterparties, interest rate swaps (IRS), to hedge the Group's exposure to interest rate changes by fixing most of the interest amounts to be paid in coming years.

On March 10, 2016 the Group cancelled an IRS contract and discontinued the hedging relationship for an amount of €16.1 million. Accordingly, the pre-tax impact of the IRS in OCI of €16.1 million (€10.7 million as of December 31, 2015) will be transferred to the consolidated statement of comprehensive income in line with the maturity calendar of the debt that was being hedged (the amount transferred in 2016 amounts to €2.0 million). The total net post-tax losses impacting OCI for the year 2016 amount to €6.3 million, which include net losses amounting to €3.0 million that correspond to two new IRS contracts signed by the group. For the year ended December 31, 2015, the post-tax losses impacting OCI amounted to €1.9 million.

## 20.2 Cash flow hedges of exchange rates

The Group is exposed to risks associated with fluctuations of exchange rates in currencies different than the Euro. The Group uses currency derivatives, mainly currency forward contracts to hedge the exposure to foreign currencies, and a natural hedge of US dollar-denominated net operating cash inflows with payments of principal on the Group US dollar-denominated debt, to hedge the exposure to US dollar. As of the date of issuance of the consolidated annual accounts, the Group does not hold any debt denominated in US dollar.

### 20.2.1 Foreign currency forwards

Regarding currency derivatives held, for the year ended December 31, 2016, a loss of €24.4 million (€18.3 million net of taxes) has been charged to other comprehensive income. A loss of €16.0 million (€11.2 million net of taxes) was charged for the year ended December 31, 2015.

During 2015, the Group signed several FX contract agreements in order to hedge the total amount of the Navitaire LLC acquisition against the USD/EUR exchange rate fluctuation. The acquisition was finally completed on January 26, 2016, and the gains generated by these agreements, amounting to €12.7 million, were booked against the hedged item, which was the investment in Navitaire, LLC.

### 20.2.2 Natural hedge

The principals of certain tranches of the Unsecured Senior Credit Facility that were denominated in US Dollar were designated to hedge US dollar-denominated net operating cash inflows to be earned up to the end of 2016.

In some cases the US dollar denominated revenues under hedge had longer maturities than the hedging US dollar denominated debt principals used as hedging instrument. As this fact could produce ineffectiveness once the debt principals mature, this natural hedge relationships were structured, which included foreign exchange derivatives that would be used in order to extend the maturity of the hedge instruments from the maturity of the hedging US dollar denominated debt up to the date in which the US dollar denominated revenues under hedge would take place.

During the year 2016, the Group has completed the recognition of this natural hedge within the Consolidated statement of comprehensive income. As of December 31, 2016, no USD-denominated debt is held, and as such, no natural hedge exists.

## 21 TAXATION

The companies that make up the Group are all individually responsible for their own tax assessments in their countries of residence, without any worldwide Group tax consolidation. The statute of limitations varies from one company to another, according to local tax laws in each case. Tax returns are not considered definitive until the statute of limitations expires or they are accepted by the Tax Authorities. Independently that the fiscal legislation is open to different interpretations, it is estimated that any additional fiscal liability, as may arise from a possible tax audit, will not have a significant impact on the consolidated annual accounts taken as a whole.

As of December 31, 2016, the Company has all taxes (including those of the absorbed company Amadeus IT Group, S.A. once the merger occurred) open for tax audit for the last four years except for those taxes that have been subject to partial or full inspection that have concluded by signing the tax assessments under protest. A motion for a judicial review have been presented to the National Appellate Court (Audiencia Nacional).

The Directors of the Company consider that the mentioned taxes were properly settled and, therefore, in the event of differences in the interpretation of the current tax regulations, regarding the fiscal treatment of the transactions, the possible resulting liabilities, should they materialise, will not significantly affect the accompanying annual accounts.

In December 2016, the claim in relation to the tax assessments signed under protest corresponding to the corporate income tax for the years 2005 to 2007 and 2008 to 2010, has been filed before the National Appellate Court (Audiencia Nacional).

In June 2015, the tax claim initiated at the Central Administrative Court (TEAC) in relation to the Taxation of Non-Residents for the fiscal year 2007 was rejected by resolution from the TEAC. In July 2015, the Company presented to the said Court an extraordinary “action for annulment” in order to declare the resolution null and void due to the fact that it was contrary to Law since the submissions or evidence presented in November 2013 were not taken into consideration, by omission, when they could be essential to the final resolution of the tax claim.

On January 2017, the Company received a final decision from the Central Administrative Court (TEAC) rejecting the appeal with regard to the tax assessment signed under protest relating to Non-residents Income Tax for the year 2007. The Company will proceed to legal Administrative-Contentious appeal at the National Appellate Court (Audiencia Nacional), understanding that there are substantial grounds for a favorable ruling. In any case, the resolution of this matter should not have any significant impact on the Company’s financial situation.

In July 2014, French, German and Spanish Tax Authorities signed an Advanced Pricing Agreement (APA), applicable for the companies within the Group, Amadeus S.A.S., Amadeus Data Processing GmbH and Amadeus IT Group, S.A., for the years from 2010 to 2015, both inclusive.

Although the Fiscal regulation in France and Germany allows the retroactive application of the APA to closed periods, the Spanish regulation, does not allow this option, resulting in a double taxation to Amadeus IT Group, S.A. To solve this double taxation for the years 2010 to 2012 (both inclusive), and with regards to France, the mutual agreement procedure started under the double tax agreement between France and Spain, which finished with an agreement between the Tax Authorities of both countries. The execution of said agreement took place in 2015

The mutual agreement procedure between Spain and Germany within the context of the APA for the year 2010, started in February 2015. In December 2016, a notification in relation with the execution of the mutual agreement procedure has been received. At year end the agreement is still pending of execution.

The Group has paid corporate income tax surcharge in France related to dividend distributions as provided under article 235 ter ZCA of the Code Général des Impôts (French Tax Code).

The Group has recognized for 2016 in the statement of comprehensive income an additional expense amounting to €5.9 million, relative to the surcharge on dividend distribution of 2016 fiscal year and will file a claim for the refund of this amount in 2017, as we have to paid in March 2017 the tax related to December 2016 distribution.

During 2016 the Group has also filed an administrative claim for the refund of €4.2 million surcharge related to dividend distributions in 2015 fiscal year, being at the moment pending resolution.

On February 26, 2015, the European Commission initiated infringement proceedings against France with respect to this corporate income tax surcharge, as it could be considered to be in breach of the Parent-Subsidiary Directive as well as the freedom of establishment guaranteed by the Treaty of the Functioning of the European Union.

It is to be noted that, further to the adoption of the 2016 Finance bill in December 2016, the extension of the 3% tax exemption to distributions made to the benefit of foreign companies, will apply as of 1 January 2017.

Amadeus IT Group, S.A. pays Corporate Income Tax via the Tax consolidation regime (Tax Group 256/05), from which it is the dominant company.

In accordance with the Royal Decree 3/2016, of December 2, the temporary difference corresponding to the investment’s impairment adjustments include the reversal of the losses from impairments that were tax deductible in previous years, without any significant impact.

Spanish Tax Consolidation Group is formed by the following companies:

Parent company: Amadeus IT Group, S.A.

Subsidiaries: Amadeus Soluciones Tecnológicas, S.A.U.  
 Amadeus Capital Markets, S.A.U.  
 Amadeus Content Sourcing, S.A.U.

The merger between Amadeus IT Group, S.A. and Amadeus IT Holding, S.A. (as detailed in notes 1 and 15) is under the special tax regime of Chapter VII of the Corporate Income Tax (Law 27/2014 of November 27, 2014).

The Income tax expense for the years ended on December 31, 2016 and 2015, is set forth in the table below:

	31/12/2016	31/12/2015
Current	377.3	269.3
Deferred	(54.4)	52.1
<b>Total Income taxes</b>	<b>322.9</b>	<b>321.4</b>

The reconciliation between the statutory income tax rate in Spain and the effective income tax rate applicable to the Group as of December 31, 2016 and 2015, is set forth in the table below:

	31/12/2016	31/12/2015
	%	%
Statutory income tax rate in Spain	25.0	28.0
Effect of different tax rates	4.4	4.0
Tax Credits	(0.4)	(0.7)
Other permanent differences	(3.7)	(0.4)
Subtotal	25.3	30.9
Purchase price allocation impact	(0.4)	0.0
Tax Claim	3.3	1.1
<b>Effective income tax rate</b>	<b>28.2</b>	<b>32.0</b>

As of December 31, 2016, the main difference between the statutory income tax rate in Spain and the effective income tax rate is explained by the effect of different tax rates within the Group, together with the above mentioned tax resolution from the TEAC included within tax claims.

Other relevant permanent differences relate to the recognition in Amadeus S.A.S of a reduction in the Corporate Income Tax (from 33.3% to 28% starting from 2020 onwards, lowering the Deferred Tax for the Derogatory Amortization in €45.1 million). The remaining differences relate to certain operating expenses considered as non-deductible for tax purposes and certain operating income considered as non-taxable for tax purposes in the Group.



The detail of tax receivables and payables as of December 31, 2016 and 2015, is set forth in the table below:

	31/12/2016	31/12/2015
<u>Tax receivable current and non-current</u>		
Income tax receivable	54.1	43.3
VAT (note 12)	68.1	67.5
Others taxes receivable (note 12)	83.2	81.7
<b>Total</b>	<b>205.4</b>	<b>192.4</b>
<u>Tax payable current and non-current</u>		
Income tax payable	32.2	21.6
VAT (note 12)	5.9	5.3
Other taxes payable (note 12)	64.5	21.8
<b>Total</b>	<b>102.1</b>	<b>48.6</b>

The Group's deferred tax balances as of December 31, 2016, are set forth in the table below:

Assets	1/1/2016	Net charged to income statement	Charged to equity	Additions due to Acquisitions	Transfers	Translation changes	31/12/2016
Unused tax losses	0.6	1.5	-	-	-	0.1	2.2
Unused investment tax credits	2.2	-	-	-	-	-	2.2
Finance leases	0.3	-	-	-	-	-	0.3
Net cancellation reserve	5.9	-	-	-	-	-	5.9
Depreciation and amortization	4.9	(4.8)	-	-	-	0.1	0.2
Bad debt provision	9.9	(3.7)	-	-	-	-	6.2
Hedge accounting	4.9	-	2.6	-	-	-	7.5
Employees benefits	30.1	8.8	-	-	-	-	38.9
Dividends tax credits	0.8	-	-	-	-	-	0.8
Tax audit	10.6	-	-	-	-	-	10.6
Offsetting obligations	2.0	-	-	-	-	-	2.0
Other	13.4	2.6	(3.3)	-	-	2.1	14.8
	85.6	4.4	(0.7)	-	-	2.3	91.6
Netting	(72.4)	-	-	-	2.4	-	(70.0)
<b>Total</b>	<b>13.2</b>	<b>4.4</b>	<b>(0.7)</b>	<b>-</b>	<b>2.4</b>	<b>2.3</b>	<b>21.6</b>

Liabilities	1/1/2016	Net charged to income statement	Charged to equity	Additions due to acquisitions	Transfers	Translation changes	31/12/2016
Unrealized gains - foreign currency and financial instruments	0.3	(0.5)	(1.8)	-	-	-	(2.0)
Provision for decline in value of investments	10.5	-	-	-	-	-	10.5
Depreciation and amortization	419.2	(1.1)	-	-	-	0.2	418.3
Capitalization of Software Internally Developed	8.4	1.9	-	-	-	0.3	10.6
Purchase Price Allocation	332.0	(31.5)	-	-	9.2	2.6	312.3
Hedge accounting	3.9	-	(0.9)	-	-	-	3.0
Finance leases	3.8	(0.7)	-	-	-	-	3.1
Other	19.6	(18.1)	(6.6)	-	-	(0.7)	(5.8)
	797.7	(50.0)	(9.3)	-	9.2	2.4	750.0
Netting	(72.4)	-	-	-	2.4	-	(70.0)
<b>Total</b>	<b>725.3</b>	<b>(50.0)</b>	<b>(9.3)</b>	<b>-</b>	<b>11.6</b>	<b>2.4</b>	<b>680.0</b>

The "Transfers" caption refers to the deferred tax liabilities arising on the purchase price allocation exercise of Itesso and Pyton, as detailed in note 13.

The Group's deferred tax balances as of December 31, 2015, are set forth in the table below:

Assets	1/1/2015	Net charged to income statement	Charged to equity	Additions due to Acquisitions	Transfers	Translation changes	31/12/2015
Unused tax losses	0.9	(0.1)	-	-	-	(0.2)	0.6
Unused investment tax credits	2.2	-	-	-	-	-	2.2
Finance leases	0.3	-	-	-	-	-	0.3
Net cancellation reserve	5.9	-	-	-	-	-	5.9
Depreciation and amortization	10.1	(5.2)	-	-	-	-	4.9
Bad debt provision	10.2	(0.3)	-	-	-	-	9.9
Hedge accounting	9.8	-	(5.0)	-	-	0.1	4.9
Employees benefits	27.8	3.5	(1.2)	-	-	-	30.1
Dividends tax credits	0.8	-	-	-	-	-	0.8
Tax audit	26.3	(15.7)	-	-	-	-	10.6
Offsetting obligations	2.0	-	-	-	-	-	2.0
Other	12.4	(5.7)	4.4	0.2	-	2.1	13.4
	108.7	(23.5)	(1.8)	0.2	-	2.0	85.6
Netting	(82.7)	-	-	-	10.3	-	(72.4)
<b>Total</b>	<b>26.0</b>	<b>(23.5)</b>	<b>(1.8)</b>	<b>0.2</b>	<b>10.3</b>	<b>2.0</b>	<b>13.2</b>

Liabilities	1/1/2015	Net charged to income statement	Charged to equity	Additions due to acquisitions	Transfers	Translation changes	31/12/2015
Unrealized gains - foreign currency and financial instruments	(0.3)	(0.1)	0.7	-	-	-	0.3
Provision for decline in value of investments	10.5	-	-	-	-	-	10.5
Depreciation and amortization Capitalization of Software Internally Developed	362.3	56.8	-	-	-	0.1	419.2
Purchase Price Allocation	4.8	3.3	-	-	-	0.3	8.4
Hedge accounting	331.1	(27.2)	-	-	17.3	10.8	332.0
Finance leases	6.1	-	(2.2)	-	-	-	3.9
Other	3.5	0.3	-	-	-	-	3.8
	16.7	(4.5)	6.6	0.6	-	0.2	19.6
	734.7	28.6	5.1	0.6	17.3	11.4	797.7
Netting	(82.7)	-	-	-	10.3	-	(72.4)
<b>Total</b>	<b>652.0</b>	<b>28.6</b>	<b>5.1</b>	<b>0.6</b>	<b>27.6</b>	<b>11.4</b>	<b>725.3</b>

The "Transfers" caption refers to the deferred tax liabilities arising on the purchase price allocation exercise of Air IT and i:FAO, as detailed in note 13.

The expiration date of unused tax losses for which no deferred tax asset has been recognized in the consolidated annual accounts, mainly due to the uncertainty of their recoverability as of December 31, 2016 and 2015, is set forth in the table below:

Year(s) of expiration	31/12/2016	31/12/2015
From 1 to 5 years	0.7	1.0
More than 5 years	0.3	21.7
Unlimited	11.8	14.1
<b>Total</b>	<b>12.8</b>	<b>36.8</b>

## 22 EARNINGS PER SHARE

The reconciliation of the weighted average number of shares and diluted weighted average number of outstanding shares as of December 31, 2016 and 2015, is set forth in the table below:

	31/12/2016		31/12/2015	
	Ordinary shares	Weighted average number of ordinary shares	Ordinary shares	Weighted average number of ordinary shares
Total shares issued	438,822,506	438,822,506	438,822,506	444,006,177
Treasury shares	(1,521,273)	(2,002,726)	(2,214,916)	(7,437,518)
<b>Total shares outstanding</b>	<b>437,301,233</b>	<b>436,819,780</b>	<b>436,607,590</b>	<b>436,568,659</b>

The basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares issued during the year, excluding ordinary shares purchased by the Group and held as treasury shares. The dilutive earnings per share is calculated including the ordinary shares outstanding to assume conversion of a potentially dilutive ordinary shares.

For the year ended December 31, 2016, there are no operations with potentially dilutive ordinary shares in the Group.

For the year ended December 31, 2015, the Group included in the weighted average number of ordinary shares all the shares acquired by means of the share buy-back programme (as detailed in note 15) as if they were acquired since the inception of the agreement.

The calculation of basic and diluted earnings per share (rounded to two digits) for the year ended December 31, 2016 and 2015, is set forth in the table below:

	Basic and diluted earnings per share			
	31/12/2016		31/12/2015	
	Profit attributable to the owners of the parent (millions of euros)	Earnings per share (Euros)	Profit attributable to the owners of the parent (millions of euros)	Earnings per share (Euros)
Earnings per share	825.5	1.89	683.9	1.57

## 23 ADDITIONAL INFORMATION ON THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

### 23.1 Interest expense and other financial expenses

The "Interest expense" as of December 31, 2016 and 2015, mainly corresponds to the borrowings detailed in note 16. The breakdown of the "Interest expense" is set forth in the table below:

	31/12/2016	31/12/2015
Unsecured Senior Credit Facility	-	1.6
Revolving Loan Facility (1000M 2015)	0.7	-
Revolving Loan Facility (500M Navitaire)	2.7	-
European Investment Bank (EIB)	10.6	9.3
Interest from derivative instruments (IRS)	2.0	0.2
Bonds – "Euro Medium Term Notes Programme"	27.9	37.6
Bonds – "Senior Fixed Rate Instruments"	2.5	2.4
Obligations under finance leases	2.1	2.0
Interest on European Commercial Paper	(0.2)	0.7
Other debt with financial institutions	0.6	1.0
<b>Subtotal</b>	<b>48.9</b>	<b>54.8</b>
Deferred financing fees	7.0	6.3
Bank commissions, fees and other expenses	2.6	2.6
<b>Interest expense</b>	<b>58.5</b>	<b>63.7</b>

The breakdown of "Other financial expenses" as of December 31, 2016 and 2015 is set forth in the table below:

	31/12/2016	31/12/2015
Net interest on the Net Defined Benefit liability (note 12)	2.3	2.2
Interest expense on Tax	14.4	-
Others	1.3	3.4
<b>Other financial expenses</b>	<b>18.0</b>	<b>5.6</b>

### 23.2 Employee distribution

The employee distribution by category and gender for the year ended December 31, 2016 and 2015, is set forth in the table below:

	31/12/2016		31/12/2015	
	Female	Male	Female	Male
CEO/SVP/VP	4	31	4	29
Amadeus Group Director	25	136	23	103
Manager / Senior Manager	1,035	2,205	786	1,887
Staff	4,279	6,166	3,970	6,005

As of December 31, 2016 and 2015, the total number of employees was 13,881 and 12,807 respectively.

## 24 ADDITIONAL CONSOLIDATED STATEMENT OF CASH FLOWS RELATED DISCLOSURE

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and in banks and in short-term money market investments, net of outstanding bank overdrafts.

The reconciliation of the “Cash and cash equivalents net” caption of the consolidated statement of cash flows and the “Cash and cash equivalents” caption of the consolidated statement of financial position as of December 31, 2016 and 2015, is set forth in the table below:

	31/12/2016	31/12/2015
Cash on hand and balances with banks	280.0	405.5
Short-term investments	170.0	306.2
Cash and cash equivalents	450.0	711.7
Bank overdrafts	(0.4)	(0.1)
<b>Total cash and cash equivalents net</b>	<b>449.6</b>	<b>711.6</b>

As of December 31, 2016 and 2015, the Group maintained short-term money market investments with an average yield rate of 0.01% and 0.04%, respectively for EUR investments; and 0.44% and 0.18%, respectively, for USD investments; and 0.35% and 0.38%, respectively, for GBP investments. The Group held no short-term money market investments in AUD as of December 31, 2016 (AUD investments as of December 31, 2015 had an average yield rate of 2.02%).

These investments are readily convertible to a certain amount of cash and do not have an appreciable risk of change in value.

## 25 AUDITING SERVICES

The fees for annual accounts auditing services and other services (in thousand of euros) rendered by the auditor’s firm Deloitte, S.L. and other firms related thereto, for the years ended December 31, 2016 and 2015, are set forth in the table below:

	31/12/2016		31/12/2015	
	Company	Group	Company	Group
Auditing	606	2,361	302	2,133
Other assurance services	664	785	157	757
Tax advice	200	772	-	683
Other services	335	363	-	308
<b>Total</b>	<b>1,805</b>	<b>4,281</b>	<b>459</b>	<b>3,881</b>

Due to the merger between Amadeus IT Group, S.A. and Amadeus IT Holding, S.A. (as detailed in notes 1 and 15), the information provided for the Company as of December 31, 2015 refers to Amadeus IT Holding, S.A.

## 26 SUBSEQUENT EVENTS

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 AG shares not owned by Amadeus (29.74%). I:FAO was acquired on June 23, 2014, indirectly through the subsidiary Amadeus Corporate Business AG and, as of December 31, 2015, the Group owned 70.26% of the shares of this entity. As a result of the tender offer, Amadeus has increased its shareholding in i:FAO to 88.725%. The total amount paid for the shares acquired through the tender offer was €28.6 million. i:FAO has now been delisted from the Frankfurt Stock Exchange.

<b>Fully Consolidated Companies</b>	<b>Registered Address</b>	<b>Country</b>	<b>Activity</b>	<b>Investment 31/12/2016 (%) (1) (2)</b>	<b>Investment 31/12/2015 (%) (1) (3)</b>
Air-Transportation IT Services, Inc. (4)	5950 Hazeltine National Drive, Suite 210. Orlando, Florida. 32822.	U.S.A.	Software development	100%	99.89%
Amadeus Airport IT GmbH	Berghamer Str. 6 85435, Erding-Aufhasen.	Germany	Software development	100%	99.89%
Amadeus América S.A. (5)	Av. del Libertador 1068. 4° piso. Buenos Aires C1112ABN.	Argentina	Regional support	100%	99.89%
Amadeus Americas, Inc.	3470 NW 82nd Avenue Suite 1000 Miami, Florida 33122.	U.S.A.	Regional support	100%	99.89%
Amadeus Argentina S.A.	Av. del Libertador 1068. 5º Piso Buenos Aires C1112ABN.	Argentina	Distribution	95.50%	95.39%
Amadeus Asia Limited	21st, 23rd and 27th Floor, Capital Tower. 87/1 All Season Place. Wireless Road, Lumpini, Pathumwan. 10330 Bangkok.	Thailand	Regional support	100%	99.89%
Amadeus Austria Marketing GmbH	Alpenstrasse 108A. A-5020 Salzburg.	Austria	Distribution	100%	99.89%
Amadeus Benelux N.V.	Mediaalaan, 30. Vilvoorde 1800.	Belgium	Distribution	100%	99.89%
Amadeus Bilgi Teknolojisi Hizmetleri A.Ş	İstanbul Havalimanı Serbest Bölgesi Plaza Ofis No: 1401 Kat: 14 34830 Yesilköy, İstanbul.	Turkey	Software development	100%	99.89%
Amadeus Bolivia S.R.L.	Av. 6 de Agosto No. 2455 Edificio Hilda piso 12 of. 1201.	Bolivia	Distribution	100%	99.89%
Amadeus Bosna d.o.o. za marketing Sarajevo	Midhat Karic Mitke 1, 71000 Sarajevo.	Bosnia and Herzegovina	Distribution	100%	99.89%
Amadeus Brasil Ltda.	Rua das Olimpíadas 205 – 5 andar, Sao Paulo 04551-000.	Brazil	Distribution	83.51%	75.92%
Amadeus Bulgaria EOOD	1, Bulgaria Square, 16th Floor. Triaditza Region. 1463 Sofia.	Bulgary	Distribution	55.01%	54.95%
Amadeus Capital Markets, S.A. Sociedad Unipersonal	Salvador de Madariaga, 1. 28027 Madrid.	Spain	Financial activities	100%	99.89%
Amadeus Central and West Africa S.A.	7, Avenue Nogues 08 BPV 228 Abidjan 01.	Ivory Coast	Distribution	100%	99.89%
Amadeus Content Sourcing, S.A.U	Salvador de Madariaga 1, 28027, Madrid.	Spain	Intermediation	100%	99.89%
Amadeus Corporate Business, AG	Marienbader Platz 1, 61348, Bad Homburg, v.d. Hohe, Frankfurt am Main.	Germany	Holding of shares	100%	99.89%



	Registered Address	Country	Activity	Investment 31/12/2016 (%) (1) (2)	Investment 31/12/2015 (%) (1) (3)
Amadeus Customer Center Americas S.A.	Oficentro La Virgen II. Torre Prisma, Piso 5, Pavas, San José.	Costa Rica	Regional support	100%	99.98%
Amadeus Czech Republic and Slovakia s.r.o.	Meteor Centre Office Park. Sokolovská 100 / 94 Praha 8 – Karlín 186 00.	Czech Republic	Distribution	100%	99.89%
Amadeus Data Processing GmbH (6)	Berghamer Strasse 6. D-85435. Erding. Munich.	Germany	Data processing	100%	99.89%
Amadeus Denmark A/S (7)	Oldenburg Allé 3, 1.tv. DK-2630 Taastrup.	Denmark	Distribution	100%	99.89%
Amadeus Eesti AS	Tuukri 19. 10152 Tallinn.	Estonia	Distribution	100%	64.93%
Amadeus Finance B.V.	De Entrée 99 1101 HE Amsterdam.	The Netherlands	Financial activities	100%	99.89%
Amadeus France S.A.	Le Seine Saint Germain Bâtiment C, 2-8 Ave. Du Bas-Meudon. F-92445 Issy-Les-Moulineaux Cedex.	France	Distribution	100%	99.89%
Amadeus GDS LLP	48 Auezov Str,m 4° planta, 050008, Almaty.	Kazakhstan	Distribution	100%	99.89%
Amadeus GDS (Malaysia) Sdn. Bhd.	Suite 1005, 10th Floor. Wisma Hamzah-kwong Hing. n° 1 Leboh Ampang. Kuala Lumpur 50100.	Malaysia	Distribution	100%	99.89%
Amadeus GDS Singapore Pte. Ltd.	600 North Bridge Road 15-06. Parkview Square. Singapore 188778.	Singapore	Distribution	100%	99.89%
Amadeus Germany GmbH	Zentrale Finanzen SiemensstaBe 1, 61352. Bad Homburg.	Germany	Distribution	100%	99.89%
Amadeus Global Ecuador S.A.	República del Salvador N35- 126 y Portugal, Edificio Zanté; piso 2 oficina 206, Quito.	Ecuador	Distribution	100%	99.89%
Amadeus Global Operations Americas Inc. (4)	Corporate creations, Network Inc, 3411 Silverside Road #104 Rodney building, Wilmington, Delaware 19810. New Castle County.	U.S.A.	Data processing	100%	99.89%
Amadeus Global Travel Distribution Ltd.	P.O. Box 6680-00100 14,Riverside off Riverside Drive Grosvenor suite 4A, 4th Floor, Nairobi.	Kenya	Distribution	100%	99.89%
Amadeus Global Travel Israel Ltd.	14 Ben Yehuda St. 61264 Tel Aviv.	Israel	Distribution	100%	99.89%
Amadeus GTD (Malta) Limited	Birkirkara Road. San Gwann. SGN 08.	Malta	Distribution	100%	99.89%
Amadeus GTD Southern Africa Pty Ltd.	Turnberry Office Park. 48 Grosvenor Road, Bryanston. 2021 Johannesburg.	South Africa	Distribution	100%	99.89%

	Registered Address	Country	Activity	Investment 31/12/2016 (%) (1) (2)	Investment 31/12/2015 (%) (1) (3)
Amadeus Hellas S.A.	Sygroou Ave. 157. 17121 N. Smyrni Athens.	Greece	Distribution	100%	99.89%
Amadeus Honduras, S.A. (4)	Edificio El Ahorro Hondureño. Cía. de Seguros, S.A. 4to Nivel Local B. Av. Circunvalación. San Pedro Sula.	Honduras	Distribution	100%	99.89%
Amadeus Hong Kong Ltd.	3/F, Henley Building nº 5 Queens' Road. Central Hong Kong.	China	Distribution	100%	99.89%
Amadeus Hospitality Americas, Inc (4) (8)	75 New Hampshire Ave, Portsmouth NH 03801.	U.S.A.	Distribution and software Development	100%	99.89%
Amadeus Hospitality Asia Pacific Pte. Ltd (4)	600 North Bridge Road, #14-02 Parkview Square, Singapore 188778.	Singapore	Distribution and software Development	100%	99.89%
Amadeus Hospitality UK Ltd. (4)	Fourth Floor Drapers Court, Kingston Hall Road, Kingston-upon-Thames, Surrey KT1 2BQ.	U.K.	Distribution and software Development	100%	99.89%
Amadeus Information Technology LLC	M. Golovin line 5, 2nd floor 107045, Moscow.	Russia	Distribution	100%	99.89%
Amadeus Integrated Solutions Pty Ltd.	Turnberry Office Park, 48 Grosvenor Road, Bryanston, Johannesburg.	South Africa	Distribution	100%	99.89%
Amadeus IT Group Colombia S.A.S.	Carrera 11 No. 84 - 09 6° piso Edificio Torre Amadeus, Bogotá.	Colombia	Distribution	100%	99.89%
Amadeus IT Group, S.A. (9)	Salvador de Madariaga 1, 28027, Madrid.	Spain	Group management	-	99.89%
Amadeus IT Pacific Pty. Ltd.	Level 7 180 Thomas Street 2000 Haymarket, Sydney.	Australia	Distribution	100%	99.89%
Amadeus Italia S.P.A.	Via Morimondo, 26, 20143 Milano.	Italy	Distribution	100%	99.89%
Amadeus Japan K.K.	SPP Ginza Building 5F, 2-4-9 Ginza, Chuo-Ku, Tokio 104-0061.	Japan	Distribution	100%	99.89%
Amadeus Korea, Ltd	Kyobo Securities Building-Youldo 10F, Bldg. 26-4 Youido-dong, Yongdungpo-gu, Seoul 150-737.	South Korea	Software development	100%	99.89%
Amadeus Lebanon S.A.R.L.	Gefinor Centre P.O. Box 113-5693 Beirut.	Lebanon	Distribution	100%	99.89%
Amadeus Magyaroszag Kft	1075 Budapest. Madách Imre út 13-14. Budapest.	Hungary	Distribution	100%	99.89%
Amadeus Marketing (Ghana) Ltd.	12 Quarcoo Lane, West Airport Residential Area. Accra.	Ghana	Distribution	100%	99.89%

	Registered Address	Country	Activity	Investment 31/12/2016 (%) (1) (2)	Investment 31/12/2015 (%) (1) (3)
Amadeus Marketing Ireland Ltd.	10 Coke Lane Dublin 7.	Ireland	Distribution	100%	99.89%
Amadeus Marketing Nigeria Ltd.	26, Ladipo Bateye Street. G.R.A., Ikeja, Lagos.	Nigeria	Distribution	100%	99.89%
Amadeus Marketing Phils Inc.	36th Floor, LKG Tower Ayala Avenue, Makati City.	Philippines	Distribution	100%	99.98%
Amadeus Marketing Romania S.R.L.	246C Calea Floreasca, Sky Tower Building, 19th floor, 014476, Bucharest.	Romania	Distribution	100%	99.89%
Amadeus Marketing (Schweiz) AG	Pfingstweidstrasse 60. Zurich CH 8005.	Switzerland	Distribution	100%	99.89%
Amadeus Marketing (UK) Ltd.	3rd Floor First Point, Buckingham Gate, Gatwick, West Sussex RH6 0NT.	U.K.	Distribution	100%	99.89%
Amadeus México, S.A. de C.V. (10)	Pº de la Reforma nº 265, Piso 11. Col. Cuauhtemoc 06500 México D.F.	Mexico	Distribution	100%	99.89%
Amadeus North America Inc. (4)	3470 Northwest 82 Ave., Suite 1000, Miami, Florida.	U.S.A.	Distribution	100%	99.89%
Amadeus Norway AS (7)	Post boks 6645, St Olavs Plass, NO-0129 Oslo.	Norway	Distribution	100%	99.89%
Amadeus Paraguay S.R.L.	Luis Alberto de Herrera 195 esquina Fulgencio Yegros Edificio Inter Express - Piso 2, Oficina 202, Asunción.	Paraguay	Distribution	100%	99.89%
Amadeus Perú S.A.	Víctor Andrés Belaunde, 147. Edificio Real 5, Oficina 902. San Isidro, Lima.	Peru	Distribution	100%	99.89%
Amadeus Polska Sp. z o.o.	ul. Domaniewska 49, Warsaw 26-672.	Poland	Distribution	100%	99.89%
Amadeus Revenue Integrity Inc. (4)	3530 E. Campo Abierto, Suite 200, Tucson, AZ - 85718.	U.S.A.	Information technology	100%	99.89%
Amadeus Rezervasyon Dađıtım Sistemleri A.Ş	Muallim Naci Caddesi 81 Kat 4. Ortaköy 80840 Istanbul.	Turkey	Distribution	100%	99.89%
Amadeus S.A.S.	Les Bouillides, 485 Route du Pin Montard. Boite Postale 69. F-06902 Sophia Antipolis Cedex.	France	Software development & software definition	100%	99.89%
Amadeus Scandinavia AB	Hälsingegatan 49 6tr, Box 6602, SE-113 84 Stockholm.	Sweden	Distribution	100%	99.89%
Amadeus Services Ltd.	World Business Centre 3. 1208 Newall Road. Heathrow Airport. Hounslow TW6 2RB Middlesex.	U.K.	Software development	100%	99.89%
Amadeus Slovenija, d.o.o.	Dunajska 122, 1000 Ljubljana.	Slovenia	Distribution	100%	-

	Registered Address	Country	Activity	Investment 31/12/2016 (%) (1) (2)	Investment 31/12/2015 (%) (1) (3)
Amadeus Software Labs India Private Limited (11)	6th Floor, Etamin Block, Prestige Technology Park-II, Marathahalli-Srajapur Outer Ring Road, 560103 Bangalore.	India	Software development & software definition	100%	99.89%
Amadeus Soluciones Tecnológicas, S.A., Sociedad Unipersonal	Edificio Iris, Ribera del Loira 4-6 28042, Madrid.	Spain	Distribution	100%	99.89%
Amadeus Taiwan Co. Ltd.	12F, No. 77 Sec.3, Nan-Jing E. Rd. Taipei City.	Taiwan	Distribution	100%	99.89%
Amadeus Verwaltungs GmbH	Unterreut 6. 76135 Karlsruhe.	Germany	Holding of shares	100%	99.89%
Content Hellas Electronic Tourism Services S.A.	157, Syngrou Av., 3rd floor, N. Smyrni, 17121 Athens.	Greece	Distribution	100%	99.89%
CRS Amadeus América S.A. (12)	Av. 18 de Julio 841. Montevideo 11100.	Uruguay	Regional support	100%	99.89%
Enterprise Amadeus Ukraine	45a, Nyzhnoyurkivska Str, Kiev, 04080.	Ukraine	Distribution	100%	99.89%
Gestour S.A.S.	16, Avenue de l'Europe, 67300 Schiltigheim.	France	Software development	100%	99.89%
Hotel Concepts USA LLC (8)	1389 Peachtree Street NE Suite 320 Atlanta, GA 30309.	U.S.A.	Distribution & software development	-	99.89%
i:FAO AG (13)	Clemensstrasse 9 60487 Frankfurt am Main.	Germany	Holding of shares	70.72%	70.18%
i:FAO Bulgaria EOOD (13)	Antim Tower, Level 15 2 Kukush Street, 1309 Sofia.	Bulgaria	Software development	70.72%	70.18%
i:FAO Group GmbH (13)	Clemensstrasse 9 60487 Frankfurt am Main.	Germany	Distribution and software development	70.72%	70.18%
iTesso B.V. (14)	Chasséveld 15G 4811 DH Breda, The Netherlands.	The Netherlands	Distribution and software development	100%	99.89%
ITS RezExchange B.V. (14)	Chasséveld 15-G 4811 DH Breda.	The Netherlands	Distribution and software development	-	99.89%

	Registered Address	Country	Activity	Investment 31/12/2016 (%) (1) (2)	Investment 31/12/2015 (%) (1) (3)
Latinoamérica Soluciones Tecnológicas SPA (15)	Isidora Goyenechea 2939 P/10, Las Condes, Santiago.	Chile	Distribution	100%	99.89%
Navitaire LLC	333 South Seventh Street Suite 1800, 55402 Minneapolis.	U.S.A.	Software development	100%	-
Navitaire Philippines Inc.	8767 Paseo De Roxas, Metro Manila, 16F Philamlife Tower, 1200, Makati City, Manila	Philippines	Software development	100%	-
Newmarket International Software (Shanghai) Co. Ltd. (4)	1709 You You International Plaza, No. 76 Pujian Road, Pudong New Area 200127 Shanghai.	China	Distribution and software development	100%	99.89%
NMC d.o.o. Skopje	Gradski Zid, Blok 4/8, 1000 Skopje.	Macedonia	Distribution	51%	-
NMC Eastern European CRS B.V. (16)	Westblaak 89, 3012 KG Rotterdam.	The Netherlands	Distribution	-	99.89%
NMC Tirana sh.p.k.	Bulevardi Deshmoret e Kombit, Tirana.	Albania	Distribution	100%	-
NMTI Holdings, Inc. (4)	Corporation Trust Center, 1209 Orange Street, Wilmington, County of New Castle, Registry of Delaware 19801 - Delaware 4326008.	U.S.A	Holding of shares	100%	99.89%
Pixell online marketing GmbH (17)	Mozartstr. 4bD-53115 Bonn.	Germany	Distribution and software Development	100%	99.89%
Private Enterprise "Content Ukraine" (18)	45-A Nyzhniourkivska Street, Kyiv 04080, Ukraine	Ukraine	Distribution	100%	99.89%
Pyton Communication Services B.V. (16)	Schatbeurderlaan 10, 6002 ED Weert,	The Netherlands	Distribution	100%	99.89%
Pyton Communication Services Deutschland GmbH (19)	Kölnner Straße 7A D - 51789 Lindlar.	Germany	Distribution	100%	99.89%
SIA Amadeus Latvija	8 Audeju Street, LV-1050 Riga.	Latvia	Distribution	100%	99.89%
Sistemas de Distribución Amadeus Chile, S.A.	Marchant Pereira No 221, piso 11. Comuna de Providencia, Santiago de Chile.	Chile	Distribution	100%	99.89%
Sistemas de Reservasiones CRS de Venezuela, C.A.	Av. Francisco de Miranda, Edif. Parque Cristal, Torre Este, Piso 3, Ofic 3 - 7A, Urb. Los Palos Grandes, Cod. Postal 1060, Caracas.	Venezuela	Distribution	100%	99.89%

	Registered Address	Country	Activity	Investment 31/12/2016 (%) (1) (2)	Investment 31/12/2015 (%) (1) (3)
Travel Audience, GmbH (17)	Elsenstraße 106 12435 Berlin.	Germany	E-commerce	100%	99.89%
Traveltainment GmbH	Carlo-Schmid-Straße 12 52146 Würselen/Aachen.	Germany	Software development	100%	99.89%
Traveltainment UK Ltd. (12) (17)	3rd Floor First Point, Buckingham Gate London Gatwick Airport, Gatwick, West Sussex.	U.K.	Software development	100%	99.89%
Tshire Travel Solutions and Services (PTY) Ltd. (20)	Turnberry Office Park. 48 Grosvenor Road, Bryanston. 2021 Johannesburg.	South Africa	Distribution	-	-
UAB Amadeus Lietuva	Olimpieciu 1A-9B, LT-09200, Vilnius.	Lithuania	Distribution	100%	99.89%
UFIS Airport Solutions AS	Cort Adelers gate 17, 0254 Oslo.	Norway	Holding of shares	100%	99.89%
UFIS Airport Solution Holding Ltd. (21) (22)	Suvarnabhumi Airport Operation Building, 999 Moo 1, Suite Z4-007, Bangna-Trad KM 15 Road, Nong Prue, Bang Phli, Samutprakarn 10540.	Thailand	Holding of shares	49%	48.95%
UFIS Airport Solutions (Thailand) Limited (21) (23)	Suvarnabhumi Airport Operation Building, 999 Moo 1, Suite Z4-007 Bangna-Trad KM 15 Road, Nong Prue, Bang Phli, Samutprakarn 10540.	Thailand	Software development	74%	73.92%
UFIS Airport Solutions Pte Ltd (24)	300 Beach Road #14-06, The Concourse, Singapore 199555.	Singapore	Software development	100%	99.89%

<u>Joint ventures companies and Associates</u>	Registered Address	Country	Activity	Investment 31/12/2016 (%) (1) (2)	Investment 31/12/2015 (%) (1) (3)
Amadeus Algerie S.A.R.L	06, Rue Ahcène Outaleb « les Mimosas » Ben. Aknoun.	Algerie	Distribution	40%	39.96%
Amadeus Egypt Computerized Reservation Services S.A.E. (25)	Units 81/82/83 Tower A2 at Citystars. Cairo.	Egypt	Distribution	100%	99.89%
Amadeus Gulf L.L.C.	7th Floor, Al Kazna Insurance Building, Banyas Street. P.O. Box 46969. Abu Dhabi.	United Arabian Emirates	Distribution	49%	48.95%
Amadeus Libya Technical Services JV	Abu Kmayshah st. Alnofleen Area, Tripoli.	Libya	Distribution	25%	24.97%
Amadeus Maroc S.A.S.	Route du Complexe Administratif. Aéroport Casa Anfa. BP 8929, Hay Oulfa. Casablanca 20202.	Morocco	Distribution	30%	29.97%
Amadeus Qatar W.L.L.	Al Darwish Engineering W.W.L. Building n° 94 "D" Ring road 250. Hassan Bin Thabit – Street 960. Doha.	Qatar	Distribution	40%	39.96%
Amadeus Saudi Arabia Limited (25) (26)	3rd Floor, Diner's Square Center, King Abdulaziz Road P.O. Box no. 16196 Jeddah 21464.	Saudi Arabia	Distribution	100%	99.89%
Amadeus Sudani co. Ltd.	Street 3, House 7, Amarat. Khartoum 11106.	Sudan	Distribution	40%	39.96%
Amadeus Syria Limited Liability (25)	Shakeeb Arslan Street Diab Building, Ground Floor Abu Roumaneh, Damascus.	Syria	Distribution	100%	99.89%
Amadeus Tunisie S.A.	41 bis. Avenue Louis Braille. 1002 Tunis – Le Belvedere.	Tunisia	Distribution	30%	29.97%
Amadeus Yemen Limited (25)	3 <sup>rd</sup> Floor, Eastern Tower, Sana'a Trade Center, Algeria Street, PO Box 15585, Sana'a.	Yemen	Distribution	100%	99.89%
Hiberus Travel IO Solutions, S.L.	Parque Empresarial Plaza Calle Bari, 25 Duplicado, 50197, Zaragoza.	Spain	Software development	24.88%	24.85%
Jordanian National Touristic Marketing Private Shareholding Company	Second Floor, n°2155, Abdul Hameed Shraf Street Shmaisani. Aman.	Jordan	Distribution	50%	49.95%
Moneydirect Americas Inc. (27) (28)	2712 Centerville Road, Suite 400, Wilmington, 19808 Delaware.	U.S.A.	Software development	-	49.95%
Moneydirect Limited (12)	First Floor, Fitzwilton House, Wilton Place, Dublin.	Ireland	Electronic payment services	50%	49.95%
Qivive GmbH (12) (29)	c/o Rechtsanwälte Amend Minnholzweg 2b. 61476 Kronberg im Taunus.	Germany	Information technology	33.33%	33.29%

- (1) In certain cases, companies are considered to be wholly-owned subsidiaries, even though local statutory obligations require them to have more than one shareholder or a specific percentage of the capital stock owned by citizens and/or legal entities of the country concerned. These shareholders are not entitled to any economic right.
- (2) Unless otherwise stated, all participations are direct.
- (3) The share percentage, at December 31, 2015, was held through Amadeus IT Group, S.A., company absorbed in the merger mentioned in the Note 1.
- (4) The participation in these companies is held through Amadeus Americas, Inc.
- (5) The share percentage in this company is 95% direct and 5% indirect, through Amadeus Soluciones Tecnológicas, S.A. Sociedad Unipersonal.
- (6) The participation in this company is held through Amadeus Verwaltungs GmbH.
- (7) The participation in these companies is held through Amadeus Scandinavia AB.
- (8) On May 31, 2016, the companies Hotel Concepts USA LLC and Newmarket International, Inc. were merged. The resulting company was named Amadeus Hospitality Americas, Inc. Before the merger the participation in this company was indirect through iTesso B.V.
- (9) On August 1, 2016, the Company and the subsidiary Amadeus IT Group S.A. were merged. The resulting company was named Amadeus IT Group S.A.
- (10) The share percentage in this company is 98% direct and 2% indirect, through Amadeus Soluciones Tecnológicas, S.A. Sociedad Unipersonal.
- (11) The share percentage in this company is 99.99 % indirect, through Amadeus S.A.S. and 0.01% through Amadeus Asia Limited.
- (12) These companies are in the process of being liquidated.
- (13) The participation in these companies is held through Amadeus Corporate Business, AG.
- (14) On December 31, 2016, the company ITS RezExchange B.V. was merged into Itesso B.V. The resulting company was named iTesso B.V.
- (15) The participation in this company is held through Sistemas de Distribution Amadeus Chile, S.A.
- (16) On October 1, 2016, the companies NMC Eastern European Computerised Reservation Services B.V. and Pyton Communication Services B.V. were merged. The resulting company was named Pyton Communication Services B.V.
- (17) The participation in these companies is held through Traveltainment AG.
- (18) The participation in this company is held through Enterprise Amadeus Ukraine.
- (19) The participation in this company is held through Pyton Communication Services B.V.
- (20) The control of this company is held through Amadeus Integrated Solutions Pty Ltd.
- (21) The control of these companies is held through Amadeus Asia Limited.
- (22) The Company controls 79.35% of the voting rights of this company.
- (23) The share percentage in this company is 49% indirect through Amadeus Asia Limited and 25% indirect through UFIS Airport Solutions Holding Ltd. The Company controls 89.47% of the voting rights of this company.
- (24) The participation in this company is held through UFIS Airport Solutions AS.
- (25) These companies are considered joint ventures, as the Company does not have control over them according to contractual agreements. There are no restrictions for transferring funds.
- (26) The share percentage in this company is 95% direct and 5% indirect, through Pyton Communication Services, B.V.
- (27) The participation in these companies is held through Moneydirect Limited.
- (28) This company has been liquidated during 2016.
- (29) The participation in this company is held through Amadeus Germany GmbH



Amadeus IT Group, S.A. and  
Subsidiaries

---

Directors' Report for the year ended December  
31, 2016



## Index

1	Summary .....	4
	1.1 Introduction .....	4
	1.2 Summary of operating and financial information .....	6
2	Operating Review .....	7
	2.1 Key recent business highlights .....	7
	2.2 Key ongoing R&D projects .....	10
3	Presentation of financial information .....	11
	3.1 Acquisitions completed in 2015 .....	12
	3.2 Acquisitions completed in 2016 .....	13
	3.3 Divestments completed in 2016 .....	13
	3.4 Subsequent events .....	13
4	Main financial risks and hedging policy .....	14
	4.1 Foreign exchange rate risk .....	14
	4.2 Interest rate risk .....	14
	4.3 Own shares price evolution risk .....	15
5	Operating and financial performance by segment .....	16
	5.1 Distribution .....	17
	5.2 IT Solutions .....	21
	5.3 EBITDA .....	25
6	Consolidated financial statements .....	26
	6.1 Group income statement .....	26
	6.2 Statement of financial position (condensed) .....	33
	6.3 Group Cash Flow .....	37
7	Investor information .....	41
	7.1 Capital stock. Share ownership structure .....	41
	7.2 Share price performance in 2016 .....	42
	7.3 Dividend payments .....	42
8	Other additional information .....	43
	8.1 Expected Business Evolution .....	43
	8.2 Research and Development Activities .....	44
	8.3 Environmental matters .....	45

8.4 Treasury Shares.....	48
8.5 Financial Risks .....	48
8.6 Subsequent events.....	52
9 Corporate Governance Information.....	52
Annexe 1: Key terms.....	52
Annexe 2: Amadeus social and environmental initiatives .....	2

## 1 Summary

### 1.1 Introduction

#### Full year 2016 highlights (year ended December 31, 2016)

- In Distribution, our travel agency air bookings increased by 5.9%, to 534.9 million
- In IT Solutions, our total Passengers Boarded were 85.0% higher, reaching 1,382.5 million
- Revenue expanded by 14.3%, to €4,472.9 million
- EBITDA increased by 16.0%, to €1,700.1 million
- Adjusted profit<sup>1</sup> grew by 21.2%, to €911.0 million
- Free Cash Flow amounted to €811.4 million, representing growth of 23.1%
- Covenant net financial debt was €1,957.5 million at December 31, 2016 (1.14 times last-twelve-month covenant EBITDA)

Amadeus continued to progress positively through the fourth quarter of 2016, delivering another successful year of double-digit growth. In 2016, Revenue grew by 14.3% and EBITDA increased 16.0%, supporting Adjusted Profit growth of 21.2%. These results were driven by the positive performances of our Distribution and IT Solutions segments, as well as by the contribution from our 2015 (Hotel SystemsPro, Itesso, AirIT) and 2016 (Navitaire) acquisitions.

In Distribution and during the quarter, we successfully renewed or signed content agreements with 8 carriers - 46 in total over 2016 - as we continue to secure and expand content for our subscribers. Our air volumes continued to grow at a strong pace, driven by a 0.6 p.p. improvement of our competitive position<sup>2</sup> in the quarter (0.8 p.p. in the year), further increasing our relevance to travel providers. As in the past quarters, Asia Pacific continued to be our fastest-growing region, expanding at a double-digit rate. In 2016, our TA air bookings increased by 5.9% and Distribution Revenue grew 6.8%.

Merchandising solutions remain key for the airlines and at Amadeus we are committed to supporting our customers in realising their full revenue potential. At quarter-end, 66% of air bookings processed through Amadeus could carry an attached ancillary service and 120 airlines had contracted Amadeus Airline Ancillary Services for the indirect channel. Additionally, Amadeus Fare Families Solution had 52 contracted customers and more than 40 online travel agencies (including Fareportal and Ozon, in the fourth quarter), had integrated Amadeus merchandising solutions at year-end.

In 2016, IT Solutions revenue expanded by 31.7%. This expansion was driven by (i) underlying double-digit growth, plus (ii) the consolidation of Navitaire and the full-year impact of our 2015 acquisitions. Total Passengers Boarded increased by 85.0% due to the inclusion of Navitaire's Passengers Boarded (since late January 2016). Altéa Passengers Boarded grew 12.2%, positively impacted by organic growth and the migrations we have undertaken in the last twelve months: most importantly China Airlines, Swiss International Air Lines and Brussels Airlines (both part of the Lufthansa Group). All our Airline IT activities continued to grow well, supported by successful upselling activity with new contracts and implementations of DCS, e-commerce and standalone solutions in the areas of revenue optimisation and merchandising as well as by underlying organic growth.

---

<sup>1</sup> 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.

<sup>2</sup> Competitive position as defined in section 3.

In October, Ukraine International Airlines, the largest airline in Ukraine, implemented Altéa (Reservation and Inventory). In November, we announced Kuwait Airways had contracted a complete suite of Altéa solutions, including Revenue Management, e-Commerce, Loyalty Programmes, Inventory, Reservation, Departure Control, Payments, as well as Mobile and Travel Intelligence.

We were also pleased to announce at the beginning of 2017, that Ryanair had renewed its Passenger Service Systems agreement with Navitaire. Ryanair will continue using Navitaire's advanced ancillary and reservations solution including merchandising, distribution, digital and departure control platforms until 2025, representing 25 years of collaboration between Ryanair and Navitaire.

We are making progress in our new businesses. We are advancing in the execution of our Hospitality IT strategy, by integrating Itesso and Hotel SystemsPro and by working with InterContinental Hotels Group (IHG) in the development of a new-generation Guest Reservation System for the hospitality industry. IHG and Amadeus plan to initiate a progressive roll-out in the fourth quarter of 2017 with the aim to complete the roll-out by the end of 2018. We are also progressing in the development of a next-generation Property Management System.

We continue to maintain a disciplined focus on technology. Our investment in R&D represented 15.8% of revenue in 2016. It was dedicated to support long-term growth through new customer implementations, product evolution, portfolio expansion, investment in new businesses and continued shift to open systems and cloud-based architecture, as well as system performance optimisation.

Our free cash flow grew 23.1% over 2016, to €811.4 million and our consolidated covenant net financial debt stood at €1,957.5 million at the end of the year, representing 1.14 times last-twelve-month covenant EBITDA.

In December 2016, the Board of Directors proposed a 50% pay-out target ratio for 2016. Accordingly, the Board of Directors will submit a final gross dividend of €0.94 per share from the 2016 reported profit to the General Shareholders Meeting for approval in June 2017, representing an increase of 21.3% vs. 2015. An interim gross dividend of €0.40 per share was paid on February 1, 2017. The complementary dividend of €0.54 per share will be paid after the General Shareholders Meeting approval.

## 1.2 Summary of operating and financial information

	<i>Summary of KPI (figures in million euros)</i>		
	<i>Full year 2016</i>	<i>Full year 2015</i>	<i>% Change</i>
<b><u>Operating KPI</u></b>			
<b>TA air competitive position<sup>1</sup></b>	<b>43.2%</b>	<b>42.5%</b>	<b>0.8 p.p.</b>
TA air bookings (m)	534.9	505.0	5.9%
Non-air bookings (m)	60.4	61.2	(1.3%)
<b>Total bookings (m)</b>	<b>595.3</b>	<b>566.2</b>	<b>5.1%</b>
<b>Passengers Boarded (m)</b>	<b>1,382.5</b>	<b>747.3</b>	<b>85.0%</b>
<b><u>Financial results</u></b>			
Distribution Revenue	2,925.0	2,737.8	6.8%
IT Solutions Revenue	1,547.9	1,174.9	31.7%
<b>Revenue</b>	<b>4,472.9</b>	<b>3,912.7</b>	<b>14.3%</b>
Distribution Contribution	1,223.0	1,177.0	3.9%
IT Solutions Contribution	1,040.7	760.8	36.8%
<b>Contribution</b>	<b>2,263.7</b>	<b>1,937.8</b>	<b>16.8%</b>
<b>EBITDA</b>	<b>1,700.1</b>	<b>1,465.4</b>	<b>16.0%</b>
EBITDA margin (%)	38.0%	37.5%	0.6 p.p.
<b>Adjusted profit<sup>2</sup></b>	<b>911.0</b>	<b>751.8</b>	<b>21.2%</b>
<b>Adjusted EPS (euros)<sup>3</sup></b>	<b>2.08</b>	<b>1.72</b>	<b>21.3%</b>
<b><u>Cash flow</u></b>			
Capital expenditure	595.1	550.1	8.2%
Free cash-flow <sup>4</sup>	811.4	659.2	23.1%
	<i>31/12/2016</i>	<i>31/12/2015</i>	<i>% Change</i>
<b><u>Indebtedness<sup>5</sup></u></b>			
<b>Covenant Net Financial Debt</b>	<b>1,957.5</b>	<b>1,611.6</b>	<b>21.5%</b>
Covenant Net Financial Debt / LTM Covenant EBITDA	1.14x	1.09x	

1. Competitive position as defined in section 3.

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

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

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

5. Based on the definition included in the senior credit agreement covenants.

## 2 Operating Review

### 2.1 Key recent business highlights

The following section includes selected business highlights for 2016.

#### Arline Distribution

In 2016, over 70% of airline bookings made through the Amadeus system were with airlines that had content agreements with Amadeus. During this year, new contracts or renewals of existing content agreements were signed with 46 carriers, including Emirates, LATAM Airlines Group, Etihad Airways, easyJet and Kenia Airways.

Low cost content is increasingly demanded among corporate travellers. Subscribers to Amadeus' inventory can now access content of more than 90 low cost and hybrid carriers worldwide, including Chinese low cost carrier Spring Airlines, which signed a content agreement in April, amongst others.

Our customers continued to contract our merchandising solutions. At the end of the year 66% of the bookings made through the Amadeus system were eligible to carry a merchandising item, and more than 40 global online travel agencies (including Fareportal and Ozon, in the fourth quarter), had integrated Amadeus merchandising solutions.

At year-end, 120 airlines had contracted Amadeus Airline Ancillary Services to be able to offer ancillary services in the indirect channel (of which 91 had implemented the solution). At the end of the year, 165 airlines had contracted Amadeus Airline Ancillary Services to be able to offer ancillary services in the indirect or the direct channel or both (of which 125 had been implemented at year-end).

In turn, the Amadeus Fare Families solution, which allows airlines worldwide to distribute branded fares to travellers in the indirect channel, continued its expansion. At the end of the year, 52 airlines had contracted the solution, out of which 33 had implemented it.

KAYAK, the world's leading travel search engine, implemented Amadeus Master Pricer with Instant Search technology in October. This revolutionary solution delivers online search results in milliseconds without compromising accuracy. Every one second of improvement in search response time for consumers can translate into an increase in conversion rates.

In 2016, Amadeus launched two innovative products: Amadeus Ticket Changer Shopper (ATC) and Amadeus Selling Platform Connect. ATC is the world's first self-service online rebooking solution that allows travellers to further personalise their bookings. In turn, Amadeus Selling Platform Connect is the world's first fully cloud-based GDS booking and fulfilment platform, available in any device without the hassle of a complicated installation.

#### Airline IT

In January Amadeus announced that, following regulatory approval, it had completed the acquisition of Navitaire, a provider of technology and business solutions to the airline industry, from Accenture, for €766.5 million. The addition of Navitaire's portfolio of products and solutions for the low-cost and hybrid segments complements Amadeus' Altéa Suite of offerings for its largely full-service carrier customer base, giving the company the ability to serve a wider group of airlines.

At the end of 2016, more than 175 airlines had contracted either of the Amadeus Passenger Service Systems (Altéa or Navitaire's New Skies), and more than 165 had implemented them.

In 2016, both Malaysia Airlines and Kuwait Airways selected Amadeus as their new Passenger Services System provider. Swiss International Air Lines, Brussels Airlines, Ukraine International Airlines and China Airlines were among the airlines that implemented the Amadeus Altéa solutions during 2016. Also, Viva Group signed with Navitaire and was successfully migrated to New Skies, allowing VivaColombia and VivaAerobus to serve more customers and add additional destinations.

At the beginning of 2017, Ryanair renewed its Passenger Services System agreement with Navitaire until 2025. The airline will continue using the firm's advanced ancillary and reservations solutions New Skies, including merchandising, distribution, digital and departure control platforms.

The Lufthansa Group, which was already an Altéa Reservation, Inventory and Departure Control Customer Management user, contracted to complete the full Amadeus Altéa Suite across all its network carriers through the addition of Amadeus Altéa Departure Control Flight Management.

Virgin Australia also implemented Amadeus Altéa Departure Control Flight Management for its aircraft control processes and to benefit from Altéa operational excellence for fuel savings, agent productivity and flight safety.

Avianca renewed its commitment to Amadeus Altéa Suite long term, and also became the launch customer for Amadeus Anytime Merchandising. As such, Avianca will benefit from unique merchandising capabilities including the ability to reach more travellers at any stage of their trip through the Amadeus global travel ecosystem, and advanced segmentation capabilities and support for many different types of ancillary services that will help the airline deliver on travellers' expectations by providing relevant and attractive offers throughout the entire trip cycle. Avianca is also launching Amadeus Customer Experience Management, allowing Avianca to intimately understand its customers and deliver highly personalised offers.

Malaysia Airlines selected, on top of the Amadeus Passenger Service System solution mentioned above, Amadeus Anytime Merchandising and our e-commerce solutions to transform its passenger services, explore and develop new revenue streams and improve the online shopping experience for travellers.

Swiss International Air Lines and Amadeus announced a partnership to develop Amadeus Passenger Recovery, a new tool that will allow the airline to re-accommodate disrupted passengers and which will be integrated with the Altéa Suite.

Eva Air migrated to Amadeus Altéa Revenue Management Suite, which will enable the airline to price airline packages and offers based on travellers' price sensitivity and travel purpose. Singapore Airlines also contracted this solution in addition to Amadeus Dynamic Pricing and Amadeus Group Manager.

TAP Portugal implemented Amadeus Rich Merchandising in the last quarter of 2016. This product allows the airlines' customers and partners to see images of exactly what they're booking.

During the summer, Amadeus became one of the first industry players to receive the highest level (3) of NDC certification from IATA. Airlines using Amadeus' new Altéa NDC solution will have the option to distribute their prices and fares, including ancillary and fare family content, using NDC Offers & Orders. This was shortly followed by Navitaire receiving the highest level of NDC certification as well.



## Hospitality

During the year, we have continued working with Intercontinental Hotels Group in the development of a new-generation Guest Reservation System for the hospitality industry, and the integration of Itesso and Hotels SystemsPro acquisitions.

In August, Amadeus and Zingle, a leading provider of mobile messaging software platforms, announced a partnership to integrate Zingle's technology with Amadeus' hospitality optimisation solutions. Thanks to this partnership hotels will be able to integrate the mobile texting and messaging technology they need to better service and communicate with their clients.

Amadeus signed a partnership with DerbySoft, a market leader in hospitality distribution technology, to connect hotels of all sizes to metasearch engines and online travel agents.

## Airport IT

Looking for a more efficient passenger departure experience, as well as, substantially reduce costs and energy consumption, in March Quebec City's Jean Lesage International Airport announced that it will implement Amadeus Airport Common Use Service (ACUS). Also ASA, which owns Cape Verde's seven airports and ground handling company Cabo Verde Handling, contracted Amadeus Airport Common Use Service (ACUS) and Altéa Departure Control in four international airports.

At the beginning of the year, Copenhagen Airports and Amadeus announced that the company that owns and operates the Copenhagen airports of Kastrup and Roskilde had chosen to harness the power of the cloud through a ten-year IT partnership with Amadeus, which included Airport Collaborative Decision Making Portal, Airport Operational Database and Baggage Reconciliation System solutions. At the end of the year, Copenhagen Airports had successfully implemented Amadeus Airport Sequence Manager and A-CDM Portal solutions.

## Rail

AccesRail, an IATA travel partner and content aggregator specialising in intermodal travel, strengthened its commitment to a door-to-door travel future through an extended partnership with Amadeus. Using Amadeus' Air-Rail Display, travel agents are now able to book 18 rail and bus operators across 26 countries on the same screen as air travel. This link allows railways to broaden their reach in a key sales channel and increase revenue.

## Travel Intelligence

Amadeus launched two new innovative solutions in 2016: Amadeus Performance Insight, a cloud-based open architecture solution that allows airlines of all sizes to better understand their performance and use that data to take more informed business decisions; and Amadeus Booking Analytics, a solution used by airlines to monitor bookings using different criteria (such as per route, per agency point of sale or per airline) and act upon them.

## Payments

During the first quarter of 2016 Amadeus launched B2B Wallet Prepaid, a virtual card payment solution which allows travel agencies to improve cash flow management when paying for travel content. Later in 2016 the offering was enhanced through two key partnerships: A partnership with MasterCard, to offer travel agencies payment acceptance and security worldwide, as well as further protection against supplier default in B2B Wallet. A second partnership with Ixaris, allowing travel agencies to easily create and add funds to their virtual payment cards.

## Mobile

Amadeus and The Boston Consulting Group (BCG) launched a new itinerary management app for the consulting firm's entire workforce worldwide. This new app is based on Amadeus Mobile Platform and was personalised for BCG's travel needs.

## Additional news for 2016

For the fifth consecutive year, Amadeus earned the prestigious recognition of being included in the Dow Jones Sustainability Index in the IT & Internet Software and Services sector. The Dow Jones Sustainability Indices (DJSI) are made up of global sustainability leaders based on economic, environmental, and social criteria; and are widely regarded as the most prominent standards for evaluating sustainability performance available to investors.

An independent London School of Economics study commissioned by Amadeus, "Travel distribution: the end of the world as we know it?", finds that gatekeepers, 'mega meta online travel agencies', and artificial intelligence are changing the future of travel distribution. The paper draws insights from business leader interviews, data analysis and a major sector-specific survey spanning all global markets.

Amadeus also commissioned a new report on Airline Disruption. Written by T2RL, the report finds that incidents such as bad weather, natural disasters and strike action all contribute to air travel disruption, which costs airlines up to \$60 billion annually in lost revenues, equating to 8% of global industry revenues.

In November 2016, Laurens Leurink was appointed Senior Vice President, Distribution, Amadeus, taking over from Holger Taubmann. Laurens brings financial, commercial and strategic acumen as well as deep travel industry knowledge to Amadeus. Laurens has been a member of the Executive Committee of Amadeus since January 2017.

## 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 2016, R&D investment related primarily to:

### — Ongoing efforts linked to our Distribution and Airline IT businesses:

- Customer implementations and services:
  - Altéa implementation efforts related to carriers migrated in 2016 and future implementations (mainly Swiss International Air Lines, Brussels Airlines, China Airlines, Southwest Airlines –the domestic passengers business-, and Japan Airlines), as well as resources for Navitaire New Skies migrations (including Viva Group, recently implemented).
  - 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 implementation of new solutions such as Instant Search, 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 tool.

- Additionally, resources allocated to client specific bespoke developments or e-commerce services.
  - Product evolution and portfolio expansion:
    - For airlines: mostly solutions related to cloud availability, NDC compliant XML connectivity, and our revenue optimisation and financial suites.
    - For travel agencies, meta-search engines, travel management companies and corporations: efforts linked to our cloud-based new generation selling platform, search engines, front-office customisation and conversion tools.
    - Investment focused on merchandising solutions (including Amadeus Anytime Merchandising and Customer Experience Management), Amadeus Ancillary Services and Amadeus Fare Families, as well as enhanced shopping and booking solutions.
- Efforts related to our new businesses (Hospitality, Rail, Airport IT, Payments and Travel Intelligence):
- Development costs to build and implement the next-generation Guest Reservation System for the hospitality industry under our partnership with InterContinental Hotels Group and developments related to our Property Management System.
  - Continued development and evolution of our Airport IT, Payments and Travel Intelligence portfolios, as well as enhanced distribution capabilities for Hospitality and Rail.
  - Implementation efforts in the Airport IT space (in relation to our ground-handling, passenger processing and airport operations solutions), as well as related to Payments solutions.
  - Efforts dedicated to our partnership with Bene Rail to create a new rail community IT platform.
- Cross-area technology investment:
- Ongoing shift of the company's platform to open systems, next-generation technologies and cloud-based architecture, 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 audited consolidated financial statements of Amadeus IT Group, S.A. and subsidiaries are the source to the financial information included in this document and have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Certain amounts and figures included in this report have been subject to rounding adjustments. Any discrepancies in any tables between the totals and the sums of the amounts listed are due to rounding.

This document includes unaudited Alternative Performance Measures such as EBITDA, covenant net financial debt and Adjusted profit, and its corresponding ratios. These Alternative Performance

Measures have been prepared in accordance with the Guidelines issued by the European Securities and Markets Authority for regulated information published on or after July 3, 2016.

- EBITDA corresponds to the segment contributions less net indirect costs as defined in note 6 'Segment Reporting' of the Consolidated annual financial statements for the year ended December 31, 2016.
- 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 6.2.5.
- Adjusted profit corresponds to the 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 consider 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 or single country operators, the latter primarily in China, Japan and Russia, which together combined represent an important part of the industry.

### 3.1 Acquisitions completed in 2015

#### AirIT

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

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

#### Itesso

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

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

#### Hotel SystemsPro

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

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

### Pyton

On August 21, 2015, Amadeus acquired 100% of the voting rights of Pyton Communication Services B.V. and subsidiaries, a Netherlands-based leisure travel technology specialist. The purchase consideration paid in cash was €8.4 million. The Pyton results were consolidated into Amadeus' books in the fourth quarter of 2015, retroactively since the date of acquisition.

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

## 3.2 Acquisitions completed in 2016

### Navitaire

On July 1, 2015, Amadeus announced its agreement to acquire Navitaire, a U.S.-based provider of technology and business solutions to the airline industry, from Accenture. Amadeus received all the necessary regulatory approvals and the closing took place on January 26, 2016. The cash consideration in relation to this acquisition amounted to €760.1 million. The acquisition was 100% debt-financed, partially through the drawing of the €500 million bank loan facility executed on July 3, 2015 (structured as a "club deal" financing entered into with twelve banks, with maturity dates in 2019 and 2020 though cancelled and replaced in October 2016 by a four-year bond), and partially through the €500 million debt securities issued under our Euro Medium Term Note Programme in November 2015 (with maturity in 2021). The results of Navitaire were consolidated into Amadeus' books from January 26, 2016.

A purchase price allocation exercise in relation to the consolidation of Navitaire into Amadeus' books was carried out in the fourth quarter of 2016. The extraordinary costs of €6.7 million associated with the acquisition, incurred in the second half of 2015, were reported as indirect costs as of year-end 2015.

## 3.3 Divestments completed in 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.

## 3.4 Subsequent events

### 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, 2015 the Group owned 70.26% of the shares of i:FAO. As a result of the tender offer, Amadeus has increased its shareholding in i:FAO to 88.725%. The total amount paid for the shares acquired through the tender offer was €28.6 million (€30.0 per share). i:FAO has now been delisted from the Frankfurt Stock Exchange.

## 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%-35% 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<sup>3</sup> 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, INR, AUD and SEK 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 and INR, 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 2016, the impact from foreign exchange fluctuations on revenue was negligible. However, the appreciation of the euro vs. several currencies (GBP, ARS, INR and ZAR for example) had a positive impact on costs, EBITDA and EBITDA margin. Excluding foreign exchange impacts and Navitaire, EBITDA margin was broadly stable and underlying EBITDA growth was at a high single-digit rate.

### 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 December 31, 2016, 24.3% of our total covenant financial debt was subject to floating interest rates, indexed to the EURIBOR. As of this date no interest rate hedges were in place.

---

<sup>3</sup> Including Cost of revenue, Personnel expenses and Other operating expenses. Excludes Depreciation and amortization.

The increase in the percentage of total covenant financial debt subject to floating interest rates vs. prior year is mostly due to a higher use of the European Commercial Paper programme and revolving credit facilities, as described in section 6.2.5, which are subject to floating interest rates.

#### **4.3 Own shares price evolution risk**

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

According to the rules of these plans, when they mature, their beneficiaries will receive a number of Amadeus shares which for the outstanding plans will be (depending on the evolution of certain performance conditions) between a minimum of 267,000 shares and a maximum of 1,817,000 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

	<i>Segment Reporting (figures in million euros)</i>		
	<i>Full year 2016</i>	<i>Full year 2015</i>	<i>% Change</i>
Distribution revenue	2,925.0	2,737.8	6.8%
IT Solutions revenue	1,547.9	1,174.9	31.7%
<b>Group Revenue</b>	<b>4,472.9</b>	<b>3,912.7</b>	<b>14.3%</b>
Distribution contribution	1,223.0	1,177.0	3.9%
IT Solutions contribution	1,040.7	760.8	36.8%
<b>Total Contribution</b>	<b>2,263.7</b>	<b>1,937.8</b>	<b>16.8%</b>
Net indirect costs	(563.6)	(472.4)	19.3%
<b>EBITDA</b>	<b>1,700.1</b>	<b>1,465.4</b>	<b>16.0%</b>
EBITDA Margin (%)	38.0%	37.5%	0.6 p.p.

The solid growth we achieved earlier in the year continued in the last quarter of 2016. Revenue increased 14.6% in the fourth quarter, driving full year revenue to €4,472.9 million, 14.3% higher than in 2015. Revenue growth was driven by the positive evolution of our segments.

- In Distribution, revenue increased 6.8% in the year, supported by booking growth and expansive average pricing.
- IT Solutions delivered a 31.7% revenue increase in 2016, resulting from underlying double-digit growth, as well as from the consolidation of Navitaire and our 2015 acquisitions. (See sections 3.1 and 3.2 for more details on acquisitions).

EBITDA expanded 16.0% in the year, supported by growth in contributions of Distribution (3.9%) and IT Solutions (36.8%). This growth was partially offset by net indirect costs, which increased 19.3%, highly impacted by the consolidation of Navitaire's central costs (excluding Navitaire's costs, indirect costs grew at a mid-single digit rate). EBITDA margin expanded 0.6 p.p. in the year, representing 38.0% of revenue in 2016 and was broadly stable excluding foreign exchange impacts and Navitaire.



## 5.1 Distribution

	<i>Distribution (figures in million euros)</i>		
	<i>Full year 2016</i>	<i>Full year 2015</i>	<i>% Change</i>
<b><u>Operating KPI</u></b>			
TA air competitive position <sup>1</sup>	43.2%	42.5%	0.8 p.p.
Total bookings (m)	595.3	566.2	5.1%
<b><u>Financial results</u></b>			
<b>Revenue</b>	<b>2,925.0</b>	<b>2,737.8</b>	<b>6.8%</b>
Operating costs	(1,769.0)	(1,626.8)	8.7%
Direct capitalisations	67.0	66.1	1.4%
<b>Net operating costs</b>	<b>(1,702.0)</b>	<b>(1,560.8)</b>	<b>9.0%</b>
<b>Contribution</b>	<b>1,223.0</b>	<b>1,177.0</b>	<b>3.9%</b>
<b>As % of Revenue</b>	<b>41.8%</b>	<b>43.0%</b>	<b>(1.2 p.p.)</b>

1. Competitive position as defined in section 3.

Distribution includes our Global Distribution System business (including not only airline content but also hospitality and rail content, amongst others). We also provide solutions and services related to the distribution of content through the GDS to travel providers (such as solutions for the display and management of merchandising content), to travel sellers (such as search solutions and integrated front-, mid- and back-office solutions) and to corporations (such as self-booking tools and travel and expense management solutions). In addition, Distribution includes our Travel Intelligence business and part of our Payments offering (the Payer Hub, through which we help travel agencies and corporations pay travel providers).

Distribution delivered 6.8% revenue growth in 2016, supported by higher volumes coupled with average pricing expansion. Amadeus' volumes once again outperformed the travel agency air booking industry, fuelled by a notable improvement of 0.8 p.p. in our competitive position. In this context, however, the Distribution contribution grew at a slower pace (3.9% in the year). As a percentage of revenue, Distribution contribution, which was impacted by competitive pressure and a negative country mix, declined by 1.2 p.p., to 41.8%.

### 5.1.1 Evolution of Amadeus bookings

	<i>Operating KPI</i>					
	<i>Oct-Dec 2016</i>	<i>Oct-Dec 2015</i>	<i>% Change</i>	<i>Full year 2016</i>	<i>Full year 2015</i>	<i>% Change</i>
<b>TA air booking Industry growth</b>	<b>5.6%</b>	<b>1.8%</b>		<b>3.1%</b>	<b>3.9%</b>	
<b>TA air competitive Position</b>	<b>43.9%</b>	<b>43.3%</b>	<b>0.6 p.p.</b>	<b>43.2%</b>	<b>42.5%</b>	<b>0.8 p.p.</b>
TA air bookings (m)	125.1	115.4	8.4%	534.9	505.0	5.9%
Non-air bookings (m)	15.2	14.8	2.7%	60.4	61.2	(1.3%)
<b>Total bookings (m)</b>	<b>140.3</b>	<b>130.2</b>	<b>7.8%</b>	<b>595.3</b>	<b>566.2</b>	<b>5.1%</b>

#### TA air booking industry

Industry travel agency air bookings ended the year very solidly with a 5.6% increase in the fourth quarter. Latin America and Asia and Pacific were the fastest growing regions in the quarter. Growth accelerated vs. the first nine months of the year in all regions except Middle East and Africa. This was mainly driven by continued strong underlying growth in Asia and Pacific, recovery in specific countries (Russia, Argentina, Brazil) and a relatively lower base of comparison, as the end of 2015 was impacted by terrorist attacks.

In the year, the TA air booking industry increased by 3.1%. Asia and Pacific experienced robust growth, fuelled by the strong performance of South Korea or India, among others. Despite an improvement in the second half of the year, Central Eastern and Southern Europe was the weakest region, dragged by unfavorable macroeconomic conditions. The remaining regions (Western Europe, Middle East and Africa and the Americas) grew moderately overall during the year.

#### Amadeus bookings

Amadeus TA air bookings growth accelerated to 8.4% in the last quarter of 2016. Our performance was particularly strong in Western Europe, Latin America and Asia and Pacific, supported by the TA air industry acceleration mentioned above and an improvement of our competitive position in these regions.

In 2016, our competitive position improved 0.8 p.p. to 43.2% and led to a 5.9% increase in Amadeus TA air bookings. Amadeus' volumes grew fastest in Asia and Pacific (16.7%), benefitting from robust industry growth and the enhancement of our competitive position. Our TA air bookings in North America and Middle East and Africa increased solidly while volumes in Western Europe and Latin America, supported by a strong fourth quarter, closed the year with healthy growth rates. In turn, Central Eastern and Southern Europe suffered from the industry weakness in the year.

	<i>Amadeus TA Air Bookings (figures in million)</i>				
	<i>Full year 2016</i>	<i>% of Total</i>	<i>Full year 2015</i>	<i>% of Total</i>	<i>% Change</i>
Western Europe	202.1	37.8%	194.8	38.6%	3.7%
Asia & Pacific	97.4	18.2%	83.5	16.5%	16.7%
North America	90.8	17.0%	85.9	17.0%	5.7%
Middle East and Africa	65.9	12.3%	62.2	12.3%	6.0%
Central, Eastern and Southern Europe	44.5	8.3%	45.7	9.0%	(2.5%)
Latin America	34.1	6.4%	32.9	6.5%	3.4%
<b>Total TA Air Bookings</b>	<b>534.9</b>	<b>100.0%</b>	<b>505.0</b>	<b>100.0%</b>	<b>5.9%</b>

Amadeus' non-air bookings delivered a 2.7% increase in the fourth quarter. For the full year, non-air bookings declined 1.3%, due to lower rail bookings, which more than offset the positive evolution of hotel and car bookings.

#### 5.1.2 Revenue

	<i>Distribution Revenue (figures in million euros)</i>					
	<i>Oct-Dec 2016</i>	<i>Oct-Dec 2015</i>	<i>% Change</i>	<i>Full year 2016</i>	<i>Full year 2015</i>	<i>% Change</i>
Revenue	705.1	650.2	8.4%	2,925.0	2,737.8	6.8%

Revenue in the Distribution segment increased by 8.4% in the fourth quarter of 2016, supported by higher bookings and expansive average pricing.

For the full year, Distribution revenue increased by 6.8%, as a result of higher booking and non booking revenue:

- Booking revenue growth of 7.7% resulted from a 5.1% increase in bookings coupled with a 2.4% expansion in the average fee per booking. This increase in the unitary fee was driven by the positive effects from customer renegotiations and booking mix (both from a higher weight of global bookings, and a decrease in the weight of rail bookings, with a lower average fee than air bookings).
- Non booking revenue increased 1.3% in 2016 vs. prior year, impacted by a number of factors, including the negative effect from the cancellation provision<sup>4</sup>. The underlying non booking revenue growth was driven by (i) search solutions provided to metasearch engines and online travel agencies, (ii) enhanced functionalities provided to travel agencies (online and offline) and

<sup>4</sup> The cancellation provision corresponds to the estimated amount of booking fees which will be refunded to the airlines due to booking cancellations and is included as a negative amount within non booking revenue.

travel management companies, and (iii) tools for corporations (including i:FAO). Data, advertising and payments solutions have also grown their revenue contribution.

	<i>Distribution Revenue (figures in million euros)</i>		
	<i>Full year 2016</i>	<i>Full year 2015</i>	<i>% Change</i>
Booking revenue	2,561.2	2,378.6	7.7%
Non booking revenue	363.7	359.2	1.3%
<b>Revenue</b>	<b>2,925.0</b>	<b>2,737.8</b>	<b>6.8%</b>
<b>Average fee per booking (€)<sup>1</sup></b>	<b>4.30</b>	<b>4.20</b>	<b>2.4%</b>

1. Represents our booking revenue divided by the total number of air and non-air bookings.

### 5.1.3 Contribution

The contribution of our Distribution segment is calculated after deducting from our revenue those operating costs which can be directly allocated to the segment (variable costs, mainly related to distribution fees and incentives, and product development, marketing and commercial costs).

In 2016, Distribution contribution amounted to €1,223.0 million, 3.9% higher than in 2015. The increase in contribution was supported by higher revenue partially offset by growth in costs. As a percentage of revenue, in 2016, contribution represented 41.8%. Contribution was impacted by non-recurring effects linked to certain personnel-related payments, local tax provisions and bad debt provisions, amongst others, included in the segment's net operating costs.

Excluding these non-recurring effects, net operating costs growth was due to:

- Growth in incentives and distribution fees, driven by a 5.9% increase in travel agency air bookings and a unitary distribution cost expansion, as a consequence of (i) competitive pressure and (ii) an increase in weight of countries which have a higher unit distribution cost, for example India.
- Higher fixed costs, which resulted from:
  - Annual salary and variable remuneration reviews.
  - A limited increase in our core Distribution commercial resources.
  - The expansion of our R&D and commercial teams dedicated to corporate IT (i:FAO), advertising (Travel Audience) and Travel Intelligence, as well as the consolidation impact of Pyton.
  - A reduction in the overall capitalisation ratio of the segment, impacted by the mix of projects undertaken and the acceleration in activities within certain businesses with lower capitalisation ratios.
- A positive foreign exchange impact.

## 5.2 IT Solutions

	<i>IT Solutions (figures in million euros)</i>		
	<i>Full year 2016</i>	<i>Full year 2015</i>	<i>% Change</i>
<b><u>Operating KPI</u></b>			
Passengers Boarded (PB) (m)	1,382.5	747.3	85.0%
<b><u>Financial results</u></b>			
Revenue	1,547.9	1,174.9	31.7%
Operating costs	(712.4)	(614.4)	16.0%
Direct capitalisations	205.2	200.2	2.5%
Net operating costs	(507.2)	(414.1)	22.5%
Contribution	1,040.7	760.8	36.8%
As % of Revenue	67.2%	64.8%	2.5 p.p.

IT Solutions includes our Airline IT business, which addresses airlines' key operational requirements in the areas of Passenger Service Systems (PSS) (including reservation, ticketing, inventory management, departure control and disruption management), shopping and retailing (including e-commerce solutions), merchandising, personalisation and revenue optimisation solutions (including Revenue Management and financial solutions, such as Revenue Integrity or Revenue Accounting). Amadeus also supports airline customers through business consulting and process optimisation. Additionally, our Hospitality IT, Airport IT and Rail IT businesses, as well as a part of our Payments offering (the Merchant Hub, through which we help travel merchants get paid), also form part of the IT Solutions segment.

IT Solutions delivered underlying double-digit growth in 2016, which, together with the consolidation of Navitaire and our 2015 acquisitions, resulted in a 31.7% revenue increase. This positive evolution was supported by higher transactional revenue, in turn fuelled by PB volume growth and upselling activity, as well as an increase in non-transactional revenue.

Contribution amounted to €1,040.7 million and increased by 36.8% in 2016 vs. prior year. As a percentage of revenue, this represented 67.2%, expanding 2.5 p.p. vs. 2015.

### 5.2.1 Evolution of Passengers Boarded

Amadeus passengers boarded grew 91.3% in the fourth quarter of 2016 and 85.0% in the full year period, fuelled by the addition of passengers boarded from Navitaire (consolidated since January 26, 2016) and a 12% increase in Altéa passengers boarded, both in the quarter and the year.

	<i>Total PB (figures in million)</i>					
	<i>Oct-Dec 2016</i>	<i>Oct-Dec 2015</i>	<i>% Change</i>	<i>Full year 2016</i>	<i>Full year 2015</i>	<i>% Change</i>
Altéa Passengers Boarded	207.8	185.0	12.3%	838.3	747.3	12.2%
Navitaire Passengers Boarded	146.2	-	n.m.	544.1	-	n.m.
<b>Total PB</b>	<b>354.0</b>	<b>185.0</b>	<b>91.3%</b>	<b>1,382.5</b>	<b>747.3</b>	<b>85.0%</b>

Altéa Passengers Boarded increased organically 5.0% in the fourth quarter, accelerating growth vs. the first nine months of the year and driving full year growth to 4.4%. This organic increase combined with the impact from the 2015 and 2016 implementations (mainly All Nippon Airways and Thomas Cook Group Airlines, in 2015, and Swiss International Air Lines, Brussels Airlines and China Airlines, in 2016) drove our volumes up by 12.3% in the fourth quarter, or 12.2% in the full year.

Navitaire contributed 544.1 million passengers to our 2016 passengers boarded (consolidated since January 26, 2016 and equivalent to 577.6 million passengers for the full year). Passengers boarded on the New Skies platform performed well in the year, growing double-digit organically and also benefitting from implementations such as Viva Group.

Additionally, Navitaire has supported the expansion of our international footprint. Asia and Pacific and North America gained relative weight in the year, representing 31.0% and 4.7% respectively. The shift towards these regions will continue as we implement the contracted migrations of Southwest Airlines (the domestic passengers business), Japan Airlines and Malaysia Airlines.

	<i>Total PB (figures in million)</i>				
	<i>Full year 2016</i>	<i>% of Total</i>	<i>Full year 2015</i>	<i>% of Total</i>	<i>% Change</i>
Western Europe	562.4	40.7%	324.2	43.4%	73.5%
Asia & Pacific	428.5	31.0%	201.3	26.9%	112.9%
Latin America	134.9	9.8%	77.4	10.4%	74.4%
Middle East and Africa	119.7	8.7%	103.7	13.9%	15.5%
Central, Eastern and Southern Europe	72.0	5.2%	37.0	5.0%	94.5%
North America	64.9	4.7%	3.8	0.5%	n.m.
<b>Total PB</b>	<b>1,382.5</b>	<b>100.0%</b>	<b>747.3</b>	<b>100.0%</b>	<b>85.0%</b>

## 5.2.2 Revenue

	<i>IT Solutions Revenue (figures in million euros)</i>					
	<i>Oct-Dec 2016</i>	<i>Oct-Dec 2015</i>	<i>% Change</i>	<i>Full year 2016</i>	<i>Full year 2015</i>	<i>% Change</i>
Revenue	381.2	297.7	28.1%	1,547.9	1,174.9	31.7%

IT Solutions delivered a strong 28.1% revenue growth in the fourth quarter, driving full year revenue to €1,547.9 million, 31.7% higher than in 2015. This increase was fuelled by underlying double-digit growth, as well as by the consolidation of Navitaire and our 2015 acquisitions.

	<i>IT Solutions Revenue (figures in million euros)</i>		
	<i>Full year 2016</i>	<i>Full year 2015</i>	<i>% Change</i>
<i>IT transactional revenue</i>	1,142.1	809.6	41.1%
<i>Direct distribution revenue</i>	120.8	114.3	5.7%
Transactional revenue	1,262.9	923.9	36.7%
Non transactional revenue	285.0	251.0	13.5%
<b>Revenue</b>	<b>1,547.9</b>	<b>1,174.9</b>	<b>31.7%</b>

### Transactional Revenue

#### IT Transactional Revenue

In this category we include revenues from (i) our PSS offering for airlines, (ii) our e-commerce solutions, which provide online shopping and booking engines for airline websites, along with related functionalities, (iii) our range of standalone IT solutions (in the areas of merchandising, personalisation, or revenue optimisation), which are complementary to, and fully compatible with, our Altéa solutions, and (iv) other revenue from our Airport IT, Rail IT, and Payments (the Merchant Hub) offering.

IT Transactional revenue amounted to €1,142.1 million in 2016, expanding 41.1% vs. 2015, driven by:

- The consolidation impact from our acquisitions, most notably Navitaire.
- A strong double-digit underlying growth in our Airline IT business, fuelled by a 12.2% increase in Altéa Passengers Boarded and expansive average pricing, reflecting our successful upselling activity, primarily through implementations of Altéa Departure Control Systems, e-commerce and standalone solutions.
- The growing contribution from our Airport IT solutions, in particular in the passenger processing area, and from our Payments Merchant Hub, through which we help travel merchants get paid.

### Direct Distribution Transactional Revenue

Direct distribution revenue includes (i) fees charged for bookings made through the direct sales channel of an airline using our Altéa Reservation solution and for certain types of air bookings made through the direct sales channel of Altéa customers for which we charge a booking fee, not a PB fee, and (ii) fees charged to airlines using our Altéa Reservation solution for complementary functionalities that are closely related to the booking process.

Revenue from Direct Distribution increased by 5.7% in 2016, supported by organic growth in bookings.

### Non Transactional Revenue

Non-transactional revenue comprises among others, (i) the recognition of deferred customisation and implementation fees of our solutions, (ii) the provision of bespoke services, application hosting and other customer support services and (iii) revenues related to our Hospitality IT solutions.

Non transactional revenue increased by 13.5% in 2016 vs. prior year, as a combination of:

- Organic growth delivered by Hospitality IT, mainly in the Sales & Catering business (despite the negative impact from the divestment of a non-core Meeting Intelligence business in July 2016, as explained in section 3.3 of this report), and by Airline IT, mostly from the recognition of previously deferred revenue (which starts to be recognised after a customer implementation takes place) as well as from e-commerce related services.
- The contribution of our 2015 acquisitions and Navitaire.

#### 5.2.3 Contribution

The contribution of IT Solutions is calculated after deducting from our revenue those operating costs which can be directly allocated to this segment (variable costs, including certain distribution fees and product development, marketing and commercial costs).

In 2016, the contribution of IT Solutions reached €1,040.7 million, 36.8% higher than prior year. As a percentage of revenue, the segment contribution expanded to 67.2%, 2.5 p.p. higher than in 2015.

The increase in contribution was driven by revenue growth of 31.7% (as explained in section 5.2.2 above), partly offset by an increase in net operating costs of 22.5% (resulting from 16.0% growth in gross operating costs and a 2.5% increase in capitalisations). All captions were highly impacted by the consolidation of Navitaire and the 2015 acquisitions. Excluding acquisitions, the IT Solutions segment contribution grew at a strong double-digit rate.

The underlying growth in net operating costs was mainly due to:

- Annual salary and variable remuneration reviews.
- A reinforcement of our commercial teams to better support the expansion of our product offering and customer base.
- Higher R&D expenditure dedicated to (i) our Airline IT portfolio evolution and expansion (in particular in the areas of merchandising, shopping and personalisation) as well as services, and (ii) our new businesses (mainly related to the development and implementation of our next-generation Guest Reservation System under our agreement with InterContinental Hotels Group).



- A decline in the IT Solutions capitalisation ratio impacted by the mix of projects undertaken, as well as by a higher weight of activities which are not capitalised (such as bespoke developments or e-commerce related services).
- A positive foreign exchange impact.

### 5.3 EBITDA

In 2016, EBITDA increased by 16.0% to €1,700.1 million. EBITDA margin represented 38.0% of revenue in 2016, 0.6 p.p. higher than in 2015. Excluding foreign exchange impacts and Navitaire, margins remained broadly stable and EBITDA grew at a high single-digit rate.

EBITDA growth was the result of the positive underlying performances of Distribution and IT Solutions. The contribution from our latest acquisitions (most notably Navitaire) and certain foreign exchange effects impacting positively the evolution of our cost base, also supported our EBITDA growth in 2016 (see section 4.1 for details on the exposure of our operating results to foreign exchange fluctuations).

Distribution and IT Solutions contributions were partly offset by higher net indirect costs, which grew 19.3% in 2016. This was the result of gross indirect costs increasing by 16.6% and capitalisations by 7.8%.

Indirect costs were highly impacted by the consolidation of Navitaire central costs (such as costs related to hosting in Accenture's data centres). Excluding these Navitaire costs, total indirect costs increased at a mid-single digit rate, mainly driven by:

- Annual salary and variable remuneration reviews.
- Additional resources to expand our corporate structure following our business and geographical expansion.
- An increase in expenses related to cross area development and data centre projects (including the shift to open systems, in its final stage, and to cloud-based architecture), though most of these projects are capitalised.
- A positive foreign exchange impact.

	<i>Indirect costs (figures in million euros)</i>		
	<i>Full year 2016</i>	<i>Full year 2015</i>	<i>% Change</i>
Indirect costs	(721.6)	(618.9)	16.6%
Indirect capitalisations & RTC <sup>1</sup>	158.0	146.5	7.8%
<b>Net indirect costs</b>	<b>(563.6)</b>	<b>(472.4)</b>	<b>19.3%</b>

1. Includes the Research Tax Credit (RTC).

## 6 Consolidated financial statements

### 6.1 Group income statement

	<i>Income Statement (figures in million euros)</i>					
	<i>Oct-Dec 2016</i>	<i>Oct-Dec 2015</i>	<i>% Change</i>	<i>Full year 2016</i>	<i>Full year 2015</i>	<i>% Change</i>
<b>Revenue</b>	<b>1,086.4</b>	<b>947.9</b>	<b>14.6%</b>	<b>4,472.9</b>	<b>3,912.7</b>	<b>14.3%</b>
Cost of revenue	(286.1)	(253.1)	13.0%	(1,150.0)	(1,044.1)	10.1%
Personnel and related expenses	(326.7)	(305.1)	7.1%	(1,280.0)	(1,139.9)	12.3%
Other operating expenses	(103.0)	(66.0)	56.0%	(331.5)	(253.1)	31.0%
Depreciation and amortisation	(136.6)	(131.3)	4.1%	(499.1)	(422.6)	18.1%
<b>Operating income</b>	<b>234.0</b>	<b>192.4</b>	<b>21.6%</b>	<b>1,212.3</b>	<b>1,053.0</b>	<b>15.1%</b>
Net financial expense	(15.7)	(7.3)	115.2%	(71.6)	(50.9)	40.6%
Other income (expense)	(0.9)	1.3	n.m.	3.1	1.8	76.9%
<b>Profit before income taxes</b>	<b>217.5</b>	<b>186.4</b>	<b>16.7%</b>	<b>1,143.8</b>	<b>1,003.8</b>	<b>13.9%</b>
Income taxes	(63.5)	(68.0)	(6.6%)	(322.9)	(321.4)	0.5%
<b>Profit after taxes</b>	<b>154.0</b>	<b>118.4</b>	<b>30.0%</b>	<b>820.9</b>	<b>682.5</b>	<b>20.3%</b>
Share in profit from associates and JVs	2.6	1.9	35.9%	5.4	3.4	58.0%
<b>Profit for the period</b>	<b>156.6</b>	<b>120.4</b>	<b>30.1%</b>	<b>826.4</b>	<b>685.9</b>	<b>20.5%</b>
<b>Key financial metrics</b>						
<b>EBITDA</b>	<b>368.0</b>	<b>320.9</b>	<b>14.7%</b>	<b>1,700.1</b>	<b>1,465.4</b>	<b>16.0%</b>
EBITDA margin (%)	33.9%	33.9%	0.0 p.p.	38.0%	37.5%	0.6 p.p.
<b>Adjusted profit<sup>1</sup></b>	<b>172.9</b>	<b>143.4</b>	<b>20.6%</b>	<b>911.0</b>	<b>751.8</b>	<b>21.2%</b>
<b>Adjusted EPS (euros)<sup>2</sup></b>	<b>0.40</b>	<b>0.33</b>	<b>20.3%</b>	<b>2.08</b>	<b>1.72</b>	<b>21.3%</b>

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

Revenue in the fourth quarter of 2016 amounted to €1,086.4 million, growing 14.6% over prior year. For the full year 2016, revenue increased by 14.3% to €4,472.9 million.

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

- An increase of 8.4% in our Distribution segment in the fourth quarter of 2016, leading to 6.8% growth for the full year period.
- An increase of 28.1% in our IT Solutions segment in the fourth quarter of 2016 and 31.7% in the full year.

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

	<i>Revenue (figures in million euros)</i>					
	<i>Oct-Dec 2016</i>	<i>Oct-Dec 2015</i>	<i>% Change</i>	<i>Full year 2016</i>	<i>Full year 2015</i>	<i>% Change</i>
Distribution	705.1	650.2	8.4%	2,925.0	2,737.8	6.8%
IT Solutions	381.2	297.7	28.1%	1,547.9	1,174.9	31.7%
<b>Revenue</b>	<b>1,086.4</b>	<b>947.9</b>	<b>14.6%</b>	<b>4,472.9</b>	<b>3,912.7</b>	<b>14.3%</b>

### 6.1.2 Cost of revenue

These costs are mainly related to: (i) incentive fees paid to travel agencies, (ii) distribution fees paid to those 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 amounted to €286.1 million in the fourth quarter of 2016, 13.0% higher than in the same period of 2015, driving full year growth to 10.1%. This increase was mostly the result of:

- A 5.9% increase in travel agency air bookings.
- A higher unitary distribution cost, resulting from (i) competitive pressure and (ii) an increase in weight of countries which have a higher unit distribution cost, for example India.
- A positive foreign exchange impact.

As a percentage of revenue, cost of revenue declined to 25.7% in 2016, 1.0 p.p. less than in 2015.

### 6.1.3 Personnel and related expenses and other operating expenses

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

Our combined operating expenses cost line, including both Personnel expenses and Other operating expenses, grew by 15.8% in the fourth quarter of 2016 vs. the same quarter of 2015, or 15.7% in the year vs. 2015.

	<i>Personnel expenses + Other operating expenses</i>					
	<i>(figures in million euros)</i>					
	<i>Oct-Dec 2016</i>	<i>Oct-Dec 2015</i>	<i>% Change</i>	<i>Full year 2016</i>	<i>Full year 2015</i>	<i>% Change</i>
<b>Personnel expenses + Other operating expenses</b>	<b>(429.7)</b>	<b>(371.1)</b>	<b>15.8%</b>	<b>(1,611.5)</b>	<b>(1,393.0)</b>	<b>15.7%</b>

Fixed operating expenses were highly impacted by (i) the consolidation of Navitaire (particularly affecting personnel and computing expenses, as Navitaire's platform is hosted externally) and 2015 acquisitions, as well as (ii) certain non-recurring effects (such as personnel-related payments or bad debt provisions).

Excluding non-recurring effects and the impact from acquisitions, fixed operating expenses grew mid-single digit, mainly driven by the combination of:

- A 4% increase in average FTEs (permanent staff and contractors), due to:
  - Higher headcount in R&D dedicated to ongoing investment in portfolio expansion and product evolution (including the progress achieved in our new businesses), as well as transversal projects and services (see further details in sections 2.2 and 6.3.2).
  - Reinforcement of our corporate, technical and commercial support, following the successful expansion of our customer base, our geographical reach (such as in Asia and Pacific and North America) and our product portfolio.
- Global salary and variable remuneration reviews.
- A decline in the overall capitalisation ratio, impacted by project mix.
- A positive foreign exchange impact.

#### 6.1.4 Depreciation and Amortisation

Depreciation and amortisation (including capitalised D&A) increased by 4.2% in the fourth quarter of 2016, or 18.3% in the full year, mostly driven by growth in ordinary depreciation and amortisation.

Ordinary D&A increased by 21.4% in 2016 vs. prior year, highly impacted by the consolidation of Navitaire. Excluding Navitaire, growth resulted from 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. Depreciation expense related to hardware and software acquired for our data processing centre in Erding also contributed, to a lesser extent, to the overall increase.

In compliance with IFRS, impairment tests are carried out every year. During 2016 we reported €27.0 million of impairment losses in relation to (i) the write off of the "Newmarket International" trademark (replaced by the global Amadeus brand) amounting to €8.6 million and (ii) solutions that we estimated would not deliver their expected economic benefits.

	<i>Depreciation and Amortisation (figures in million euros)</i>					
	<i>Oct-Dec 2016</i>	<i>Oct-Dec 2015</i>	<i>% Change</i>	<i>Full year 2016</i>	<i>Full year 2015</i>	<i>% Change</i>
Ordinary depreciation and amortisation	(104.1)	(86.8)	20.0%	(374.7)	(308.6)	21.4%
Amortisation derived from PPA	(24.1)	(24.5)	(1.8%)	(97.5)	(94.0)	3.7%
Impairments	(8.4)	(19.9)	(57.9%)	(27.0)	(20.0)	34.8%
<b>Depreciation and amortisation</b>	<b>(136.6)</b>	<b>(131.3)</b>	<b>4.1%</b>	<b>(499.1)</b>	<b>(422.6)</b>	<b>18.1%</b>
Capitalised depreciation and amortisation <sup>1</sup>	2.7	2.7	(2.9%)	11.3	10.2	10.6%
<b>Depreciation and amortisation post-capitalisations</b>	<b>(134.0)</b>	<b>(128.5)</b>	<b>4.2%</b>	<b>(487.8)</b>	<b>(412.4)</b>	<b>18.3%</b>

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

#### 6.1.5 EBITDA and Operating income

EBITDA increased by 14.7% in the fourth quarter, delivering full year growth of 16.0%. This was supported by the positive underlying performance of Distribution and IT Solutions as well as by the contribution from our latest acquisitions (mainly Navitaire) and certain foreign exchange effects impacting positively the evolution of our cost base (see section 4.1 for details on the exposure of our operating results to foreign exchange fluctuations).

Operating Income in the fourth quarter of 2016 grew by 21.6%, or 15.1% to €1,212.3 million in the full year period, as a result of EBITDA growth offset by higher D&A charges.

	<i>Operating income - EBITDA (figures in million euros)</i>					
	<i>Oct-Dec 2016</i>	<i>Oct-Dec 2015</i>	<i>% Change</i>	<i>Full year 2016</i>	<i>Full year 2015</i>	<i>% Change</i>
<b>Operating income</b>	<b>234.0</b>	<b>192.4</b>	<b>21.6%</b>	<b>1,212.3</b>	<b>1,053.0</b>	<b>15.1%</b>
Depreciation and amortisation	136.6	131.3	4.1%	499.1	422.6	18.1%
Capitalised depreciation and amortisation	(2.7)	(2.7)	(2.9%)	(11.3)	(10.2)	10.6%
<b>EBITDA</b>	<b>368.0</b>	<b>320.9</b>	<b>14.7%</b>	<b>1,700.1</b>	<b>1,465.4</b>	<b>16.0%</b>
EBITDA margin (%)	33.9%	33.9%	0.0 p.p.	38.0%	37.5%	0.6 p.p.

### 6.1.6 Net financial expense

	<i>Net financial expense (figures in million euros)</i>					
	<i>Oct-Dec 2016</i>	<i>Oct-Dec 2015</i>	<i>% Change</i>	<i>Full year 2016</i>	<i>Full year 2015</i>	<i>% Change</i>
Financial income	0.4	0.4	5.7%	1.7	2.6	(33.8%)
Interest expense	(10.6)	(16.6)	(36.2%)	(58.5)	(63.7)	(8.2%)
Other financial expenses	(15.4)	0.9	n.m.	(18.0)	(5.6)	n.m.
Exchange gains (losses)	9.9	8.0	23.6%	3.1	15.8	(80.2%)
<b>Net financial expense</b>	<b>(15.7)</b>	<b>(7.3)</b>	<b>115.2%</b>	<b>(71.6)</b>	<b>(50.9)</b>	<b>40.6%</b>

Net financial expense increased 40.6% in 2016 vs. prior year, driven by lower exchange gains, as well as an increase in Other financial expenses (impacted by interest expense associated with tax provisions).

In turn, interest expense declined by 8.2% in the year vs. 2015, as a consequence of a reduction in the average cost of debt, particularly in the second half of the year, due to the refinancing of the €750 million notes in July 2016.

### 6.1.7 Income taxes

Income taxes amounted to €322.9 million in 2016. The income tax rate for the year was 28.2%, lower than the 32.0% rate reported in 2015. The reduction in income tax rate was mainly driven by (i) a lower corporate tax rate in Spain, (ii) a deferred tax liability adjustment to reflect government changes to the corporate tax rate in France from 2020 onwards, as well as, (iii) tax deductions related to recurring and non-recurring transactions in 2016.

### 6.1.8 Profit for the period. Adjusted profit

Reported profit increased by 30.1% in the fourth quarter of 2016 compared to the same period in 2015 and by 20.5%, to €826.4 million in 2016.

	<i>Adjusted profit (figures in million euros)</i>					
	<i>Oct-Dec 2016</i>	<i>Oct-Dec 2015</i>	<i>% Change</i>	<i>Full year 2016</i>	<i>Full year 2015</i>	<i>% Change</i>
<b>Reported profit</b>	<b>156.6</b>	<b>120.4</b>	<b>30.1%</b>	<b>826.4</b>	<b>685.9</b>	<b>20.5%</b>
<b>Adjustments</b>						
Impact of PPA <sup>1</sup>	16.4	15.8	3.6%	67.8	63.1	7.4%
Non-operating FX results <sup>2</sup>	(6.9)	(5.4)	29.9%	(2.3)	(10.7)	(78.6%)
Non-recurring items	1.8	(0.9)	n.m.	(0.6)	(0.1)	n.m.
Impairments	5.2	13.5	(61.8%)	19.8	13.6	45.7%
<b>Adjusted profit</b>	<b>172.9</b>	<b>143.4</b>	<b>20.6%</b>	<b>911.0</b>	<b>751.8</b>	<b>21.2%</b>

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

After adjusting for (i) accounting effects derived from PPA exercises and impairment losses, (ii) non-operating exchange gains (losses), and (iii) other non-recurring items, adjusted profit grew by 20.6% in the fourth quarter of 2016, and by 21.2 % to €911.0 million, in the year.

### 6.1.9 Earnings per share (EPS)

	<i>Earnings per share</i>					
	<i>Oct-Dec 2016</i>	<i>Oct-Dec 2015</i>	<i>% Change</i>	<i>Full year 2016</i>	<i>Full year 2015</i>	<i>% Change</i>
Weighted average issued shares (m)	438.8	438.8		438.8	444.0	
Weighted average treasury shares(m)	(1.5)	(2.2)		(2.0)	(7.4)	
<b>Outstanding shares (m)</b>	<b>437.3</b>	<b>436.6</b>		<b>436.8</b>	<b>436.6</b>	
<b>EPS (euros)<sup>1</sup></b>	<b>0.36</b>	<b>0.28</b>	<b>29.8%</b>	<b>1.89</b>	<b>1.57</b>	<b>20.6%</b>
<b>Adjusted EPS (euros)<sup>2</sup></b>	<b>0.40</b>	<b>0.33</b>	<b>20.3%</b>	<b>2.08</b>	<b>1.72</b>	<b>21.3%</b>

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

The table above shows EPS for the period, based on the profit attributable to the parent company (after minority interests), both on a reported basis and on an adjusted basis (adjusted profit as detailed above). In 2016, our reported EPS grew by 20.6% to €1.89 and our adjusted EPS by 21.3% to €2.08.

On December 11, 2014 the Board of Directors agreed to undertake a share buy-back programme. The programme was completed on May 12, 2015 as the maximum planned investment of €320 million was reached. A total of 8,759,444 own shares were acquired, representing 1.957% of share capital. The share capital reduction through the amortisation of the repurchased shares was approved by the General Shareholders Meeting on June 25, 2015 and was registered in the Commercial Registry of Madrid on August 4, 2015. In 2015, both the weighted average issued and treasury shares were impacted by this share capital reduction.

On March 11, 2016 the Board of Directors of Amadeus IT Holding, S.A. and that of Amadeus IT Group, S.A. approved a plan in relation to the merger of both companies (being Amadeus IT Holding, S.A. the surviving entity), subject to the approval by their respective General Shareholders' Meetings, which took place on June 24 and 23, 2016. Following registration of the merger public deed with the Commercial Registry of Madrid on August 2, 2016 and the fulfilment of legal formalities, Amadeus IT Group, S.A. was legally dissolved and Amadeus IT Holding, S.A. adopted the name of Amadeus IT Group, S.A. As of December 31, 2016, 312,519 shares were delivered in exchange of the Amadeus IT Group, S.A. shares.



## 6.2 Statement of financial position (condensed)

	<i>Statement of Financial Position</i> <i>(figures in million euros)</i>	
	31/12/2016	31/12/2015
Property, plant and equipment	459.7	448.0
Intangible assets	3,210.3	2,612.3
Goodwill	2,793.3	2,478.9
Other non-current assets	218.4	148.3
<b>Non-current assets</b>	<b>6,681.8</b>	<b>5,687.6</b>
Current assets	642.3	604.9
Cash and equivalents	450.1	711.7
<b>Total assets</b>	<b>7,774.1</b>	<b>7,004.1</b>
<b>Equity</b>	<b>2,761.5</b>	<b>2,297.5</b>
Non-current debt	1,422.7	1,289.1
Other non-current liabilities	1,282.0	1,218.1
<b>Non-current liabilities</b>	<b>2,704.7</b>	<b>2,507.2</b>
Current debt	969.5	1,033.8
Other current liabilities	1,338.5	1,165.6
<b>Current liabilities</b>	<b>2,308.0</b>	<b>2,199.5</b>
<b>Total liabilities and equity</b>	<b>7,774.1</b>	<b>7,004.1</b>
<b>Net financial debt (as per financial statements)</b>	<b>1,942.1</b>	<b>1,611.2</b>

### 6.2.1 Property, plant and equipment (PP&E)

This caption principally includes land and buildings, data processing hardware and software, and other PP&E assets such as building installations, furniture and fittings and miscellaneous.

PP&E increased by €11.7 million in 2016. This increase was mainly the result of the combination of the following effects: (i) additions (+€134.7 million), mostly related to data processing hardware and software acquired for our data processing centre in Erding (Germany), and (ii) depreciation charges (-€122.0 million).

### 6.2.2 Intangible assets

This caption principally includes (i) the net cost of acquisition or development and (ii) the excess purchase price, allocated to patents, trademarks and licenses<sup>5</sup>, technology and content<sup>6</sup> and contractual relationships<sup>7</sup>. In particular, it includes the excess purchase price derived from the business combination (acquisition) between Amadeus IT Group, S.A. (the former listed company in 2005) and Amadeus IT Group, S.A. (the currently listed company, formerly known as Amadeus IT Holding, S.A. or WAM Acquisition, S.A.) in 2005.

Intangible assets increased by €598.0 million in 2016. This increase was mainly the result of the combination of the following effects: (i) additions of software internally developed (+€422.0 million) and acquired assets (+€75.6 million), (ii) additions from the acquisitions, including the effects derived from the purchase price allocation exercises carried out as part of the consolidation process of Navitaire, Itesso and Pyton into Amadeus' books (+€472.6 million), and (iii) amortisation charges and impairment losses (-€377.3 million).

### 6.2.3 Goodwill

Goodwill amounted €2,793.3 million as of December 31, 2016. Goodwill mainly relates to the unallocated amount of the excess purchase price derived from (i) the business combination (acquisition) between Amadeus IT Group, S.A. (the current listed company, formerly named Amadeus IT Holding, S.A. or WAM Acquisition, S.A.) and Amadeus IT Group, S.A. (the former listed company in 2005) in 2005, and (ii) acquisitions, most of them completed in 2014, 2015 and 2016. In particular, goodwill increased by €314.4 million in 2016, mostly due to the acquisition of Navitaire. Goodwill generated in the acquisitions of Itesso and Pyton was adjusted as a result of the purchase price allocation exercises that were carried out in 2016.

### 6.2.4 Equity, Share capital

As of December 31, 2016 the share capital of our Company was represented by 438,822,506 shares with a nominal value of €0.01 per share.

For information on dividend payments, see section 7.3 "Dividend payments".

---

<sup>5</sup> Net cost of acquiring brands and trademarks (either by means of business combinations or in separate acquisitions) as well as the net cost of acquiring software licenses developed outside the Group for Distribution and IT Solutions.

<sup>6</sup> Net cost of acquiring technology software and travel content either by means of acquisitions through business combinations/separate acquisitions or internally generated (software applications developed by the Group, including the development technology of the IT solutions business). Travel content is obtained by Amadeus through its relationships with travel providers.

<sup>7</sup> Net cost of contractual relationships with travel agencies, as acquired through business combinations, as well as costs subject to capitalisations, related to travel agency incentives, that can be recognised as an asset.

## 6.2.5 Financial indebtedness

	<i>Indebtedness (figures in million euros)</i>	
	31/12/2016	31/12/2015
<b><u>Covenants definition<sup>1</sup></u></b>		
European Commercial Paper	485.1	196.4
Short term bonds	400.0	750.0
Long term bonds	1,000.0	900.0
EIB loan	307.5	337.5
Revolving loan facilities	100.0	0.0
Other debt with financial institutions	21.0	43.0
Obligations under finance leases	93.9	96.3
<b>Covenant Financial Debt</b>	<b>2,407.5</b>	<b>2,323.3</b>
Cash and cash equivalents	(450.1)	(711.7)
<b>Covenant Net Financial Debt</b>	<b>1,957.5</b>	<b>1,611.6</b>
<b>Covenant Net Financial Debt / LTM Covenant EBITDA</b>	<b>1.14x</b>	<b>1.09x</b>
<b><u>Reconciliation with financial statements</u></b>		
<b>Net financial debt (as per financial statements)</b>	<b>1,942.1</b>	<b>1,611.2</b>
Interest payable	(2.5)	(19.4)
Deferred financing fees	12.6	12.5
EIB loan adjustment	5.2	7.3
<b>Covenant Net Financial Debt</b>	<b>1,957.5</b>	<b>1,611.6</b>

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

Net financial debt as per our financial covenants' terms amounted to €1,957.5 million on December 31, 2016 (1.14 times last-twelve-month covenant EBITDA).

The main changes affecting our debt structure during 2016 were:

- The drawing on January 25, 2016 of the €500 million bank loan facility agreed in July 2015, to partially finance the acquisition of Navitaire. This facility was cancelled and replaced on October 6, 2016 by a four-year bond amounting to €500 million under our Euro Medium Term Note Programme, with maturity in 2020 and a coupon of 0.125%.
- A new €500 million Single Currency Revolving Loan Facility, with a five-year term, to be used for working capital requirements and general corporate purposes, which was executed on April 26, 2016, and was partially drawn at the end of 2016 (by an amount of €100 million). The €500 million

Facility B of the €1,000 million Revolving Loan Facility executed in March 2015 was cancelled simultaneously to the execution of this facility.

- The €750 million notes, part of the Euro Medium Term Note Programme, which matured on July 15, 2016 were refinanced with a combination of the Revolving Loan Facility signed in April 2016 (mentioned above), an issuance of European Commercial Paper and cash available.
- The increase in the use of the Multi-Currency European Commercial Paper (ECP) programme by a net amount of €288.6 million.
- The repayment of €30 million related to the European Investment Bank Loan.

#### Reconciliation with net financial debt as per our financial statements

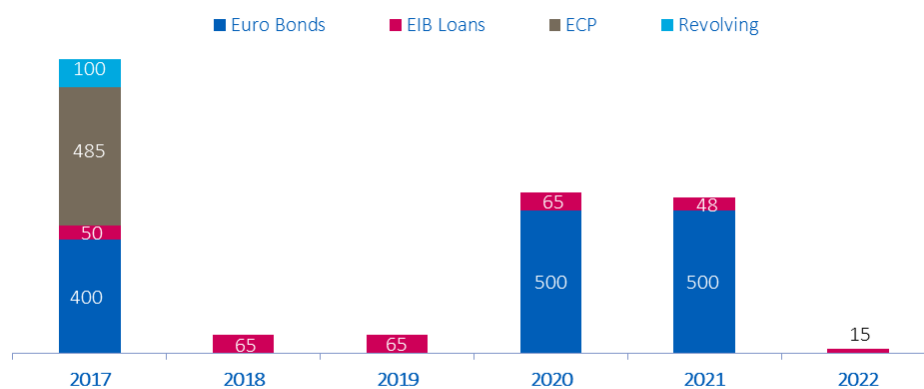
Under the covenant terms, Covenant Financial Debt (i) does not include the accrued interest payable (€2.5 million at December 31, 2016) which is treated as debt in our financial statements, (ii) is calculated based on its nominal value, while in our financial statements our financial debt is measured at amortised cost, i.e., after deducting the deferred financing fees (that mainly correspond to fees paid upfront in connection with the set-up of new credit agreements and amount to €12.6 million at December 31, 2016), and (iii) does not include an adjustment for the difference between the nominal value of the loan granted by the EIB at below-market interest rate and its fair value (€5.2 million at December 31, 2016).

#### Debt structure as of December 31, 2016

	<i>Description</i>	<i>Amount</i>	<i>Maturity</i>
<i>Capital markets financing</i>	Euro Bond	€400m	Dec 2017
		€500m	Oct 2020
		€500m	Nov 2021
<i>EIB Loans</i>	Development Loan	€157.5m	May 2021
		€150m	May 2022
<i>ECP</i>	European Commercial Paper	€485m	Max 364 days
<i>Revolving Loan Facilities</i>	Revolving <sup>1</sup>	€500m	Mar 2020
		€500m	Jul 2021

1. As of December 31, 2016 the revolving credit facility maturing in July 2021 was partially drawn, by an amount of €100 million.

### Debt maturity profile as of December 31, 2016



### 6.3 Group Cash Flow

	<i>Consolidated Statement of Cash Flows</i>					
	<i>(figures in million euros)</i>					
	<i>Oct-Dec</i>	<i>Oct-Dec</i>	<i>%</i>	<i>Full year</i>	<i>Full year</i>	<i>%</i>
	<i>2016</i>	<i>2015</i>	<i>Change</i>	<i>2016</i>	<i>2015</i>	<i>Change</i>
EBITDA	368.0	320.9	14.7%	1,700.1	1,465.4	16.0%
Change in working capital	89.2	79.7	11.9%	93.8	82.8	13.2%
Capital expenditure	(165.7)	(156.8)	5.6%	(595.1)	(550.1)	8.2%
<b>Pre-tax operating cash-flow</b>	<b>291.5</b>	<b>243.7</b>	<b>19.6%</b>	<b>1,198.7</b>	<b>998.2</b>	<b>20.1%</b>
Taxes	(151.1)	(155.2)	(2.6%)	(300.8)	(275.7)	9.1%
Interest and financial fees paid	(17.5)	(12.2)	44.0%	(86.5)	(63.3)	36.6%
<b>Free cash-flow</b>	<b>122.9</b>	<b>76.4</b>	<b>60.8%</b>	<b>811.4</b>	<b>659.2</b>	<b>23.1%</b>
Equity investment	(0.7)	0.6	n.m.	(761.9)	(116.9)	n.m.
Cash-flow from extraordinary items	(22.1)	24.2	n.m.	(12.5)	7.5	n.m.
Debt payment	(127.5)	173.5	n.m.	63.6	387.5	(83.6%)
Cash to shareholders	0.0	0.1	n.m.	(362.5)	(598.4)	(39.4%)
<b>Change in cash</b>	<b>(27.3)</b>	<b>274.8</b>	<b>n.m.</b>	<b>(261.9)</b>	<b>338.8</b>	<b>n.m.</b>
<b>Cash and cash equivalents, net<sup>1</sup></b>						
Opening balance	477.0	436.8		711.6	372.8	
Closing balance	449.6	711.6		449.6	711.6	

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

### 6.3.1 Change in working capital

Amadeus typically works on negative working capital (i.e. cash inflows), driven by the fact that Amadeus collects payments from most airlines (more than 80% of our group collections) through IATA and ACH, with an average collection period of just over one month, whilst payments to providers and suppliers are made on average over a significantly longer period.

In 2016, the cash inflow from working capital increased by €10.9 million mainly due to the positive contribution of Navitaire's working capital.

### 6.3.2 Capital expenditure, R&D investment

#### Capital expenditure

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

Capex increased by 5.6% in the fourth quarter of 2016 and by 8.2% in the full year period vs. 2015. As a percentage of revenue, capex declined 0.8 p.p. in 2016, to 13.3%.

The growth in capex in 2016 was driven by a €46.2 million increase in intangible assets, due to (i) higher software capitalisations related to growing R&D investment, (ii) higher signing bonuses paid and (iii) an increase in purchases of licenses (related for example to internal technological projects linked to system security). In turn, capex in PP&E was almost flat vs. prior year as additional hardware and software purchases (mostly aiming to enhance our data centre's agility and flexibility) were offset by less equipment required than in 2015, when new buildings in Nice (France) and Bad Homburg (Germany) were equipped.

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 in the short term. It is also important to note that a large part of our investments related to the migration of our clients is paid by the customer, although not recognised as revenue but deferred in the balance sheet. It is therefore capex which does not have a negative cash impact and where revenue does not get recognised as such, making the ratio of capex to revenue less relevant.

	<i>Capital Expenditure (figures in million euros)</i>					
	<i>Oct-Dec 2016</i>	<i>Oct-Dec 2015</i>	<i>% Change</i>	<i>Full year 2016</i>	<i>Full year 2015</i>	<i>% Change</i>
Capital Expenditure in PP&E	32.7	27.2	20.4%	105.1	106.3	(1.2%)
Capital Expenditure in intangible assets	132.9	129.7	2.5%	490.0	443.8	10.4%
<b>Capital Expenditure</b>	<b>165.7</b>	<b>156.8</b>	<b>5.6%</b>	<b>595.1</b>	<b>550.1</b>	<b>8.2%</b>
As % of Revenue	15.2%	16.5%	(1.3 p.p.)	13.3%	14.1%	(0.8 p.p.)

### R&D investment

As a leading and differentiated technology provider for the travel industry, Amadeus undertakes significant R&D activities, which are key drivers for growth.

R&D investment (including both capitalised and non-capitalised expense) grew by 7.8% in the fourth quarter of 2016 vs. prior year, and by 10.2% to €706.5 million in the full year period. As a percentage of revenue, R&D investment amounted to 15.8% in 2016, 0.6 p.p. lower than in 2015.

R&D investment was highly impacted by our latest acquisitions, mainly Navitaire. Excluding this impact, the underlying growth in R&D was mainly driven by:

- Higher efforts to (i) enhance and expand our product portfolio (including merchandising, shopping and personalisation solutions), (ii) implement the solutions associated with our upselling activity - Altéa Departure Control Systems, e-commerce and standalone solutions, as well as (iii) services (such as bespoke developments or e-commerce related services). This increase was partly offset by lower resources required to implement new carriers to our core Altéa platform.
- Growing investment to develop a new-generation Guest Reservation System for the hospitality industry together with InterContinental Hotels Group, as well as higher resources dedicated to our new businesses such as Airport IT, Payments or Travel Intelligence.
- Increased resources devoted to shifting the company's platform towards open systems and cloud-based architecture through next-generation technologies and optimising system performance, enhancing availability and security levels.

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.

	<i>R&amp;D investment (figures in million euros)</i>					
	<i>Oct-Dec 2016</i>	<i>Oct-Dec 2015</i>	<i>% Change</i>	<i>Full year 2016</i>	<i>Full year 2015</i>	<i>% Change</i>
<b>R&amp;D investment<sup>1</sup></b>	<b>184.7</b>	<b>171.4</b>	<b>7.8%</b>	<b>706.5</b>	<b>641.0</b>	<b>10.2%</b>
As % of Revenue	17.0%	18.1%	(1.1 p.p.)	15.8%	16.4%	(0.6 p.p.)

1. Net of Research Tax Credit.

### 6.3.3 Taxes paid

Taxes paid in the fourth quarter of 2016 amounted to €151.1 million, €4.1 million lower than in the same period in 2015. For the full year 2016, tax payments amounted to €300.8 million, €25.1 million higher than €275.7 million paid in 2015. The increase in taxes paid in the year, which benefitted from a reduction in the effective tax rate vs. prior year, was mostly driven by (i) higher profit before taxes, (ii) a higher proportion of corporate taxes prepaid during the year, due to regulatory changes and (iii) corporate taxes paid by Navitaire.

### 6.3.4 Interest and financial fees paid

Interest payments under our debt arrangements amounted to €86.5 million in 2016, €23.2 million higher than in 2015. The net increase was a combination of (i) a higher average gross debt, (ii) a non-recurring fee from the cancellation of an interest rate swap and (iii) a lower average cost of debt following the bond refinancing in July 2016.

### 6.3.5 Free cash flow

Free cash flow increased substantially by €46.5 million or 60.8% in the fourth quarter of 2016. Full-year growth was 23.1%, amounting to €811.4 million of free cash flow in 2016. This increase was the result of an increase in the EBITDA and a higher cash inflow from working capital, partly offset by growth in capex, taxes paid and interest and financial fees paid in the period.

### 6.3.6 Equity investments

Equity investments amounted to €761.9 million in 2016. This cash outflow mainly relates to the acquisition of Navitaire. Equity investments in 2015 (€116.9 million) mostly correspond to the acquisitions of AirIT, Itesso, Hotel SystemPro and Pyton.

### 6.3.7 Cash to shareholders

In 2016, the cash outflow to shareholders, amounting to €362.5 million, corresponds to (i) a payment of €338.5 million related to the ordinary dividend of €0.775 per share (gross) on the 2015 profit, and (ii) €24.0 million related to the acquisition of treasury shares in the year, part of which were acquired to cover the exchange ratio related to the merger of Amadeus IT Holding, S.A. and Amadeus IT Group, S.A. (see section 6.1.9).



## 7 Investor information

### 7.1 Capital stock. Share ownership structure

As of December 31, 2016, the capital stock of our company is €4,388,225.06 represented by 438,822,506 shares with a nominal value of €0.01 per share, all belonging to the same class, fully subscribed and paid in.

The shareholding structure as of December 31, 2016 is as described in the table below:

	<i>Shareholders</i>	
	<i>Shares</i>	<i>% Ownership</i>
Free float	436,858,714	99.55%
Treasury shares <sup>1</sup>	1,521,273	0.35%
Board members	442,519	0.10%
<b>Total</b>	<b>438,822,506</b>	<b>100.00%</b>

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 2016



Number of publicly traded shares (# shares)

Share price at December 31, 2016 (in €)

Maximum share price in Jan - Dec 2016 (in €) (Oct 4, 2016)

Minimum share price in Jan - Dec 2016 (in €) (Feb 8, 2016)

Market capitalisation at December 31, 2016 (in € million)

Weighted average share price in Jan – Dec 2016 (in €)<sup>1</sup>

Average Daily Volume in Jan - Dec 2016 (# shares)

### Key trading data

438,822,506

43.17

44.93

32.96

18,944

40.28

1,537,881

1. Excluding cross trades.

## 7.3 Dividend payments

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

The Board of Directors of Amadeus IT Group, S.A held on December 15, 2016 proposed a 50% pay-out target ratio for the year 2016 (the maximum percentage within the 40%-50% approved pay-out range).

In June 2017, the Board of directors will submit a final gross dividend for approval to the General Shareholders Meeting of €0.94 per share, representing a 21.3% increase vs. prior year. An interim dividend of €0.40 per share (gross) was paid on February 1, 2017. Based on this, the proposed appropriation of the 2016 results included in our 2016 audited consolidated financial statements of Amadeus IT Group, S.A. and subsidiaries includes a total amount of €412.5 million corresponding to dividends pertaining to the financial year 2016.

## 8 Other additional information

### 8.1 Expected Business Evolution

#### 8.1.1 Macroeconomic backdrop and Amadeus business model

Amadeus is a leading technology provider to the travel industry. We connect the travel ecosystem - travel providers, travel sellers and travellers- at every stage of the journey. Our technology allows travel players to manage their operations with greater efficiency and serve their customers better. We operate stable and highly resilient transaction-based business models linked to global travel volumes (mainly bookings made by travel agencies connected to the Amadeus system, or passengers boarded by airlines using our IT solutions). Our businesses and operations are therefore largely dependent on the worldwide travel and tourism industry, which is sensitive to general economic conditions and trends.

The IMF confirmed in its World Economic Outlook Update in January 2017 that global economic growth should pick up pace in 2017, rising to 3.4% from a rate of 3.1% in 2016.

- Advanced economies are projected to grow 1.9% in 2017, representing a 0.3 p.p. lift vs. 2016 mainly attributable to the United States (2.3% in 2017, vs. 1.6% in 2016) which should benefit from fiscal stimulus, though the policy stance of the incoming administration is still uncertain. The Euro Area, the United Kingdom and Japan should grow 1.6%, 1.5% and 0.8% respectively.
- Emerging markets and developing economies are also expected to accelerate growth, from 4.1% in 2016 to 4.5% in 2017, reflecting normalization in countries which suffered from economic strains (e.g. Russia, Brazil). Projected growth in China stands at 6.5% for 2017.

This global economic uplift, combined with an expected increase in oil prices leads IATA to forecast a 5.1%<sup>8</sup> air traffic increase in 2017 (vs. 5.9% in 2016) as the demand stimulus from lower oil prices and airfares starts to reverse. Middle East and Asia Pacific should remain once again the fastest growing regions (9.0% and 7.0% respectively). Air traffic should grow solidly in Africa (4.5%) and slightly rebound to 4.0% in Europe and Latin America, as terrorist attacks and economic difficulties strained both regions in the past year. Finally, the current forecast for North America, though tainted by uncertainty, is a 2.5% increase.

#### 8.1.2 Amadeus strategic priorities and expected business evolution in 2017

Amadeus has grown successfully by taking its business far beyond its initial origins as a Distribution system for airlines. We are now a critical technology partner for players right across the travel industry and keep widening the scope of the solutions we provide. In the past, our growth mainly came from expanding our global presence in Distribution and simultaneously building a solid Airline IT Solutions business. In the coming years, growth will come from new ways of enhancing these two businesses with solutions such as digital advertising, Corporate travel IT, merchandising and personalisation tools. This will be accompanied by growth from our new businesses, such as Airports or Hospitality as well as the synergies between the different verticals.

---

<sup>8</sup> IATA Airline Industry Economic Performance-December 8, 2016

Amadeus sees the Travel and Technology industries as a space of growth, complexity and connectivity with the need to better service the traveller in a far more personalised manner. Our uniquely collaborative and inclusive development model is ideally suited to capture these opportunities. Many of our existing solutions – and all of our developing ones – are designed precisely to deliver this goal, of a more connected and personalised travel experience.

Specifically for 2017, we foresee healthy growth in Distribution driven by air traffic growth and an enhancement of our competitive position. In IT Solutions, we expect robust revenue growth, mainly as a result of organic growth, new implementations and upselling, as well as continued expansion in new business areas. We will also benefit partially from the full year impact of the Navitaire acquisition, consolidated in Amadeus' books since January 26, 2016. Finally, two important milestones will be achieved during 2017. We will implement our first large US carrier customer, Southwest Airlines (the domestic passengers business), to our Altéa platform. We will also start the progressive roll-out of InterContinental Hotels Group to our new-generation Guest Reservation System platform.

Investing in technology is a key pillar to our success. In 2017, Amadeus will continue to invest in R&D to support long term growth through new customer implementations, product evolution and portfolio expansion including non-air IT diversification, as well as internal technological projects.

Amadeus has a proven track record of operating a solid and resilient business model that generates strong free cash flow, allowing for continued and sustained investment in R&D and innovation as well as shareholder remuneration, while maintaining a flexible financial capital structure. Ordinary dividends paid have grown consistently every year since our IPO, at an average annual rate of 20%. We have complemented this with share repurchases in the past. We aim to continue to support this growth in the coming years based on our healthy cash generation profile and sound balance sheet.

In particular for the dividend from the profit of the year 2016, the Amadeus Board of Directors on December 15, 2016 (i) proposed a 50% pay-out target ratio and (ii) approved the distribution of an interim dividend of €0.40 per share (gross), paid on February 1, 2017. In June 2017, the Board of directors will submit to the General Shareholders Meeting for approval a final gross dividend of €0.94 per share, representing a 21.3% increase vs. previous year.

## **8.2 Research and Development Activities**

Research and development (R&D) is core to the company's strategy and key to a sustainable competitive advantage. In addition, R&D activities help increase efficiency and improve the Amadeus System functionality, as well as to reduce maintenance and operating costs.

The Group is continuously investing in its systems, including the development of new products and functionalities, as well as the evolution of the existing platform, based on the latest state-of-the-art technology available. The group has 16 development centres, including 3 regional centres and the central development sites in Nice and Bangalore.

During the year ended December 31, 2016, Amadeus expensed €291.9 million for R&D activities and capitalized €433.9 million (before deducting any incentives), which compares to €243.6 million and €417.2 million, respectively, in 2015.

Our R&D investment enables us to offer some of the most advanced, integrated and powerful business tools available in the market, in order to deliver a best-in-class service to airlines and travel agencies. Indeed, Amadeus offers enhanced functionalities, such as advanced search and booking engines, both for travel agencies and travel providers. In addition, our product offering addresses the

Passenger Service Systems for airlines, enabling processes such as central reservation, inventory management, departure control and e-commerce, as well as providing direct distribution technologies. We are also expanding our airline IT Solutions offering and we are seeking to grow our market share within the non-airline IT Solutions markets, including the hotel, rail and airport IT markets.

### 8.3 Environmental matters

Amadeus' operations involve relatively low environmental risks and impacts compared with other industries. Nonetheless, with a workforce exceeding 14,000 people, commercial presence in more than 190 countries and operating in a high-energy intensity industry, we acknowledge our responsibility to minimize the company's environmental impact and to make our contribution to the sustainability of the travel industry.

Our environmental strategy is built upon three pillars:

#### 8.3.1 Minimising the environmental impact of Amadeus' operations

Our environmental strategy addresses the impact of our operations and the concerns of stakeholders in the travel industry, including customers, employees, partners, regulatory bodies and the society in general.

We believe our foremost responsibility is to address the environmental impact of our operations. Fortunately, we often find common economic and environmental interests that facilitate action in reducing resource consumption. Amadeus Environmental Management System (EMS) is the principal tool we use in Amadeus to address our environmental impact. The Amadeus EMS includes a systematic approach by which we:

- Measure resource consumption
- Identify best practices
- Implement actions for improvement and
- Follow up results

The items covered by the EMS include energy use, paper consumption, water use, waste generated and greenhouse gas emissions. On the other hand, the EMS scope includes the top 11 Amadeus sites by number of employees, which together represent more than 75% of the total workforce and an estimated 90% of the total resource consumption. Importantly, the Amadeus data centre in Erding, Germany, is included in the EMS.

The sites that are not included in the EMS are also encouraged to follow the best practices identified in the EMS. In addition, some sites promote their own local environmental initiatives, which range from activities as diverse as car-pooling for commuting, recycling campaigns, reducing paper used in office through the use of specific software that helps to control and minimise paper consumption, etc.

#### 8.3.2 Helping our customers improve their environmental performance

A principal component of Amadeus' value proposition is based on increasing operational efficiencies for our customers through our IT solutions. Often, the increased efficiencies mean more productivity, reduced costs, better use of infrastructure and environmental benefits.

In the following paragraphs we describe four examples of Amadeus solutions that contribute to improving the environmental performance of our customers.

#### Amadeus Altéa Departure Control Flight Management

Thanks to the use of optimization tools, Amadeus Altéa Departure Control System (DCS) Flight Management (FM) helps customers to save a significant amount of fuel and greenhouse gas emissions, compared with less sophisticated technologies currently in the market.

In order to quantify the savings described above, Amadeus and Finnair worked together to analyse a sample of more than 40,000 flights from Finnair, of which approximately half were using Amadeus Altéa and the other half the previous departure control system used by Finnair. The analysis proved a higher precision from Altéa DCS FM when estimating the zero fuel weight of the aircraft (EZFV). This increased precision translates into improvements in the estimation of the fuel needed for each flight, resulting in significant savings in costs, fuel and emissions.

#### Amadeus Airport Sequence Manager

Amadeus Airport Sequence Manager helps airports to optimise the flight departure process. The solution relies on sophisticated sequencing algorithms to calculate the Target Start-Up Approval Time (TSAT) for each departing flight. This allows the aircraft to leave the stand at the last possible moment, reducing fuel burn, economic costs and environmental impact, enabling better allocation of resources. Runway capacity can therefore be optimised at times of congestion, or de-icing processes taken into account during winter season. As a collaborative tool, Amadeus Airport Sequence Manager creates a shared situational awareness among all airport partners.

Amadeus launched Airport Sequence Manager in collaboration with Munich Airport – one of the busiest European airports, with nearly 400,000 aircraft movements per year.

#### Amadeus Airport Common Use Service (ACUS)

In 2014, Amadeus' cloud-based Airport Common Use Service (ACUS) was launched. With ACUS, airports are able to transfer hosting and development responsibilities to Amadeus. Our full, thin client solution and application virtualisation approach reduce the requirement for costly on-site hardware equipment, servers and local data centres, as well as IT maintenance. This generates substantial operational savings for the airport and reduces the overall environmental footprint. Energy consumption is substantially lower compared to traditional common use solutions.

#### Amadeus Schedule Recovery

Amadeus Schedule Recovery was launched in 2015. Amadeus Schedule Recovery minimises disruptions to airline operations caused by external events such as bad weather or air traffic congestion. The solution, among other features, helps to accommodate to the new situation, minimising operational costs and environmental impact.

#### 8.3.3 Cooperation with industry stakeholders in sustainability projects in our sector

The environmental sustainability of the travel industry is a common objective for all industry stakeholders. At Amadeus, we offer our data management capability, technology, expertise and network to make our contribution towards industry sustainability.

We include below some examples of our participation with other stakeholders in the industry in relation to environmental sustainability objectives.

### Industry standards for carbon calculation per passenger in aviation

The calculation of emissions per passenger in aviation is complicated for various reasons and therefore, different calculation methodologies offer considerably different emissions estimations for the same itinerary. It is important that a standard calculation methodology complies with requirements related to commercial neutrality, global reach and the legitimacy to represent the industry.

The International Civil Aviation Organisation (ICAO) and Amadeus reached an agreement by which Amadeus uses ICAO's carbon calculator to display in our distribution platforms the CO2 emissions estimations per passenger; and by doing this we promote the use of ICAO's carbon calculator and help to raise environmental awareness in the sector. The agreement was initially signed in 2009 and renewed in 2015.

### Participation in common projects with industry stakeholders

It's fundamental that industry stakeholders work together and agree on strategies and responsibilities towards sustainability. From Amadeus we participate in various forums and specific projects with trade associations like the World Travel and Tourism Council (WTTC) or United Nations World Tourism Organisation (UNWTO).

In 2016, we have produced, in cooperation with Griffith University (Brisbane, Australia) a white paper on carbon reporting in the travel industry. This research document intends to gain knowledge regarding current status of various carbon reporting initiatives in the travel industry and promote the awareness and reduction of carbon emissions in the industry. In addition, Amadeus participated in the 22nd United Nations Framework Convention on Climate Change (UNFCCC) Conference of the Parties (COP) in Marrakech in a panel in which the sustainability of the travel and tourism industry was discussed and where Amadeus – Griffith's White paper on carbon reporting was officially launched.

Regarding our sustainability efforts, it's important for us to receive feedback from external sustainability indices, in order to understand how we perform as compared to other companies, to identify areas of focus for the future and to improve the quality and transparency of our non-financial reporting. Since 2012 Amadeus has remained for five consecutive years among top sustainability scorers and therefore, included in the Dow Jones Sustainability Index (DJSI). Amadeus' scores reached the maximum possible level (100) in Environmental Policy/Management System and in Environmental Reporting. Additionally, Amadeus was recognised as a world leader for corporate action on climate change, with a position on CDP's (formerly Carbon Disclosure Project) 2016 Climate A List. Moreover, Amadeus has been included for the third consecutive year in the FTSE4Good sustainability index and for the first time, Amadeus has been recognised among the 100 most sustainable companies in the world, according to Corporate Knights.

Finally, the Amadeus' risk and opportunity analysis regarding climate change identifies physical, regulatory and reputational risks related to the impact of climate change in our operations, although the probability and impact of these risks remain relatively low. On the other hand, the opportunities for Amadeus business related to climate change are linked to the possibility of launching new products and services that help customers to address climate change impacts, as well as to improve our competitive positioning.

## 8.4 Treasury Shares

The reconciliation of the carrying amounts for the years ended December 31, 2016 and 2015, of the treasury shares is set forth in the table below:

	Treasury Shares	Millions of euros
<b>Carrying amount at December 31, 2014</b>	<b>3,605,477</b>	<b>349.3</b>
Acquisition	7,508,451	280.1
Retirement	(139,568)	(2.5)
Share buy-back programme	-	(277.6)
Share capital reduction	(8,759,444)	(320.0)
<b>Carrying amount at December 31, 2015</b>	<b>2,214,916</b>	<b>29.3</b>
Acquisition	616,111	24.0
Retirement	(1,309,754)	(29.7)
<b>Carrying amount at December 31, 2016</b>	<b>1,521,273</b>	<b>23.6</b>

The Group holds treasury shares for the future specific share delivery commitments with the Group employees and management.

## 8.5 Financial Risks

The Group has exposure, as a result of the normal course of its business activities, to foreign exchange, interest rate, own shares price evolution, credit and liquidity risk. The goal of the Group is to identify measure and minimize these risks using the most effective and efficient methods to eliminate, reduce, or transfer such exposures. With the purpose of managing these risks, in some occasions, the Group enters into hedging activities with derivatives and non-derivative instruments.

### 8.5.1 Foreign exchange rate risk

The reporting currency in the Group's consolidated annual accounts is the Euro (EUR). As a result of the multinational orientation of its business, the Group is subject to foreign exchange rate risks derived from the fluctuations of many currencies. The target of the Group's foreign exchange hedging strategy is to reduce the volatility of the Euro value of the consolidated foreign currency denominated cash flows. The instruments used to achieve this goal depend on the denomination currency of the operating cash flow to be hedged:

- The strategy for US Dollar (USD) exposures is based on the use of natural hedges and of derivatives. This strategy aims at reducing the exposure created by the USD denominated operating cash inflows of the Group with the USD payments of principals of the USD denominated debt and with derivatives, although as of December 31, 2016, there is no USD denominated debt.
- Aside from the USD, the foreign currency exposures are expenditures denominated in a variety of foreign currencies. The most significant of these exposures are denominated in Sterling Pounds (GBP), Indian Rupees (INR), Australian Dollars (AUD) and Swedish Kronas (SEK). For these exposures, a natural hedge strategy is not possible. In order to hedge a significant portion of the



aforementioned short exposures (net expenditures) the Group can engage into derivative contracts with banks: basically currency forwards, currency options and combinations of currency options.

Provided that the objective in relation with the foreign exchange rate risk is to reduce the volatility of the EUR value of the foreign currency denominated cash flows, the total exposure of the Group to changes in the foreign exchange rates is measured in terms of Cash-flow at Risk (CFaR). This risk measure provides an estimate of the potential EUR loss of the foreign currency denominated cash flows from the moment the estimation is calculated to the moment the cash flow is expected to take place. These estimates are made using a 95% confidence level.

The CFaR methodology is similar in many respects to the Value at Risk (VaR) methodology. However, whereas VaR is generally centred in the changes in the value of a portfolio of exposures in a given future interval of time, CFaR is focused on the changes in the value of the cash-flows of that portfolio from the calculation date to the moment in which these cash-flows effectively take place. CFaR is a more adequate measure of the risk of the Group given that the goal of our risk management strategy with relation to foreign exchange risk is reducing the volatility of the EUR value of the foreign currency denominated cash-flows. An additional reason for focusing on cash-flows is that, eventually, the cash-flows of a company result in its level of liquidity which in the case of a non-financial corporation it is generally a scarce and valuable element.

The main limitations of the CFaR methodology are very similar to the ones of the VaR methodology:

- Firstly, its results are based on several of hypotheses on the future volatilities of the exchange rates and the future correlation among them which may correspond with the real evolution of the exchange rates or not<sup>9</sup>.
- Additionally, the foreign exchange exposure estimates used as inputs to the model may deviate with respect to the exposures which will finally take place in the future<sup>10</sup>.
- Finally, it is important to mention that given a level of CFaR calculated with a 95% confidence level, the losses which could take place in the remaining 5% of the cases may be significantly greater than the level of risk as measured with the CFaR methodology for a 95% confidence level.

The CFaR of the foreign exchange exposures of the Group calculated with a 95% confidence level is set forth in the table below:

31/12/2016			31/12/2015		
2017 CFaR	2018 CFaR	2019 CFaR	2016 CFaR	2017 CFaR	2018 CFaR
(24.1)	(62.5)	(86.4)	(20.4)	(49.1)	(75.9)

<sup>9</sup> The volatilities implicit in the market prices of currency options and the historic correlations among the main currencies in which Amadeus has exposures are used as inputs to the model.

<sup>10</sup> In order to calculate the foreign currency exposures of the Group we take into account the estimated cash flows in each currency according to the last available forecast and the foreign currency hedges contracted as of the CFaR calculation date.

There are two main reasons for the increase in the CFaR levels of the Group for the next three years with respect to the CFaR levels outstanding at the end of 2015. On one side, a greater US Dollar exposure as a consequence of the growth of Amadeus business in the United States. Additionally, the hedges in US Dollars (USD) have been kept at reduced levels for the next three years.

As it can be observed in the table above, the level of risk measured in CFaR terms tends to increase for the periods which are further away. The reasons for this are: (1) the further away the future cash-flows are, more adverse the effect of foreign exchange fluctuations can be potentially; (2) the level of hedging is smaller for the later periods; (3) in the later periods the size of the foreign exchange exposures tends to be greater.

### 8.5.2 Interest rate risk

The objective of the Group in terms of interest rate risk management is reducing the volatility of the net interest flows payable by the Group. In line with this goal as of December 2016 approximately 76% (92% as of December 2015) of the debt contracted by the Group was fixed rate debt. No interest rate hedges were hedging this debt as of December 2016 (as of December 2015 there was no interest rate hedges hedging floating rate debt either).

As of December 2016 the only outstanding interest rate derivatives were hedging future debt that it is expected to be contracted during 2017 as part of new financing activity of the Company during that year.

Although the interest rate hedge mentioned above fixes the amount of interests to be paid by Amadeus in future years, its fair value is sensitive to changes in the level of interest rates. In the table below you can see an estimation of the Group's sensitivity to a 0.1% (10 bps) parallel shift of the interest rate curve:

	31/12/2016		31/12/2015	
	+10 bps	-10 bps	+10 bps	-10 bps
EUR denominated debt	5.7	(5.8)	5.3	(5.4)
EUR accounting hedges	2.5	(2.5)	1.5	(1.6)
<b>Total</b>	<b>8.2</b>	<b>(8.3)</b>	<b>6.8</b>	<b>(7.0)</b>

In 2016 there has been an increase in the sensitivity of the EUR denominated debt to the movements of the interest rate curve with respect to the previous year. This increase is due to the issuance of a new 4 year Eurobond in the fourth quarter of 2016. Although the future flows of the fixed rate debt instruments are not sensitive to the changes in the level of interest rates, the fair value of the instruments are sensitive to these changes.

According to the table above a 10 bps drop in the level of interest rates would cause a loss in the fair value of the debt (an increase of the liability) and the derivatives in the Amadeus hedging portfolio amounting to €8.3 million at December 31, 2016, and €7.0 million at December 31, 2015 respectively. However, given that the changes in the fair value of the derivatives that qualify for hedge accounting are recognized directly in equity and the debt is measured at amortized cost, the impact of a 10 bps drop in the level of interest rates would imply no loss recognized in the profit for the year at

December 31, 2016 and 2015, since the derivative in the interest rate portfolio of the Group is to be accounted as a cash-flow hedge.

In cash flow terms, in the case of a parallel drop (or rise) in the level of interest rates the lower (or higher) interests payable for the debt which is hedged, would be compensated by a similar amount of higher (or lower) debt interests to be paid during the life of the hedges (cash flow hedge concept).

### 8.5.3 Own shares price evolution risk

As of December 31, 2016, the Group has three different remuneration schemes outstanding which are settled with Amadeus shares; the Performance Share Plan (PSP), the Restricted Share Plan (RSP) and the Share Match Plan.

According to the rules of these plans, when they mature their beneficiaries will receive a number of Company's shares which for the outstanding plans will be (depending on the evolution of certain performance conditions) between a maximum of 1,817,000 shares and a minimum of 267,000 shares, approximately. It is Amadeus intention to make use of its 1,521,273 treasury shares to settle these plans at their maturity.

### 8.5.4 Credit risk

Credit risk is the risk that a counterparty to a financial asset will cause a loss for the Group by failing to discharge an obligation.

Amadeus' cash and cash equivalents are deposited in major banks on the basis of diversification and the credit risk of the available investment alternatives.

The credit risk of Amadeus' customer accounts receivable is mitigated by the fact that the majority are settled through the clearing houses operated by the International Air Transport Association ("IATA") and Airlines Clearing House, Inc. ("ACH"). These systems guarantee that the cash inflows from our customers will be settled at a certain fixed date, and mitigate the credit risk partially by the fact that the members of the clearing house are required to make deposits that would be used in the event of default. Moreover, our customer base is large and unrelated which results in a low concentration of our credit risk.

### 8.5.5 Liquidity risk

The Corporate Treasury is responsible for providing the cash needed by all the companies of the Group. In order to perform this task more efficiently, the Group concentrates the excess liquidity of the subsidiaries and channels it to the companies with cash needs.

This allocation of the cash position among the companies of the Group is mainly made through:

- A cash pooling agreement with most of the subsidiaries located in the Euro area.
- Through bilateral Treasury Optimization agreements between Amadeus IT Group, S.A. and its subsidiaries.

Corporate Treasury monitors the Group's cash position through rolling forecasts of expected cash flows. These forecasts are performed by the subsidiaries of the Group and later on consolidated in order to examine both the liquidity situation and prospects of the Group and its subsidiaries.

The detail of the contractual maturities of the Group's debt financing as of the end of the financial year 2016 is described in the note 16 "Current and non-current debt".

In addition to other smaller treasury lines agreed with several banks, the Group has access to two Revolving Credit facilities as detailed in note 16. Each of these two facilities has a notional of €500.0 million and can be used to cover working capital needs and general corporate purposes. As of December 31, 2016, €100.0 million of the outstanding Revolving Credit facilities were used and thus the unused part of these facilities amounted to €900.0 million.

Finally, in August 2016, the notional of the Multi-Currency European Commercial Paper (ECP) program was increased from €500.0 million up to €750.0 million. This program can be used for raising short term financing. As of December 31, 2016 €485.0 million of this program are in use.

## 8.6 Subsequent events

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 AG shares not owned by Amadeus (29.74%). i:FAO was acquired on June 23, 2014, indirectly through the subsidiary Amadeus Corporate Business AG and, as of December 31, 2015, the Group owned 70.26% of the shares of this entity. As a result of the tender offer, Amadeus has increased its shareholding in i:FAO to 88.725%. The total amount paid for the shares acquired through the tender offer was €28.6 million. i:FAO has now been delisted from the Frankfurt Stock Exchange.

## 9 Corporate Governance Information

The Annual Corporate Governance Report is part of the Directors' Report in accordance with the Spanish Capital Companies Act. The aforementioned report is submitted to the CNMV separately and it can be found on the website [www.cnmv.es](http://www.cnmv.es).

## Annexe 1: Key terms

- “ACH”: refers to “Airlines Clearing House”
- “CDP”: formerly “Carbon Disclosure Project”
- “CRS”: refers to “Computerised Reservation System”
- “DCS”: refers to “Departure Control System”
- “DJSI”: refers to “Dow Jones Sustainability Index”
- “D&A”: refers to “Depreciation and Amortisation”
- “ECP”: refers to “European Commercial Paper”
- “EIB”: refers to “European Investment Bank”
- “EMS”: refers to “Environmental Management System”
- “EPS”: refers to “Earnings Per Share”
- “FM”: refers to “Flight Management”
- “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
- “IATA”: refers to “International Air Transport Association”
- “ICAO”: refers to “International Civil Aviation Organisation”
- “IFRS”: refers to “International Financial Reporting Standards”
- “IHG”: refers to “InterContinental Hotels Group”
- “JV”: refers to “Joint Venture”
- “KPI”: refers to “key performance indicators”
- “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”
- “PUE”: refers to “Power Usage Effectiveness”
- “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
- “UNICEF”: refers to “United Nations Children’s Fund”
- “XML”: refers to “eXtensible Markup Language”

## Annexe 2: Amadeus social and environmental initiatives

The travel industry comprises diverse and interdependent sectors which together represent 9.8% of global GDP and 9.1% of worldwide jobs<sup>11</sup>. Connecting the travel ecosystem - travel providers, travel sellers and travellers - at every stage of the journey, Amadeus is in a privileged position to drive social and environmental responsibility initiatives, leveraging underlying technology capabilities, expertise and stakeholder relations.

Amadeus is supporting social inclusion and development, contributing to the wider effort of governments and non-profit organisations in addressing the global Sustainable Development Goals<sup>12</sup>.

Our strategy is to draw on our professionals and our position at the heart of travel to develop social responsibility projects that support education, development and welfare, among disadvantaged people in the countries where we operate. To do this, we engage the resources that make Amadeus unique: (i) advanced technologies applied to global travel, (ii) our people, their talent and time and (iii) our expertise, reach, partners and relationships in the global travel industry.

We develop our projects in three core programme areas: Amadeus Community Support, Amadeus Technology for Good, and Amadeus Knowledge & Skills Transfer in partnership with international development organisations, our customers, non-profit organisations, education institutions and local authorities.

In 2016, we supported the work of more than 200 non-profit organisations and education institutions in 63 countries. This resulted in 188 social development projects benefitting from a total of over ten thousand staff volunteer hours. We also made new progress in (i) fostering social innovation (pilot with UNICEF to explore the use of travel data analysis to help manage the spread of epidemics), (ii) facilitating digital literacy (520 computers donated worldwide to equip for example e-classes in rural primary and secondary schools in Sierra Leone) and (iii) providing skills to access employment opportunities in travel (more than 2,600 young people trained).

On the environmental front, our strategy is based on three pillars: (i) continuously improving the environmental performance of our operations, (ii) delivering solutions that contribute positively to the environmental performance of our customers and (iii) working in partnerships with other industry stakeholders towards a sustainable travel future.

Internally, we look at our operations and aim to minimise our resource consumption and impact. In this respect, the energy efficiency program in our Data Centre in Erding (Germany) is particularly relevant. The Data Centre received the first certification from TÜV SÜD as an energy efficient centre in 2010. The certification was renewed in 2012 and in 2015 and is valid until 2018. The Power Usage Effectiveness (PUE)<sup>13</sup> of the Data Centre in 2015 was 1.35. Since we started reporting PUE metrics in 2009 we have constantly improved our PUE from an initial value of 1.49 in 2009. In addition, the

---

<sup>11</sup> In 2015, Travel & Tourism in total contributed US\$7.2 trillion to world GDP (or 9.8% of total), and supported 284 million jobs, or 1 in 11 jobs in the world - WTTC Travel & Tourism Economic Impact 2016 (March 2016).

<sup>12</sup> The Sustainable Development Goals, a UN initiative, is a set of seventeen aspirational Global Goals (e.g. Quality Education, No Poverty, Decent Work and Economic Growth) and is officially known as "Transforming our world: the 2030 Agenda for Sustainable Development"

<sup>13</sup> Power Usage Effectiveness (PUE) is a common metric used to measure energy efficiency of data centres. The closer to 1 the PUE, the more efficient the data centre is.

Amadeus Environmental Management System<sup>14</sup> (EMS) monitors energy and resource consumption at our top 11 office sites worldwide, which include more than 80% of our total workforce and over 90% of the total estimated impact. The EMS also provides a basis for continuous improvement since best practices are identified and actions for improvement recommended.

Complementing our internal analysis by which we measure our performance in comparison to our resource consumption and efficiency of previous years, we benchmark our performance against internationally recognized sustainability indices. In this respect, Amadeus has been included in 2016 in the CDP<sup>15</sup> A, improving our 2015 score. Additionally, Amadeus was included in the Dow Jones Sustainability Index (DJSI) for the fifth consecutive year and we received the maximum score of 100 points in two chapters within the environmental dimension of the DJSI questionnaire: reporting and policy/management system.

The second pillar of environmental initiatives analyses and fosters the environmental benefits of Amadeus' products and services. Since Amadeus IT solutions generally improve operational efficiencies for our customers, some of these efficiencies also translate into significant environmental improvements. For example, the Amadeus Altéa Departure Control System Flight Management (DCS FM) module improves productivity and efficiency for airlines and it also reduces airlines' fuel consumption. The sophisticated methodology that Altéa DCS FM uses to estimate the weight of the aircraft before the fuel is loaded is fundamental to optimize the amount of fuel uplift and aircraft fuel consumption. Furthermore, in 2016, our Airport Management solutions continued their successful deployment. These solutions enable, among other benefits, the reduction of aircraft taxi time at airports, reducing fuel consumption, noise, local pollution, greenhouse gases emissions and improving as well the use of airport infrastructure, particularly regarding aircraft de-icing processes. The Amadeus offering regarding the common use of IT infrastructure at airports also reduces energy consumption at airport buildings.

Finally, the third pillar of our environmental strategy consists in working together with other industry stakeholders to achieve industry environmental goals. In our partnership with the International Civil Aviation Organisation (ICAO), we are developing solutions to keep travellers and other stakeholders informed about the estimated emissions per person of any flight covered by civil aviation, thanks to the use in Amadeus platforms of ICAO's carbon calculator. In 2016, we have expanded our activities in the area of research and have entered into an agreement with Griffith University in Australia, one of the most important universities in the world regarding tourism related studies. As a result of our partnership, we provide aggregated travel related data to be used to measure and monitor travel industry sustainability. We have also jointly produced a report analysing the current status on Carbon Reporting in Travel and Tourism. We look forward to further working with Griffith and other partners in future research work.

---

<sup>14</sup> The parameters covered in the Amadeus Environmental Management System are energy consumption, greenhouse gas emissions, paper consumption, water consumption and waste generation.

<sup>15</sup> Formerly Carbon Disclosure Project.

## BOARD OF DIRECTORS

Members of the Board of Directors on the date when the annual accounts and the Directors' Report were prepared.

### CHAIRMAN

José Antonio Tazón García

### VICE-CHAIRMAN

Guillermo de la Dehesa Romero

### EXECUTIVE DIRECTOR

Luis Maroto Camino

### DIRECTORS

Stuart Anderson McAlpine

Francesco Loredan

Clara Furse

David Webster

Pierre-Henri Gourgeon

Roland Busch

Mark Verspyck

### SECRETARY (non-Director)

Tomás López Fernebrand

### VICE-SECRETARY (non-Director)

Jacinto Esclapés Díaz